Docusign Envelope ID: 3F8AC881-A551-46D9-9BC5-F5C29F31E5AD

CITY OF ELK GROVE
AFFORDABLE HOUSING LOAN PROGRAM APPLICATION

PROJECT INFORMATION	
Name:	Sheldon Farms
Location:	8851 Bruceville Road
APN(s):	116-0012-070
Amount Requested:	$3,348,345
Purpose of Funds:	Land acquisition, design and engineering, construction costs.

APPLICANT INFORMATION			
Organization:	Abode Communities		
Address:	1149 S. Hill Street, Suite 700		
Primary Contact:	Lara Regus		
Phone (office):	213-225-2812	Phone (mobile):	
Email Address:	lregus@abodecommunities.org		

Organizational Background:

Nonprofit entity

☒ Tax exempt

☐ Local development corporation

For-profit entity

☐ Incorporated

☐ Limited partnership

☐ Sole proprietorship

Docusign Envelope ID: 3F8AC881-A551-46D9-9BC5-F5C29F31E5AD

CITY OF ELK GROVE
AFFORDABLE HOUSING LOAN PROGRAM APPLICATION

PROJECT DESCRIPTION					
APN(s):	116-0012-070				
Project Type:	☒ New construction ☐ Acquisition ☐ Acquisition and rehabilitation		Tenure:	☒ Rental ☐ Homeownership	
Do you own the project site?	☐ Yes ☒ No	If not, do you have an option or contract?	☒ Yes ☐ No	Method of site control:	Letter of Intent
Present Zoning:	RD-30				
Are any zoning changes required?	☐ Yes ☒ No	If yes, please explain:	No		
What is the existing use of the property?	Vacant				
Total Number of Units:	122		Total Number of Affordable Units:	121	
Number of Buildings:	1		Number of Stories:	4	
Target Population:	☐ Senior ☒ Family ☒ Other		Type of Units:	☒ Attached ☐ Detached	
Estimated Timeframe for Construction Completion (upon receipt of entitlements):	Estimated construction start date: May 2026 Estimated construction completion: March 2028				

UNIT COUNT						
Income Level	**0 Bedroom**	**1 Bedroom**	**2 Bedroom**	**3 Bedroom**	**4 Bedroom**	**TOTAL**
30%		28	3	4		35
50%		11	15	10		36
60%		12	11	13		36
70%		6	4	4		14
80%			0	0		0
Manager			1			1

Docusign Envelope ID: 3F8AC881-A551-46D9-9BC5-F5C29F31E5AD

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
Sheldon Farms, L.P.	1149 S. Hill Street, Suite 700, Los Angeles, CA 90015	213-225-2812	Lara Regus, SVP, Development	Owner		99-3072782
Sheldon Farms MGP, LLC	1149 S. Hill Street, Suite 700, Los Angeles, CA 90015	213-225-2812	Lara Regus, SVP, Development	Managing General Partner	51%	95-6377511
Abode Communities	1149 S. Hill Street, Suite 700, Los Angeles, CA 90015	213-225-2812	Lara Regus, SVP, Development	Sole Member of Managing General Partner		95-6377511
Abode Community Housing	1149 S. Hill Street, Suite 700, Los Angeles, CA 90015	213-225-2812	Lara Regus, SVP, Development	Initial Limited Partner (to be replaced by Tax Credit Investor)	49%	95-4586463

**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.

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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
Adams Terrace	4347 W. Adams Blvd, Los Angeles CA 90018	86	84	Walton Construction	2022	90%	TCAC, HCD, LACDA, LAHD
American Gold Star Manor	3021 N. Gold Star Dr, Long Beach, CA 90810	348	348	Ruiz Brothers Construction	2018	Not managed by Abode	Long Beach Hosuing Authority, CDLAC, TCAC
Beacon Landing	319 N. Beacon St, San Pedro, CA 90731	89	88	Bernards	2023	100%	HCD, LAHD, CDLAC, TCAC, LACDA
Camino Del Mar	1015 W. E St, Wilmington, CA 90744	88	87	Walton Construction	2018	83%	CDLAC, LAHD, TCAC, HACLA
Imagine Village	44000 Sahuayo St, Lancaster, CA 93535	75	74	Westport Construction	2019	85%	TCAC, HCD, LACDA
La Veranda	314 N. Mathews Ave, Los Angeles, CA 90033	77	76	Walton Construction	2023	97%	TCAC, HCD, LAHD, LACDA
Rolland Curtis Gardens	1077 W. 38th St, Los Angeles, CA 90037	140	138	Alpha Construction Co.	2019	91%	TCAC, HCD, LAHD
Selma Community Housing	1605 N. Cherokee Ave, Los Angeles, CA 90028	66	65	Morley Construction Company	2016	100%	TCAC, LAHD, HCD
Vista Del Mar	1116 W. D St Wilmington, CA 90744	88	87	Walton Construction	2018	83%	CDLAC, LAHD, TCAC, HACLA
Vista Dorada	1900 Frontage Rd, Corona, CA 92882	53	52	Walton Construction	2023	96%	HCD, County of Riverside

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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	Abode Communities	1149 S. Hill Street, Suite 700 Los Angeles, CA 90015	Paige Dow	Senior Project Manager	(213) 225-2839	pdow@abodecommunities.org
Architect	David Baker Architects	461 Second Street #127 San Francisco, CA 94107	Caroline Souza, AIA	Principal	415.692.0169	carolinesouza@dbarchitect.com
Attorney	Bocarsly Emden Cowan Esmail & Arndt LLP	633 West Fifth Street Suite 5880 Los Angeles, CA 90071	Nicole D Deddens	Partner	(213) 239-8029	ndeddens@bocarsly.com
Civil Engineer	KPFF	1101 Creekside Ridge Dr Ste 150, Roseville, CA 95678	Ryan Carter	Managing Principal	916-284-9686	ryan.carter@kpff.com
General Contractor	TBD					
Property Manager	John Stewart Company	1796 Tribute Rd., Suite 200 Sacramento, California 95815	Tracy Esposito	Vice President	916-561-0323	tesposito@jsco.net
Other	AMJ Construction Management, Inc.	7474 N. Figueroa Street, Suite 250 Los Angeles, CA	Matthew Wickersham	Principal	818.807.7085	mjwickersham@amjcm.com
Other	LifeSteps	3247 Ramos Circle Sacramento, CA 95827	Pam Moore	Director of Program Development and Quality Control	(916) 965-0110 x 201	pam@lifestepsusa.org
Other	Abode Communities	1149 S. Hill Street, Suite 700 Los Angeles, CA 90015	Lara Regus	Senior Vice President, Development	(213) 225-2812	lregus@abodecommunities.org
Other	Abode Communities	1149 S. Hill Street, Suite 700 Los Angeles, CA 90015	Maegan Pearson	Associate Vice President, Development	(213) 225-2786	mpearson@abodecommunities.org

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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	950 17th St 3rd Floor, Denver, CO 802022	Sebastian Glowacki	Vice President	303-349-4132	sebastian.glowacki@usbank.com
Lender	Chase	300 South Grand Avenue, Suite 300, Los Angeles, CA 90071	Cecile Chalifour	Managing Director	213-621-8122	cecile.chalifour@chase.com
Public Housing Authority	Housing Authority of the City of Los Angeles	2600 Wilshire Blvd Los Angeles, CA 90057	Jenny Scanlin	Chief Strategic Development Officer	213-252-1810	jenny.scanlin@hacla.org
Public Agency Development Partner	LA Metro	1 Gateway Plaza Los Angeles, CA 90012	Wells Lawson	Deputy Executive Officer, Joint Development	213-841-3549	lawsonw@metro.net
Public Agency	County of Santa Clara, Office of Supportive Housing	150 W. Tasman Drive San Jose, CA 95134	Stephan Jackson	Program Manager II	408-278-6412	stephan.jackson@hhs.sccgov.org
LIHTC Investor	Enterprise Community Investments	700 South Flower Street Los Angeles, CA 90017	Reagan Maechling	Vice President, Acquisitions	213-787-8238	rmaechling@enterprisecommunity.com
Public Agency	Los Angeles Housing Department	1910 Sunset Blvd 3rd floor, Suite 300, Los Angeles, CA 9002	Elizabeth Selby	Director of Housing, Development, and Finance	213-256-2336	elizabeth.selby@lacity.org
Public Agency	LACDA	700 W. Main Street Alhambra, CA 91801	Lynn Katano	Director, Housing Investment & FInance	626-262-4511	lynn.katano@lacda.org

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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
Tax-Exempt Perm Loan	$3,287,000	September 2025	Commitment provided prior to CDLAC/TCAC appllication.
City of Elk Grove Loan	$3,348,345	April 2025	Land for Phase I may be discounted 20%
City of Elk Grove Loan - Accrued Deferred Interest	$183,612	April 2025	Accrued deferred interest based on 4% simple interest rate
HCD MHP Capital	$38,463,165	August 2025	
HCD MHP COSR	$5,460,000	August 2025	Provides operating support for special needs units.
Deferred Developer Fee	$4,436,794	September 2025	
GP Capital	$100	September 2025	
Recontributed Developer Fee	$846,815	September 2025	
LIHTC Equity (State + Federal)	$24,760,144	November 2025	

Docusign Envelope ID: 3F8AC881-A551-46D9-9BC5-F5C29F31E5AD

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:

- ☒ Development team member resumes
- ☒ Project map
- ☒ Grant deed or evidence of site control
- ☒ Preliminary title report
- ☒ Appraisal (as-built) or, if not available, a description of the plan and timeframe to complete this
- ☒ Market study
- ☒ Sources and uses spreadsheet
- ☐ Verification of funding sources
- ☒ Pro forma (30-year or greater)
- ☒ Site plan, including architectural renderings
- ☒ Project timeline
- ☒ Evidence of insurance

CERTIFICATION	
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. **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.**	
Signature **X** DocuSigned by: Lara Regus 595E3E26133A432...	3/27/2025 **Date: / /**
Signature **X**	**Date: / /**
Signature **X**	**Date: / /**

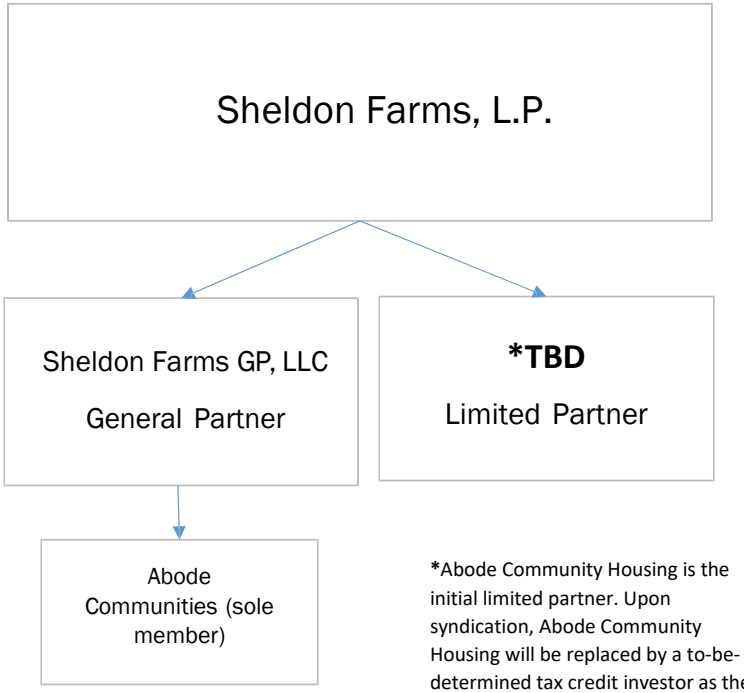
RETURN YOUR APPLICATION IN PERSON OR BY MAIL TO:
City of Elk Grove
8401 Laguna Palms Way
Elk Grove, CA 95758
Attn: Housing and Public Services Manager

Ownership Documentation

Sheldon Farms, L.P. will be the Owner/Borrower. Below is a current organizational chart. Abode Community Housing is the initial Limited Partner, but will be replaced by the Tax Credit investor at Construction Loan Closing.

CURRENT STRUCTURE

STRUCTURE AT CONSTRUCTION CLOSE



*Abode Community Housing is the initial limited partner. Upon syndication, Abode Community Housing will be replaced by a to-be-determined tax credit investor as the limited partner.

Attachment 1A: Abode Articles of Incorporation

Attached are the articles of incorporation for Abode Communities.

NCHO

656678

A0686607

FILED
in the office of the Secretary of State
of the State of California
DEC 22 2008

CERTIFICATE OF AMENDMENT
OF
RESTATED ARTICLE OF INCORPORATION
OF
LOS ANGLES COMMUNITY DESIGN CENTER

The undersigned certify that:

1. They are the president and the secretary, respectively, of Los Angeles Community Design Center, a California nonprofit corporation (the "Corporation").

2. Article I of the Articles of Incorporation of this Corporation is amended to read as follows:

   "The name of this Corporation is ABODE COMMUNITIES."

3. Article II.B. of the Articles of Incorporation of this Corporation is amended to include the following purpose:

   The provision of property management services for affordable housing developments serving low and moderate income residents.

4. The foregoing amendment of the Articles of Incorporation has been duly approved by the Board of Directors.

5. The Corporation has no members.

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

December 15, 2008
Date

Robin Hughes, President

Sarah Garland, Secretary

656678

A401008

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

MAR 22 1991

MARCH FONG EU, Secretary of State

RESTATED ARTICLES OF INCORPORATION OF LOS ANGELES COMMUNITY DESIGN CENTER

Ann Sewill and Michael F. Keeley certify that:

1. They are the president and the secretary, respectively of Los Angeles Community Design Center, a California nonprofit public benefit corporation.

2. The articles of incorporation of this corporation are amended and restated to read as follows:

I

The name of this corporation is LOS ANGELES COMMUNITY DESIGN CENTER.

II

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

B. The specific purposes for which this corporation is formed are to operate for the advancement of the state of environmental design and community planning and development and science within the disadvantaged communities of the greater Los Angeles area and for charitable purposes by the distribution of its funds and resources for such purposes and to engage in activities designed to assist and encourage maximum feasible community and neighborhood participation in the environmental design and urban planning processes and in the implementation of neighborhood and community plans and to expand the opportunities available to the low income residents and groups of the said disadvantaged communities to obtain adequate low cost housing accommodations and further to engage in such specific activities as housing production and any related activities necessary to carry out the above purposes.

C. In furtherance of the purposes specified in this Article II, this corporation shall do any and all acts and things that a non-profit corporation is empowered to do, which may be necessary, convenient, or desirable in the administration of the affairs and for the full attainment of the purposes of this corporation.

III

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

B. Notwithstanding any other provision of these articles, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of this corporation, and the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from the federal income tax under Section 501(c)(3) of the Internal Revenue Code (or the corresponding provision of any future federal internal revenue law) or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code (or the corresponding provision of any future federal internal revenue law).

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

IV

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 or officer thereof or to the benefit of any private person.

B. Upon the dissolution or winding up of the corporation, after paying or adequately providing for all debts and liabilities of this corporation, the remaining assets shall be distributed to such nonprofit corporations, organizations, associations, funds or foundations, as the Board of Directors shall determine, which are organized and operated exclusively for charitable or scientific purposes and which have established their tax exempt status under Section 501(c)(3) of the Internal Revenue Code (or the corresponding provision of any future federal internal revenue law). The purposes in this article are limited to those within the meaning of Section 214 of the Revenue and Taxation Code.

V

No director or officer of this corporation shall be subject to assessment by the corporation except for such dues as may be provided for in the Bylaws, nor shall any such director or officer of this corporation be personally liable for any of the debts, liabilities or obligations of the corporation.

VI

In accordance with the provisions of Section 9913 of the California Corporations Code, this corporation elects to be governed by all of the provisions of the California Nonprofit Public Benefits Corporation Law not otherwise applicable to this corporation under Sections 9910-9927 of the Corporations Code.

3. The foregoing amendment and restatement of articles of incorporation has been duly approved by the board of directors.

4. The corporation has no members.

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

DATE: 3/20/91

Ann Sewill, President

Michael F. Keeley, Secretary

KL09101D.50R

Attachment 1B: Abode Community Housing Articles of Incorporation

Attached are the articles of incorporation for Abode Community Housing.

A0688059

State of California
Secretary of State

I, DEBRA BOWEN, Secretary of State of the State of California, hereby certify:

That the attached transcript of 1 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

FEB 18 2009

Debra Bowen

DEBRA BOWEN
Secretary of State

A0688059

ENDORSED - FILED
In the Office of the Secretary of State
of the State of California
JAN 29 2009

CERTIFICATE OF AMENDMENT
OF
ARTICLES OF INCORPORATION
OF
DESIGN CENTER DEVELOPMENT CORPORATION

The undersigned certify that:

1. They are the president and the secretary, respectively, of Design Center Development Corporation, a California nonprofit corporation (the "Corporation").

2. Article I of the Articles of Incorporation of this Corporation is amended to read as follows:

   "The name of the Corporation is ABODE COMMUNITY HOUSING."

3. The foregoing amendment of the Articles of Incorporation has been duly approved by the Board of Directors.

4. The Corporation has no members.

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

December 15, 2008
Date

Robin Hughes, President

Pat Wong, Secretary

OFFICE OF THE SECRETARY OF STATE
THE GREAT SEAL OF THE STATE OF CALIFORNIA
EUREKA

00521359

State of California

OFFICE OF THE SECRETARY OF STATE

SECRETARY OF STATE

I, *BILL JONES*, Secretary of State of the State of California, hereby certify:

That the attached transcript of 1 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.

THE GREAT SEAL OF THE STATE OF CALIFORNIA
EUREKA

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

MAR - 4 1999

Bill Jones

Secretary of State

Sec/State Form CE-107 (rev. 9/98)

OSP 99 19825

J052 1359

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

FEB 25 1999

BILL JONES, Secretary of State

CERTIFICATE OF AMENDMENT
OF
ARTICLES OF INCORPORATION

The undersigned certify that:

1. They are the President and Secretary, respectively, of Design Center Development Corporation, a California non-profit corporation (the "Corporation").

2. In accordance with Section 4.14 of the Bylaws of this corporation, the following resolution was duly adopted and approved by the board of directors of the Corporation at a meeting duly called and held on January 19, 1999.

"**RESOLVED**, that the Corporation hereby amends Article V., Section B of the Articles of Incorporation to read as follows:

"B. Although the period of duration of the Corporation is perpetual, if for any reason the Corporation is to be dissolved or otherwise terminated, no part of the property of the Corporation or any of the proceeds shall be distributed to or inure to the benefit of any of the directors of the Corporation, but all property and proceeds of the Corporation, subject to the discharge of valid obligations of the Corporation, and to the applicable provisions of California law, shall be distributed as directed by the Board of Directors exclusively for the purposes of the Corporation, among one or more corporations, trusts, community chests, funds or foundations organized and operated exclusively for religious or charitable purposes, no part of the net earnings of which inure to the benefit of any private shareholder, member or individual, and no substantial part of whose activities consist of carrying on propaganda or otherwise attempting to influence legislation and which does not participate or intervene in any political campaign on behalf of any candidate for public office, or to other entities of the type which qualify for exemption under Section 501(c)(3) of the Code or corresponding future provisions of the federal tax law. Any of such assets not so disposed of shall be disposed of by the United States District Court for the Central District of California, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for purposes described herein."

3. The foregoing amendment of Articles of Incorporation has been duly approved by the board of directors.

4. The corporation has no members.

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

Date: 3/3/99

Robin Hughes, President

Rod Hamilton, Secretary

OFFICE OF THE SECRETARY OF STATE

1969757

State of California

SECRETARY OF STATE

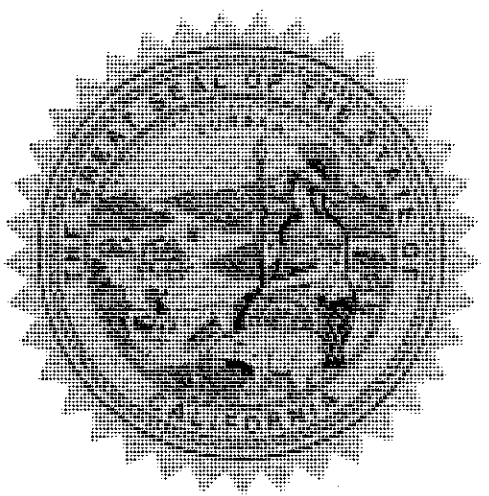
CORPORATION DIVISION

I, *BILL JONES*, Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the corporate record on file in this office, of which it purports to be a copy, and that same is full, true and correct.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this

MAY 2 8 1996



Bill Jones

Secretary of State

1969757

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

MAY 2 4 1996

BILL JONES, Secretary of State

ARTICLES OF INCORPORATION
OF
DESIGN CENTER DEVELOPMENT CORPORATION

I

The name of the Corporation is DESIGN CENTER DEVELOPMENT CORPORATION (the "Corporation").

II

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

B. The specific purposes for which the Corporation is formed are:

1. to advance the economic, educational and social levels of the low income residents and groups in disadvantaged communities of the greater Los Angeles area;

2. to expand the opportunities available to the low income residents and groups of the said disadvantaged communities to gain access to affordable housing, gainful employment, entrepreneurial and management skills and business enterprises within said communities;

3. to assist and encourage maximum feasible community and neighborhood participation in the site location, design, development and management process in the implementation of housing production, economic development and related community development activities;

4. to engage in specific activities such as housing production, economic development, the provision of social services and any related activities necessary to carry out the above purposes; and

5. to engage in any and all other charitable activities permitted to an organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 or corresponding future provisions of the federal tax law. To these ends, the Corporation may do and engage in any and all lawful activities that may be incidental or reasonably necessary to any of these purposes, and it shall have and may exercise all other powers and authority now or hereafter conferred upon nonprofit corporations in the State of California.

C. In furtherance of the purposes specified in this Article II, the Corporation shall do any and all acts and things that a non-profit corporation is empowered to do, which may

be necessary, convenient, or desirable in the administration of the affairs and for the full attainment of the purposes of the Corporation.

III

The name and address of the Corporation's initial agent for service of process are:

Robin Hughes
Executive Director
Los Angeles Community Design Center
315 West Ninth Street, Suite 410
Los Angeles, California 90015

IV

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

B. Notwithstanding any other provision of these articles, the Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of the Corporation, and the Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from the federal income tax under Section 501(c)(3) of the Internal Revenue Code (or the corresponding provision of any future federal internal revenue law) or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code (or the corresponding provision of any future federal internal revenue law).

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

V

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

B. Although the period of duration of the Corporation is perpetual, if for any reason the Corporation is to be dissolved or otherwise terminated, no part of the property of the

Corporation or any of the proceeds shall be distributed to or inure to the benefit of any of the directors of the Corporation, but all property and proceeds of the Corporation, subject to the discharge of valid obligations of the Corporation, and to the applicable provisions of California law, shall be distributed as directed by the Board of Directors exclusively for the purposes of the Corporation, among one or more corporations, trusts, community chests, funds or foundations organized and operated exclusively for religious, charitable, scientific, literary or educational purposes, no part of the net earnings of which inure to the benefit of any private shareholder, member or individual, and no substantial part of whose activities consist of carrying on propaganda or otherwise attempting to influence legislation and which does not participate or intervene in any political campaign on behalf of any candidate for public office, or to other entities of the type which qualify for exemption under Section 501(c)(3) of the Code or corresponding future provisions of the federal tax law. Any of such assets not so disposed of shall be disposed of by the United States District Court for the Central District of California, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for purposes described herein.

VI

No director or officer of the Corporation shall be subject to assessment by the Corporation except for such dues as may be provided for in the Bylaws, nor shall any such director or officer of the Corporation be personally liable for any of the debts, liabilities or obligations of the Corporation.

DATED: May 22, 1996

Adam M. Klotz, INCORPORATOR

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

Adam M. Klotz, INCORPORATOR

54671.3

Attachment 2A: Abode Communities Bylaws

Attached are the second amended and restated bylaws for Abode Communities.

SECOND AMENDED AND RESTATED BYLAWS

OF

ABODE COMMUNITIES

A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION

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SECOND AMENDED AND RESTATED BYLAWS OF
ABODE COMMUNITIES
A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION

ARTICLE I
Scope and Purposes

Section 1.1 Scope of Bylaws. These Bylaws shall govern the management of the business and the conduct of the affairs of this Corporation, unless otherwise provided by the California Nonprofit Public Benefit Corporation Law (the "Law"), as it may be amended from time to time, or this Corporation's Articles of Incorporation.

Section 1.2 Purposes. The purpose of this Corporation shall be to carry on such charitable activities as may be permitted by law and its Articles of Incorporation. Without limiting the generality of the foregoing, one of the primary purposes of this corporation shall be the provision of safe, sustainable, and affordable housing to low-income and moderate income families, seniors, and people with special needs. This Corporation is subject to provisions in the IRS applicable to tax-exempt organizations, including but not limited to relevant sections under Section 501(c)(3) of the IRS Code.

ARTICLE II
Offices

Section 2.1 Principal Office. The location of the principal office of this Corporation shall be at 1149 S. Hill Street, Suite 700, City of Los Angeles, California 90015.

Section 2.2 Other Offices. The Board of Directors (the "Board") of this Corporation may establish other offices at any place or places within or outside the State of California.

Section 2.3 Change in Location or Number of Offices. The Board may change any office from one location to another or eliminate any office or offices.

ARTICLE III
Members

Section 3.1 Members. This Corporation shall have no members.

ARTICLE IV
Directors

Section 4.1 General Corporate Powers. Subject to the Law and any limitations in this Corporation's Articles of Incorporation, the activities and affairs of this Corporation shall be conducted and all corporate powers permitted by law shall be exercised by or under the direction of the Board.

Section 4.2 Specific Powers. Without prejudice to the general powers referred to above, and subject to the same limitations, the Board shall have the power to:

(a) Adopt, make, and use a corporate seal and alter the form of the seal;

(b) Procure, accept and supervise on behalf of this Corporation any gifts, bequests or devises for the general or specific purposes of this Corporation; and

(c) Take any action authorized by the Law, this Corporation's Articles of Incorporation or these Bylaws.

Section 4.3 Number of Board of Directors.

(a) The Board of Directors shall consist of at least five (5) but no more than fifteen (15) directors unless changed by amendment to these Bylaws. The exact number of authorized directors shall be fixed, within those limits, by a resolution adopted by the Board.

Section 4.4 Terms and Election of Successors.

(a) Each director shall serve for a term ending on the date of the third Annual Meeting (referred to in Section 6.2 of these Bylaws) held after such director assumes office.

(b) At each Annual Meeting, each seat in respect of the then-expiring term of any director, as applicable, shall be filled by a separate vote of the directors whose terms of office do not expire on such date; a majority vote of such directors in attendance shall be sufficient to fill each such seat. Each such newly elected director shall take office at the conclusion of the Annual Meeting at which he or she is so elected.

(c) No director shall serve for more than three (3) consecutive terms, but an individual shall be eligible for re-election to the Board when he or she has not served on the Board for a period of one year at the time of his or her re-election.

(d) If, upon expiration of a director's term, there are less than five (5) directors remaining in office, then the director(s) whose term(s) are expiring shall serve until their successors have been elected.

Section 4.5 Vacancies.

(a) A vacancy in the Board exists whenever any authorized position of director is not then filled by a duly elected director, whether such vacancy is caused by death, resignation, removal, change in the authorized number of directors, or otherwise.

(b) Vacancies of directors shall be filled by an affirmative vote of a majority of those present at a duly held meeting, or by the sole remaining director. A director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office.

Section 4.6 Removal.

(a) A majority of the directors of the Board may remove a director who: (i) has been declared of unsound mind by a final court order, (ii) has been convicted of a felony, or (iii) has been found by a court to have breached any duty under Chapter 2, Article 3 of the Law.

(b) Any director may be removed without cause only if such removal is approved by the unanimous vote of the other directors then holding office.

(c) Any reduction in the authorized number of directors shall not serve to remove a director prior to the expiration date of his or her term of office.

Section 4.7 Resignation.

(a) Any director may resign effective upon giving written notice to the Board, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be elected to take office when the resignation becomes effective.

(b) Except upon notice to the Attorney General of California, no director may resign if this Corporation would then be left without a duly elected director in charge of its affairs.

Section 4.8 Interested Persons. Notwithstanding any other provision of these Bylaws, not more than 49% of the persons serving as directors of this Corporation may be "Interested Persons" as that term is defined in this Section. For the purposes of these Bylaws, "Interested Person" shall mean:

(a) Any person being compensated by this Corporation for services rendered to it within the previous twelve months, whether as a full-time or part-time employee, independent contractor, or otherwise excluding any reasonable compensation paid to a Director as a Director.

(b) Any spouse, brother, sister, descendent, brother-in-law, sister-in-law, daughter-in-law, mother-in-law, father-in-law of any such person.

(c) Any person who would otherwise meet the definition of "Interested Person" as set forth in Section 5227 of the Law.

(d) Any violation of the provisions of this Section 4.8 shall not affect the validity or enforceability of any transaction entered into by this Corporation.

Section 4.9 Transactions in which Directors have a Personal Interest. Any transaction of this Corporation in which any of its Directors have a material financial interest shall be entered into or consummated only if:

(a) The transaction is fair and reasonable as to this Corporation at the time this Corporation enters into the transaction;

(b) This Corporation enters into the transaction for its own benefit;

(c) Prior to consummating the transaction or any part thereof, the Board of Directors authorizes or approves the transaction in good faith by a vote of the majority of the Directors then in office without counting the vote of the Interested Person or Persons (although such persons may be counted for the purposes of reaching the number necessary for a quorum at the meeting where such vote is taken), and with knowledge of the material facts concerning the transaction and such Person's interest in the transaction.

(d) If it is not reasonable or practical to obtain approval by the Board prior to entering into the transaction, a person or committee authorized by the Board may approve the transaction in a manner consistent with the standards in the previous section; provided, however, that at its next meeting, the Board:

(1) Determines that it was not reasonably practicable to obtain approval by the Board prior to entering into the transaction;

(2) Determines that the committee or person authorized by the Board approved the transaction in the required manner; and

(3) Ratifies the transaction by vote of the majority of the Directors then in office without counting the vote of the Interested Person or Persons (although such Person or Persons may be counted for purposes of determining the presence of a quorum at the meeting at which such action is taken).

ARTICLE V
Meetings of Board

Section 5.1 Location. Regular meetings of the Board shall be held at any place within or without the State of California which has been designated from time to time by the Board, or, in the absence of such designation, at the principal office of this Corporation. Special meetings of the Board shall be held at any place within or without the State of California which has been designated in the notice of the meeting, or, if not stated in the notice, at the principal office.

Section 5.2 Annual Meeting. The Annual Meeting of the Board shall be held during the month of December in each year. The date, time and place of such meeting (which place may be within or outside the State of California) shall be designated by the Board of Directors. Such meeting shall be held for the purpose of organization, election of directors to those seats in respect of which terms are then expiring, and the transaction of other business. Notice of the Annual Meeting need not be given.

Section 5.3 Regular Meetings. The Board may have regular meetings at such time or times and places as may be established by the Board. Notice of regular meetings need not be given.

Section 5.4 Special Meetings.

(a) Special meetings of the Board may be called at any time for any purpose or purposes by the Chair of the Board or any two directors. Notice of the time and place of all special meetings shall be given to all directors by the person or persons calling the meeting. A notice need not specify the purpose of the meeting.

Section 5.5 Notice.

(a) Annual and special meetings of the Board shall be held upon at least four (4) days' notice by first-class mail or forty-eight (48) hours' notice given personally or by telephone. Such notice must be by personal delivery of oral or written notice, first-class mail (postage paid), including a voice messaging system or other technology designed to record and communicate messages, facsimile ("fax"), electronic mail ("e-mail"), or other means of electronic transmission if the recipient has consented to accept notices in this manner pursuant to Section 20 of the Law. Any such notice shall be addressed or delivered to the Director's address, direct phone number, fax number or e-mail address as shown on the records of this Corporation or as may have been given to this Corporation by the Director for purposes of such notice, or, if such address is not shown on such records or is not readily ascertainable, at the place where the meetings of the directors are regularly held.

(b) Notice by mail shall be deemed to have been given at the time a written notice is deposited in the United States mail. Any other written notice shall be deemed to have been given at the time it is personally delivered to the recipient or is delivered to a common

carrier for transmission, or actually transmitted by the person giving the notice by electronic means, to the recipient. Oral notice shall be deemed to have been given at the time it is communicated, in person or by telephone, fax or e-mail, to the recipient or to a person at the office of the recipient who the person giving the notice has reason to believe will promptly communicate it to the receiver. The notice of a special meeting shall state the time of the meeting and the place, if the place is other than the principal office of this Corporation.

(c) Notice of the meeting need not be given to any director who signs a written waiver of notice, whether before or after the meeting, or who attends the meeting without protecting the lack of notice to such director.

Section 5.6 Quorum; Withdrawal of Quorum, and Actions of the Board

(a) Fifty percent plus one of the then serving directors (but in no event less than 5 directors) shall constitute a quorum for the transaction of business.

(b) A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of a director or directors, if any action taken is approved by at least a majority of the required quorum.

(c) Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is the act of the Board, unless action by a greater proportion is required by the Law, the Articles of Incorporation or these Bylaws. Without limiting the generality of the foregoing, the Board may act by resolution or unanimous written consent to appoint a single officer of this Corporation to sign documents on behalf of this Corporation.

Section 5.7 Telephonic Meetings. The Board may hold a meeting through the use of telephone conference, video conference or similar communications equipment provided that all directors participating in such meeting may hear and be heard by all other participants.

Section 5.8 Validation of Defectively Held Meetings.

(a) The transactions of any meeting of the Board, however called or noticed, or wherever held, are valid as though conducted at a meeting duly held after regular call and notice (if required) if a quorum is present and if, either before or after the meeting, each director who was not present at the meeting signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes thereof.

(b) Any waiver, consent or approval referred to in subparagraph (a) above shall specify the purpose of the meeting and shall be filed with the minutes of the meeting to which it relates.

Section 5.9 Adjournment. A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. If a meeting is adjourned for more than twenty four (24) hours, notice of the continuation of the adjourned meeting shall be given to all directors who were not present at the time of adjournment.

Section 5.10 Action Without a Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting if all Board members individually or collectively consent in writing to such action; provided, however, that the consent of any "interested director" as defined in Section 5233 of the Law shall not be required. All such written consent

shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as the unanimous vote of the Board.

Section 5.11 Meetings of and Action by the Executive Committee. The provisions of this Article apply to the Executive Committee, if one is established by the Board, with such changes in the language as are necessary to substitute the Executive Committee and its members for the Board and its members.

ARTICLE VI
Committees

Section 6.1 Executive Committee. The Board may, by a resolution adopted by a majority of the number of directors then in office (if such action is taken at a meeting, then a quorum must be present), create an Executive Committee consisting of the then incumbent officers, including the Chair of the Board, the Vice Chair, the Secretary, the Treasurer, provided that such officers are also directors of this Corporation, and such other directors as shall be appointed by the Board from time to time. Appointments to the Executive Committee shall be made by the majority vote of the directors then in office. The Board may appoint an alternate member to the Executive Committee who may replace any absent member at Executive Committee meetings.

Section 6.2 Powers of the Executive Committee. The Board may delegate any and all powers and authority of the Board as provided for in the resolution creating the Executive Committee, except that the Executive Committee shall not be given any powers or authority with respect to the following matters:

(1) The filling of vacancies on the Board;

(2) The filling of vacancies on the Executive Committee;

(3) The fixing of compensation of the directors for serving on the Board, the Executive Committee or any other committee;

(4) The amendment or repeal of bylaws, or the adoption of new bylaws;

(5) The amendment or repeal of any Board resolution which by its express terms is not so amendable or repealable;

(6) The appointment of Board committees or member thereof; or

(7) The approval of any self-dealing transaction, except as provided in Section 5233(d)(3) of the Law.

Section 6.3 Other Committees. The Board may delegate the management of the activities of this Corporation to any person or persons, management company or committees provided with such limitations and responsibilities as the Board may direct and provided that such delegated activities remain subject to the ultimate direction of the Board. Such committees may include, but are not limited to, an Audit Committee, a Finance Committee and a Project Review Committee.

Section 6.4 Meeting Minutes All committees must take minutes unless specified by the Board that minutes are not required.

ARTICLE VII
Officers

Section 7.1 Election of Officers and Term of Office. The officers of this Corporation shall be elected annually by the Board at the annual meeting of the Board. New offices may be created and filled at any meeting of the Board. Board officers shall not serve in the same office for more than three (3) consecutive years. Each officer shall hold office until his or her successor has been elected. Officers.

Section 7.2 Officers. This Corporation shall have as officers a Chair of the Board, a Vice Chair, a President, a Vice President, a Secretary and a Treasurer. This Corporation may also have, at the discretion of the Board, one or more Assistant Secretaries, one or more Assistant Treasurers and such other officers as the business of this Corporation shall require, such officers to perform the duties prescribed from time to time by the Board or the President. Any number of offices may be held by the same person, except that neither the Secretary nor the Treasurer may serve concurrently as the President or the Chair of the Board.

Section 7.3 Officers' Authority. The Chair of the Board, Vice Chair, President, Vice President, Secretary, Treasurer or any other proper officer of this Corporation duly authorized by the Board, may sign any contracts, deeds, mortgages, bonds or other instruments which the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board, by these Bylaws or by statute to some other officer or agent of this Corporation.

Section 7.4 Removal and Resignation.

(a) Any officer may be removed, either with or without cause, by the Board.

(b) Any officer may resign at any time effective upon giving written notice to the President, any Vice Chair, or to the Secretary of this Corporation, unless the notice specifies a later time for the effectiveness of such resignation.

Section 7.5 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to such office for the unexpired portion of the term.

Section 7.6 Chair of the Board. The Chair of the Board shall preside at meetings of the Board and shall exercise and perform such other powers and duties as the Board may assign from time to time. The Chair of the Board shall review policies, activities and programs of this Corporation for consistency with the purposes of this Corporation. The Chair of the Board shall review programs and activities and assess their impact on the communities within this Corporation's service area.

Section 7.7 President. The President shall be the executive director and chief executive officer of this Corporation and shall, subject to the control of the Board, have general supervision, direction and control of the business and affairs of this Corporation. He or she may sign, with the Secretary, Treasurer or any other proper officer of this Corporation authorized by the Board, any deeds, mortgages, bonds, contracts, or other instruments which the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board, by these Bylaws or by statute to some other officer or agent of this Corporation. He or she shall have the general powers and duties of management usually vested in the office of a president of a corporation and shall have such other powers and duties

as may be prescribed from time to time by the Board. The President shall not be a member of the Board.

Section 7.8 Vice Chair. In the absence of the Chair of the Board, the Vice Chair, or, in the event there is more than one Vice Chair, the Vice Chairs in order of their election, shall perform all the duties of the Chair, and, when so acting, shall have all the powers of and be subject to all the restrictions upon the Chair. Any Vice Chair shall have such other powers and perform such other duties as from time to time may be prescribed for him or her by the Board.

Section 7.9 Secretary.

(a) The Secretary shall keep or cause to be kept the accuracy and safety of this Corporation's minute book and the corporate seal.

(b) The Secretary shall oversee the preparation and accuracy of the Board's minutes and ensures their distribution to members in a timely manner.

(c) The Secretary shall give, or cause to be given, notice of all Board meetings required to be given, and shall have such other powers and perform such other duties as may be prescribed from time to time by the Board or the President.

(d) The Secretary assumes the responsibilities of the Board Chair and Vice Chair in the event of their absence at Board Meetings.

Section 7.10 Treasurer.

(a) The Treasurer shall serve as Chair of the Finance Committee.

(b) The Treasurer shall keep, or cause to be kept, the books and records of account of this Corporation.

(c) The Treasurer shall manage the Board's review of, and action related to, the Board's financial responsibilities including the review and approval of the annual operating budget.

(d) The Treasurer shall ensure that appropriate financial reports, including the annual report, are made available to the Board in a timely manner.

(e) The Treasurer shall oversee the development of fiscal policies for recommendation to the Board to ensure the financial integrity and sustainability of this Corporation.

(f) The Treasurer shall oversee the implementation of the fiscal policies and long-term financial strategies of this Corporation.

(g) The Treasurer shall keep the Board informed of the legal, regulatory and sector developments relating to the Board's financial responsibilities.

ARTICLE VIII
Financial Dealings with Directors and Officers

Section 8.1 Compensation of Directors. No member of the Board shall receive any compensation for his or her services as such director, but by resolution of the Board, a fixed sum and expenses, if any, may be allowed for attendance at meetings of the Board. Nothing herein contained shall be construed to preclude any director as serving this Corporation in a capacity or capacities other than as director and be compensated by this Corporation for such services.

Section 8.2 Indemnification. This Corporation shall indemnify its directors, officers, employees and other agents of this Corporation to the extent permitted in Section 5238 of the Law. This Corporation may purchase and maintain insurance to the extent deemed necessary by the Board to fund such obligation.

ARTICLE IX
Records and Reports

Section 9.1 Minute Book Maintenance and Inspection. This Corporation shall keep a minute book in written form at its principal office which shall contain a record of all proceedings by the Board, the Executive Committee, and other official committees created pursuant to Section 6.3 of these Bylaws. These minutes shall include but are not limited to: (i) the time, date and place of each meeting; (ii) whether a meeting is regular or special and, if special, how it was called, (iii) the names of those present at each meeting of the Board or any Committee thereof; (iv) the minutes of all meetings; (v) any written waivers of notice, consents to the holding of a meeting or approvals of the minutes thereof; (vi) all written consents for action without a meeting; (vii) all protests concerning lack of notice; and (viii) formal dissents from Board actions.

Section 9.2 Books and Records of Account Maintenance and Inspection. This Corporation shall keep adequate and correct books and records of its accounts to be kept at its principal office.

Section 9.3 Articles of Incorporation and Bylaws Maintenance and Inspection. This Corporation shall keep at its principal office in California, the original or a copy of its Articles of Incorporation and Bylaws as amended to date.

Section 9.4 Annual Report; Statement of Certain Transactions. The fiscal year of this Corporation shall be the calendar year. The Board shall cause an annual report to be sent to each director within one hundred and twenty (120) days after the close of this Corporation's fiscal year containing the following information:

(a) The assets and liabilities, including trust funds, of this Corporation as of the end of the fiscal year;

(b) The principal changes in assets and liabilities, including trust funds, during the fiscal year;

(c) The revenue or receipts of this Corporation, both unrestricted and restricted to particular purposes, for the fiscal year;

(d) The expenses or disbursements of this Corporation for both general and restricted purposes during the fiscal year; and

(e) Any statement required to be given concerning any (i) indemnification by this Corporation of any director, officer, employee or agent; or (ii) transaction between this Corporation and any director, officer required to be disclosed under Section 6322 of the Law.

ARTICLE X
Miscellaneous

Section 10.1 Amendments. These Bylaws may be amended or repealed and new Bylaws may be adopted by affirmative vote of a majority of the authorized number of directors; provided, however, that paragraph (b) of Section 4.6 may be amended only by the affirmative vote of all of the directors.

Section 10.2 Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness, and any assignment or endorsement thereof, issued in the name of or payable to this Corporation, shall be signed or endorsed by such officer or officers, agent or agents of this Corporation and in such manner as from time to time shall be determined by resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the President or a Vice Chair of this Corporation.

Section 10.3 Execution of Contracts. Unless otherwise provided in the Bylaws, the Board may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of this Corporation, and such authority may be general or confined to specific instances.

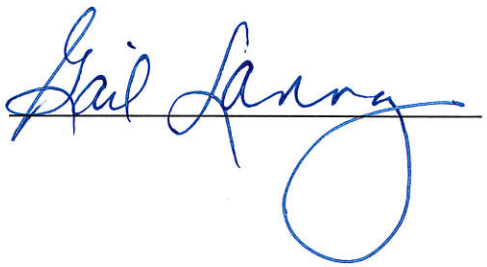
Section 10.4 Construction and Definitions. Unless the context otherwise requires, the general provisions, rules of construction and definitions contained in the Law shall govern the construction of these Bylaws.

Section 10.5 Number. All references in the singular shall include the plural where appropriate and all references to the plural shall include the singular where appropriate.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected, qualified and acting Secretary of Abode Communities, a California nonprofit public benefit corporation, and that the foregoing Bylaws were ratified and approved as the Second Amended and Restated Bylaws of this corporation by resolution of the Board of Directors of said corporation effective as of the 23rd day of July, 2015.

IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of July, 2015.



Attachment 2B: Abode Community Housing Bylaws

Attached are the bylaws with amendments for Abode Community Housing.

CERTIFICATE OF SECRETARY
OF
AMENDMENT OF BYLAWS
OF
ABODE COMMUNITIY HOUSING

June 20, 2012

The undersigned certifies that:

1. The undersigned is the Secretary of the Abode Community Housing Corporation, a California non-profit corporation (the "Corporation");

2. In accordance with Section 11.1 of the Bylaws of this Corporation, the following resolution was duly adopted and approved by the Board of Directors of the Corporation at a meeting duly called and held on March 23, 2012:

"RESOLVED, that the Corporation hereby amends the first sentence in Article VI, Section 6.2 of the Bylaws of the Corporation to read as follows:

"Section 6.2 Annual Meeting. The Annual Meeting of the Board shall be held during the month of December in each year.";

"RESOLVED, that the Corporation hereby amends the first sentence in Article IX, Section 9.4 of the Bylaws of the Corporation to read as follows:

"Section 9.4 Annual Reporting: Statement of Certain Transactions. "Effective July 1, 2011, the fiscal year of the Corporation shall be a calendar year.";

3. The foregoing resolution are in conformity with the Articles of Incorporation and Bylaws of the Corporation and are now in full force and effect.

Sarah Garland
Secretary

CERTIFICATE OF SECRETARY
OF
AMENDMENT OF BYLAWS
OF
DESIGN CENTER DEVELOPMENT CORPORATION

December 15, 2008

The undersigned certifies that:

1. The undersigned is the Secretary of the Design Center Development Corporation, a California nonprofit corporation (the "Corporation").

2. In accordance with Section 1.1 of the Bylaws of this corporation, the following resolution was duly adopted and approved by the Board of Directors of the Corporation at a meeting duly called and held on December 15, 2008:

"**RESOLVED**, that the Corporation hereby amends the Bylaws of the Corporation to change the name of the Corporation to ABODE COMMUNITY HOUSING.

3. The foregoing resolution is in conformity with the Articles of Incorporation and Bylaws of the Corporation and are now in full force and effect.

Pat Wong, Secretary

CERTIFICATE OF SECRETARY
OF
AMENDMENT OF BYLAWS
OF
DESIGN CENTER DEVELOPMENT CORPORATION
a California nonprofit Corporation

September 22, 1999

The undersigned certifies that:

1. The undersigned is the Secretary of Design Center Development Corporation, a California nonprofit corporation (the "Corporation").

2. In accordance with Section 11.1 of the Bylaws of this corporation, the following resolutions were duly adopted and approved by the Board of Directors of the Corporation at a meeting duly called and held on September 21, 1999:

"**RESOLVED**, that the Corporation hereby amends the first sentence in Article VI, Section 6.2 of the Bylaws of the Corporation to read as follows:

"Section 6.2 Annual Meeting. The Annual Meeting of the Board shall be held during the month of July in each year."

"**RESOLVED FURTHER**, that the Corporation hereby amends the first sentence in Article IX, Section 9.4 of the Bylaws of the Corporation to read as follows:

"Section 9.4 Annual Report; Statement of Certain Transactions. Effective June 30, 1999, the fiscal year of the Corporation shall commence on July 1st of each year and shall terminate on June 30th of each year."

3. The foregoing resolutions are in conformity with the Articles of Incorporation and Bylaws of the Corporation and are now in full force and effect.

W. Roderick Hamilton
Secretary

CERTIFICATE OF SECRETARY
OF
AMENDMENT OF BYLAWS
OF
DESIGN CENTER DEVELOPMENT CORPORATION,
a California nonprofit corporation

March 1, 1997

The undersigned certifies that:

1. The undersigned is the Secretary of Design Center Development Corporation, a California nonprofit corporation (the "Corporation").

2. In accordance with Section 4.14 of the Bylaws of this corporation, the following resolutions were duly adopted and approved by the board of directors of the Corporation at a meeting duly called and held on March 1, 1997:

"**RESOLVED,** that the Corporation hereby amends Article IV, Section 4.3 4.3 of the Bylaws of the Corporation to read as follows:

"Section 4.3 Number and Qualification of Directors

"(a) The Board shall consist of no more than nine (9) directors, at least four (4) of whom shall be members of the board of directors of the Los Angeles Community Design Center, a California Non-profit Public Benefit Corporation (the "LACDC"). The members of the Board shall be appointed by an affirmative vote of a majority of the members of the board of directors of the LACDC.

"(b) At least one-third (1/3) of the duly appointed directors, sitting from time to time, shall be residents of low-income neighborhoods, other low-income community residents, or elected representatives of low-income neighborhood organizations. For urban areas, a "community" may be a neighborhood or neighborhoods, or a city, county or metropolitan area; for rural areas, it may be a neighborhood or neighborhoods, or a town, village, county or multi-county area (but not the entire State of California).

"**RESOLVED FURTHER,** that the Corporation hereby amends Article IV, Section 4.7 of the Bylaws of the Corporation to read as follows:

"Section 4.7 Interested Directors. Notwithstanding any other provision of these Bylaws, no persons serving as directors of this Corporation may be "interested persons" as that term is defined in Section 5227 of the Law.

"**RESOLVED FURTHER,** that the Corporation hereby deletes the last sentence in Article VIII, Section 8.1 of the Bylaws of the Corporation which reads as follows: 'Nothing herein contained shall be constructed to preclude any director as serving the Corporation in a capacity or capacities other than as director and be compensated.'"

3. The foregoing resolutions are in conformity with the Articles of Incorporation and Bylaws of the Corporation and are now in full force and effect.

Name: Mark Davis-Luckie
Secretary

146434.1

BYLAWS OF

DESIGN CENTER DEVELOPMENT CORPORATION

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BYLAWS OF

DESIGN CENTER DEVELOPMENT CORPORATION

a California Nonprofit Public Benefit Corporation

ARTICLE I
Scope and Purposes

Section 1.1 Scope of Bylaws. These Bylaws shall govern the management of the business and the conduct of the affairs of this Corporation, unless otherwise provided by the California Nonprofit Public Benefit Corporation Law (the "Law") or this Corporation's Articles of Incorporation.

Section 1.2 Purposes. The purpose of this Corporation shall be to carry on such charitable activities as may be permitted by law and its Articles of Incorporation. Without limiting the generality of the foregoing, one of the purposes of this corporation shall be the provision of decent housing that is affordable to low-income and moderate-income persons.

ARTICLE II
Offices

Section 2.1 Principal Office. The location of the principal office of this Corporation shall be at 315 West 9th Street, Suite 410, City of Los Angeles, County of Los Angeles, California 90015.

Section 2.2 Other Offices. The Board of Directors (the "Board") of this Corporation may establish other offices at any place or places within or without the State of California.

Section 2.3 Change in Location or Number of Offices. The Board may change any office from one location to another or eliminate any office or offices.

ARTICLE III
Members

Section 3.1 Members. This Corporation shall have no members.

ARTICLE IV
Directors

Section 4.1 General Corporate Powers. Subject to the Law and any limitations in this Corporation's Articles of Incorporation, the activities and affairs of this Corporation shall be conducted and all corporate powers permitted by law shall be exercised by or under the direction of the Board.

Section 4.2 Specific Powers. Without prejudice to the general powers referred to above, and subject to the same limitations, the Board shall have the power to:

(a) Adopt, make and use a corporate seal and alter the form of the seal;

(b) Procure, accept and supervise on behalf of the Corporation any gifts, bequests or devises for the general or specific purposes of the Corporation; and

(c) Take any action authorized by the Law, the Corporation's Articles of Incorporation or these Bylaws.

Section 4.3 Number, Classification and Qualifications of Directors.

(a) The Board shall consist of nine (9) directors, at least four (4) of whom shall be members of the board of directors of the Los Angeles Community Design Center, a California Nonprofit Public Benefit Corporation (the "LACDC"). The members of the Board shall be appointed by an affirmative vote of a majority of the members of the board of directors of the LACDC.

(b) At least one-third (1/3) of the individuals serving as directors shall be residents of low-income neighborhoods, other low-income community residents, or elected representatives of low-income neighborhood organizations. For urban areas, a "community" may be a neighborhood or neighborhoods, or a city, county or metropolitan area; for rural areas, it may be a neighborhood or neighborhoods, or a town, village, county or multi-county area (but not the entire State of California).

(c) The Board shall be and is divided into two classes: Class I directors and Class II directors. The number of directors in each of Class I and Class II shall be the whole number arrived at by dividing the authorized number of directors by two. If a fraction results, the extra director shall be a member of Class II.

Section 4.4 Terms; Election of Successors.

(a) Each director shall serve for a term ending on the date of the second Annual Meeting (referred to in Section 6.2 of these Bylaws) held after such director assumes office; provided, however, that the Class II directors holding office upon adoption of these Bylaws shall serve for a term ending on the date of the next Annual Meeting.

(b) Each seat in respect of the then-expiring term of any Class I or Class II director, as applicable, shall be filled by an affirmative vote of a majority of the members of the board of directors of the LACDC. Each such newly elected director shall take office at the conclusion of the Annual Meeting at which he or she is so elected.

(c) No director shall serve for more than two (2) consecutive terms, but an individual shall be eligible for reelection to the Board when he or she has not served on the Board for a period of one year at the time of his or her reelection.

(d) In any event, a director shall serve until his or her successor has been elected.

Section 4.5 Vacancies.

(a) A vacancy in the Board exists whenever any authorized position of director is not then filled by a duly elected director, whether such vacancy is caused by death, resignation, removal, change in the authorized number of directors or otherwise.

(b) Vacancies of directors shall be filled by an affirmative vote of a majority of the members of the board of directors of the LACDC. A director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office.

Section 4.6 Removal.

(a) A majority of the members of the board of directors of the LACDC may remove a director who (i) has been declared of unsound mind by a final court order, (ii) has been convicted of a felony or (iii) has been found by a court to have breached any duty under Chapter 2, Article 3 of the Law.

(b) Any director may be removed without cause only if such removal is approved by all of the members of the board of directors of the LACDC.

Section 4.7 Interested Directors. Notwithstanding any other provision of these Bylaws, not more than 49% of the persons serving as directors of this Corporation may be "interested persons" as that term is defined in Section 5227 of the Law.

Section 4.8 Resignation.

(a) Any director may resign effective upon giving written notice to the Board, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be elected to take office when the resignation becomes effective.

(b) Except upon notice to the Attorney General of California, no director may resign if the Corporation would then be left without a duly elected director in charge of its affairs.

ARTICLE V
Committees

Section 5.1 Executive Committee. The Board may, by a resolution adopted by a majority of the number of directors then in office (if such action is taken at a meeting, a quorum must be present), create an Executive Committee consisting of the then incumbent officers, including the Chair of the Board, the Vice Chair, the Secretary, the Treasurer, provided that such officers are also directors of the Corporation, and such other directors as shall be appointed by the Board from time to time. Appointments to the Executive Committee shall be made by the majority vote of the directors then in office. The Board may appoint an alternate member to the Executive Committee who may replace any absent member at Executive Committee meetings.

Section 5.2 Powers of the Executive Committee. The Board may delegate any and all powers and authority of the Board as provided for in the resolution creating the Executive Committee, except that the Executive Committee shall not be given any powers or authority with respect to the following matters:

(1) The filling of vacancies on the Board;

(2) The filling of vacancies on the Executive Committee;

(3) The fixing of compensation of the directors for serving on the Board, the Executive Committee or any other committee;

(4) The amendment or repeal of bylaws, or the adoption of new bylaws;

(5) The amendment or repeal of any Board resolution which by its express terms is not so amendable or repealable;

(6) The appointment of Board committees or member thereof; or

(7) The approval of any self-dealing transaction, except as provided in Section 5233(d)(3) of the Law.

Section 5.3 Other Committees. The Board may delegate the management of the activities of this Corporation to any person or persons, management company, or committee, provided that such delegated activities remain subject to the ultimate direction of the Board.

ARTICLE VI
Meetings of Board

Section 6.1 Location. Regular meetings of the Board shall be held at any place within or without the State of California which has been designated from time to time by the Board, or, in the absence of such designation, at the principal office of this Corporation. Special meetings of the Board shall be held at any place within or without the State of California which has been designated in the notice of the meeting, or, if not stated in the notice, at the principal office.

Section 6.2 Annual Meeting. The Annual Meeting of the Board shall be held during the month of February in each year. The date, time and place of such meeting (which place may be within or outside the State of California) shall be designated by the Board of Directors. Such meeting shall be held for the purpose of organization, election of directors to those seats in respect of which terms are then expiring, and the transaction of other business. Notice of the Annual Meeting need not be given.

Section 6.3 Regular Meetings. The Board may have regular meetings at such time or times and places as may be established by the Board. Notice of regular meetings need not be given.

Section 6.4 Special Meetings. Special meetings of the Board may be called at any time for any purpose or purposes by the Chair of the Board or any two directors. Notice of the time and place of all special meetings shall be given to all directors by the person or persons calling the meeting. A notice need not specify the purpose of the meeting. Such notice must be personally delivered, communicated by telephone, sent by first class mail, or transmitted by telegraph, telecopier or telex, charges prepaid, to each director. Such notice shall be given forty-eight (48) hours prior to the holding of the meeting if given by telephone or delivered personally, and four (4) days prior to the holding of the meeting if

given in any other authorized manner. Notice of the meeting need not be given to any director who signs a written waiver of notice, whether before or after the meeting, or who attends the meeting without protesting the lack of notice to such director.

Section 6.5 Validation of Defectively Held Meetings.

(a) The transactions of any meeting of the Board, however called or noticed, or wherever held, are valid as though conducted at a meeting duly held after regular call and notice (if required) if a quorum is present and if, either before or after the meeting, each director who was not present at the meeting signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes thereof.

(b) Any waiver, consent or approval referred to in subparagraph (a) above shall specify the purpose of the meeting and shall be filed with the minutes of the meeting to which it relates.

Section 6.6 Quorum; Withdrawal of Quorum.

(a) Four (4) directors shall constitute a quorum for the transaction of business, except if four is more than the majority of the authorized number of directors, then a quorum shall be the smallest number which is a majority of the authorized number of directors. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is the act of the Board, unless action by a greater proportion is required by the Law, the Articles of Incorporation or these Bylaws.

(b) A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of a director or directors, if any action taken is approved by at least a majority of the required quorum.

Section 6.7 Telephonic Meetings. The Board may hold a meeting through the use of conference telephone or similar communications equipment provided all members participating in such meeting may hear and be heard by all other participants.

Section 6.8 Adjournment. A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. If a meeting is adjourned for more than twenty-four (24) hours, notice of the continuation of the adjourned meeting shall be given to all directors who were not present at the time of adjournment.

Section 6.9 Action Without a Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting if all Board members individually or collectively consent in writing to such action; provided, however, that the consent of any "interested director" as defined in Section 5233 of the Law shall not be required. All such

written consent shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as the unanimous vote of the Board.

Section 6.10 Meetings of and Action by the Executive Committee. The provisions of this Article apply to the Executive Committee, if one is established by the Board, with such changes in the language as are necessary to substitute the Executive Committee and its members for the Board and its members.

ARTICLE VII
Officers

Section 7.1 Election of Officers and Term of Office. The officers of the Corporation shall be elected annually by the Board at the annual meeting of the Board. New offices may be created and filled at any meeting of the Board. Each officer shall hold office until his or her successor has been elected.

Section 7.2 Officers. The Corporation shall have as officers a Chair of the Board, a Vice Chair, a President, a Vice President, a Secretary and a Treasurer. The Corporation may also have, at the discretion of the Board, one or more Assistant Secretaries, one or more Assistant Treasurers and such other officers as the business of the Corporation shall require, such officers to perform the duties prescribed from time to time by the Board or the President. Any number of offices may be held by the same person, except that neither the Secretary nor the Treasurer may serve concurrently as the President or the Chair of the Board. The Chair of the Board, Vice Chair, President, Vice President, Secretary, Treasurer or any other proper officer of the Corporation authorized by the Board, may sign any deeds, mortgages, bonds, contracts, or other instruments which the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board, by these Bylaws or by statute to some other officer or agent of the Corporation.

Section 7.3 Removal and Resignation.

(a) Any officer may be removed, either with or without cause, by the Board.

(b) Any officer may resign at any time effective upon giving written notice to the President, any Vice Chair, or to the Secretary of the Corporation, unless the notice specifies a later time for the effectiveness of such resignation.

Section 7.4 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to such office for the unexpired portion of the term.

Section 7.5 Chair of the Board. The Chair of the Board shall preside at meetings of the Board and shall exercise and perform such other powers and duties as the Board may assign from time to time. The Chair of the Board shall review policies, activities and programs of the Corporation for consistency with the purposes of the Corporation. The Chair of the Board shall review programs and activities and assess their impact on the communities within the Corporation's service area.

Section 7.6 President. The President shall be the executive director and general manager of the Corporation and shall, subject to the control of the Board, have general supervision, direction and control of the business and affairs of the Corporation. He or she shall have the general powers and duties of management usually vested in the office of a president of a corporation and shall have such other powers and duties as may be prescribed from time to time by the Board. The President shall not be a member of the Board.

Section 7.7 Vice Chair. In the absence or disability of the Chair of the Board, the Vice Chair, or, in the event there is more than one Vice Chair, the Vice Chairs in order of their election, shall perform all the duties of the Chair, and, when so acting, shall have all the powers of and be subject to all the restrictions upon the Chair. Any Vice Chair shall have such other powers and perform such other duties as from time to time may be prescribed for him or her by the Board.

Section 7.8 Vice President. The Vice President shall be the deputy director and assistant general manager of the Corporation. The Vice President shall not be a member of the Board.

Section 7.9 Secretary.

(a) The Secretary shall keep or cause to be kept the minute book of this Corporation and the corporate seal.

(b) The Secretary, and in the Secretary's absence an Assistant Secretary, shall prepare minutes of the meetings of the Board.

(c) The Secretary shall give, or cause to be given, notice of all Board meetings required to be given, and shall have such other powers and perform such other duties as may be prescribed from time to time by the Board or the President.

Section 7.10 Treasurer.

(a) The Treasurer shall be the Chief Financial Officer of the Corporation.

(b) The Treasurer shall keep, or cause to be kept, the books and records of account of the Corporation.

(c) The Treasurer shall deposit all monies and other valuables in the name and to the credit of the Corporation in such banks or other depositories as may be designated from time to time by resolution of the Board. He or she shall disburse the corporate funds as may be ordered by the Board. He or she shall render to the President and the Board, whenever they request it, an account of all of his or her transactions as Treasurer and of the financial condition of the Corporation. He or she shall also have such other powers and perform such other duties as may be prescribed from time to time by the Board or the President. If required by the Board, the Treasurer, and any Assistant Treasurers, shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board shall determine.

(d) No later than ninety (90) days prior to the end of each fiscal year of the Corporation, the Treasurer shall prepare, or cause to be prepared, an annual budget for the Corporation (the "Annual Budget"). The Annual Budget shall be submitted to the LACDC for review and approval in accordance with Section 9.5 of these Bylaws.

ARTICLE VIII
Financial Dealings with Directors and Officers

Section 8.1 Compensation of Directors. No member of the Board shall receive any compensation for his or her services as such director, but by resolution of the Board, a fixed sum and expenses, if any, may be allowed for attendance at meetings of the Board. Nothing herein contained shall be construed to preclude any director as serving the Corporation in a capacity or capacities other than as director and be compensated by the Corporation for such services.

Section 8.2 Indemnification. The Corporation shall indemnify its directors, officers, employees and other agents of the Corporation to the extent permitted in Section 5238 of the Law. The Corporation may purchase and maintain insurance to the extent deemed necessary by the Board to fund such obligation.

ARTICLE IX
Records and Reports

Section 9.1 Minute Book - Maintenance and Inspection. The Corporation shall keep a minute book in written form at its principal office which shall contain a record of all proceedings of the Board or the Executive Committee.

Section 9.2 Books and Records of Account - Maintenance and Inspection. The Corporation shall keep adequate and correct books and records of account to be kept at its principal office.

Section 9.3 Articles of Incorporation and Bylaws - Maintenance and Inspection. The Corporation shall keep at its principal office in California, the original or a copy of its Articles of Incorporation and Bylaws as amended to date.

Section 9.4 Annual Report; Statement of Certain Transactions. The fiscal year of the Corporation shall be the calendar year. The Board shall cause an annual report to be sent to each director within one hundred and twenty (120) days after the close of the Corporation's fiscal year containing the following information:

(a) The assets and liabilities, including trust funds, of the Corporation as of the end of the fiscal year;

(b) The principal changes in assets and liabilities, including trust funds, during the fiscal year;

(c) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, for the fiscal year;

(d) The expenses or disbursements of the Corporation for both general and restricted purposes during the fiscal year; and

(e) Any statement required to be given concerning any (i) indemnification by the Corporation of any director, officer, employee or agent; or (ii) transaction between the Corporation and any director, officer required to be disclosed under Section 6322 of the Law.

Section 9.5 Annual Budget. No later than ninety (90) days prior to the end of each fiscal year of the Corporation, the Corporation shall submit the Annual Budget to the LACDC for review and approval. The Corporation's adoption of the Annual Budget shall be subject to the prior approval of the LACDC.

ARTICLE X
Community Involvement in Decisionmaking

The Corporation shall provide a formal process for low-income program beneficiaries to advise the Corporation in its decisions regarding the design, siting, development, and management of affordable housing.

ARTICLE XI
Miscellaneous

Section 11.1 Amendments. These Bylaws may be amended or repealed and new Bylaws may be adopted by the affirmative vote of a majority of the authorized number of directors; provided, however, that paragraph (b) of Section 4.6 may be amended only by the affirmative vote of all of the directors; and provided further that Section 9.5 may be amended only with the approval of the LACDC.

Section 11.2 Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness, and any assignment or endorsement thereof, issued in the name of or payable to the Corporation, shall be signed or endorsed by such officer or officers, agent or agents of the Corporation and in such manner as from time to time shall be determined by resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the President or a Vice Chair of the Corporation.

Section 11.3 Execution of Contracts. Unless otherwise provided in the Bylaws, the Board may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 11.4 Construction and Definitions. Unless the context otherwise requires, the general provisions, rules of construction and definitions contained in the Law shall govern the construction of these Bylaws.

Section 11.5 Number. All references in the singular shall include the plural where appropriate and all references to the plural shall include the singular where appropriate.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected, qualified and acting Secretary of Design Center Development Corporation, a California nonprofit public benefit corporation, and that the foregoing Bylaws were ratified and approved as the Bylaws of this corporation by resolution of the Board of Directors of said corporation effective as of the 18th day of June, 1996.

IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of June, 1996.

Carla P. Dartis

Carla P. Dartis, Secretary

53914.4

Attachment 3A: Abode Communities Determination Letter

Attached is the 501(c)3 Determination Letter for Abode Communities.

IRS Department of the Treasury
Internal Revenue Service
P.O. Box 2508, Room 4010
Cincinnati OH 45201

In reply refer to: 4077550281
June 01, 2009 LTR 4168C 0
95-6377511 000000 00 000
00027393
BODC: TE

ABODE COMMUNITIES
701 E 3RD ST STE 400
LOS ANGELES CA 90013

002143

Employer Identification Number: 95-6377511
Person to Contact: Sally Froehle
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your request of Apr. 23, 2009, regarding your tax-exempt status.

Our records indicate that a determination letter was issued in November 1972, that recognized you as exempt from Federal income tax, and discloses that you are currently exempt under section 501(c)(03) of the Internal Revenue Code.

Our records also indicate you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(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.

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

Sincerely yours,

Cindy Westcott

Cindy Westcott
Manager, EO Determinations

Address any reply to: P.O. Box 231, Los Angeles, Calif. 90053

Department of the Treasury

District Director
Internal Revenue Service

Date: JAN 18 1973

In reply refer to: LA:EO:73:67
FL-1254, Code 421:1504:RB
Tel. (213) 688-4763

Los Angeles Community Design Center
1031 South Broadway
Los Angeles, California 90015

Purpose: Charitable
File Returns with Internal Revenue Service Center: Philadelphia, Pennsylvania
Accounting Period Ending: December 31
Address Inquiries to District Director of Internal Revenue: Los Angeles, California

Gentlemen:

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

We have further determined you can reasonably be expected to be an organization of the type described in sections 170(b)(1)(A)(vi) and 509(a)(1). Accordingly, for your first two tax years, you will be treated as an organization which is not a private foundation.

At the end of your first two tax years, however, you must establish with the Internal Revenue Service that for such two years you were in fact an organization of the type described in section 170(b)(1)(A)(vi). If you establish this fact with the Service, you will be classified as a section 509(a)(1) organization for all purposes beginning with the first day of your third tax year and you must normally meet the requirements of section 170(b)(1)(A)(vi) thereafter. If, however, you do not meet the requirements of section 170(b)(1)(A)(vi) for your first two tax years, you will be classified as a private foundation as of the first day of your third tax year. Furthermore, you will be treated as a private foundation as of the first day of your first tax year for purposes of sections 507(d) and 4940.

Grantors and donors may rely on the determination that you are not a private foundation for your first two tax years, unless notice that you will no longer be treated as a section 509(a)(1) organization is published in the Internal Revenue Bulletin. However, a grantor or donor may not rely on such determination if he was in part responsible for, or was aware

of, the act or failure to act that resulted in your loss of section 509(a)(1) status, or acquired knowledge that the Internal Revenue Service had given notice that you would be removed from classification as a section 509(a)(1) organization.

You are not liable for social security (FICA) taxes unless you file a waiver of exemption certificate as provided in the Federal Insurance Contributions Act. You are not liable for the taxes imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other Federal excise taxes.

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 under sections 2055, 2106, and 2522 of the Code.

If your sources of support, or your purposes, character, or method of operation is changed, you must let us know so we can consider the effect of the change on your status. Also, you must inform us of all changes in your name or address.

If your gross receipts each year are normally more than $5,000, you are required to file Form 990, Return of Organization Exempt From Income Tax, by the 15th day of the fifth month after the end of your annual accounting period. The law imposes a penalty of $10 a day, up to a maximum of $5,000, for failure to file a return on time.

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

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

Please keep this determination letter in your permanent records.

Sincerely yours,

F. J. Schmidt

District Director

Attachment 3B: Abode Community Housing IRS Letter

Attached is a letter from the IRS detailing the tax-exempt status for Abode Community Housing.

Department of the Treasury
Internal Revenue Service
MS 6901

In reply refer to: 0441057688
Dec 13, 2010 LTR 147C
95-4586463

ABODE COMMUNITY HOUSING
701 E 3RD ST STE 400
LOS ANGELES CA 90013-1869 003

Taxpayer Identification Number: 95-4586463

Form(s):

Dear Taxpayer:

This letter is in response to your telephone inquiry of December 13th, 2010.

Your Employer Identification Number (EIN) is 95-4586463. Please keep this number in your permanent records. You should enter your name and your EIN, exactly as shown above, on all business federal tax forms that require its use, and on any related correspondence documents.

If you have any questions regarding this letter, please call our Customer Service Department at 1-800-829-0115 between the hours of 7:00 AM and 10:00 PM. If you prefer, you may write to us at the address shown at the top of the first page of this letter. When you write, please include a telephone number where you may be reached and the best time to call.

Sincerely,

Dude J Tally
1000145055
Customer Service Representative

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

DEPARTMENT OF THE TREASURY

Date: JAN 29 1997

DESIGN CENTER DEVELOPMENT
CORPORATION
C/O LOS ANGELES COMMUNITY DESIGN
CENTER
315 WEST 9TH STREET
LOS ANGELES, CA 90015

Employer Identification Number:
95-4586463
DLN:
316194121
Contact Person:
D. A. DOWNING
Contact Telephone Number:
(513) 684-3957

Accounting Period Ending:
December 31
Foundation Status Classification:
509(a)(2)
Advance Ruling Period Begins:
May 24, 1996
Advance Ruling Period Ends:
December 31, 2000
Addendum Applies:
No

Dear Applicant:

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

Because you are a newly created organization, we are not now making a final determination of your foundation status under section 509(a) of the Code. However, we have determined that you can reasonably expect to be a publicly supported organization described in section 509(a)(2).

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

Within 90 days after the end of your advance ruling period, you must send us the information needed to determine whether you have met the requirements of the applicable support test during the advance ruling period. If you establish that you have been a publicly supported organization, we will classify you as a section 509(a)(1) or 509(a)(2) organization as long as you continue to meet the requirements of the applicable support test. If you do not meet the public support requirements during the advance ruling period, we will classify you as a private foundation for future periods. Also, if we classify you as a private foundation, we will treat you as a private foundation from your beginning date for purposes of section 507(d) and 4940.

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

DESIGN CENTER DEVELOPMENT

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

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

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

Organizations that are not private foundations are not subject to the private foundation excise taxes under Chapter 42 of the Internal Revenue Code. However, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please let us know.

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

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

Contributions to you are deductible by donors beginning May 24, 1996.

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

DESIGN CENTER DEVELOPMENT

If you are required to file a return you must file it by the 15th day of the fifth month after the end of your annual accounting period. We charge a penalty of $10 a day when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty we charge cannot exceed $5,000 or 5 percent of your gross receipts for the year, whichever is less. We may also charge this penalty if a return is not complete. So, please be sure your return is complete before you file it.

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

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, we will assign a number to you and advise you of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

Since you have not indicated that you intend to finance your activities with the proceeds of tax exempt bond financing, in this letter, we have not determined the effect of such financing on your tax exempt status.

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

Because this letter could help us resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

District Director

Enclosure(s):
Form 872-C

Attachment 4: List of Board Members

Attached is a list of the Board of Directors for Abode Communities.

Board of Directors

chair
Nkechi Odu
Principal
Odu & Associates, PC

vice chair
Khalif Edwards
Managing Director, Global Capital Raising and Investor Relations
Starwood Capital Group

treasurer
Wendy Greuel
Executive-In-Residence
David Nazarian College of Business and Economics at CSU, Northridge

secretary
Dani Evanson
Principal
Align Finance Partners

Kelly Boyer, Past Chair
Managing Director
Rose Community Capital

directors at-large
Lance Bocarsly
Founding Partner
Bocarsly Emden Cowan Esmail & Arndt LLP

Milton Curry
Senior Associate Dean for Strategic Initiatives and Engagement
Cornell University College of Architecture, Art and Planning

Lisa Gutierrez
SVP, Director of National Lending and Multi-Fund Investing
U.S. Bancorp Community Development Corporation

Peter Gutierrez
Counsel
Latham & Watkins LLP

Andrew Parker
Senior Vice President
Trammel Crow Company

Sindy Spivak
West Region Market Executive
Bank of America Merrill Lynch

Catherine Talbot
Senior Partner
Candeur Group

Judith Taylor
Partner
HR & Advisors

Andrew Zimmerman
Director, Portfolio Manager Mortgage Investments
IMPACT Community Capital

Board of Directors

chair
Kelly Boyer
Managing Director
Rose Community Capital

vice chair
Rudy Espinoza
Executive Director
Inclusive Action for the City

treasurer
Wendy Greuel
Executive-In-Residence
David Nazarian College of Business and Economics at CSU, Northridge

secretary
John H. Arnold, AIA
Partner
KFA Architecture

directors at-large
Amber Sheikh, CFR
Chief Impact Office
Sheikh/Impact

Abode Communities

Consolidated Financial Statements (With Supplementary Information) and Independent Auditor's Report

December 31, 2021 and 2020

CohnReznick

ADVISORY • ASSURANCE • TAX

Abode Communities

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Independent Auditor's Report

To the Board of Directors
Abode Communities

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Abode Communities, which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, based on our audits and the reports of the other auditors, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Abode Communities, as of December 31, 2021 and 2020, and the 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.

We did not audit the financial statements of certain Operating Entities included in the consolidated financial statements in which Abode Communities owns an interest. The assets, liabilities, net assets and net loss of such entities are stated at $219,507,338, $212,298,518, $7,208,820 and $10,720,501, respectively, for 2021. The assets, liabilities, net assets and net loss of such entities are stated at $234,623,545, $210,046,768, $24,576,777 and $7,101,260, respectively, for 2020. The financial statements of those Operating Entities were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those Operating Entities, is based solely on the reports of the other auditors.

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*, 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 Consolidated Financial Statements section of our report. We are required to be independent of Abode Communities, 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. The consolidated financial statements as of and for the year ended December 31, 2020 were not audited in accordance with *Government Auditing Standards*. In addition, the 2021 financial statements of certain Operating Entities were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Abode Communities' ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standard*s, we:

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating supplementary information on pages 45 through 60 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the

auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audits, the procedures performed as described above, and the reports of the other auditors, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2022, on our consideration of Abode Communities' 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 Abode Communities' 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 Abode Communities' internal control over financial reporting and compliance.

CohnReznick LLP

Sacramento, California
June 30, 2022

Abode Communities

Consolidated Statements of Financial Position
December 31, 2021 and 2020

Assets

	2021	2020
Cash and cash equivalents	$ 23,348,078	$ 22,628,406
Restricted reserves and deposits	14,170,217	15,326,179
Accounts receivable, net	2,763,615	1,474,453
Grants receivable	222,143	158,402
Notes receivable	4,294,550	4,294,550
Prepaid expenses	506,147	627,052
Due from affiliates	94,262	84,608
Development fee receivable	66,818	45,000
Deposits	568,217	515,762
Partnership investments	481,219	-
Investments - other	146,941	180,000
Property and equipment, net	512,829,846	480,707,941
Deferred fees, net	724,286	820,925
Prepaid ground lease, net	17,946,680	14,449,643
Other assets	1,596,317	954,622
Total assets	$ 579,759,336	$ 542,267,543

Abode Communities

Consolidated Statements of Financial Position
December 31, 2021 and 2020

Liabilities and Net Assets

	2021	2020
Liabilities		
Accounts payable	$ 15,808,656	$ 4,964,023
Prepaid rents	209,268	232,991
Accrued vacation	430,504	379,850
Accrued interest payable	53,480,511	48,827,714
Security deposit liability	1,545,793	1,531,429
Deferred revenue	1,348,636	2,912,138
Partnership investments	-	10,414
Development fee payable	750,000	863,412
Fair market value of interest rate swaps	1,970,964	2,820,397
Forgivable loans and grants payable	8,760,896	9,024,359
Mortgages and notes payable, net	367,555,690	351,609,035
Total liabilities	451,860,918	423,175,762
Commitments and contingencies	-	-
Net assets		
Without donor restrictions		
Controlling	5,480,497	6,233,197
Noncontrolling	121,810,838	112,055,991
Total net assets without donor restrictions	127,291,335	118,289,188
With donor restrictions	607,083	802,593
Total net assets	127,898,418	119,091,781
Total liabilities and net assets	$ 579,759,336	$ 542,267,543

See Notes to Consolidated Financial Statements.

Abode Communities

Consolidated Statement of Activities
Year Ended December 31, 2021

	Without donor restrictions	With donor restrictions	Total
Changes in net assets			
Revenue and support			
Grants and contributions	$ 858,195	$ 329,583	$ 1,187,778
Government grants	1,600,000	-	1,600,000
Development fees	5,969,026	-	5,969,026
Architectural and consulting	2,602,421	-	2,602,421
Resident services	111,776	-	111,776
Property and partnership management fees	140,561	-	140,561
Rental income	31,168,296	-	31,168,296
Gain on FMV of interest rate swaps	849,433	-	849,433
Miscellaneous revenue	445,895	-	445,895
Forgiveness of debt	1,219,000	-	1,219,000
Interest income	68,687	-	68,687
Net assets released from restriction	525,093	(525,093)	-
Total revenue and support	45,558,383	(195,510)	45,362,873
Expenses			
Salaries	9,751,610	-	9,751,610
Payroll taxes	673,342	-	673,342
Employee benefits	1,140,157	-	1,140,157
Consultants	3,031,735	-	3,031,735
Rent	710,731	-	710,731
Office expenses	811,890	-	811,890
Training, travel and parking	34,999	-	34,999
Property and partnership management fees	104,975	-	104,975
Resident and community services	430,140	-	430,140
Repairs and maintenance	5,110,038	-	5,110,038
Utilities and telephone	4,016,956	-	4,016,956
Property tax and insurance	2,602,913	-	2,602,913
Interest	10,739,886	-	10,739,886
Legal and accounting	744,835	-	744,835
Bad debt expense	1,288,468	-	1,288,468
Real estate development	647,764	-	647,764
Fundraising expenses	25,722	-	25,722
Grant expense	230,175	-	230,175
Depreciation and amortization	17,146,477	-	17,146,477
Total expenses	59,242,813	-	59,242,813
Change in net assets prior to equity in loss of investment in partnership interests	(13,684,430)	(195,510)	(13,879,940)
Equity in loss of investment in partnership interests	(597)	-	(597)
Change in net assets	$ (13,685,027)	$ (195,510)	$ (13,880,537)
Change in net assets, controlling	$ (752,700)	$ (195,510)	$ (948,210)
Change in net assets, noncontrolling	(12,932,327)	-	(12,932,327)
Total change in net assets	$ (13,685,027)	$ (195,510)	$ (13,880,537)

See Notes to Consolidated Financial Statements.

Abode Communities

Consolidated Statement of Activities
Year Ended December 31, 2020

	Without donor restrictions	With donor restrictions	Total
Changes in net assets			
Revenue and support			
Grants and contributions	$ 1,001,823	$ 637,593	$ 1,639,416
Government grants	923,672	-	923,672
Development fees	2,989,094	-	2,989,094
Architectural and consulting	2,492,333	-	2,492,333
Resident services	111,776	-	111,776
Property and partnership management fees	199,886	-	199,886
Rental income	29,813,244	-	29,813,244
Miscellaneous revenue	251,387	-	251,387
Forgiveness of debt	2,020,370	-	2,020,370
Interest income	72,196	-	72,196
Net assets released from restriction	292,035	(292,035)	-
Total revenue and support	40,167,816	345,558	40,513,374
Expenses			
Salaries	9,694,645	-	9,694,645
Payroll taxes	661,608	-	661,608
Employee benefits	1,105,493	-	1,105,493
Consultants	2,716,556	-	2,716,556
Rent	717,161	-	717,161
Office expenses	837,934	-	837,934
Training, travel and parking	39,007	-	39,007
Property and partnership management fees	99,820	-	99,820
Resident and community services	349,266	-	349,266
Repairs and maintenance	4,627,233	-	4,627,233
Utilities and telephone	3,598,816	-	3,598,816
Property tax and insurance	2,231,777	-	2,231,777
Interest	12,099,494	-	12,099,494
Loss on FMV of interest rate swaps	948,418	-	948,418
Legal and accounting	631,352	-	631,352
Bad debt expense	805,127	-	805,127
Real estate development	145,502	-	145,502
Fundraising expenses	37,891	-	37,891
Grant expense	68,152	-	68,152
Depreciation and amortization	16,384,797	-	16,384,797
Total expenses	57,800,049	-	57,800,049
Change in net assets prior to equity in loss of investment in partnership interests	(17,632,233)	345,558	(17,286,675)
Equity in loss of investment in partnership interests	(652)	-	(652)
Change in net assets	$ (17,632,885)	$ 345,558	$ (17,287,327)
Change in net assets, controlling	$ (1,000,676)	$ 345,558	$ (655,118)
Change in net assets, noncontrolling	(16,632,209)	-	(16,632,209)
Total change in net assets	$ (17,632,885)	$ 345,558	$ (17,287,327)

See Notes to Consolidated Financial Statements.

Abode Communities

Consolidated Statements of Changes in Net Assets
Years Ended December 31, 2021 and 2020

	2021	2020
Net assets without donor restrictions		
Controlling interest, beginning	$ 6,233,197	$ 7,233,873
Change in net assets without donor restrictions	(752,700)	(1,000,676)
Controlling interest, ending	$ 5,480,497	$ 6,233,197
Noncontrolling interest, beginning	$ 112,055,991	$ 93,911,320
Contributions	22,797,645	34,940,518
Distributions	(110,471)	(83,638)
Syndication costs	-	(80,000)
Change in net assets without donor restrictions	(12,932,327)	(16,632,209)
Noncontrolling interest, ending	$ 121,810,838	$ 112,055,991
Net assets with donor restrictions, beginning	$ 802,593	$ 457,035
Change in net assets with donor restrictions	329,583	637,593
Release of net assets with donor restrictions	(525,093)	(292,035)
Subtotal	(195,510)	345,558
Net assets with donor restrictions, ending	$ 607,083	$ 802,593

See Notes to Consolidated Financial Statements.

Abode Communities

Consolidated Statement of Functional Expenses
Year Ended December 31, 2021

	Program services	General and administrative	Fundraising	Total
Salaries	$ 8,872,285	$ 605,330	$ 273,995	$ 9,751,610
Payroll taxes	617,234	38,051	18,057	673,342
Employee benefits	1,057,844	57,846	24,467	1,140,157
Consultants	2,712,864	235,066	83,805	3,031,735
Rent	618,254	64,711	27,766	710,731
Office expenses	689,934	85,123	36,833	811,890
Training, travel and parking	32,525	1,911	563	34,999
Property and partnership management fees	104,975	-	-	104,975
Resident and community services	430,140	-	-	430,140
Repairs and maintenance	5,104,664	3,698	1,676	5,110,038
Utilities and telephone	3,986,388	25,014	5,554	4,016,956
Property tax and insurance	2,584,552	12,945	5,416	2,602,913
Interest	10,739,886	-	-	10,739,886
Legal and accounting	672,932	61,267	10,636	744,835
Bad debt expense	1,288,468	-	-	1,288,468
Real estate development	647,764	-	-	647,764
Fundraising expenses	-	-	25,722	25,722
Grant expense	124,011	86,861	19,303	230,175
Depreciation and amortization	17,066,393	65,523	14,561	17,146,477
Total functional expenses	$ 57,351,113	$ 1,343,346	$ 548,354	$ 59,242,813

See Notes to Consolidated Financial Statements.

Abode Communities

Consolidated Statement of Functional Expenses
Year Ended December 31, 2020

	Program services	General and administrative	Fundraising	Total
Salaries	$ 8,828,320	$ 600,030	$ 266,295	$ 9,694,645
Payroll taxes	610,070	32,544	18,994	661,608
Employee benefits	1,018,789	61,304	25,400	1,105,493
Consultants	2,564,236	126,944	25,376	2,716,556
Rent	624,818	64,577	27,766	717,161
Office expenses	761,501	57,237	19,196	837,934
Training, travel and parking	36,012	2,163	832	39,007
Property and partnership management fees	99,820	-	-	99,820
Resident and community services	349,266	-	-	349,266
Repairs and maintenance	4,619,174	6,053	2,006	4,627,233
Utilities and telephone	3,560,434	31,408	6,974	3,598,816
Property tax and insurance	2,215,464	11,774	4,539	2,231,777
Interest	12,099,494	-	-	12,099,494
Loss on FMV of interest rate swaps	948,418			948,418
Legal and accounting	566,772	54,923	9,657	631,352
Bad debt expense	805,127	-	-	805,127
Real estate development	145,502	-	-	145,502
Fundraising expenses	-	-	37,891	37,891
Grant expense	61,826	5,176	1,150	68,152
Depreciation and amortization	16,317,055	55,425	12,317	16,384,797
Total functional expenses	$ 56,232,098	$ 1,109,558	$ 458,393	$ 57,800,049

See Notes to Consolidated Financial Statements.

Abode Communities

Consolidated Statements of Cash Flows
Years Ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities		
Changes in net assets without donor restrictions	$ (13,685,027)	$ (17,632,885)
Changes in net assets with donor restrictions	(195,510)	345,558
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation and amortization	17,146,477	16,384,797
Ground lease expense	194,239	194,027
(Gain) loss on FMV of interest rate swaps	(849,433)	948,418
Loss on investments	597	652
Amortization of grants payable	(263,463)	(313,463)
Amortization of debt issuance costs	465,185	1,343,216
Forgiveness of debt	(1,219,000)	(2,020,370)
Write off of project development costs	612,695	-
(Increase) decrease in		
Accounts receivable	(1,289,162)	78,359
Grants receivable	(63,741)	(102,264)
Prepaid expenses	120,905	(31,784)
Developer fee receivable	(21,818)	-
Deposits	(52,455)	(61,856)
Other assets	(641,695)	(100,617)
Increase (decrease) in		
Accounts payable	(1,803,700)	(2,527,429)
Prepaid rents	(23,723)	(31,541)
Accrued vacation	50,654	72,583
Accrued interest payable	4,652,797	4,078,911
Security deposit liability	14,364	67,370
Deferred revenue	(1,563,502)	2,188,198
Net cash provided by operating activities	1,585,684	2,879,880
Cash flows from investing activities		
Investment in property and equipment	(37,134,360)	(30,273,906)
Payment of ground lease	(3,691,276)	-
Distribution from investment	33,059	94,418
Net payment of advances to affiliates	(9,654)	(100,572)
Payment of tax credit monitoring fees	(1,745)	(51,070)
Payment of developer fees	(113,412)	(213,421)
Investment in partnership	(492,230)	-
Net cash used in investing activities	(41,409,618)	(30,544,551)

Abode Communities

Consolidated Statements of Cash Flows
Years Ended December 31, 2021 and 2020

	2021	2020
Cash flows from financing activities		
Principal payments on mortgages and notes payable	(29,384,236)	(57,419,562)
Proceeds from mortgages and notes payable	46,787,433	56,903,090
Contributions	22,797,645	34,940,518
Distributions	(110,471)	(83,638)
Debt issuance costs paid	(702,727)	(1,302,904)
Syndication costs paid	-	(2,500)
Net cash provided by financing activities	39,387,644	33,035,004
Net increase (decrease) in cash, cash equivalents and restricted cash	(436,290)	5,370,333
Cash, cash equivalents and restricted cash, beginning	37,954,585	32,584,252
Cash, cash equivalents and restricted cash, end	$ 37,518,295	$ 37,954,585
Supplemental disclosure of cash flow information		
Cash paid for interest, net of amount capitalized of $2,151,911 and $2,163,672	$ 6,572,037	$ 6,677,367
Supplemental schedule of noncash investing and financing activities		
Accounts payable included in property and equipment	$ 13,014,137	$ 546,275
Reclassification of property and equipment to syndication costs	-	(77,500)
Deferred fees included in accounts payable	-	15,580
Write off of fully depreciated property	115,465	39,044
Write off of fully amortized debt issuance costs	-	64,450

See Notes to Consolidated Financial Statements.

Note 1 - Organization and nature of operations

The accompanying consolidated financial statements include Abode Communities, a California nonprofit corporation and its affiliates ("Affiliates"), which include the following:

- Affiliated Nonprofit Corporations:
  - Abode Community Housing, a California nonprofit corporation ("ACH")
  - Figueroa Corridor Land Company, a California nonprofit corporation ("FCLC")
  - L'Canon Club Apartments Corporation ("L'Canon")
- Development Entities, as listed on page 15
- Operating Entities, as listed on pages 15 - 16

Collectively, Abode Communities and its Affiliates shall be referred to as "Abode Communities."

Abode Communities is organized for the purpose of acquisition, design, development and operation of affordable housing projects. Abode Communities assists in revitalizing communities through acquisition and rehabilitation of existing housing, development of new housing and the long-term ownership and management of its rental properties. Abode Communities owns affordable housing properties, provides property management and social programs to enhance the quality of life of its residents, and serves as general partner for affordable housing projects. Abode Communities' principal sources of revenue are rental income from tenants, grants, development fees, and fees for property management, consulting, architectural and project management services.

Abode Communities receives significant funding from federal, state and local government subsidies in various forms, including low-income housing tax credits, low-interest rate loans, grants, and rent subsidies for qualifying very low-, low- and moderate-income tenants.

Principles of consolidation

In the accompanying consolidating financial statements, Abode Communities includes the accounts of that entity. Affiliated Nonprofit Corporations includes the accounts of ACH, FCLC and L'Canon.

In the accompanying consolidating financial statements, Development Entities includes the accounts of entities which are in the predevelopment, or construction phase, and Operating Entities includes the accounts of entities which are in operations. Abode Communities, ACH or FCLC has a financial interest in each of the Development Entities and Operating Entities.

The Affiliated Nonprofit Corporations are consolidated because Abode Communities has an economic interest and control of the organizations through management of day-to-day operations and/or a majority voting interest in their governing boards. The limited partnerships and limited liability companies are included in the consolidation in accordance with U.S. generally accepted accounting principles ("GAAP"), which require consolidation of all such entities, which are deemed to be controlled by Abode Communities.

All significant inter-entity balances and transactions have been eliminated in consolidation.

Development Entities are comprised of the following entities. The respective beneficial owner and the consolidated ownership percentage is also listed:

Development Entity affiliate	Beneficial owner	Ownership % 2021	Ownership % 2020
Adams Terrace, L.P.	Abode Communities	0.01%	0.01%
Beacon Landing, L.P.	Abode Communities	100.00%	100.00%
Carlton, L.P.	Abode Communities	100.00%	100.00%
Central Ave Apartments, L.P.	Abode Communities	100.00%	100.00%
Chavez Fickett, L.P.	Abode Communities	100.00%	100.00%
Harrower Village, L.P.	Abode Communities	100.00%	N/A
La Veranda, L.P.	Abode Communities	0.01%	100.00%
New Vista Court, L.P.	Abode Communities	100.00%	100.00%
Veteran Commons, L.P.	Abode Communities	100.00%	N/A
Villa Verde I, L.P.	Abode Communities	100.00%	100.00%

Operating Entities are comprised of the following entities. The respective general partner and managing member and the consolidated ownership percentage is also listed:

Operating Entity affiliate	Nonprofit general partner/managing member	Ownership % 2021	Ownership % 2020
44000 Sahuayo Street, LP	* Abode Communities	0.005%	0.005%
Casa Dominguez, L.P.	* Abode Communities	1.00%	1.00%
Centennial Place Limited Partnership	Abode Community Housing	100.00%	100.00%
Clark Residence Limited Partnership	* Abode Communities	100.00%	100.00%
E. Victor Villa, L.P.	* Abode Communities	0.01%	0.01%
E. Victor Villa GP, LLC	* Abode Communities	100.00%	100.00%
Evergreen Apartments, L.P.	* Abode Communities	0.01%	0.01%
Fremont Building Limited Partnership	Abode Communities	100.00%	100.00%
Glassell Park, L.P.	* Abode Communities	0.01%	0.01%
Grand Avenue Apartments Limited Partnership	Abode Communities	100.00%	100.00%
Grandview Apartments, L.P.	* Abode Communities	100.00%	100.00%
Grisham Community Housing, L.P.	Abode Communities	100.00%	100.00%
Hart Village, L.P.	* Abode Communities	0.01%	0.01%
Heritage Court Apartments Limited Partnership	* Abode Communities	100.00%	100.00%
Hudson Oaks Limited Partnership	* Abode Community Housing	0.01%	0.01%
Kittridge Housing, L.P.	* Abode Communities	0.01%	0.01%
Las Brisas Community Housing II, L.P.	* Abode Community Housing	0.01%	0.01%
Las Brisas Community Housing Limited Partnership	* Abode Communities	0.01%	0.01%
Laurel Village, L.P.	Abode Communities	0.01%	0.01%

Operating Entity affiliate		Nonprofit general partner/managing member	Ownership % 2021	Ownership % 2020
Morgan Place, L.P.		Abode Communities	0.01%	0.01%
New Dana Strand Partners I, L.P.	*	Abode Communities	0.005%	0.005%
New Park Place, L.P.		Abode Communities	0.01%	0.01%
Nuevo Pico Union Partnership	*	Abode Communities	100.00%	100.00%
Orange Grove Gardens, L.P.	*	Abode Community Housing	0.01%	0.01%
Oxnard Housing Repurchase, LLC	*	Abode Communities	100.00%	100.00%
Park Place Terrace Repurchase, LLC	*	Abode Communities	100.00%	100.00%
Parthenia Housing Associates, L.P.		Abode Communities	100.00%	100.00%
Reseda Village Repurchase, LLC	*	Abode Communities	100.00%	100.00%
Rolland Curtis Commercial QALICB, Inc.	*	Rolland Curtis Commercial QALICB, Inc.	100.00%	100.00%
Rolland Curtis East, L.P.		Abode Communities	0.01%	0.01%
Rolland Curtis West, L.P.		Abode Communities	0.01%	0.01%
Selma Community Housing, L.P.		Abode Communities	0.01%	0.01%
Sherman Way Community Housing, L.P.		Abode Communities	0.01%	0.01%
Sun Sage Homes, L.P.		Abode Community Housing	0.01%	0.01%
Sunshine Terrace Repurchase, LLC	*	Abode Community Housing	100.00%	100.00%
Terra Bella, L.P.	*	Abode Communities	0.01%	0.01%
Villa Parke Homes	*	Abode Community Housing	100.00%	100.00%
Vista del Mar, L.P.	*	Abode Communities	0.0018%	0.0018%
Viviendas Del Valle, L.P.	*	Abode Communities	0.01%	0.01%
Westmont Vista, L.P.	*	Abode Communities	0.01%	0.01%
Wilmington Housing Associates Limited Partnership		Abode Community Housing	100.00%	100.00%
Wilson Apartments Associates, L.P.	*	Abode Community Housing	39.50%	39.50%
Western Landing, L.P.	*	Abode Communities	100.00%	N/A

*Not audited in accordance with *Government Auditing Standards*.

Note 2 - Significant accounting policies

Basis of presentation

The consolidated financial statements are presented in accordance with GAAP, which require Abode Communities to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions

Net assets without donor restrictions consist of all resources of Abode Communities that have not been specifically restricted by a donor.

Net assets with donor restrictions

Net assets with donor restrictions consist of cash received or other assets with donor stipulations that limit their use. Donor restrictions are stipulated by either a time restriction or a purpose restriction. Upon expiration of a time restriction or completion of a purpose restriction, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restriction.

Use of estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in these consolidated financial statements and the disclosures in the accompanying notes. Actual results could differ from those

estimates. Estimates of future operations were made by management in the calculation of the amount of development fee revenue recognized under GAAP.

Cash and cash equivalents
Abode Communities considers all highly-liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Restricted reserves and deposits
Restricted reserves and deposits primarily consist of operating, replacement reserves, and property tax and insurance escrows. Such reserves are required by various financing authorities, lenders or stipulations in the applicable partnership or operating agreements.

Accounts receivable and bad debts
Accounts receivable are reported net of an allowance for uncollectible amounts. Management's estimate of the allowance is based on historical collection experience and a review of the current status of accounts receivable. It is reasonably possible that management's estimate of the allowance will change. As of December 31, 2021 and 2020, the allowance for doubtful accounts is $1,864,373 and $724,075, respectively. Bad debt expense during the years ended December 31, 2021 and 2020 was $1,288,469 and $805,127, respectively, and is included in expenses on the consolidated statements of activities.

Notes receivable
Notes receivable are reported net of an allowance for uncollectible amounts. Management's estimate of the allowance is based on historical collection experience and a review of the current status of notes receivable. It is reasonably possible that management's estimate of the allowance will change. As of December 31, 2021 and 2020, there is no allowance for doubtful accounts. All notes receivable for consolidated entities have been eliminated in consolidation.

Due from affiliates
The advances due from affiliates are reported net of an allowance for doubtful accounts. Management's estimate of the allowance is based on expected future operating performance and other factors. It is reasonably possible that management's estimate of the allowance will change. As of December 31, 2021 and 2020, there is no allowance for doubtful accounts. Advances to consolidated entities and the related allowance have been eliminated in consolidation.

Partnership investments
Partnership investments include the equity interest of Abode Communities and Affiliated Nonprofit Corporations in certain tax credit partnerships which are not controlled by Abode Communities and Affiliated Nonprofit Corporations. Abode Communities and Affiliated Nonprofit Corporations account for their investments in such limited partnerships ("Investees") in accordance with the equity method of accounting, under which the investment is carried at cost and is adjusted for Abode Communities' and Affiliated Nonprofit Corporations' share of the Investees' results of operations and by cash distributions received. Abode Communities and Affiliated Nonprofit Corporations regularly assess the carrying value of their investments in limited partnerships. If the carrying value exceeds the estimated value derived by management, Abode Communities and Affiliated Nonprofit Corporations would reduce their investments by the amount by which the carrying amounts exceed the assessed value. During the years ended December 31, 2021 and 2020, Abode Communities and Affiliated Nonprofit Corporations did not make any such adjustments. The Investees are variable interest entities whose activities are consolidated with the business activities of their controlling owners.

Project development costs
Abode Communities incurs costs in connection with properties it is considering for development as well as costs associated with projects in the initial stages of development. These costs include such items as market studies, purchase options, environmental study costs, legal and accounting costs. Project development costs are capitalized until such time as the project is no longer considered desirable or feasible, at which time the costs are expensed. Project development costs related to projects that are ultimately developed are subsequently recorded as receivables to be repaid by the applicable projects. During the years ended December 31, 2021 and 2020, $631,665 and $49,280, respectively, of project development costs were expensed and included in real estate development on the consolidated statements of activities.

Property and equipment
Property and equipment are recorded at cost. Expenditures for maintenance and repairs are expensed as incurred, while major renewals and betterments are capitalized. Costs of properties constructed or rehabilitated include all direct costs of construction, as well as carrying costs during the construction period and indirect costs of construction, supervision and management. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the consolidated statements of activities. Depreciation is computed using the straight-line method over the estimated useful lives ranging from 5 to 40 years.

It is Abode Communities' policy to capitalize expenditures for improvements, furniture, and fixtures and equipment exceeding $2,500.

Impairment of long-lived assets
Abode Communities reviews its property and equipment and investments for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment losses have been recognized during the years ended December 31, 2021 and 2020.

Deferred fees
Costs related to obtaining low-income housing tax credits are being amortized using the straight-line method over the mandatory 15-year compliance period.

Costs related to obtaining leasehold improvements are capitalized and amortized on the straight-line method over the shorter of the life of the related asset or the related lease term.

The table below indicates each component within the deferred fees, net line item on the consolidated statements of financial position:

December 31, 2021	Tax credit monitoring costs	Other deferred fees
Deferred fees	$ 1,379,695	$ 45,696
Less accumulated amortization	(692,770)	(8,335)
Deferred fees, net	$ 686,925	$ 37,361

December 31, 2020	Tax credit monitoring costs	Other deferred fees
Deferred fees	$ 1,377,950	$ 45,696
Less accumulated amortization	(596,242)	(6,479)
Deferred fees, net	$ 781,708	$ 39,217

Estimated annual amortization for each of the next five years subsequent to December 31, 2021 is as follows:

	Tax credit monitoring costs	Other deferred fees
2022	$ 96,465	$ 1,856
2023	83,783	1,856
2024	78,268	1,856
2025	75,856	1,856
2026	67,895	1,856

Prepaid ground lease

Glassell Park, L.P., Selma Community Housing, L.P. ("Selma"), Vista del Mar, L.P., New Dana Strand I, L.P., Rolland Curtis East, L.P., Rolland Curtis West, L.P., and La Veranda, L.P. have entered into prepaid ground lease agreements, which are amortized over the terms of the agreements using the straight-line method.

Estimated annual amortization for each of the next five years and thereafter subsequent to December 31, 2021 is as follows:

2022	$ 243,454
2023	243,454
2024	243,454
2025	243,454
2026	243,454
Thereafter	16,729,410
	$ 17,946,680

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

Derivative instruments
Evergreen Apartments, L.P. ("Evergreen"), Laurel Village, L.P. ("Laurel Village"), and Selma have entered into interest rate swap agreements, which are carried on the accompanying consolidated statements of financial position at fair value. Changes in fair value are estimated and recorded through the consolidated statements of activities. The fair value of the interest rate swaps have been calculated utilizing a third-party methodology that management believes is commonly employed (see Note 11).

Fair value measurement
The accounting standard for fair value measurement and disclosures defines fair value, establishes a framework for measuring fair value, and provides for expanded disclosure about fair value measurements. Fair value is defined by the accounting standard for fair value measurement and disclosures as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. It also establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three levels. The following summarizes the three levels of inputs and hierarchy of fair value Evergreen, Laurel Village and Selma use when measuring fair value:

- Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that Evergreen, Laurel Village and Selma have the ability to access;

- Level 2 inputs may include quoted prices for similar assets and liabilities in active markets, as well as interest rates and yield curves that are observable at commonly quoted intervals; and

- Level 3 inputs are unobservable inputs for the asset or liability that are typically based on an entity's own assumptions as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the fair value measurement will fall within the lowest level input that is significant to the fair value measurement in its entirety (see Note 12 for additional disclosures).

Noncontrolling interest in limited partnerships and limited liability companies
The noncontrolling interest in the consolidated statements of financial position represents the aggregate balance of limited partner or investor member equity interest in the affiliate limited partnerships or limited liability companies that are included in the consolidated financial statements.

Revenue recognition
Revenue primarily consists of rental income, development fees, architect fees, grants, interest income, resident services fees and property and partnership management fees.

Rental income is recognized as rents become due. Rental payments received in advance are deferred until earned. All leases between the Operating Entities and the tenants of the projects are operating leases.

Portions of the rental income are in the form of subsidy payments from the U.S. Department of Housing and Urban Development ("HUD") under Section 8 of the National Housing Act and Project Rental Assistance Contracts. Tenants are subsidized based upon their level of income. Rent increases require HUD approval.

Development fees (over time), architect fees (over time), resident services fees (over time), property and partnership management fees (over time) are accounted for as contracts with customers. Under the guidance for contracts with customers, an entity is required to (a) identify the contract(s) with a customer, (b) identify the performance obligations in the contract, (c) determine the transaction price, (d) allocate the transaction price to the performance obligations in the contract, and (e) recognize revenue when (or as) the entity satisfies a performance obligation. In determining the transaction price, an entity may include variable considerations only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized would not occur when the uncertainty associated with the variable consideration is resolved.

Abode Communities earns architect fees for services provided to third parties, affiliated limited partnerships and wholly owned properties. Such fees are recognized as earned in accordance with the terms of the contracts. The fees earned on contracts with consolidated affiliated entities are capitalized into the basis of rental property by the affiliated limited partnerships and the profit earned, if any, is eliminated in the consolidation.

Laundry and cable income received in advance are deferred until earned.

Property management fee income is earned monthly based on the management agreement. Fees earned for consolidated entities are eliminated in the consolidation.

Resident services fee income is earned monthly based on the resident services agreement. Fees earned for consolidated entities are eliminated in the consolidation.

Partnership management fee income is earned annually based on the partnership agreements. Fees earned for consolidated entities are eliminated in the consolidation.

The beginning and ending contract balances were as follows as of December 31:

	2021	2020	2019
Accounts receivable	$ 1,378,695	$ 710,416	$ 1,319,687
Development fee receivable	66,818	45,000	45,000
Deferred revenue	1,348,636	2,912,138	723,940

Development fees
Development fees earned are paid from the project's equity and debt proceeds at the completion of the construction of the project. These fees are recognized over the development period beginning when the project is assured of being constructed, as evidenced by the admission of an equity partner, as units are delivered or based on the external construction costs incurred as a percentage of the total external construction costs expected and concluding with the application for final allocation of tax credits. Any portion of the development fee not expected to be paid using contributions from the equity partner, such as out of cash flow from operations, represents variable consideration.

Abode Communities estimates whether it will be entitled to variable consideration under the terms of the development agreement and includes its estimate of variable consideration in the total development fee amount when it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur in accordance with the accounting guidance in *ASC Topic 606, Revenue from Contracts with Customers,* on constraining estimates of variable consideration, which typically includes the following factors:

- The susceptibility of the consideration amount to factors outside the project's influence, including insufficient equity and debt proceeds at the completion of the construction of the project.
- Whether the uncertainty about the consideration amount is not expected to be resolved for a long period of time.
- Abode Communities' experience with similar types of agreements.
- Whether Abode Communities expects to offer changes to payment terms.
- The range of possible consideration amounts.

The cumulative amount of development fees earned over the development agreement is updated at each reporting period based on the project's estimate of the variable consideration using available information at the reporting date. Any difference between the gross amount of the project's developer fee payable and the estimate of variable consideration to which the developer expects to be entitled is eliminated in consolidation.

Grants and contributions
Abode Communities recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give (that is, those with a measurable performance or other barrier and a right of return) are not recognized until the conditions on which they depend have been met. All contributions and other types of revenue with restrictions imposed by the donor, if any, are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are released and reclassified to net assets without donor restriction. When a donation is received and the condition and restriction are met in the same period, the contribution is classified as net assets without donor restriction.

Functional allocation of expenses
The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statements of functional expenses. Directly identifiable expenses are charged to program and supporting services. Expenses related to more than one function are charged to program and supporting services based on percentages determined by the Board of Directors based on estimates of employees’ time incurred and resource usage.

Income taxes
Each of Abode Communities, ACH, FCLC, L'Canon and Rolland Curtis Commercial QALICB, Inc. have applied for and received a determination letter from the Internal Revenue Service ("IRS") to be treated as a tax-exempt entity pursuant to Section 501(c)(3) of the Internal Revenue Code and did not have any unrelated business income for the years ended December 31, 2021 and 2020. Due to their tax-exempt status, these entities are not subject to income taxes. These entities are required to file tax returns with the IRS and other taxing authorities. Accordingly, these consolidated financial statements do not reflect a provision for income taxes and these entities have no other tax positions which must be considered for disclosure.

The Development and Operating Entities are pass-through entities for income tax purposes and are not subject to income taxes. All items of taxable income, deductions and tax credits are passed through to and are reported by their owners on their respective income tax returns. The Development and Operating Entities' federal tax status as pass-through entities is based on their legal status as partnerships. The Development and Operating Entities are required to file tax returns with the IRS and other taxing authorities. Accordingly, these consolidated financial statements do not reflect a provision for income taxes and the Development and Operating Entities have no other tax positions which must be considered for disclosure. Income tax returns filed by the Development and Operating Entities are subject to examination by the IRS for a period of three years. While no income tax returns are currently being examined by the IRS, tax years since 2018 remain open.

Advertising
Advertising costs are expensed as incurred.

Syndication costs
Syndication costs are recorded as a direct reduction to noncontrolling interest when incurred.

Note 3 - Restricted reserves and deposits

In accordance with the terms of loan agreements, regulatory agreements and partnership agreements, deposits are made into replacement reserve accounts, operating reserve accounts, tax and insurance escrow accounts and other accounts as required by the applicable agreements. Withdrawals from these accounts may require approval from designated parties.

Note 4 - Accounts receivable and bad debts

Accounts receivable consist of the following as of December 31:

2021	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Less eliminations	Total
Architecture fees	$ 2,359,101	$ -	$ -	$ -	$ (793,990)	$ 1,565,111
Partnership management fees	2,486,509	-	-	-	(2,486,509)	-
Property management and lease up fees	977,328	-	-	-	(977,328)	-
Rent	-	-	3,062,877	-	-	3,062,877
Other	5,633	-	-	-	(5,633)	-
	5,828,571	-	3,062,877	-	(4,263,460)	4,627,988
Less allowance for doubtful accounts	(1,186,416)	-	(1,677,957)	-	1,000,000	(1,864,373)
	$ 4,642,155	$ -	$ 1,384,920	$ -	$ (3,263,460)	$ 2,763,615

2020	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Less eliminations	Total
Architecture fees	$ 891,374	$ -	$ -	$ -	$ (201,438)	$ 689,936
Partnership management fees	2,404,594	-	-	-	(2,404,594)	-
Property management and lease up fees	991,108	-	-	-	(981,134)	9,974
Resident services fees	70,540	-	-	-	(61,225)	9,315
Rent	-	-	1,488,112	-	-	1,488,112
Other	15,630	-	-	-	(14,439)	1,191
	4,373,246	-	1,488,112	-	(3,662,830)	2,198,528
Less allowance for doubtful accounts	(1,000,000)	-	(724,075)	-	1,000,000	(724,075)
	$ 3,373,246	$ -	$ 764,037	$ -	$ (2,662,830)	$ 1,474,453

Note 5 - Grants receivable

Grants receivable consist of the following as of December 31:

	2021	2020
General operating grant	$ 86,143	$ 103,402
Scholarship fund	27,500	55,000
Predevelopment project support	75,000	-
Resident services	33,500	-
	$ 222,143	$ 158,402

All grants receivable are expected to be collected within one year.

Note 6 - Notes receivable

Notes receivable consist of the following as of December 31:

	2021	2020
Unsecured loan to Twain Investment Fund 190, LLC for the purposes of funding the Rolland Curtis QALICB project, bearing interest at 1.444% per annum. Interest is payable annually through November 2, 2024, at which time a principal payment of $1,100,000 is due. Thereafter principal and interest is due annually until December 31, 2052, at which time a balloon payment of $1,949,989 is due.	$ 4,294,550	$ 4,294,550

Note 7 - Investments in partnerships and limited liability companies

Abode Communities consolidates its ownership interest in certain limited partnerships and limited liability companies (see Note 1). As of December 31, 2021 and 2020, the net investment deficit in limited partnerships and limited liability companies is $12,549,411 and $8,961,611, respectively, of which $13,030,630 and $8,951,197 was eliminated in consolidation at December 31, 2021 and 2020, respectively.

The following is condensed financial information as of December 31, 2021 and 2020 for those entities which are recorded on the equity method in the consolidated financial statements:

2021

Partnership name	Ownership interest	Total assets	Total liabilities	Partners' equity (deficit)	Partnership investment
Hope West Apartments (A California Limited Partnership)	0.5%	$ 1,567,628	3,570,892	$ (2,003,264)	$ (9,831)
New Dana Strand IV-A, L.P.	0.001%	35,177,659	23,461,247	11,716,412	(22)
New Dana Strand Townhomes, L.P.	0.0045%	17,917,590	23,565,223	(5,647,633)	(1,158)
West LA Commons, LLC	30.00%	1,746,230	-	1,746,230	492,230
					$ 481,219

2020

Partnership name	Ownership interest	Total assets	Total liabilities	Partners' equity (deficit)	Partnership investment
Hope West Apartments (A California Limited Partnership)	0.5%	$ 1,567,628	$ 3,570,892	$ (2,003,264)	$ (9,311)
New Dana Strand IV-A, L.P.	0.001%	36,044,362	24,034,609	12,009,753	(18)
Townhomes, L.P.	0.0045%	19,580,950	23,605,242	(4,024,292)	(1,085)
					$ (10,414)

Abode Communities' share of loss consists of the following for the years ended December 31:

	2021	2020
Hope West Apartments (A California Limited Partnership)	$ (520)	$ (571)
New Dana Strand IV-A, L.P.	(4)	(12)
New Dana Strand Townhomes, L.P.	(73)	(69)
Loss on investments	$ (597)	$ (652)

Note 8 - Other investments

Other investments consist of the following as of December 31:

	2021	2020
HPN Select, LLC[(1)]	$ 146,941	$ 180,000
	$ 146,941	$ 180,000

(1) Abode Communities invested in HPN Select, LLC ("HPNS") in order for Abode Communities and its various operating entities to participate in a group purchasing organization. The investment is stated at cost and represents approximately 3% of the capital of HPNS as of December 31, 2021.

Note 9 - Development fees receivable

Development fees receivable consist of the following as of December 31:

	2021	2020
Current development fees receivable		
44000 Sahuayo Street, LP	$ 316,218	$ 316,218
SEED LA Facilities, LLC	66,818	45,000
Adams Terrace, L.P.	3,204,534	-
Rolland Curtis Commercial QALICB, Inc.	115,272	212,000
Rolland Curtis East, L.P.	376,048	376,048
Rolland Curtis West, L.P.	200,000	200,000
Westmont Vista, L.P.	250,000	952,895
Total current development fees receivable	4,528,890	2,102,161
Deferred development fees receivable	4,627,500	5,257,693
Interest on deferred development fees	160,985	143,140
Total development fees receivable	9,317,375	7,502,994
Less eliminations	(9,250,557)	(7,457,994)
	$ 66,818	$ 45,000

Note 10 - Property and equipment, net

Property and equipment consists of the following as of December 31:

December 31, 2021	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Less eliminations	Total
Land	$ -	$ 13,990,500	$ 52,519,292	$ -	$ -	$ 66,509,792
Building and improvements	-	149,956	565,136,653	-	(12,085,664)	553,200,945
Furniture and equipment	911,389	-	20,179,190	-	-	21,090,579
Leasehold improvements	229,614	-	2,337,219	-	-	2,566,833
Construction in progress	467,907	56,371,973	1,404,466	-	(1,182,912)	57,061,434
	1,608,910	70,512,429	641,576,820	-	(13,268,576)	700,429,583
Less accumulated depreciation	(830,942)	-	(189,614,624)	-	2,845,829	(187,599,737)
	$ 777,968	$ 70,512,429	$ 451,962,196	$ -	$ (10,422,747)	$ 512,829,846

December 31, 2020	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Less eliminations	Total
Land	$ -	$ 14,040,600	$ 48,879,292	$ -	$ -	$ 62,919,892
Building and improvements	-	-	564,675,809	-	(13,203,500)	551,472,309
Furniture and equipment	787,200	-	19,687,188	-	-	20,474,388
Leasehold improvements	229,614	-	2,337,219	-	-	2,566,833
Construction in progress	118,822	13,408,064	885,381	-	(584,512)	13,827,755
	1,135,636	27,448,664	636,464,889	-	(13,788,012)	651,261,177
Less accumulated depreciation	(685,335)	-	(172,540,894)	-	2,672,993	(170,553,236)
	$ 450,301	$ 27,448,664	$ 463,923,995	$ -	$ (11,115,019)	$ 480,707,941

For the years ended December 31, 2021 and 2020, depreciation expense was $17,048,093 and $16,312,835, respectively.

The development costs of Abode Communities' pre-development and development stage projects and resyndicated operating partnerships are recorded in construction in progress, included in property and equipment on the accompanying consolidated statements of financial position. The following is a summary by project of construction in progress as of December 31, 2021 and 2020:

Project	Units	Construction	2021	2020
Beacon Landing, L.P.	89	Began in February 2022, anticipated to be completed in June 2023	$ 4,062,446	$ 484,747
Adams Terrace, L.P.	86	Began in December 2020, anticipated to be completed in July 2022	35,930,696	5,841,517
La Veranda, L.P.	77	Began in August 2021, anticipated to be completed in April 2023	9,888,127	3,088,749
Grandview Apartments, L.P.	100	Anticipated to begin February 2023	936,916	885,382
New Vista Court, L.P.	157	Project was determinded not to be viable	-	612,695
Villa Verde I, L.P.	152	Anticipated to begin February 2023	2,197,329	1,366,631
Carlton, L.P.	60	Anticipated to begin September 2023	1,287,031	613,731
Central Ave Apartments, L.P.	59	Anticipated to begin September 2023	1,133,285	617,589
Chavez Fickett, L.P.	110	Anticipated to begin December 2023	397,686	197,893
Western Landing, L.P.	64	Anticipated to begin April 2023	467,551	-
All other projects			760,367	118,821
Total construction in process			$ 57,061,434	$ 13,827,755

Note 11 - Mortgages and notes payable

Mortgages and notes payable are as follows as of December 31, 2021 and 2020:

	Current portion	Long-term portion	Principal balance as of 12/31/2021	Accrued interest as of 12/31/2021
Abode Communities				
$500,000 unsecured loan with Wells Fargo Bank, bearing interest at 2.00% per annum, interest payable in quarterly installments through October 2022. Thereafter, principal payments of $62,500 plus interest are due quarterly through maturity in October 2024.	$ -	$ 500,000	$ 500,000	$ 1,667
$500,000 unsecured loan with Wells Fargo Bank, bearing interest at 2.00% per annum, interest payable in quarterly installments through June 2025. Thereafter, principal payments of $62,500 plus interest are due quarterly through maturity in June 2027.	-	500,000	500,000	2,500
$500,000 unsecured loan with US Bank, bearing interest at 3.00% per annum, interest payable in quarterly installments, due January 2022. Renewed in February 2022 for three years at 2.65% per annum.	-	500,000	500,000	3,833
$1,250,000 unsecured loan with MUFG Union Bank, bearing interest at 2.25% per annum, interest payable in quarterly installments, due January 2022. Refinanced in January 2022 for $5 million at 1.75% per annum, maturity in April 2027.	-	1,250,000	1,250,000	6,336
$2,000,000 unsecured line of credit with CommonSpirit Health Operating Investment Pool, bearing interest at 5.00% per annum, interest payable in quarterly installments, due March 2022. In June 2022, the lender approved a renewal of the loan for 10 years at 4.5% per annum.	2,000,000	-	2,000,000	20,833
$2,000,000 unsecured line of credit with Mercy Community Capital, bearing interest at 6.00% per annum, interest payable monthly, due April 4 2023.	-	1,182,611	1,182,611	-
Noninterest-bearing loan payable to Banamex USA under the Affordable Housing Program, secured by real estate owned by Terra Bella. Principal deferred until maturity in January 2028 but subject to acceleration and interest charges if the property does not comply with regulations.	-	991,000	991,000	-
$585,000 noninterest-bearing loan payable to Wells Fargo Financial National Bank under the Affordable Housing Program, secured by real estate owned by Westmont Vista. Principal deferred until maturity on December 17, 2075 but subject to acceleration and interest charges if the property does not comply with regulations.	-	585,000	585,000	-
$3,000,000 unsecured note payable to Housing Partnership Fund, bearing interest at 6.25% per annum, interest payable monthly, due January 2024.	-	3,000,000	3,000,000	-
$2,000,000 unsecured loan payable to Nonprofit Finance Fund, bearing interest at 3.95% per annum, interest payable in quarterly installments, due May 2024.	-	2,000,000	2,000,000	-
$2,000,000 unsecured loan payable to Weingart Foundation, bearing interest at 2.00% per annum, interest payable in quarterly installments, due May 2024.	-	2,000,000	2,000,000	-
$1,000,000 unsecured loan payable to California Community Foundation, bearing interest at 2.00% per annum, interest payable in quarterly installments, due May 2024.	-	1,000,000	1,000,000	-

	Current portion	Long-term portion	Principal balance as of 12/31/2021	Accrued interest as of 12/31/2021
Development Entities				
Construction and permanent loan for Adams Terrace, maximum proceeds of $33,769,000. Interest at 1.30% plus the greater of one-month LIBOR or 1% (2.30% at December 31, 2021) payable monthly until conversion from construction to permanent loan, principal plus interest at 4.00% payable monthly after conversion. All unpaid principal and interest is due 17 years from the date of conversion.	-	13,163,570	13,163,570	23,545
Construction and permanent loan for Adams Terrace, maximum proceeds of $2,000,000, bearing interest at the rate of 1% per annum. Annual payments from residual receipts are required through maturity on November 17, 2077.	-	2,000,000	2,000,000	22,000
Construction and permanent loan for Adams Terrace, maximum proceeds of $3,000,000, bearing interest at the rate of 1% per annum. Annual payments from residual receipts are required through maturity on November 17, 2077.	-	2,832,402	2,832,402	24,818
$895,000 land loan for Adams Terrace, bearing interest at the rate of 1% per annum. Annual payments from residual receipts are required through maturity on November 20, 2077.	-	895,000	895,000	9,969
Construction and permanent loan for Adams Terrace, maximum of $12,000,000, bearing interest at the rate of 1% per annum. Interest incurred during the construction period is deferred and payable in full when the construction financing converts to permanent financing. Thereafter, interest is payable annually from residual receipts. Principal and all accrued interest is due in full on November 18, 2057.	-	6,849,491	6,849,491	29,403
$2,000,000 noninterest bearing loan for Adams Terrace, principal is due December 1, 2075. The loan was funded in full during January 2022.	-	-	-	-
$6,640,000 acquisition and predevelopment loan for Beacon Landing, payable in monthly installments of interest-only at the rate of 6.00% per annum through maturity on September 30, 2023.	-	5,957,786	5,957,786	29,789
$1,773,626 predevelopment loan for Beacon Landing, payable in monthly installments of interest-only at the rate of 5.50% per annum through maturity on November 19, 2022.	1,693,721	-	1,693,721	10,868
$4,621,000 acquisition and predevelopment loan for Carlton, payable in monthly installments of interest-only at the rate of 5.375% per annum through maturity on August 1, 2023.	-	3,752,863	3,752,863	16,800
$3,580,000 acquisition loan for Central Ave Apartments, payable in monthly installments of interest-only at the rate of 6.50% per annum through maturity on January 21, 2023.	-	3,528,393	3,528,393	19,749
$1,500,000 predevelopment loan for Central Ave Apartments, payable in monthly installments of interest-only at the rate of 6.75% per annum through maturity on July 5, 2022.	1,114,070	-	1,114,070	6,476

	Current portion	Long-term portion	Principal balance as of 12/31/2021	Accrued interest as of 12/31/2021
Construction and permanent loan for La Veranda, maximum proceeds of $33,891,518. Interest at the Bloomberg Short-Term Bank Yield Screen Rate plus 2.20% (2.70% at December 31, 2021) payable monthly until conversion from construction to permanent loan, principal plus interest at 3.90% payable monthly after conversion. All unpaid principal and interest is due 20 years from the date of conversion.		6,817,988	6,817,988	15,852
Construction and permanent loan for La Veranda, maximum proceeds of $2,000,000, bearing interest at the rate of 3% per annum. Annual payments from residual receipts are required through maturity on June 1, 2078.	-	1,950,000	1,950,000	29,412
Construction and permanent loan for La Veranda, maximum proceeds of $9,120,000, bearing interest at the rate of 3% per annum. Annual payments from residual receipts are required through maturity on June 29, 2076.	-	779,416	779,416	529
$450,000 predevelopment loan for Villa Verde, bearing interest at the rate of 3% per annum. Interest is deferred until the maturity date of the note on December 31, 2024.	-	450,000	450,000	16,991
Operating Entities				
$8,247,500 acquisition loan for Grandview Apartments, payable in monthly installments of interest-only at the rate of 5.33% per annum through maturity on February 1, 2023.	-	8,242,711	8,242,711	-
Construction and permanent loan for 44000 Sahuayo Street, maximum proceeds of $19,922,978. Interest at one-month LIBOR + 2.35% (2.475% and 2.5375% at December 31, 2021 and 2020, respectively) payable monthly until conversion from construction to permanent loan, principal plus interest at 5.22% payable monthly after conversion. All unpaid principal and interest is due 15 years from the date of conversion.	10,409,178	1,640,000	12,049,178	24,851
$5,627,000 acquisition and predevelopment loan for Western Landing, payable in monthly installments of interest-only at the rate of 6.00% per annum through maturity on July 26, 2024.	-	4,061,452	4,061,452	20,307
Permanent loans with principal and interest payable monthly, bearing interest from 1.00% to 7.45%, maturing between November 2025 and December 2055. As of the report date, the Operating Entities are in compliance with all loans.	1,896,505	81,825,917	83,722,422	316,769
Permanent loans with annual payments from available excess cash or residual receipts, bearing interest from 0% to 10.5% and maturing between July 2022 and April 2076.	322,091	193,142,295	193,464,386	52,827,214
Noninterest-bearing permanent loans with principal either deferred until maturity or forgivable if certain terms are met. Maturity dates are through December 2075.	-	3,610,000	3,610,000	-

	Current portion	Long-term portion	Principal balance as of 12/31/2021	Accrued interest as of 12/31/2021
Affiliated Nonprofit Corporations				
Noninterest-bearing loan secured by real estate owned by Hudson Oaks. Principal deferred until maturity in February 2029 but subject to acceleration and interest charges if the property does not comply with regulations.	-	440,000	440,000	-
Subtotal	17,435,565	355,447,895	372,883,460	53,480,511
Debt issuance costs, net of accumulated amortization of $2,890,807	-	-	(5,327,770)	-
	$ 17,435,565	$ 355,447,895	$ 367,555,690	$ 53,480,511

	Current portion as of 12/31/2021	Long-term portion as of 12/31/2021	Principal balance as of 12/31/2021	Accrued interest as of 12/31/2021
Abode Communities				
Nonrecourse Debt	$ -	$ 1,576,000	$ 1,576,000	$ -
Recourse Debt	2,000,000	11,932,611	13,932,611	35,169
Total Abode Communities	2,000,000	13,508,611	15,508,611	35,169
Development Entities				
Nonrecourse Debt	-	35,287,867	35,287,867	155,528
Recourse Debt	2,807,791	13,689,042	16,496,833	100,673
Total Development Entities	2,807,791	48,976,909	51,784,700	256,201
Operating Entities (nonrecourse)				
Hard Debt	12,305,683	95,770,080	108,075,763	361,927
Soft Debt	322,091	196,752,295	197,074,386	52,827,214
Total Operating Entities	12,627,774	292,522,375	305,150,149	53,189,141
Affiliated Nonprofit Corporations				
Nonrecourse Debt	-	440,000	440,000	-
Total Affiliated Nonprofit Corporations	-	440,000	440,000	-
Total	$ 17,435,565	$ 355,447,895	$ 372,883,460	$ 53,480,511

Loans coming due within one year of June 30, 2022 include a construction loan of approximately $10.4 million for a project that is in operation as of December 31, 2021. The loan is expected to be repaid using proceeds from capital contributions of the tax credit investor limited partner of the project and other permanent loan commitments. The predevelopment loan of approximately $1.1 million has a 12-month extension which was exercised and the predevelopment loan of approximately $1.7 million was paid off in February 2022 from construction loan proceeds. Management has refinanced the $2 million unsecured loan which matured in March 2022 for a 10-year period beginning on June 21, 2022, bearing interest at 4.5% per annum. The remainder is monthly principal reductions on amortizing loans.

	Current portion as of 12/31/2020	Long-term portion as of 12/31/2020	Principal balance as of 12/31/2020	Accrued interest as of 12/31/2020
Abode Communities				
Nonrecourse Debt	$ -	$ 1,576,000	$ 1,576,000	$ -
Recourse Debt	1,375,000	12,352,263	13,727,263	60,338
Total Abode Communities	1,375,000	13,928,263	15,303,263	60,338
Development Entities				
Nonrecourse Debt	-	7,892,154	7,892,154	12,573
Recourse Debt	3,416,203	9,290,244	12,706,447	67,370
Total Development Entities	3,416,203	17,182,398	20,598,601	79,943
Operating Entities (nonrecourse)				
Hard Debt	29,383,704	93,558,989	122,942,693	403,084
Soft Debt	706,091	196,710,213	197,416,304	48,284,349
Total Operating Entities	30,089,795	290,269,202	320,358,997	48,687,433
Affiliated Nonprofit Corporations				
Nonrecourse Debt	-	440,000	440,000	-
Total Affiliated Nonprofit Corporations	-	440,000	440,000	-
Total	$ 34,880,998	$ 321,819,863	$ 356,700,861	$ 48,827,714

The annual maturities of long-term debt for each of the next five years and thereafter subsequent to December 31, 2021 are as follows:

	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Total
2022	$ 2,000,000	$ 2,807,791	$ 12,627,774	$ -	$ 17,435,565
2023	1,682,611	20,410,912	19,787,352	-	41,880,875
2024	8,250,000	650,188	7,276,659	-	16,176,847
2025	-	-	5,204,012	-	5,204,012
2026	-	-	8,211,744	-	8,211,744
Thereafter	3,326,000	27,915,809	252,042,608	440,000	283,724,417
	$ 15,258,611	$ 51,784,700	$ 305,150,149	$ 440,000	$ 372,633,460

Interest capitalized into project development costs and property and equipment totaled $2,151,911 and $2,163,672 for the years ended December 31, 2021 and 2020, respectively.

The Los Angeles Housing and Community Investment Department ("HCID") loaned Abode Communities $1,886,852 at 5% per annum for the purpose of developing affordable housing. HCID allowed Abode Communities to subsequently assign the real property and its rights and obligations under the loan agreement to Parthenia Housing Associates, L.P., in which Abode Communities participates as the General Partner. Because the funds were part of a government grant that required the loan to remain with Abode Communities, the security interest for the HCID loan is cross collateralized against real property assigned to the limited partnership.

Concurrent with the execution of the loan, Abode Communities received a $1,886,852 promissory note from the limited partnership, the terms of which are identical to the loan payable to HCID. Proceeds due under the note receivable will be used to offset the identical payments due under the note payable. As such, Abode Communities has not reflected the note, interest income and interest expense in the consolidated financial statements.

Financial instruments

Evergreen entered into an interest rate swap agreement (the "swap agreement") with Union Bank (the "swap provider") to reduce the impact of changes in interest rates. Under the terms of the swap agreement, Evergreen has agreed to pay interest to the swap provider at a fixed rate of 4.19%, exclusive of any fees, add-ons or other trustee or bank charges, while the swap provider has agreed to make Evergreen's required monthly mortgage payment. The notional amount of the swap agreement is equal to the outstanding amount of the bonds. The swap agreement expires upon payment in full of the mortgage.

Laurel Village entered into two interest rate swap agreements (the "swap agreements") with Union Bank (the "swap provider") to reduce the impact of changes in interest rates. Under the terms of the swap agreements, Laurel Village has agreed to pay interest to the swap provider at fixed rates of 4.90% and 4.98%, exclusive of any fees, add-ons or other trustee or bank charges, while the swap provider has agreed to make Laurel Village's required monthly mortgage payments. The notional amounts of the swap agreements are equal to the outstanding amount of the loans. The swap agreements expire upon payment in full of the respective notes.

Selma entered into an interest rate swap agreement (the "swap agreement") with Union Bank (the "swap provider") to reduce the impact of changes in interest rates. The swap agreement became effective April 1, 2017. Under the terms of the swap agreement, Selma has agreed to pay interest to

the swap provider at a fixed rate of 5.56% exclusive of any fees, add-ons or other trustee or bank charges, while the swap provider has agreed to make Selma's required monthly mortgage payment. The notional amount of the swap agreement is equal to the outstanding amount of the loan. The swap agreement expires upon payment in full of the note.

Derivative instruments not meeting the criteria for hedge accounting are recorded at fair value on the consolidated statements of financial position with any change in fair value reflected in the consolidated statements of activities.

A liability for the fair market value of the interest rate swaps as of December 31, 2021 and 2020 in the amounts of $1,970,964 and $2,820,397, respectively, have been recorded, which represents the fair value of the future differences in interest to be paid and received under the swap agreements over the remaining term of the swap agreements, and is included in fair market value of interest rate swaps on the consolidated statements of financial position. For the years ended December 31, 2021 and 2020, a gain (loss) on fair value of $849,434 and $(948,418), respectively, has been recognized and is included in the consolidated statements of activities.

On May 4, 2020, Abode Communities entered into an unsecured promissory note with Harvest Small Business Finance, LLC for an aggregate principal amount of approximately $2,020,370 pursuant to the Paycheck Protection Program (the “PPP Loan”), which was established under the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) and is administered by the U.S. Small Business Administration (the “SBA”). Under the CARES Act, PPP Loan recipients meeting certain criteria set by the SBA may be eligible for full or partial forgiveness of such loans. Abode Communities met the conditions of forgiveness of the PPP loan during the year ended December 31, 2020, and accordingly, derecognized $2,020,370 of the PPP Loan liability and recognized forgiveness of debt revenue which is included in the consolidated statement of activities for the year ended December 31, 2020. The loan was forgiven in full on December 23, 2021. There is a six-year period during which the SBA can review Abode Communities’ forgiveness calculation.

Note 12 - Fair value

As of December 31, 2021 and 2020, the liability which represents the fair value of the interest rate swaps in the amounts of $1,970,964 and $2,820,397, respectively, is classified within Level 2 of the fair value hierarchy. No other assets or liabilities are measured at fair value as of December 31, 2021 and 2020. The following table presents the financial liability that was measured at fair value on a recurring basis as of December 31, 2021 and 2020:

	Level 1	Level 2	Level 3	Total
Interest rate swaps at December 31, 2021	$ -	$ 1,970,964	$ -	$ 1,970,964
Interest rate swaps at December 31, 2020	$ -	$ 2,820,397	$ -	$ 2,820,397

On a recurring basis, the Operating Entities measure the interest rate swaps at the estimated fair value. In determining the fair value of the interest rate swap derivatives, management uses the present value of expected cash flows based on the market observable interest rate yield curve commensurate with the term of the instrument. The Operating Entities incorporate credit valuation adjustments to appropriately reflect both the Operating Entities' nonperformance risk and that of the

respective counterparty in the fair value measurement. The credit valuation adjustments utilize Level 3 inputs, such as estimates of current credit spreads, to evaluate the likelihood of default by either the respective counterparty or the Operating Entities. However, management has determined that as of December 31, 2021 and 2020, the impact of the credit valuation adjustments was not significant to the overall valuation of the swaps. As a result, the fair values of the swaps are considered to be based primarily on Level 2 inputs.

Note 13 - Deferred revenue

Deferred revenue consists of the following as of December 31:

	2021	2020
Capital Magnet Fund deferred revenue	$ 830,000	$ 2,330,000
Deferred straight line rent	372,977	376,188
Miscellaneous	145,659	205,950
	$ 1,348,636	$ 2,912,138

Capital Magnet Fund deferred revenue represent funds received under the federal capital magnet fund program to invest in affordable housing, 5% of which can be used to fund Abode Communities' operations. The funds must meet certain criteria in order to be considered earned as revenue. Abode Communities was awarded $2,250,000 during 2020. Capital magnet fund revenue recognized for the years ended December 31, 2021 and 2020 was $1,500,000 and $0, respectively.

Note 14 - Forgivable loans and grants payable

Forgivable loans and grants payable consists of the following as of December 31:

	2021	2020
TCAC grants payable	$ 6,254,646	$ 6,461,859
CDC grant payable	206,250	212,500
City of Los Angeles forgivable loan	2,300,000	2,350,000
	$ 8,760,896	$ 9,024,359

TCAC grants payable represent funds received by Operating Entities from the California Tax Credit Allocation Committee ("TCAC") through the American Recovery and Reinvestment Act of 2009, Section 1602 award program in the form of noninterest-bearing forgivable loans. The loans are secured by deeds of trust and assignments of rents on the underlying real property interests, and repayment is required only in the event the Operating Entities do not operate the housing projects in compliance with regulatory and program requirements during their 15-year compliance periods. The TCAC grants are being recognized as grant revenue over the 40-year estimated useful life of the buildings and improvements. TCAC grant revenue recognized for each of the years ended December 31, 2021 and 2020 was $207,213.

CDC grants payable represent funds received from the Community Development Commission of the County of Los Angeles to make repairs and improvements to the project in the form of a grant which is forgivable over a seven-year period, so long as the borrower annually complies with the terms of the grant agreement. The grant proceeds are being recognized as grant revenue over the

40-year estimated useful life of the related improvements. Grant revenue recognized for each of the years ended December 31, 2021 and 2020 was $6,250.

Noninterest-bearing loan from the City of Los Angeles to Abode Communities for the benefit of Rolland Curtis Commercial QALICB, maturing on July 16, 2043. The loan is forgivable over a 25-year period so long as the borrower complies with the terms of the agreement. The proceeds of the loan are being recognized as grant revenue over the term of the agreement. Grant revenue recognized for the years ended December 31, 2021 and 2020 was $100,000 and $100,000, respectively.

Note 15 - Net assets with donor restrictions

The following revenues are recorded as net assets with donor restrictions as of December 31, 2021 and 2020:

Grant received from	Purpose	Period	2021	2020
Rose Hills Foundation	Resident Services	11/1/2020-10/31/2021	$ -	$ 104,167
Weingart Foundation	General Operating	11/1/2020-10/31/2022	62,500	137,500
The Ahmanson Foundation	Remote Operations	10/15/2020-11/30/2021	-	245,926
The Earl and Anna Broady Foundation	Resident Services	12/9/2020-12/31/2022	57,500	82,500
The Ralph Parsons Foundation	Resident Services	7/1/2021-6/30/2022	40,000	-
California Community Foundation	General Operating	7/1/2018-6/30/2022	15,000	15,000
California Community Foundation	General Operating	7/1/2019-6/30/2022	125,000	125,000
California Community Foundation	Predevelopment	11/1/2019-10/31/2021	-	25,000
California Community Foundation	General Operating	7/1/2020-6/30/2021	-	50,000
US Bank	General Operating	8/1/2021-7/31/2022	8,750	-
US Bank	Predevelopment	8/1/2021-7/31/2022	14,583	-
Capital One	Resident Services	10/1/2021-9/30/2022	22,500	-
JP Morgan Chase	General Operating	12/1/2021-11/30/2023	143,750	-
JP Morgan Chase	Predevelopment	12/1/2021-11/30/2023	100,000	-
Various	Resident Services	Various	17,500	17,500
Total net assets with donor restriction			$ 607,083	$ 802,593

Note 16 - Statements of cash flows

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the consolidated statements of financial position that sum to the total of the same such amounts in the consolidated statements of cash flows:

	2021	2020
Cash and cash equivalents	$ 23,348,078	$ 22,628,406
Restricted reserves and deposits	14,170,217	15,326,179
Total cash, cash equivalents and restricted cash shown in the consolidated statements of cash flows	$ 37,518,295	$ 37,954,585

Amounts included in restricted cash are comprised of security deposits held in trust for the future benefit of tenants upon moving out of the projects and reserves as required by regulatory authorities and the partnership/operating agreements.

Note 17 - Retirement plan

Abode Communities maintains a Voluntary 401(k) Retirement Plan covering all eligible employees of Abode Communities. The plan provides for voluntary employee contributions and Abode Communities matching of up to 4% of employee annual salary. All employer and employee contributions are immediately vested. Matching contributions to the plan for the years ended December 31, 2021 and 2020 totaled $317,123 and $278,730, respectively.

Note 18 - Operating leases

Abode Communities leases its office facilities under an operating lease which expires August 31, 2025. Monthly rent as of December 31, 2021 and 2020 was $45,255 and $43,937, respectively, with annual increases of 3%.

Abode Communities leases its photocopying equipment under various operating lease arrangements which expire between August 2022 and March 2027. Minimum monthly payments are $7,398.

Rent incurred for the years ended December 31, 2021 and 2020 was $549,921 and $547,684, respectively. The future minimum lease payments for each of the next five years and thereafter subsequent to December 31, 2021 are as follows:

2022	$	633,792
2023		647,371
2024		660,503
2025		398,516
2026		2,628
	$	2,342,810

Note 19 - Related party transactions

In the ordinary course of business, Abode Communities has significant related party transactions with affiliates. It provides a considerable amount of funding in connection with the development of projects. It also provides architectural services, development services, project management services, social services and property management services. In certain cases, Abode Communities pays operating expenses on behalf of affiliates, which are reimbursed to Abode Communities on a monthly basis. In certain instances, however, such as when individual properties may be experiencing cash flow difficulties, repayment may be delayed, providing the individual properties with a source of funds.

Abode Communities earns architectural fees, consulting fees, asset management fees, social services fees, accounting fees and property management fees in connection with services rendered to consolidated affiliated entities.

The amounts loaned by Abode Communities primarily represent development loans to affiliates and eliminate in consolidation. These loans are unsecured and due on demand, and some bear interest.

Note 20 - Availability and liquidity

The following represents Abode Communities' financial assets at December 31, 2021:

	Abode Communities	Consolidated
Cash and cash equivalents	$ 10,318,652	$ 23,348,078
Accounts receivable	4,642,155	2,763,615
Grants receivable	222,143	222,143
Developer fee and interest receivable	9,317,375	66,818
Total current financial assets	24,500,325	26,400,654
Less amounts not available to be used within one year		
Equity line of credit restricted cash	2,795,136	2,795,136
Property and partnership management fees receivable	2,463,837	-
Deferred developer fee receivable	4,788,485	-
Net assets with donor restrictions	607,083	607,083
Financial assets available to meet general expenditures over the next 12 months	$ 13,845,784	$ 22,998,435

Abode Communities' financial assets are intended to be sufficient to meet its general expenditures, liabilities and other obligations as they become due. As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts and certificates of deposit, or used as part of income generating programs.

Note 21 - Guaranties

In its role as general partner of the various Operating Entities, Abode Communities is liable for recourse liabilities. These projects have been allocated low-income housing tax credits pursuant to Internal Revenue Code Section 42. In connection with their general partnership interests, certain guarantees have been made to the partnerships, including the following:

Development deficit and repurchase guarantees
Abode Communities is obligated to pay any development cost deficits or, at the option of the investor limited partner, to purchase the interest of the investor limited partner if the project is not completed or if permanent financing has not been obtained by specific dates. This obligation typically terminates upon funding of permanent project financing. As of December 31, 2021, the amounts due under this guaranty are as follows, all of which are expected to be repaid at permanent loan conversion:

Project	Amount
Rolland Curtis East, L.P.	$ 227,000
Rolland Curtis West, L.P.	783,000
44000 Sahuayo Street. L.P.	1,590,000

Construction loan repayment and completion guarantees
Abode Communities has provided repayment guarantees for construction loans as well as unlimited construction completion guarantees in favor of certain lenders for the development and lease-up of the project, should the project not receive expected permanent financing, or should the cost of the development exceed permanent financing received. There are no significant delays or cost overruns in current development projects. As of December 31, 2021 and 2020, no amounts were due under this guaranty.

Operating deficit guaranty

Abode Communities and ACH are each obligated to make noninterest-bearing loans to cover operating cash shortfalls which are repayable through available cash flow. The guarantees are for various lengths of time, as defined in the limited partnership agreements. As of December 31, 2021 and 2020, Abode Communities has one outstanding advance of $231,065 made under this guaranty, which is reported net of allowance for doubtful accounts of $231,065 on the accompanying consolidated statements of financial position. The following are the projects that are under the operating deficit guaranty and the maximum amount of the guaranty:

Project	Amount
Evergreen Apartments	$ 810,000
Las Brisas II	296,800
NDS Harbor View	425,000
Vista del Mar	784,000
Glassel Park (Rio Vista)	435,000
Sherman Way (Ivy Terrace)	520,000
Riverwalk at Reseda	680,000
Selma Community Housing	464,000
New Park Place	318,791
Viviendas del Valle	552,551
Sun Sage Homes	380,000
Rolland Curtis East	360,000
Rolland Curtis West	350,000
Imagine Village	400,000
Westmont Vista	340,000

Recapture guaranty

In the event of a recapture of tax credits previously received by the investor limited partners/members, Abode Communities and ACH shall be obligated to reimburse the investor limited partner or investment member for any recaptured credits plus any associated penalties, interest or additional taxes due. Abode Communities and ACH shall not be liable for a recapture event caused by a change in law or actions of the investor or special limited partner. As of December 31, 2021 and 2020, no amounts were due under these guaranties.

Note 22 - Concentration of credit risk

Abode Communities maintains cash with various financial institutions. All reserves are held in Abode Communities' name. At times, these balances may exceed the federal insurance limits; however, Abode Communities has not experienced any losses with respect to its bank balances in excess of government provided insurance. Total cash balances are insured by the FDIC up to $250,000 per bank. As of December 31, 2021, Abode Communities has cash balances on deposit which exceed the insured limit by approximately $11,390,000. Management believes that no significant concentration of credit risk exists with respect to these cash balances at December 31, 2021.

Note 23 - Commitments and contingencies

Grant and property use restrictions

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

Rental assistance contracts

13 of the properties owned by Abode Communities have entered into rental assistance contracts with HUD or a local housing authority. The contracts have various terms and require the affiliate projects to operate as a low-income housing property and to obtain approval of all rent increases from HUD or the local housing authority.

Low-income housing tax credits

In connection with the Operating Entities who receive low-income housing tax credits, each Operating Entity's low-income housing tax credits are contingent on its ability to maintain compliance with applicable sections of Section 42. Failure to maintain compliance with occupant eligibility and/or unit gross rent, or to correct noncompliance within a specified time period, could result in recapture of previously taken tax credits plus interest. In addition, such potential noncompliance may require an adjustment to the contributed capital by the limited partner.

Forgivable interest

Certain Operating Entities have entered into loans which contain terms that limit the amount of accrued but unpaid interest that may be payable. Generally, accrued but unpaid interest as of the time the loan is due shall be payable only to the extent the fair market value of the project exceeds the principal balance of the loan plus the principal balance of any loans senior to the loan.

Due to this contingency, interest has not been accrued because the future fair market value of the property at loan maturity is not expected to be sufficient. The following is a schedule of contingent interest as of December 31 that could be due if the fair market value of the property is sufficient:

	2021	2020
Centennial Place Limited Partnership	$ 2,376,000	$ 2,109,000
Clark Residence Limited Partnership	4,578,000	4,422,000
Fremont Building Limited Partnership	6,281,000	5,972,000
Parthenia Housing Associates, L.P.	2,299,000	2,205,000
Villa Parke Homes	722,000	690,000
	$ 16,256,000	$ 15,398,000

Litigation

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

Morgan Place, L.P., Sherman Way Community Housing, L.P. and Hart Village, L.P., along with 60 other housing property owners with Community Redevelopment Agency of the City of Los Angeles ("CRA") funding, were listed as nominal defendants in the lawsuit brought against the City of Los Angeles and the Community Redevelopment Agency of the City of Los Angeles by the Plaintiffs: Independent Living Center of Southern California, Fair Housing Council of San Fernando Valley and Communities Actively Living Independent and Free.

The complaint alleges that CRA engaged in a pattern and practice of discrimination by failing to ensure apartment complexes that were funded with CRA funds were accessible to people with disabilities. Management does not anticipate any material monetary cost, physical corrections or mitigations.

Five separate lawsuits have been filed involving 28 plaintiffs and five properties. The plaintiffs in each of the lawsuits allege they were not offered the opportunity to receive a copy of the consumer credit report which was ordered by the company during the application process. Four of the five lawsuits have either been settled or dismissed. Trial for the final, remaining lawsuit is scheduled and is expected to go forward as plaintiffs' counsel has ignored recent settlement offers. A separate hearing will take place in the near future where a judge will decide the attorney's fees that plaintiffs' counsel is entitled to. The damages will be covered by the insurance carrier, and Abode Communities is waiting for determination if the plaintiffs' attorney's fees will also be covered or will have to be covered as an out-of-pocket expense for the Organization. Management does not expect any payout required to be material; however, the liability cannot be estimated at this time.

Economic concentrations
Abode Communities owns, operates and invests in rental property in Southern California, whose future operations could be affected by changes in economic or other conditions in that geographical area or by changes in federal low-income housing subsidies or the demand for such housing.

COVID-19
In early 2020, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. As a result, events have occurred including mandates from federal, state and local authorities leading to an overall decline in economic activity which could result in a loss of lease revenue and other material adverse effects to Abode Communities' financial position, results of operations, and cash flows. As of December 31, 2021, the global pandemic is still ongoing. Management continues to monitor the results of operations to evaluate the economic impact of the pandemic on Abode Communities and its projects.

Note 24 - Subsequent events

Events that occur after the consolidated statement of financial position date but before the consolidated financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the consolidated statement of financial position date are recognized in the accompanying consolidated financial statements. Subsequent events which provide evidence about conditions that existed after the consolidated statement of financial position date require disclosure in the accompanying notes. Management evaluated all activity of Abode Communities through June 30, 2022, the date the consolidated financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition in the consolidated financial statements or disclosure in the notes to the consolidated financial statements except as noted below:

In February 2022, Beacon Landing, L.P. entered into construction and permanent financing agreements with various lenders totaling approximately $40,000,000.

In June 2022, Harrower Village, L.P. entered into construction and permanent financing agreements with various lenders totaling approximately $26,600,000.

In June 2022, the 44000 Sahuayo Street, LP construction loan was repaid with proceeds from investor limited partner capital contributions and a $1,640,000 permanent loan from California Community Reinvestment Corporation. Principal plus interest at the rate of 6.39% per annum is payable monthly on the permanent loan. All unpaid principal and interest is due July 2037.

Supplementary Information

Abode Communities

Consolidating Statement of Financial Position
December 31, 2021

	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Eliminations	Total
Assets						
Cash and cash equivalents	$ 10,318,652	$ 3,506,012	$ 9,417,115	$ 106,299	$ -	$ 23,348,078
Restricted reserves and deposits	1,436,113	816,642	11,917,462	-	-	14,170,217
Accounts receivable, net	4,642,155	-	1,384,920	-	(3,263,460)	2,763,615
Grants receivable	222,143	-	-	-	-	222,143
Notes receivable, net	20,194,114	-	-	707,846	(16,607,410)	4,294,550
Interest receivable	648,217	-	-	55,679	(703,896)	-
Prepaid expenses	473,012	14,986	18,149	-	-	506,147
Due from affiliates	3,935,150	-	-	-	(3,840,888)	94,262
Advances to projects, net	384,401	-	-	-	(384,401)	-
Development fee and interest receivable	9,317,375	-	-	-	(9,250,557)	66,818
Deposits	304,496	62,500	201,221	-	-	568,217
Partnership investments	(3,418,398)	-	-	(9,131,013)	13,030,630	481,219
Investments - other	146,941	-	-	-	-	146,941
Property and equipment, net	777,968	70,512,429	451,962,196	-	(10,422,747)	512,829,846
Deferred fees, net	-	-	724,286	-	-	724,286
Prepaid ground lease, net	-	3,691,276	14,255,404	-	-	17,946,680
Other assets	19,763	784,254	792,300	-	-	1,596,317
Total assets	$ 49,402,102	$ 79,388,099	$ 490,673,053	$ (8,261,189)	$ (31,442,729)	$ 579,759,336

Abode Communities

Consolidating Statement of Financial Position
December 31, 2021

	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Eliminations	Total
Liabilities and Net Assets						
Liabilities						
Accounts payable	$ 950,153	$ 12,926,764	$ 1,931,739	$ -	$ -	$ 15,808,656
Prepaid rents	-	-	209,268	-	-	209,268
Accrued vacation	430,504	-	-	-	-	430,504
Accrued interest payable	35,169	346,347	56,489,418	-	(3,390,423)	53,480,511
Security deposit liability	-	-	1,545,793	-	-	1,545,793
Deferred revenue	6,661,041	-	193,388	-	(5,505,793)	1,348,636
Development fee payable	-	3,670,138	6,141,883	-	(9,062,021)	750,000
Due to affiliates	-	923,742	8,203,953	76,086	(9,203,781)	-
Fair market value of interest rate swaps	-	-	1,970,964	-	-	1,970,964
Forgivable loans and grants payable	2,300,000	-	6,460,896	-	-	8,760,896
Mortgages and notes payable, net	15,482,037	56,878,204	319,417,825	440,000	(24,662,376)	367,555,690
Total liabilities	25,858,904	74,745,195	402,565,127	516,086	(51,824,394)	451,860,918
Net assets						
Without donor restrictions, controlling	22,936,115	22,367	(29,295,375)	(8,777,275)	20,594,665	5,480,497
Without donor restrictions, noncontrolling	-	4,620,537	117,403,301	-	(213,000)	121,810,838
With donor restrictions	607,083	-	-	-	-	607,083
Total net assets	23,543,198	4,642,904	88,107,926	(8,777,275)	20,381,665	127,898,418
Total liabilities and net assets	$ 49,402,102	$ 79,388,099	$ 490,673,053	$ (8,261,189)	$ (31,442,729)	$ 579,759,336

See Independent Auditor's Report.

Abode Communities

Consolidating Statement of Financial Position
December 31, 2020

	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Eliminations	Total
Assets						
Cash and cash equivalents	$ 11,690,914	$ 1,742,298	$ 9,085,977	$ 109,217	$ -	$ 22,628,406
Restricted reserves and deposits	2,858,230	816,642	11,651,307	-	-	15,326,179
Accounts receivable, net	3,373,246	-	764,037	-	(2,662,830)	1,474,453
Grants receivable	158,402	-	-	-	-	158,402
Notes receivable, net	18,695,766	-	-	707,846	(15,109,062)	4,294,550
Interest receivable	572,340	-	-	42,670	(615,010)	-
Prepaid expenses	480,914	7,690	138,448	-	-	627,052
Due from affiliates	3,471,631	-	-	96	(3,387,119)	84,608
Advances to projects, net	2,104,014	-	-	-	(2,104,014)	-
Development fee and interest receivable	7,502,994	-	-	-	(7,457,994)	45,000
Deposits	179,396	115,000	221,366	-	-	515,762
Investments - other	180,000	-	-	-	-	180,000
Property and equipment, net	450,301	27,448,664	463,923,995	-	(11,115,019)	480,707,941
Deferred fees, net	-	-	820,925	-	-	820,925
Prepaid ground lease	-	-	14,449,643	-	-	14,449,643
Other assets	72,155	4,613	877,854	-	-	954,622
Total assets	$ 51,790,303	$ 30,134,907	$ 501,933,552	$ 859,829	$ (42,451,048)	$ 542,267,543

Abode Communities

Consolidating Statement of Financial Position
December 31, 2020

	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Eliminations	Total
Liabilities and Net Assets						
Liabilities						
Accounts payable	$ 964,255	$ 365,804	$ 3,633,964	$ -	$ -	$ 4,964,023
Prepaid rents	-	-	232,991	-	-	232,991
Accrued vacation	379,850	-	-	-	-	379,850
Accrued interest payable	60,338	203,737	51,621,922	-	(3,058,283)	48,827,714
Security deposit liability	-	-	1,531,429	-	-	1,531,429
Deferred revenue	8,691,533	-	205,950	-	(5,985,345)	2,912,138
Partnership investments	1,722,268	-	-	7,239,343	(8,951,197)	10,414
Development fee payable	-	-	8,172,754	-	(7,309,342)	863,412
Due to affiliates	1,961	1,401,594	8,388,303	77,135	(9,868,993)	-
Fair market value of interest rate swaps	-	-	2,820,397	-	-	2,820,397
Forgivable loans and grants payable	2,350,000	-	6,674,359	-	-	9,024,359
Mortgages and notes payable, net	15,259,529	25,990,297	333,083,237	440,000	(23,164,028)	351,609,035
Total liabilities	29,429,734	27,961,432	416,365,306	7,756,478	(58,337,188)	423,175,762
Net assets						
Without donor restrictions, controlling	21,557,976	(4,852)	(24,522,418)	(6,896,649)	16,099,140	6,233,197
Without donor restrictions, noncontrolling	-	2,178,327	110,090,664	-	(213,000)	112,055,991
With donor restrictions	802,593	-	-	-	-	802,593
Total net assets	22,360,569	2,173,475	85,568,246	(6,896,649)	15,886,140	119,091,781
Total liabilities and net assets	$ 51,790,303	$ 30,134,907	$ 501,933,552	$ 859,829	$ (42,451,048)	$ 542,267,543

See Independent Auditor's Report.

Abode Communities

Consolidating Statement of Activities
Year Ended December 31, 2021

	Without donor restrictions					With donor restrictions	
	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Eliminations	Abode Communities	Total
Changes in net assets							
Revenue and support							
Grants and contributions	$ 644,732	$ -	$ 213,463	$ -	$ -	$ 329,583	$ 1,187,778
Government grants	1,600,000	-	-	-	-	-	1,600,000
Development fees	5,979,050	-	-	-	(10,024)	-	5,969,026
Architectural and consulting	5,067,501	-	-	-	(2,465,080)	-	2,602,421
Resident services	872,565	-	-	-	(760,789)	-	111,776
Property and partnership management fees	2,873,704	-	-	-	(2,733,143)	-	140,561
Rental income	-	-	31,168,296	-	-	-	31,168,296
Gain on FMV of interest rate swaps	-	-	849,433	-	-	-	849,433
Miscellaneous revenue	165,549	-	330,316	30	(50,000)	-	445,895
Forgiveness of debt	-	631,239	1,219,000	-	(631,239)	-	1,219,000
Interest income	563,581	-	5,615	13,008	(513,517)	-	68,687
Net assets released from restriction	525,093	-	-	-	-	(525,093)	-
Total revenue and support	18,291,775	631,239	33,786,123	13,038	(7,163,792)	(195,510)	45,362,873
Expenses							
Salaries	6,986,600	-	3,588,454	-	(823,444)	-	9,751,610
Payroll taxes	511,832	-	223,272	-	(61,762)	-	673,342
Employee benefits	711,302	-	510,777	-	(81,922)	-	1,140,157
Consultants	3,379,236	-	772,888	-	(1,120,389)	-	3,031,735
Rent	549,921	-	219,361	-	(58,551)	-	710,731
Office expenses	497,580	7,427	545,986	124	(239,227)	-	811,890
Training, travel and parking	22,091	-	12,908	-	-	-	34,999
Property and partnership management fees	-	-	2,657,569	-	(2,552,594)	-	104,975
Resident and community services	31,402	-	1,159,527	-	(760,789)	-	430,140
Repairs and maintenance	28,749	-	5,081,289	-	-	-	5,110,038

Abode Communities

Consolidating Statement of Activities
Year Ended December 31, 2021

	Without donor restrictions					With donor restrictions	
	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Eliminations	Abode Communities	Total
Utilities and telephone	55,895	-	3,961,061	-	-	-	4,016,956
Property tax and insurance	262,363	-	2,364,778	-	(24,228)	-	2,602,913
Interest	529,415	-	10,977,269	-	(766,798)	-	10,739,886
Legal and accounting	258,077	-	705,264	4,300	(222,806)	-	744,835
Bad debt expense	186,416	-	1,102,052	-	-	-	1,288,468
Real estate development	632,596	628,690	29,399	1,618	(644,539)	-	647,764
Fundraising expenses	25,722	-	-	-	-	-	25,722
Grant expense	280,175	-	-	-	(50,000)	-	230,175
Depreciation and amortization	145,606	-	17,173,708	-	(172,837)	-	17,146,477
Total expenses	15,094,978	636,117	51,085,562	6,042	(7,579,886)	-	59,242,813
Change in net assets prior to equity in loss of investment in partnership interests	3,196,797	(4,878)	(17,299,439)	6,996	416,094	(195,510)	(13,879,940)
Equity in loss of investment in partnership interests	(2,252,236)	-	-	(1,891,717)	4,143,356	-	(597)
Change in net assets	$ 944,561	$ (4,878)	$ (17,299,439)	$ (1,884,721)	$ 4,559,450	$ (195,510)	$ (13,880,537)
Change in net assets, controlling	$ 944,561	$ (2,832)	$ (4,369,158)	$ (1,884,721)	$ 4,559,450	$ (195,510)	$ (948,210)
Change in net assets, noncontrolling	-	(2,046)	(12,930,281)	-	-	-	(12,932,327)
Total change in net assets	$ 944,561	$ (4,878)	$ (17,299,439)	$ (1,884,721)	$ 4,559,450	$ (195,510)	$ (13,880,537)

See Independent Auditor's Report.

Abode Communities

Consolidating Statement of Activities
Year Ended December 31, 2020

	Without donor restrictions					With donor restrictions	
	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Eliminations	Abode Communities	Total
Changes in net assets							
Revenue and support							
Grants and contributions	$ 788,360	$ -	$ 213,463	$ -	$ -	$ 637,593	$ 1,639,416
Government grants	923,672	-	-	-	-	-	923,672
Development fees	3,005,941	-	-	-	(16,847)	-	2,989,094
Architectural and consulting	4,484,957	-	-	-	(1,992,624)	-	2,492,333
Resident services	876,038	-	-	-	(764,262)	-	111,776
Property and partnership management fees	2,958,574	-	-	-	(2,758,688)	-	199,886
Rental income	-	7,500	29,805,744	-	-	-	29,813,244
Miscellaneous revenue	23,877	-	227,510	-	-	-	251,387
Forgiveness of debt	2,020,370	-	-	-	-	-	2,020,370
Interest income	713,242	-	6,952	12,754	(660,752)	-	72,196
Net assets released from restriction	292,035	-	-	-	-	(292,035)	-
Total revenue and support	16,087,066	7,500	30,253,669	12,754	(6,193,173)	345,558	40,513,374
Expenses							
Salaries	7,488,147	-	2,820,858	-	(614,360)	-	9,694,645
Payroll taxes	504,143	-	201,231	-	(43,766)	-	661,608
Employee benefits	740,493	-	421,153	-	(56,153)	-	1,105,493
Consultants	2,981,199	-	686,228	-	(950,871)	-	2,716,556
Rent	547,684	-	219,150	-	(49,673)	-	717,161
Office expenses	523,990	8,492	518,919	219	(213,686)	-	837,934
Training, travel and parking	37,728	-	1,279	-	-	-	39,007
Property and partnership management fees	-	-	2,678,725	-	(2,578,905)	-	99,820
Resident and community services	31,376	-	1,082,152	-	(764,262)	-	349,266
Repairs and maintenance	33,233	-	4,594,000	-	-	-	4,627,233

Abode Communities

Consolidating Statement of Activities
Year Ended December 31, 2020

	Without donor restrictions					With donor restrictions	
	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Eliminations	Abode Communities	Total
Utilities and telephone	70,118	-	3,528,698	-	-	-	3,598,816
Property tax and insurance	262,517	-	1,991,972	-	(22,712)	-	2,231,777
Interest	581,934	-	12,430,621	-	(913,061)	-	12,099,494
Loss on FMV of interest rate swaps	-	-	948,418	-	-	-	948,418
Legal and accounting	183,875	-	643,910	6,250	(202,683)	-	631,352
Bad debt expense	-	-	805,127	-	-	-	805,127
Real estate development	49,280	-	114,722	-	(18,500)	-	145,502
Fundraising expenses	37,891	-	-	-	-	-	37,891
Grant expense	68,152	-	-	-	-	-	68,152
Depreciation and amortization	123,167	-	16,498,366	-	(236,736)	-	16,384,797
Total expenses	14,264,927	8,492	50,185,529	6,469	(6,665,368)	-	57,800,049
Change in net assets prior to equity in loss of investment in partnership interests	1,822,139	(992)	(19,931,860)	6,285	472,195	345,558	(17,286,675)
Equity in loss of investment in partnership interests	(1,569,341)	-	-	(1,473,276)	3,041,965	-	(652)
Change in net assets	$ 252,798	$ (992)	$ (19,931,860)	$ (1,466,991)	$ 3,514,160	$ 345,558	$ (17,287,327)
Change in net assets, controlling	$ 252,798	$ (172)	$ (3,300,471)	$ (1,466,991)	$ 3,514,160	$ 345,558	$ (655,118)
Change in net assets, noncontrolling	-	(820)	(16,631,389)	-	-	-	(16,632,209)
Total change in net assets	$ 252,798	$ (992)	$ (19,931,860)	$ (1,466,991)	$ 3,514,160	$ 345,558	$ (17,287,327)

See Independent Auditor's Report.

Abode Communities

Consolidating Statement of Changes in Net Assets
Year Ended December 31, 2021

	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Eliminations	Total
Controlling interest						
Beginning net assets without donor restrictions	$ 21,557,976	$ (4,852)	$ (24,522,418)	$ (6,896,649)	$ 16,099,140	6,233,197
Contributions	-	30,151	33,879	-	(64,030)	-
Distributions	-	(100)	(5)	-	105	-
Transfer	433,578	-	(437,673)	4,095	-	-
Change in net assets without donor restrictions	944,561	(2,832)	(4,369,158)	(1,884,721)	4,559,450	(752,700)
Ending net assets without donor restrictions, controlling interest	$ 22,936,115	$ 22,367	$ (29,295,375)	$ (8,777,275)	$ 20,594,665	$ 5,480,497
Noncontrolling interest						
Beginning net assets without donor restrictions	$ -	$ 2,178,327	$ 110,090,664	$ -	$ (213,000)	$ 112,055,991
Contributions	-	2,444,256	20,353,389	-	-	22,797,645
Distributions	-	-	(110,471)	-	-	(110,471)
Change in net assets without donor restrictions	-	(2,046)	(12,930,281)	-	-	(12,932,327)
Ending net assets without donor restrictions, noncontrolling interest	$ -	$ 4,620,537	$ 117,403,301	$ -	$ (213,000)	$ 121,810,838
Net assets with donor restrictions, beginning of year	$ 802,593	$ -	$ -	$ -	$ -	$ 802,593
Change in net assets with donor restrictions	329,583	-	-	-	-	329,583
Release of net assets with donor restrictions	(525,093)	-	-	-	-	(525,093)
Subtotal	(195,510)	-	-	-	-	(195,510)
Net assets with donor restrictions, end of year	$ 607,083	$ -	$ -	$ -	$ -	$ 607,083

See Independent Auditor's Report.

Abode Communities

Consolidating Statement of Changes in Net Assets
Year Ended December 31, 2020

	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Eliminations	Total
Controlling interest						
Beginning net assets without donor restrictions	$ 22,093,335	$ (6,320)	$ (23,937,392)	$ (5,429,658)	$ 14,513,908	$ 7,233,873
Contributions	-	100	1,928,840	-	(1,928,940)	-
Distributions	-	-	(12)	-	12	-
Transfer	(788,157)	-	788,157	-	-	-
Transfer of interest	-	1,540	(1,540)	-	-	-
Change in net assets without donor restrictions	252,798	(172)	(3,300,471)	(1,466,991)	3,514,160	(1,000,676)
Ending net assets without donor restrictions, controlling interest	$ 21,557,976	$ (4,852)	$ (24,522,418)	$ (6,896,649)	$ 16,099,140	$ 6,233,197
Noncontrolling interest						
Beginning net assets without donor restrictions	$ -	$ 1,381,032	$ 92,743,288	$ -	$ (213,000)	$ 93,911,320
Contributions	-	2,170,500	32,770,018	-	-	34,940,518
Distributions	-	-	(83,638)	-	-	(83,638)
Syndication costs	-	-	(80,000)	-	-	(80,000)
Transfer	-	(1,372,385)	1,372,385	-	-	-
Change in net assets without donor restrictions	-	(820)	(16,631,389)	-	-	(16,632,209)
Ending net assets without donor restrictions, noncontrolling interest	$ -	$ 2,178,327	$ 110,090,664	$ -	$ (213,000)	$ 112,055,991
Net assets with donor restrictions, beginning of year	$ 457,035	$ -	$ -	$ -	$ -	$ 457,035
Change in net assets with donor restrictions	637,593	-	-	-	-	637,593
Release of net assets with donor restrictions	(292,035)	-	-	-	-	(292,035)
Subtotal	345,558	-	-	-	-	345,558
Net assets with donor restrictions, end of year	$ 802,593	$ -	$ -	$ -	$ -	$ 802,593

See Independent Auditor's Report.

Abode Communities

Consolidating Statement of Cash Flows
Year Ended December 31, 2021

	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Eliminations	Total
Cash flows from operating activities						
Changes in net assets without donor restrictions	$ 944,561	$ (4,878)	$ (17,299,439)	$ (1,884,721)	$ 4,559,450	$ (13,685,027)
Changes in net assets with donor restrictions	(195,510)	-	-	-	-	(195,510)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities						
Depreciation and amortization	145,606	-	17,173,708	-	(172,837)	17,146,477
Ground lease expense	-	-	194,239	-	-	194,239
Gain on FMV of interest rate swaps	-	-	(849,433)	-	-	(849,433)
Loss on investments	2,188,360	-	-	1,891,670	(4,079,433)	597
Amortization of grants payable	(50,000)	-	(213,463)	-	-	(263,463)
Amortization of debt issuance costs	17,160	-	448,025	-	-	465,185
Forgiveness of debt	-	(637,000)	(1,219,000)	-	637,000	(1,219,000)
Write off of project development costs	-	612,695	-	-	-	612,695
(Increase) decrease in						
Accounts receivable	(1,268,909)	-	(620,883)	-	600,630	(1,289,162)
Grants receivable	(63,741)	-	-	-	-	(63,741)
Prepaid expenses	7,902	(7,296)	120,299	-	-	120,905
Developer fee receivable	(1,814,381)	-	-	-	1,792,563	(21,818)
Deposits	(125,100)	52,500	20,145	-	-	(52,455)
Other assets	52,392	(779,641)	85,554	-	-	(641,695)
Increase (decrease) in						
Accounts payable	(14,102)	-	(1,789,598)	-	-	(1,803,700)
Prepaid rents	-	-	(23,723)	-	-	(23,723)
Accrued vacation	50,654	-	-	-	-	50,654
Accrued interest payable	(25,169)	142,610	4,867,496	-	(332,140)	4,652,797
Security deposit liability	-	-	14,364	-	-	14,364
Deferred revenue	(2,030,492)	-	(12,562)	-	479,552	(1,563,502)
Net cash provided by (used in) operating activities	(2,180,769)	(621,010)	895,729	6,949	3,484,785	1,585,684

Abode Communities

Consolidating Statement of Cash Flows
Year Ended December 31, 2021

	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Eliminations	Total
Cash flows from investing activities						
Investment in property and equipment	(473,273)	(27,445,362)	(5,026,152)	-	(4,189,573)	(37,134,360)
Payment of ground lease	-	(3,691,276)	-	-	-	(3,691,276)
Distribution from investment	33,059	-	-	-	-	33,059
Notes receivable	(1,574,225)	-	-	(13,009)	1,587,234	-
Net (payment) repayment of advances to projects	1,719,613	-	-	-	(1,719,613)	-
Net (payment) repayment of advances to affiliates	(465,480)	(477,852)	(184,350)	(953)	1,118,981	(9,654)
Payment of tax credit monitoring fees	-	-	(1,745)	-	-	(1,745)
Payment of developer fees	-	-	(2,030,871)	-	1,917,459	(113,412)
Investment in partnership	(492,230)	-	-	-	-	(492,230)
Net cash used in investing activities	(1,252,536)	(31,614,490)	(7,243,118)	(13,962)	(1,285,512)	(41,409,618)
Cash flows from financing activities						
Principal payments on mortgages and notes payable	-	(2,677,263)	(26,706,973)	-	-	(29,384,236)
Proceeds from mortgages and notes payable	205,348	34,748,710	13,968,723	-	(2,135,348)	46,787,433
Transfer	433,578	-	(437,673)	4,095	-	-
Contributions	-	2,474,407	20,387,268	-	(64,030)	22,797,645
Distributions	-	(100)	(110,476)	-	105	(110,471)
Debt issuance costs paid	-	(546,540)	(156,187)	-	-	(702,727)
Net cash provided by (used in) financing activities	638,926	33,999,214	6,944,682	4,095	(2,199,273)	39,387,644
Net increase (decrease) in cash, cash equivalents and restricted cash	(2,794,379)	1,763,714	597,293	(2,918)	-	(436,290)

Abode Communities

Consolidating Statement of Cash Flows
Year Ended December 31, 2021

	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Eliminations	Total
Cash, cash equivalents and restricted cash, beginning	14,549,144	2,558,940	20,737,284	109,217	-	37,954,585
Cash, cash equivalents and restricted cash, end	$ 11,754,765	$ 4,322,654	$ 21,334,577	$ 106,299	$ -	$ 37,518,295
Supplemental disclosure of cash flow information						
Cash paid for interest, net of amount capitalized of $2,151,911	$ 537,424	$ -	$ 6,034,613	$ -	$ -	$ 6,572,037
Supplemental schedule of noncash investing and financing activities						
Accounts payable included in property and equipment	$ -	$ 12,926,764	$ 87,373	$ -	$ -	$ 13,014,137
Developer fees included in accounts payable	-	3,670,138	-	-	(3,670,138)	-
Write off of fully depreciated property	115,465	-	-	-	-	115,465

See Independent Auditor's Report.

Abode Communities

Consolidating Statement of Cash Flows
Year Ended December 31, 2020

	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Eliminations	Total
Cash flows from operating activities						
Changes in net assets without donor restrictions	$ 252,798	$ (992)	$ (19,931,860)	$ (1,466,991)	$ 3,514,160	$ (17,632,885)
Changes in net assets with donor restrictions	345,558	-	-	-	-	345,558
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities						
Depreciation and amortization	123,167	-	16,498,366	-	(236,736)	16,384,797
Ground lease expense	-	-	194,027	-	-	194,027
Loss on FMV of interest rate swaps	-	-	948,418	-	-	948,418
Loss on investments	(359,541)	-	-	1,473,227	(1,113,034)	652
Amortization of grants payable	(100,000)	-	(213,463)	-	-	(313,463)
Amortization of debt issuance costs	28,972	-	1,314,244	-	-	1,343,216
Forgiveness of debt	(2,020,370)	-	-	-	-	(2,020,370)
(Increase) decrease in						
Accounts receivable	(150,441)	-	(530,912)	-	759,712	78,359
Grants receivable	(102,264)	-	-	-	-	(102,264)
Prepaid expenses	(54,789)	2,898	20,107	-	-	(31,784)
Developer fee receivable	3,858,622	-	-	-	(3,858,622)	-
Deposits	(100,000)	-	38,144	-	-	(61,856)
Other assets	(60,510)	(4,613)	174,506	-	(210,000)	(100,617)
Increase (decrease) in						
Accounts payable	412,618	-	(3,102,973)	(9,890)	172,816	(2,527,429)
Prepaid rents	-	-	(31,541)	-	-	(31,541)
Accrued vacation	72,583	-	-	-	-	72,583
Accrued interest payable	(1,816)	(190,046)	4,396,876	-	(126,103)	4,078,911
Security deposit liability	-	-	67,370	-	-	67,370
Deferred revenue	401,062	-	(26,296)	-	1,813,432	2,188,198
Net cash provided by (used in) operating activities	2,545,649	(192,753)	(184,987)	(3,654)	715,625	2,879,880

Abode Communities

Consolidating Statement of Cash Flows
Year Ended December 31, 2020

	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Eliminations	Total
Cash flows from investing activities						
Investment in property and equipment	(264,143)	(12,405,707)	(14,828,383)	-	(2,775,673)	(30,273,906)
Distribution from investment	94,418	-	-	-	-	94,418
Notes receivable	2,481,182	-	-	(12,658)	(2,468,524)	-
Net (payment) repayment of advances to projects	(187,690)	-	-	-	187,690	-
Net (payment) repayment of advances to affiliates	(386,310)	665,364	735,987	4,604	(1,120,217)	(100,572)
Payment of tax credit monitoring fees	-	-	(51,070)	-	-	(51,070)
Payment of developer fees	-	-	(5,244,284)	-	5,030,863	(213,421)
Net cash provided by (used in) investing activities	1,737,457	(11,740,343)	(19,387,750)	(8,054)	(1,145,861)	(30,544,551)
Cash flows from financing activities						
Principal payments on mortgages and notes payable	(1,500,000)	(7,140,098)	(48,779,464)	-	-	(57,419,562)
Proceeds from mortgages and notes payable	4,947,633	15,968,087	33,628,206	-	2,359,164	56,903,090
Transfer	(788,157)	-	788,157	-	-	-
Contributions	-	2,170,600	34,698,858	-	(1,928,940)	34,940,518
Distributions	-	-	(83,650)	-	12	(83,638)
Debt issuance costs paid	(42,402)	(422,568)	(837,934)	-	-	(1,302,904)
Syndication costs paid	-	-	(2,500)	-	-	(2,500)
Net cash provided by financing activities	2,617,074	10,576,021	19,411,673	-	430,236	33,035,004

Abode Communities

Consolidating Statement of Cash Flows
Year Ended December 31, 2020

	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Eliminations	Total
Net increase (decrease) in cash, cash equivalents and restricted cash	6,900,180	(1,357,075)	(161,064)	(11,708)	-	5,370,333
Cash, cash equivalents and restricted cash, beginning	7,648,964	3,916,015	20,898,348	120,925	-	32,584,252
Cash, cash equivalents and restricted cash, end	$ 14,549,144	$ 2,558,940	$ 20,737,284	$ 109,217	$ -	$ 37,954,585
Supplemental disclosure of cash flow information						
Cash paid for interest, net of amount capitalized of $2,163,672	$ 554,778	$ 350,792	$ 6,558,755	$ -	$ (786,958)	$ 6,677,367
Supplemental schedule of noncash investing and financing activities						
Accounts payable included in property and equipment	$ 12,800	$ 365,808	$ 167,667	$ -	$ -	$ 546,275
Transfer of cash, cash equivalents and restricted cash	-	-	-	-	-	-
Transfer of property and equipment	-	(16,092,192)	16,092,192	-	-	-
payable	-	12,391,662	(12,391,662)	-	-	-
Transfer of equity	-	1,370,845	(1,370,845)	-	-	-
Transfer of other payables	-	2,329,685	(2,329,685)	-	-	-
Reclassification of property and equipment to syndication costs	-	-	(77,500)	-	-	(77,500)
Deferred fees included in accounts payable	-	-	15,580	-	-	15,580
Write off of fully depreciated property	39,044	-	-	-	-	39,044
Write off of fully amortized debt issuance costs	64,450	-	-	-	-	64,450

See Independent Auditor's Report.

Abode Communities

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021

Federal Grantor/ (Pass-through Grantor)/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Total Federal Expenditures	Passed to Subrecipients
U.S. Department of Treasury				
Capital Magnet Fund	21.011	N/A	$ 1,500,000	$ -
Total expenditures of federal awards			$ 1,500,000	$ -

See Notes to Schedule of Expenditures of Federal Awards

Abode Communities and Affiliates

Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021

Note 1 - Basis of presentation

The accompanying schedule of expenditures of federal awards ("Schedule") includes the federal award activity of Abode Communities under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of Abode Communities, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Abode Communities.

Note 2 - Summary of significant accounting policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Indirect cost rate

Abode Communities has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

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*

To the Board of Directors
Abode Communities

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the consolidated financial statements of Abode Communities, which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities, changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 30, 2022. Our report includes a reference to other auditors who audited the financial statements of certain Operating Entities as described in our report on Abode Communities' consolidated financial statements. The financial statements of certain Operating Entities were not audited in accordance with *Government Auditing Standards*, and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable conditions associated with these Operating Entities.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Abode Communities' internal control over financial reporting ("internal control") as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Abode Communities' internal control. Accordingly, we do not express an opinion on the effectiveness of Abode Communities' 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 Abode Communities' consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated 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 the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CohnReznick LLP

Sacramento, California
June 30, 2022

Independent Auditor's Report on Compliance for the Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

To the Board of Directors
Abode Communities

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Abode Communities' compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on Abode Communities' major federal program for the year ended December 31, 2021. Abode Communities' major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Abode Communities complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards,* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Abode Communities' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Abode Communities' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Abode Communities' internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

CohnReznick LLP

Sacramento, California
June 30, 2022

Abode Communities and Affiliates

Schedule of Findings and Questioned Costs
Year Ended December 31, 2021

A. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles:	Unmodified		
Internal control over financial reporting:			
*Material weakness(es) identified?	____ Yes	X No	
*Significant deficiency(ies) identified?	____ Yes	X None reported	
Noncompliance material to financial statements noted?	____ Yes	X No	

Federal Awards

Internal control over major federal programs:			
*Material weakness(es) identified?	____ Yes	X No	
*Significant deficiency(ies) identified?	____ Yes	X None reported	
Type of auditor's report issued on compliance for major federal programs:	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	____ Yes	X No	

Identification of major federal programs:

Assistance Listing Numbers(s)	Name of Federal Program or Cluster
21.011	Capital Magnet Fund

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000		
Auditee qualified as low-risk auditee	____ Yes	X No	

B. Findings - Financial Statements Audit

None reported

C. Findings and Questioned Costs - Major Federal Award Programs Audit

None reported

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Abode Communities

Consolidated Financial Statements (With Supplementary Information) and Independent Auditor's Report

December 31, 2022 and 2021

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Abode Communities

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Independent Auditor's Report

To the Board of Directors
Abode Communities

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Abode Communities, which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities, changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, based on our audits and the reports of the other auditors, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Abode Communities, as of December 31, 2022 and 2021, and the 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.

We did not audit the financial statements of certain Operating Entities included in the consolidated financial statements in which Abode Communities owns an interest. The assets, liabilities, net assets and net loss of such entities are stated at $295,055,800, $281,934,914, $13,120,886 and $12,343,178, respectively, for 2022. The assets, liabilities, net assets and net loss of such entities are stated at $219,507,338, $212,298,518, $7,208,820 and $10,720,501, respectively, for 2021. The financial statements of those Operating Entities were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those Operating Entities, is based solely on the reports of the other auditors.

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*, 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 Consolidated Financial Statements section of our report. We are required to be independent of Abode Communities, 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. The financial statements of certain Operating Entities were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Abode Communities' ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standard*s, we:

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating supplementary information on pages 46 through 62 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements*, *Cost Principles*, *and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audits, the procedures performed as described above, and the reports of the other auditors, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2023, on our consideration of Abode Communities' 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 Abode Communities' 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 Abode Communities' internal control over financial reporting and compliance.

CohnReznick LLP

Sacramento, California
September 28, 2023

Abode Communities

Consolidated Statements of Financial Position
December 31, 2022 and 2021

Assets

	2022	2021
Cash and cash equivalents	$ 21,484,846	$ 23,348,078
Restricted reserves and deposits	21,022,680	14,170,217
Accounts receivable, net	1,465,009	2,763,615
Grants receivable	782,628	222,143
Notes receivable	4,294,550	4,294,550
Prepaid expenses	414,259	506,147
Due from affiliates	148,238	94,262
Development fee receivable	88,636	66,818
Deposits	484,667	568,217
Partnership investments	1,252,834	481,219
Investments - other	146,941	146,941
Property and equipment, net	595,957,584	512,829,846
Right-of-use asset	27,089,146	-
Deferred fees, net	668,097	724,286
Prepaid ground lease, net	-	17,946,680
Other assets	1,669,005	1,596,317
Total assets	$ 676,969,120	$ 579,759,336

Abode Communities

Consolidated Statements of Financial Position
December 31, 2022 and 2021

Liabilities and Net Assets

	2022	2021
Liabilities		
Accounts payable	$ 26,092,641	$ 15,808,656
Prepaid rents	357,433	209,268
Accrued vacation	443,505	430,504
Accrued interest payable	58,658,208	53,480,511
Security deposit liability	1,547,202	1,545,793
Deferred revenue	4,410,669	1,348,636
Development fee payable	886,178	750,000
Fair market value of interest rate swaps	25,155	1,970,964
Operating lease liability	2,421,589	-
Forgivable loans and grants payable	8,447,433	8,760,896
Mortgages and notes payable, net	432,720,383	367,555,690
Total liabilities	536,010,396	451,860,918
Commitments and contingencies	-	-
Net assets		
Without donor restrictions		
Controlling	17,256,701	5,480,497
Noncontrolling	123,222,090	121,810,838
Total net assets without donor restrictions	140,478,791	127,291,335
With donor restrictions	479,933	607,083
Total net assets	140,958,724	127,898,418
Total liabilities and net assets	$ 676,969,120	$ 579,759,336

See Notes to Consolidated Financial Statements.

Abode Communities

Consolidated Statement of Activities
Year Ended December 31, 2022

	Without donor restrictions	With donor restrictions	Total
Changes in net assets			
Revenue and support			
Grants and contributions	$ 1,299,773	$ 283,333	$ 1,583,106
Government grants	13,845,705	-	13,845,705
Development fees	7,914,228	-	7,914,228
Architectural and consulting	1,637,284	-	1,637,284
Resident services	111,776	-	111,776
Property and partnership management fees	148,775	-	148,775
Rental income	32,704,805	-	32,704,805
Gain on FMV of interest rate swap	1,945,809	-	1,945,809
Miscellaneous revenue	457,032	-	457,032
Interest income	95,944	-	95,944
Net assets released from restriction	410,483	(410,483)	-
Total revenue and support	60,571,614	(127,150)	60,444,464
Expenses			
Salaries	10,298,068	-	10,298,068
Payroll taxes	788,375	-	788,375
Employee benefits	1,163,578	-	1,163,578
Consultants	2,653,871	-	2,653,871
Lease expense	217,323	-	217,323
Office expenses	766,947	-	766,947
Training, travel and parking	135,062	-	135,062
Property and partnership management fees	131,389	-	131,389
Resident and community services	430,993	-	430,993
Repairs and maintenance	6,441,788	-	6,441,788
Utilities and telephone	4,480,371	-	4,480,371
Property tax and insurance	2,704,263	-	2,704,263
Interest	10,789,341	-	10,789,341
Legal and accounting	772,297	-	772,297
Bad debt expense	1,465,628	-	1,465,628
Real estate development	1,273,511	-	1,273,511
Fundraising expenses	21,747	-	21,747
Grant expense	199,150	-	199,150
Depreciation and amortization	17,381,462	-	17,381,462
Total expenses	62,581,494	-	62,581,494
Change in net assets prior to equity in loss of investment in partnership interests	(2,009,880)	(127,150)	(2,137,030)
Equity in loss of investment in partnership interests	(658)	-	(658)
Change in net assets	$ (2,010,538)	$ (127,150)	$ (2,137,688)
Change in net assets, controlling	$ 11,776,204	$ (127,150)	$ 11,649,054
Change in net assets, noncontrolling	(13,786,742)	-	(13,786,742)
Total change in net assets	$ (2,010,538)	$ (127,150)	$ (2,137,688)

See Notes to Consolidated Financial Statements.

Abode Communities

Consolidated Statement of Activities
Year Ended December 31, 2021

	Without donor restrictions	With donor restrictions	Total
Changes in net assets			
Revenue and support			
Grants and contributions	$ 858,195	$ 329,583	$ 1,187,778
Government grants	1,600,000	-	1,600,000
Development fees	5,969,026	-	5,969,026
Architectural and consulting	2,602,421	-	2,602,421
Resident services	111,776	-	111,776
Property and partnership management fees	140,561	-	140,561
Rental income	31,168,296	-	31,168,296
Gain on FMV of interest rate swaps	849,433	-	849,433
Miscellaneous revenue	445,895	-	445,895
Forgiveness of debt	1,219,000	-	1,219,000
Interest income	68,687	-	68,687
Net assets released from restriction	525,093	(525,093)	-
Total revenue and support	45,558,383	(195,510)	45,362,873
Expenses			
Salaries	9,751,610	-	9,751,610
Payroll taxes	673,342	-	673,342
Employee benefits	1,140,157	-	1,140,157
Consultants	3,031,735	-	3,031,735
Rent	710,731	-	710,731
Office expenses	811,890	-	811,890
Training, travel and parking	34,999	-	34,999
Property and partnership management fees	104,975	-	104,975
Resident and community services	430,140	-	430,140
Repairs and maintenance	5,110,038	-	5,110,038
Utilities and telephone	4,016,956	-	4,016,956
Property tax and insurance	2,602,913	-	2,602,913
Interest	10,739,886	-	10,739,886
Legal and accounting	744,835	-	744,835
Bad debt expense	1,288,468	-	1,288,468
Real estate development	647,764	-	647,764
Fundraising expenses	25,722	-	25,722
Grant expense	230,175	-	230,175
Depreciation and amortization	17,146,477	-	17,146,477
Total expenses	59,242,813	-	59,242,813
Change in net assets prior to equity in loss of investment in partnership interests	(13,684,430)	(195,510)	(13,879,940)
Equity in loss of investment in partnership interests	(597)	-	(597)
Change in net assets	$ (13,685,027)	$ (195,510)	$ (13,880,537)
Change in net assets, controlling	$ (752,700)	$ (195,510)	$ (948,210)
Change in net assets, noncontrolling	(12,932,327)	-	(12,932,327)
Total change in net assets	$ (13,685,027)	$ (195,510)	$ (13,880,537)

See Notes to Consolidated Financial Statements.

Abode Communities

Consolidated Statements of Changes in Net Assets
Years Ended December 31, 2022 and 2021

	2022	2021
Net assets without donor restrictions		
Controlling interest, beginning	$ 5,480,497	$ 6,233,197
Change in net assets without donor restrictions	11,776,204	(752,700)
Controlling interest, ending	$ 17,256,701	$ 5,480,497
Noncontrolling interest, beginning	$ 121,810,838	$ 112,055,991
Contributions	15,574,682	22,797,645
Distributions	(246,721)	(110,471)
Syndication costs	(129,967)	-
Change in net assets without donor restrictions	(13,786,742)	(12,932,327)
Noncontrolling interest, ending	$ 123,222,090	$ 121,810,838
Net assets with donor restrictions, beginning	$ 607,083	$ 802,593
Change in net assets with donor restrictions	283,333	329,583
Release of net assets with donor restrictions	(410,483)	(525,093)
Subtotal	(127,150)	(195,510)
Net assets with donor restrictions, ending	$ 479,933	$ 607,083

See Notes to Consolidated Financial Statements.

Abode Communities

Consolidated Statement of Functional Expenses
Year Ended December 31, 2022

	Program services	General and administrative	Fundraising	Total
Salaries	$ 9,401,482	$ 538,054	$ 358,532	$ 10,298,068
Payroll taxes	723,978	36,024	28,373	788,375
Employee benefits	1,105,276	28,350	29,952	1,163,578
Consultants	2,040,666	477,680	135,525	2,653,871
Lease expense	217,323	-	-	217,323
Office expenses	600,141	108,129	58,677	766,947
Training, travel and parking	121,939	2,509	10,614	135,062
Property and partnership management fees	131,389	-	-	131,389
Resident and community services	430,993	-	-	430,993
Repairs and maintenance	6,433,033	6,212	2,543	6,441,788
Utilities and telephone	4,444,600	29,283	6,488	4,480,371
Property tax and insurance	2,680,034	15,377	8,852	2,704,263
Interest	10,789,341	-	-	10,789,341
Amortization of right-of-use assets	373,404	65,098	27,828	466,330
Legal and accounting	701,432	60,010	10,855	772,297
Bad debt expense	1,444,628	21,000	-	1,465,628
Real estate development	1,273,071	360	80	1,273,511
Fundraising expenses	-	-	21,747	21,747
Grant expense	117,062	67,163	14,925	199,150
Depreciation and amortization	17,298,589	67,805	15,068	17,381,462
Total functional expenses	$ 60,328,381	$ 1,523,054	$ 730,059	$ 62,581,494

See Notes to Consolidated Financial Statements.

Abode Communities

Consolidated Statement of Functional Expenses
Year Ended December 31, 2021

	Program services	General and administrative	Fundraising	Total
Salaries	$ 8,872,285	$ 605,330	$ 273,995	$ 9,751,610
Payroll taxes	617,234	38,051	18,057	673,342
Employee benefits	1,057,844	57,846	24,467	1,140,157
Consultants	2,712,864	235,066	83,805	3,031,735
Rent	618,254	64,711	27,766	710,731
Office expenses	689,934	85,123	36,833	811,890
Training, travel and parking	32,525	1,911	563	34,999
Property and partnership management fees	104,975	-	-	104,975
Resident and community services	430,140	-	-	430,140
Repairs and maintenance	5,104,664	3,698	1,676	5,110,038
Utilities and telephone	3,986,388	25,014	5,554	4,016,956
Property tax and insurance	2,584,552	12,945	5,416	2,602,913
Interest	10,739,886	-	-	10,739,886
Legal and accounting	672,932	61,267	10,636	744,835
Bad debt expense	1,288,468	-	-	1,288,468
Real estate development	647,764	-	-	647,764
Fundraising expenses	-	-	25,722	25,722
Grant expense	124,011	86,861	19,303	230,175
Depreciation and amortization	17,066,393	65,523	14,561	17,146,477
Total functional expenses	$ 57,351,113	$ 1,343,346	$ 548,354	$ 59,242,813

See Notes to Consolidated Financial Statements.

Abode Communities

Consolidated Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities		
Changes in net assets without donor restrictions	$ (2,010,538)	$ (13,685,027)
Changes in net assets with donor restrictions	(127,150)	(195,510)
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation and amortization	17,381,462	17,146,477
Amortization of right-of-use leased assets	466,330	-
Ground lease expense	163,164	194,239
Gain on FMV of interest rate swaps	(1,945,809)	(849,433)
Decrease in lease liability	(523,347)	-
Loss on investments	658	597
Amortization of grants payable	(313,463)	(263,463)
Amortization of debt issuance costs	500,311	465,185
Forgiveness of debt	-	(1,219,000)
Write-off of project development costs	-	612,695
(Increase) decrease in		
Accounts receivable	1,298,606	(1,289,162)
Grants receivable	(560,485)	(63,741)
Prepaid expenses	91,888	120,905
Developer fee receivable	(21,818)	(21,818)
Deposits	83,550	(52,455)
Other assets	(72,688)	(641,695)
Increase (decrease) in		
Accounts payable	2,897,925	(1,803,700)
Prepaid rents	148,165	(23,723)
Accrued vacation	13,001	50,654
Accrued interest payable	5,177,697	4,652,797
Security deposit liability	1,409	14,364
Deferred revenue	3,387,281	(1,563,502)
Net cash provided by operating activities	26,036,149	1,585,684
Cash flows from investing activities		
Investment in property and equipment	(93,106,066)	(37,134,360)
Payment of ground lease	(7,200,000)	(3,691,276)
Distribution from investment	-	33,059
Net payment of advances to affiliates	(53,976)	(9,654)
Payment of tax credit monitoring fees	-	(1,745)
Payment of developer fees	-	(113,412)
Investment in partnership	(772,273)	(492,230)
Net cash used in investing activities	(101,132,315)	(41,409,618)

Abode Communities

Consolidated Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from financing activities		
Principal payments on mortgages and notes payable	(24,085,848)	(29,384,236)
Proceeds from mortgages and notes payable	89,340,217	46,787,433
Contributions	15,574,682	22,797,645
Distributions	(246,721)	(110,471)
Debt issuance costs paid	(496,933)	(702,727)
Net cash provided by financing activities	80,085,397	39,387,644
Net increase (decrease) in cash, cash equivalents and restricted cash	4,989,231	(436,290)
Cash, cash equivalents and restricted cash, beginning	37,518,295	37,954,585
Cash, cash equivalents and restricted cash, end	$ 42,507,526	$ 37,518,295
Supplemental disclosure of cash flow information		
Cash paid for interest, net of amount capitalized of $4,359,165 and $2,151,911	$ 6,614,646	$ 6,572,037
Supplemental schedule of noncash investing and financing activities		
Accounts payable included in property and equipment	$ 20,878,331	$ 13,014,137
Reclassification of property and equipment to deferred fees	(64,255)	-
Reclassification of property and equipment to syndication costs	(129,967)	-
Reclassification of property and equipment to debt issuance costs	(93,054)	-
Write-off of fully depreciated property	156,524	115,465
Accounts payable included in deferred fees	34,440	-
Increase in right-of-use assets and operating lease liabilities	2,810,001	-
Reclassification of prepaid ground lease to right-of-use assets	17,946,680	-

See Notes to Consolidated Financial Statements.

Note 1 - Organization and nature of operations

The accompanying consolidated financial statements include Abode Communities, a California nonprofit corporation and its affiliates ("Affiliates"), which include the following:

- Affiliated Nonprofit Corporations:
  - Abode Community Housing, a California nonprofit corporation ("ACH")
  - Figueroa Corridor Land Company, a California nonprofit corporation ("FCLC")
  - L'Canon Club Apartments Corporation ("L'Canon")
- Development Entities, as listed on page 15
- Operating Entities, as listed on pages 15 - 16

Collectively, Abode Communities and its Affiliates shall be referred to as "Abode Communities".

Abode Communities is organized for the purpose of acquisition, design, development and operation of affordable housing projects. Abode Communities assists in revitalizing communities through acquisition and rehabilitation of existing housing, development of new housing and the long-term ownership and management of its rental properties. Abode Communities owns affordable housing properties, provides property management and social programs to enhance the quality of life of its residents, and serves as general partner for affordable housing projects. Abode Communities' principal sources of revenue are rental income from tenants, grants, development fees, and fees for property management, consulting, architectural and project management services.

Abode Communities receives significant funding from federal, state and local government subsidies in various forms, including low-income housing tax credits, low-interest rate loans, grants, and rent subsidies for qualifying very low-, low- and moderate-income tenants.

Principles of consolidation

In the accompanying consolidating financial statements, Abode Communities includes the accounts of that entity. Affiliated Nonprofit Corporations includes the accounts of ACH, FCLC and L'Canon.

In the accompanying consolidating financial statements, Development Entities includes the accounts of entities which are in the predevelopment, or construction phase, and Operating Entities includes the accounts of entities which are in operations. Abode Communities, ACH or FCLC has a financial interest in each of the Development Entities and Operating Entities.

The Affiliated Nonprofit Corporations are consolidated because Abode Communities has an economic interest and control of the organizations through management of day-to-day operations and/or a majority voting interest in their governing boards. The limited partnerships and limited liability companies are included in the consolidation in accordance with U.S. generally accepted accounting principles ("GAAP"), which require consolidation of all such entities, which are deemed to be controlled by Abode Communities.

All significant inter-entity balances and transactions have been eliminated in consolidation.

Development Entities are comprised of the following entities. The respective beneficial owner and the consolidated ownership percentage is also listed:

Development entity affiliate	Beneficial owner	Ownership % 2022	Ownership % 2021
Adams Terrace, L.P.	Abode Communities	N/A	0.01%
Beacon Landing, L.P.	Abode Communities	0.01%	100.00%
Carlton, L.P.	Abode Communities	100.00%	100.00%
Central Ave Apartments, L.P.	Abode Communities	100.00%	100.00%
Chavez Fickett, L.P.	Abode Communities	100.00%	100.00%
Compass Crossing North, L.P.	Abode Communities	100.00%	N/A
Compass Crossing South, L.P.	Abode Communities	100.00%	N/A
Harrower Village, L.P.	Abode Communities	0.01%	100.00%
La Veranda, L.P.	Abode Communities	0.01%	0.01%
Manchester Urban Homes LP	Abode Communities	0.005%	N/A
New Vista Court, L.P.	Abode Communities	100.00%	100.00%
Veteran Commons, L.P.	Abode Communities	100.00%	100.00%
Villa Verde I, L.P.	Abode Communities	100.00%	100.00%
Vista Dorada	Abode Communities	100.00%	N/A
Washington Avenue, L.P.	Abode Communities	100.00%	N/A

Operating Entities are comprised of the following entities. The respective general partner and managing member and the consolidated ownership percentage is also listed:

Operating entity affiliate	Nonprofit general partner/managing member	Ownership % 2022	Ownership % 2021
44000 Sahuayo Street, LP	Abode Communities	0.005%	0.005%
Adams Terrace, L.P.	* Abode Communities	0.01%	N/A
Casa Dominguez, L.P.	* Abode Communities	1.00%	1.00%
Centennial Place Limited Partnership	Abode Community Housing	100.00%	100.00%
Clark Residence Limited Partnership	* Abode Communities	100.00%	100.00%
E. Victor Villa, L.P.	Abode Communities	0.01%	0.01%
E. Victor Villa GP, LLC	* Abode Communities	100.00%	100.00%
Evergreen Apartments, L.P.	* Abode Communities	0.01%	0.01%
Fremont Building Limited Partnership	Abode Communities	100.00%	100.00%
Glassell Park, L.P.	* Abode Communities	0.01%	0.01%
Grand Avenue Apartments Limited Partnership	Abode Communities	100.00%	100.00%
Grandview Apartments, L.P.	* Abode Communities	100.00%	100.00%
Grisham Community Housing, L.P.	Abode Communities	100.00%	100.00%
Hart Village, L.P.	* Abode Communities	0.01%	0.01%
Heritage Court Apartments Limited Partnership	* Abode Communities	100.00%	100.00%
Hudson Oaks Limited Partnership	* Abode Community Housing	0.01%	0.01%
Kittridge Housing, L.P.	* Abode Communities	0.01%	0.01%
Las Brisas Community Housing II, L.P.	* Abode Community Housing	0.01%	0.01%
Las Brisas Community Housing Limited Partnership	* Abode Communities	100.00%	0.01%
Laurel Village, L.P.	Abode Communities	0.01%	0.01%

Operating entity affiliate		Nonprofit general partner/managing member	Ownership % 2022	Ownership % 2021
Morgan Place, L.P.		Abode Communities	0.01%	0.01%
New Dana Strand Partners I, L.P.	*	Abode Communities	0.005%	0.005%
New Park Place, L.P.		Abode Communities	0.01%	0.01%
Nuevo Pico Union Partnership	*	Abode Communities	100.00%	100.00%
Orange Grove Gardens, L.P.	*	Abode Community Housing	100.00%	0.01%
Oxnard Housing Repurchase, LLC	*	Abode Communities	100.00%	100.00%
Park Place Terrace Repurchase, LLC	*	Abode Communities	100.00%	100.00%
Parthenia Housing Associates, L.P.		Abode Communities	100.00%	100.00%
Reseda Village Repurchase, LLC	*	Abode Communities	100.00%	100.00%
Rolland Curtis Commercial QALICB, Inc.	*	Rolland Curtis Commercial QALICB, Inc.	100.00%	100.00%
Rolland Curtis East, L.P.		Abode Communities	0.01%	0.01%
Rolland Curtis West, L.P.		Abode Communities	0.01%	0.01%
Selma Community Housing, L.P.		Abode Communities	0.01%	0.01%
Sherman Way Community Housing, L.P.		Abode Communities	0.01%	0.01%
Sun Sage Homes, L.P.		Abode Community Housing	0.01%	0.01%
Sunshine Terrace Repurchase, LLC	*	Abode Community Housing	100.00%	100.00%
Terra Bella, L.P.	*	Abode Communities	0.01%	0.01%
Villa Parke Homes	*	Abode Community Housing	100.00%	100.00%
Vista del Mar, L.P.	*	Abode Communities	0.0018%	0.0018%
Viviendas Del Valle, L.P.	*	Abode Communities	0.01%	0.01%
Westmont Vista, L.P.	*	Abode Communities	0.01%	0.01%
Wilmington Housing Associates Limited Partnership		Abode Community Housing	100.00%	100.00%
Wilson Apartments Associates, L.P.	*	Abode Community Housing	39.50%	39.50%
Western Landing, L.P.	*	Abode Communities	100.00%	100.00%

*Not audited in accordance with *Government Auditing Standards*.

Note 2 - Significant accounting policies

Basis of presentation

The consolidated financial statements are presented in accordance with GAAP, which require Abode Communities to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions

Net assets without donor restrictions consist of all resources of Abode Communities that have not been specifically restricted by a donor.

Net assets with donor restrictions

Net assets with donor restrictions consist of cash received or other assets with donor stipulations that limit their use. Donor restrictions are stipulated by either a time restriction or a purpose restriction. Upon expiration of a time restriction or completion of a purpose restriction, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restriction.

Use of estimates
The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in these consolidated financial statements and the disclosures in the accompanying notes. Actual results could differ from those estimates. Estimates of future operations were made by management in the calculation of the amount of development fee revenue recognized under GAAP.

Cash and cash equivalents
Abode Communities considers all highly-liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Restricted reserves and deposits
Restricted reserves and deposits primarily consist of operating, replacement reserves, and property tax and insurance escrows. Such reserves are required by various financing authorities, lenders or stipulations in the applicable partnership or operating agreements.

Accounts receivable and bad debts
Accounts receivable are reported net of an allowance for uncollectible amounts. Management's estimate of the allowance is based on historical collection experience and a review of the current status of accounts receivable. It is reasonably possible that management's estimate of the allowance will change. As of December 31, 2022 and 2021, the allowance for doubtful accounts is $3,012,113 and $1,864,373, respectively. Bad debt expense during the years ended December 31, 2022 and 2021 was $1,465,628 and $1,288,468, respectively, and is included in expenses on the consolidated statements of activities.

Notes receivable
Notes receivable are reported net of an allowance for uncollectible amounts. Management's estimate of the allowance is based on historical collection experience and a review of the current status of notes receivable. It is reasonably possible that management's estimate of the allowance will change. As of December 31, 2022 and 2021, there is no allowance for doubtful accounts. All notes receivable for consolidated entities have been eliminated in consolidation.

Due from affiliates
The advances due from affiliates are reported net of an allowance for doubtful accounts. Management's estimate of the allowance is based on expected future operating performance and other factors. It is reasonably possible that management's estimate of the allowance will change. As of December 31, 2022 and 2021, there is no allowance for doubtful accounts. Advances to consolidated entities and the related allowance have been eliminated in consolidation.

Partnership investments
Partnership investments include the equity interest of Abode Communities and Affiliated Nonprofit Corporations in certain tax credit partnerships which are not controlled by Abode Communities and Affiliated Nonprofit Corporations. Abode Communities and Affiliated Nonprofit Corporations account for their investments in such limited partnerships ("Investees") in accordance with the equity method of accounting, under which the investment is carried at cost and is adjusted for Abode Communities' and Affiliated Nonprofit Corporations' share of the Investees' results of operations and by cash distributions received. Abode Communities and Affiliated Nonprofit Corporations regularly assess the carrying value of their investments in limited partnerships. If the carrying value exceeds the estimated value derived by management, Abode Communities and Affiliated Nonprofit Corporations would reduce their investments by the amount by which the carrying amounts exceed the assessed value. During the years ended December 31, 2022 and 2021, Abode Communities and Affiliated

Nonprofit Corporations did not make any such adjustments. The Investees are variable interest entities whose activities are consolidated with the business activities of their controlling owners.

Project development costs
Abode Communities incurs costs in connection with properties it is considering for development as well as costs associated with projects in the initial stages of development. These costs include such items as market studies, purchase options, environmental study costs, legal and accounting costs. Project development costs are capitalized until such time as the project is no longer considered desirable or feasible, at which time the costs are expensed. Project development costs related to projects that are ultimately developed are subsequently recorded as receivables to be repaid by the applicable projects. During the years ended December 31, 2022 and 2021, $900 and $631,665, respectively, of project development costs were expensed and included in real estate development on the consolidated statements of activities.

Property and equipment
Property and equipment are recorded at cost. Expenditures for maintenance and repairs are expensed as incurred, while major renewals and betterments are capitalized. Costs of properties constructed or rehabilitated include all direct costs of construction, as well as carrying costs during the construction period and indirect costs of construction, supervision and management. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the consolidated statements of activities. Depreciation is computed using the straight-line method over the estimated useful lives ranging from 5 to 40 years.

It is Abode Communities' policy to capitalize expenditures for improvements, furniture, and fixtures and equipment exceeding $2,500.

Impairment of long-lived assets
Abode Communities reviews its property and equipment and investments for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment losses have been recognized during the years ended December 31, 2022 and 2021.

Deferred fees
Costs related to obtaining low-income housing tax credits are being amortized using the straight-line method over the mandatory 15-year compliance period.

Costs related to obtaining leasehold improvements are capitalized and amortized on the straight-line method over the shorter of the life of the related asset or the related lease term.

The table below indicates each component within the deferred fees, net line item on the consolidated statements of financial position:

December 31, 2022	Tax credit monitoring costs	Other deferred fees
Deferred fees	$ 1,435,499	$ 14,127
Less accumulated amortization	(777,395)	(4,134)
Deferred fees, net	$ 658,104	$ 9,993

December 31, 2021	Tax credit monitoring costs	Other deferred fees
Deferred fees	$ 1,379,695	$ 45,696
Less accumulated amortization	(692,770)	(8,335)
Deferred fees, net	$ 686,925	$ 37,361

Estimated annual amortization for each of the next five years subsequent to December 31, 2022 is as follows:

	Tax credit monitoring costs	Other deferred fees
2023	$ 82,173	$ 1,378
2024	79,759	1,378
2025	71,794	1,378
2026	65,565	1,378
2027	49,181	1,378

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

Accounting for leases
Abode Communities recognizes a lease asset and a lease liability at the lease commencement date. The lease asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the risk-free rate.

Total lease costs of operating leases on an undiscounted basis are recognized as rent expense over the term of the lease on a straight-line basis. Annual rent expense comprises amortization of the lease asset plus interest on the lease liability adjusted for any variations in lease payment amounts.

Abode Communities accounts for all leases as operating leases.

Derivative instruments
Evergreen Apartments, L.P. ("Evergreen"), Laurel Village, L.P. ("Laurel Village"), and Selma Community Housing, L.P. ("Selma") have entered into interest rate swap agreements, which are carried on the accompanying consolidated statements of financial position at fair value. Changes in fair value are estimated and recorded through the consolidated statements of activities. The fair value of the interest rate swaps have been calculated utilizing a third-party methodology that management believes is commonly employed (see Note 11).

Fair value measurement
The accounting standard for fair value measurement and disclosures defines fair value, establishes a framework for measuring fair value, and provides for expanded disclosure about fair value measurements. Fair value is defined by the accounting standard for fair value measurement and disclosures as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. It also establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three levels. The following summarizes the three levels of inputs and hierarchy of fair value Evergreen, Laurel Village and Selma use when measuring fair value:

- Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that Evergreen, Laurel Village and Selma have the ability to access;

- Level 2 inputs may include quoted prices for similar assets and liabilities in active markets, as well as interest rates and yield curves that are observable at commonly quoted intervals; and

- Level 3 inputs are unobservable inputs for the asset or liability that are typically based on an entity's own assumptions as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the fair value measurement will fall within the lowest level input that is significant to the fair value measurement in its entirety (see Note 12 for additional disclosures).

Noncontrolling interest in limited partnerships and limited liability companies
The noncontrolling interest in the consolidated statements of financial position represents the aggregate balance of limited partner or investor member equity interest in the affiliate limited partnerships or limited liability companies that are included in the consolidated financial statements.

Revenue recognition
Revenue primarily consists of rental income, development fees, architect fees, grants, interest income, resident services fees and property and partnership management fees.

Rental income is recognized as rents become due. Rental payments received in advance are deferred until earned. All leases between the Operating Entities and the tenants of the projects are operating leases.

Portions of the rental income are in the form of subsidy payments from the U.S. Department of Housing and Urban Development ("HUD") under Section 8 of the National Housing Act and Project

Rental Assistance Contracts. Tenants are subsidized based upon their level of income. Rent increases require HUD approval.

Development fees (over time), architect fees (over time), resident services fees (over time), property and partnership management fees (over time) are accounted for as contracts with customers. Under the guidance for contracts with customers, an entity is required to (a) identify the contract(s) with a customer, (b) identify the performance obligations in the contract, (c) determine the transaction price, (d) allocate the transaction price to the performance obligations in the contract, and (e) recognize revenue when (or as) the entity satisfies a performance obligation. In determining the transaction price, an entity may include variable considerations only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized would not occur when the uncertainty associated with the variable consideration is resolved.

Abode Communities earns architect fees for services provided to third parties, affiliated limited partnerships and wholly-owned properties. Such fees are recognized as earned in accordance with the terms of the contracts. The fees earned on contracts with consolidated affiliated entities are capitalized into the basis of rental property by the affiliated limited partnerships and the profit earned, if any, is eliminated in the consolidation.

Laundry and cable income received in advance are deferred until earned.

Property management fee income is earned monthly based on the management agreement. Fees earned for consolidated entities are eliminated in the consolidation.

Resident services fee income is earned monthly based on the resident services agreement. Fees earned for consolidated entities are eliminated in the consolidation.

Partnership management fee income is earned annually based on the partnership agreements. Fees earned for consolidated entities are eliminated in the consolidation.

The beginning and ending contract balances were as follows as of December 31:

	2022	2021	2020
Accounts receivable	$ 417,586	$ 1,378,695	$ 710,416
Development fee receivable	88,636	66,818	45,000
Deferred revenue	4,410,669	1,348,636	2,912,138

Development fees
Development fees earned are paid from the project's equity and debt proceeds at the completion of the construction of the project. These fees are recognized over the development period beginning when the project is assured of being constructed, as evidenced by the admission of an equity partner, as units are delivered or based on the external construction costs incurred as a percentage of the total external construction costs expected and concluding with the application for final allocation of tax credits. Any portion of the development fee not expected to be paid using contributions from the equity partner, such as out of cash flow from operations, represents variable consideration.

Abode Communities estimates whether it will be entitled to variable consideration under the terms of the development agreement and includes its estimate of variable consideration in the total development fee amount when it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur in accordance with the accounting guidance in *ASC Topic 606, Revenue from Contracts with Customers,* on constraining estimates of variable consideration, which typically includes the following factors:

- The susceptibility of the consideration amount to factors outside the project's influence, including insufficient equity and debt proceeds at the completion of the construction of the project.
- Whether the uncertainty about the consideration amount is not expected to be resolved for a long period of time.
- Abode Communities' experience with similar types of agreements.
- Whether Abode Communities expects to offer changes to payment terms.
- The range of possible consideration amounts.

The cumulative amount of development fees earned over the development agreement is updated at each reporting period based on the project's estimate of the variable consideration using available information at the reporting date. Any difference between the gross amount of the project's developer fee payable and the estimate of variable consideration to which the developer expects to be entitled is eliminated in consolidation.

Grants and contributions
Abode Communities recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give (that is, those with a measurable performance or other barrier and a right of return) are not recognized until the conditions on which they depend have been met. All contributions and other types of revenue with restrictions imposed by the donor, if any, are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are released and reclassified to net assets without donor restriction. When a donation is received and the condition and restriction are met in the same period, the contribution is classified as net assets without donor restriction.

Functional allocation of expenses
The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statements of functional expenses. Directly identifiable expenses are charged to program and supporting services. Expenses related to more than one function are charged to program and supporting services based on percentages determined by the Board of Directors based on estimates of employees' time incurred and resource usage.

Income taxes
Each of Abode Communities, ACH, FCLC, L'Canon and Rolland Curtis Commercial QALICB, Inc. have applied for and received a determination letter from the Internal Revenue Service ("IRS") to be treated as a tax-exempt entity pursuant to Section 501(c)(3) of the Internal Revenue Code and did not have any unrelated business income for the years ended December 31, 2022 and 2021. Due to their tax-exempt status, these entities are not subject to income taxes. These entities are required to file tax returns with the IRS and other taxing authorities. Management has analyzed the tax

positions taken by the Corporation and has concluded that, as of December 31, 2022, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. Accordingly, these consolidated financial statements do not reflect a provision for income taxes and these entities have no other tax positions which must be considered for disclosure.

The Development and Operating Entities are pass-through entities for income tax purposes and are not subject to income taxes. All items of taxable income, deductions and tax credits are passed through to and are reported by their owners on their respective income tax returns. The Development and Operating Entities' federal tax status as pass-through entities is based on their legal status as partnerships. The Development and Operating Entities are required to file tax returns with the IRS and other taxing authorities. Accordingly, these consolidated financial statements do not reflect a provision for income taxes and the Development and Operating Entities have no other tax positions which must be considered for disclosure. Income tax returns filed by the Development and Operating Entities are subject to examination by the IRS for a period of three years. While no income tax returns are currently being examined by the IRS, tax years since 2019 remain open.

Advertising
Advertising costs are expensed as incurred.

Syndication costs
Syndication costs are recorded as a direct reduction to noncontrolling interest when incurred.

New accounting pronouncements
Abode Communities adopted Accounting Standards Update 2016-02 (as amended), Leases ("Topic 842") on January 1, 2022 ("Adoption Date"). Topic 842 requires lessees to recognize a right-of-use asset and a corresponding lease liability for virtually all leases. Abode Communities elected and applied the following transition practical expedients when initially adopting Topic 842:

- To apply the provisions of Topic 842 at the Adoption Date, instead of applying them to the earliest comparative period presented in the consolidated financial statements.
- Use a risk-free discount rate.
- The package of practical expedients permitting Abode Communities to not reassess (i) the lease classification of existing leases; (ii) whether existing and expired contracts are or contain leases; and (iii) initial direct costs for existing leases.

Abode Communities made the following adjustments as of the Adoption Date in connection with transitioning to Topic 842:

	As of January 1, 2022
Right-of-use assets	$ 20,383,705
Reduction in prepaid ground lease	(17,946,680)
Reduction in accounts payable	47,727
Reduction in deferred revenue	325,249
Operating lease liability	(2,810,001)

Abode Communities accounted for its existing operating leases with residential tenants of the property as operating leases. Adopting Topic 842 in accounting for residential tenant leases did not result in adjustments to the financial statements.

Leases with commercial tenants not classified as sales-type or direct financing leases are classified as operating leases. Abode Communities accounted for its existing leases with commercial tenants as operating leases. As lessor in commercial lease arrangements, there were no accounting adjustments required.

Abode Communities recognized no change to opening net assets resulting from the impairment of certain operating lease right-of-use assets upon adoption of the new accounting standard. The adoption of Topic 842 did not have a material impact on Abode Communities' change in net assets for the year ended December 31, 2021.

Note 3 - Restricted reserves and deposits

In accordance with the terms of loan agreements, regulatory agreements and partnership agreements, deposits are made into replacement reserve accounts, operating reserve accounts, tax and insurance escrow accounts and other accounts as required by the applicable agreements. Withdrawals from these accounts may require approval from designated parties.

Note 4 - Accounts receivable and bad debts

Accounts receivable consist of the following as of December 31:

2022	Abode Communities	Development Entities	Operating Entities	Nonprofit Corporations	Less eliminations	Total
Architecture fees	$ 2,255,746	$ -	$ -	$ -	$ (1,651,744)	$ 604,002
Partnership management fees	2,665,458	-	-	-	(2,665,458)	-
Property management and lease up fees	1,228,578	-	-	-	(1,228,578)	-
Rent	-	-	3,873,120	-	-	3,873,120
Other	5,200	-	-	-	(5,200)	-
	6,154,982	-	3,873,120	-	(5,550,980)	4,477,122
Less allowance for doubtful accounts	(1,536,416)	-	(2,825,697)	-	1,350,000	(3,012,113)
	$ 4,618,566	$ -	$ 1,047,423	$ -	$ (4,200,980)	$ 1,465,009

2021	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Less eliminations	Total
Architecture fees	$ 2,359,101	$ -	$ -	$ -	$ (793,990)	$ 1,565,111
Partnership management fees	2,486,509	-	-	-	(2,486,509)	-
Property management and lease up fees	977,328	-	-	-	(977,328)	-
Rent	-	-	3,062,877	-	-	3,062,877
Other	5,633	-	-	-	(5,633)	-
	5,828,571	-	3,062,877	-	(4,263,460)	4,627,988
Less allowance for doubtful accounts	(1,186,416)	-	(1,677,957)	-	1,000,000	(1,864,373)
	$ 4,642,155	$ -	$ 1,384,920	$ -	$ (3,263,460)	$ 2,763,615

Note 5 - Grants receivable

Grants receivable consist of the following as of December 31:

	2022	2021
General operating grant	$ 177,334	$ 86,143
Scholarship fund	-	27,500
Predevelopment project support	75,000	75,000
Capital grant for the benefit of La Veranda	330,294	-
Resident services	200,000	33,500
	$ 782,628	$ 222,143

All grants receivable are expected to be collected within one year.

Note 6 - Notes receivable

Notes receivable consist of the following as of December 31:

	2022	2021
Unsecured loan to Twain Investment Fund 190, LLC for the purposes of funding the Rolland Curtis QALICB project, bearing interest at 1.444% per annum. Interest is payable annually through November 2, 2024, at which time a principal payment of $1,100,000 is due. Thereafter principal and interest is due annually until December 31, 2052, at which time a balloon payment of $1,949,989 is due.	$ 4,294,550	$ 4,294,550

Note 7 - Investments in partnerships and limited liability companies

Abode Communities consolidates its ownership interest in certain limited partnerships and limited liability companies (see Note 1). As of December 31, 2022 and 2021, the net investment deficit in limited partnerships and limited liability companies is $5,048,595 and $12,549,411, respectively, of which $6,416,230 and $13,030,630 was eliminated in consolidation at December 31, 2022 and 2021, respectively.

The following is condensed financial information as of December 31, 2022 and 2021 for those entities which are recorded on the equity method in the consolidated financial statements:

2022

Partnership name	Ownership interest	Total assets	Total liabilities	Partners' equity (deficit)	Partnership investment
Hope West Apartments (A California Limited Partnership)	0.5%	$ 1,463,776	$ 3,679,662	$ (2,215,886)	$ (10,418)
New Dana Strand IV-A, L.P.	0.001%	34,434,576	23,167,924	11,266,652	(16)
New Dana Strand Townhomes, L.P.	0.0045%	16,629,569	23,821,438	(7,191,869)	(1,227)
West LA Commons, LLC	30.00%	1,283,220	1,283,220	-	1,264,495
					$ 1,252,834

2021

Partnership name	Ownership interest	Total assets	Total liabilities	Partners' equity (deficit)	Partnership investment
Hope West Apartments (A California Limited Partnership)	0.5%	$ 1,567,628	$ 3,570,892	$ (2,003,264)	$ (9,831)
New Dana Strand IV-A, L.P.	0.001%	35,177,659	23,461,247	11,716,412	(22)
New Dana Strand Townhomes, L.P.	0.0045%	17,917,590	23,565,223	(5,647,633)	(1,158)
West LA Commons, LLC	30.00%	1,039,431	1,039,431	-	492,230
					$ 481,219

Abode Communities' share of loss consists of the following for the years ended December 31:

	2022	2021
Hope West Apartments (A California Limited Partnership)	$ (585)	$ (520)
New Dana Strand IV-A, L.P.	(4)	(4)
New Dana Strand Townhomes, L.P.	(69)	(73)
Loss on investments	$ (658)	$ (597)

Note 8 - Other investments

Other investments consist of the following as of December 31:

	2022	2021
HPN Select, LLC[(1)]	$ 146,941	$ 146,941
	$ 146,941	$ 146,941

(1) Abode Communities invested in HPN Select, LLC ("HPNS") in order for Abode Communities and its various operating entities to participate in a group purchasing organization. The investment is stated at cost and represents approximately 3% of the capital of HPNS as of December 31, 2022.

Note 9 - Development fees receivable

Development fees receivable consist of the following as of December 31:

	2022	2021
Current development fees receivable		
44000 Sahuayo Street, LP	$ 316,218	$ 316,218
SEED LA Facilities, LLC	88,636	66,818
Adams Terrace, L.P.	5,053,534	3,204,534
Rolland Curtis Commercial QALICB, Inc.	-	115,272
Rolland Curtis East, L.P.	376,048	376,048
Rolland Curtis West, L.P.	200,000	200,000
La Veranda, L.P.	859,920	-
Beacon Landing, L.P.	1,120,000	-
Westmont Vista, L.P.	-	250,000
Total current development fees receivable	8,014,356	4,528,890
Deferred development fees receivable	4,343,809	4,627,500
Interest on deferred development fees	86	160,985
Total development fees receivable	12,358,251	9,317,375
Less eliminations	(12,269,615)	(9,250,557)
	$ 88,636	$ 66,818

Note 10 - Property and equipment, net

Property and equipment consists of the following as of December 31:

December 31, 2022	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Less eliminations	Total
Land	$ -	$ 24,115,500	$ 55,832,959	$ -	$ -	$ 79,948,459
Building and improvements	-	149,956	616,320,683	-	(12,083,805)	604,386,834
Furniture and equipment	779,100	-	22,565,135	-	-	23,344,235
Leasehold improvements	229,614	-	2,341,819	-	-	2,571,433
Construction in progress	613,341	85,012,252	5,340,956	-	(521,257)	90,445,292
	1,622,055	109,277,708	702,401,552	-	(12,605,062)	800,696,253
Less accumulated depreciation	(825,095)	-	(206,892,133)	-	2,978,559	(204,738,669)
	$ 796,960	$ 109,277,708	$ 495,509,419	$ -	$ (9,626,503)	$ 595,957,584

December 31, 2021	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Less eliminations	Total
Land	$ -	$ 13,990,500	$ 52,519,292	$ -	$ -	$ 66,509,792
Building and improvements	-	149,956	565,136,653	-	(12,085,664)	553,200,945
Furniture and equipment	911,389	-	20,179,190	-	-	21,090,579
Leasehold improvements	229,614	-	2,337,219	-	-	2,566,833
Construction in progress	467,907	56,371,973	1,404,466	-	(1,182,912)	57,061,434
	1,608,910	70,512,429	641,576,820	-	(13,268,576)	700,429,583
Less accumulated depreciation	(830,942)	-	(189,614,624)	-	2,845,829	(187,599,737)
	$ 777,968	$ 70,512,429	$ 451,962,196	$ -	$ (10,422,747)	$ 512,829,846

For the years ended December 31, 2022 and 2021, depreciation expense was $17,295,458 and $17,048,093, respectively.

The development costs of Abode Communities' pre-development and development stage projects and resyndicated operating partnerships are recorded in construction in progress, included in property and equipment on the accompanying consolidated statements of financial position. The following is a summary by project of construction in progress as of December 31, 2022 and 2021:

Project	Units	Construction	2022	2021
Beacon Landing, L.P.	89	Began in February 2022, expected to be completed in October 2023	$ 26,717,975	$ 4,062,446
Adams Terrace, L.P.	86	Began in December 2020, completed in September 2022. Fully leased-up in 2023	-	35,930,696
La Veranda, L.P.	77	Began in August 2021, expected to be completed by the end of October 2023	39,308,485	9,888,127
Grandview Apartments, L.P.	100	Anticipated to begin November 2023	2,913,611	936,916
Harrower Village, L.P.	40	Began in June 2022, expected to be completed in April 2024	5,678,938	-
Villa Verde I, L.P.	152	Anticipated to begin December 2024	2,447,812	2,197,329
Washington Avenue Apartments, L.P.	72	Anticipated to begin December 2024	1,593,227	-
Vista Dorada, L.P.	53	Began in July 2022, completed in February 2023. Project is fully leased-up	2,752,202	-
Carlton, L.P.	60	Anticipated to begin May 2024	1,592,216	1,287,031
Central Ave Apartments, L.P.	59	Anticipated to begin May 2024	1,870,814	1,133,285
Chavez Fickett, L.P.	110	Anticipated to begin December 2024	853,750	397,686
Western Landing, L.P.	81	Began in May 2023	2,427,345	467,551
All other projects			2,288,917	760,367
Total construction in process			$ 90,445,292	$ 57,061,434

Note 11 - Mortgages and notes payable

Mortgages and notes payable are as follows as of December 31, 2022:

	Current portion	Long-term portion	Principal balance as of 12/31/2022	Accrued interest as of 12/31/2022
Abode Communities				
$500,000 unsecured loan with Wells Fargo Bank, bearing interest at 2.00% per annum, interest payable in quarterly installments through October 2022. Thereafter, principal payments of $62,500 plus interest are due quarterly through maturity in October 2024.	$ 250,000	$ 187,500	$ 437,500	$ 1,458
$500,000 unsecured loan with Wells Fargo Bank, bearing interest at 2.00% per annum, interest payable in quarterly installments through June 2025. Thereafter, principal payments of $62,500 plus interest are due quarterly through maturity in June 2027.	-	500,000	500,000	2,500
$500,000 unsecured loan with US Bank, bearing interest at 2.65% per annum, interest payable in quarterly installments, due February 2025.	-	500,000	500,000	3,313
$5,000,000 unsecured loan with MUFG Union Bank, bearing interest at 1.75% per annum, interest payable in quarterly installments, due April 2027.	-	5,000,000	5,000,000	21,875
$2,000,000 unsecured line of credit with CommonSpirit Health Operating Investment Pool, bearing interest at 4.50% per annum, interest payable in quarterly installments, due March 2032.	-	2,000,000	2,000,000	16,250
$2,000,000 unsecured line of credit with Mercy Community Capital, bearing interest at 6.00% per annum, interest payable monthly, due November 2023.	823,604	-	823,604	-
Noninterest-bearing loan payable to Banamex USA under the Affordable Housing Program, secured by real estate owned by Terra Bella. Principal deferred until maturity in January 2028 but subject to acceleration and interest charges if the property does not comply with regulations.	-	991,000	991,000	-
$585,000 noninterest-bearing loan payable to Wells Fargo Financial National Bank under the Affordable Housing Program, secured by real estate owned by Westmont Vista. Principal deferred until maturity on December 17, 2075 but subject to acceleration and interest charges if the property does not comply with regulations.	-	585,000	585,000	-
$3,000,000 unsecured note payable to Housing Partnership Fund, bearing interest at 6.25% per annum, interest payable monthly. The balance is due in full on due January 28, 2024. The lender agreed to renew its loan effective September 2023 for a seven year term.	1,500,000	1,500,000	3,000,000	-
$2,000,000 unsecured loan payable to Nonprofit Finance Fund, bearing interest at 3.95% per annum, interest payable in quarterly installments. A principal payment of $1.2 million is required in September 2023, and the remaining balance is due in May 2024. The lender has agreed to waive the September 2023 principal payment while a renewal of the loan is being underwritten.	1,200,000	800,000	2,000,000	-

	Current portion	Long-term portion	Principal balance as of 12/31/2022	Accrued interest as of 12/31/2022
$2,000,000 unsecured loan payable to Weingart Foundation, bearing interest at 2.00% per annum, interest payable in quarterly installments. A principal payment of $1.2 million is required in September 2023, and the remaining balance is due in May 2024. The lender has agreed to waive the September 2023 principal payment while a renewal of the loan is being underwritten.	1,200,000	800,000	2,000,000	-
$1,000,000 unsecured loan payable to California Community Foundation, bearing interest at 2.00% per annum, interest payable in quarterly installments. A principal payment of $600,000 is required in September 2023, and the remaining balance is due in May 2024. The lender has agreed to waive the September 2023 principal payment while a renewal of the loan is being underwritten.	600,000	400,000	1,000,000	-
$1,000,000 revolving line of credit with Enterprise Community Investment, Inc., The proceeds of the line are limited to bridging general partner equity contributions to Adams Terrace, L.P. on a short-term basis. In accordance with the loan agreement, up to two advances are allowed and are repayable from Adams Terrace limited partner equity contributions. Interest at 5% per annum accrues and is payable at the time of each advance repayment. The line of credit expires in May 2024. One six-month extension is available.	-	1,000,000	1,000,000	2,055
$500,000 unsecured loan payable to Capital One Bank, bearing interest at the rate of 2.25% per annum, interest payable in quarterly installments through maturity on July 1, 2024. The entire proceeds of this loan were drawn in March 2023, and were passed through to Grandview Apartments for predevelopment expenses.	-	-	-	-
Development Entities				
$3,500,000 acquisition loan for Washington Avenue Apartments, payable in monthly installments of interest-only at the rate of 4.25% per annum through maturity on July 8, 2024.	-	3,266,132	3,266,132	-
$1,635,040 predevelopment loan for Washington Avenue Apartments. Interest at the rate of 3% per annum is deferred until the maturity date. The entire amount of principal, plus accrued interest, shall be payable in full on the 55th anniversary of issuance of final certificate of occupancy.	-	487,579	487,579	5,705
Construction and permanent loan for Harrower Village, maximum proceeds of $15,895,000. Interest at SOFR Average plus 1.85% (5.55% at December 31, 2022) payable monthly until conversion from construction to permanent loan, principal plus interest at 6.23% payable monthly after conversion. All unpaid principal and interest is due 15 years from the date of conversion.	-	2,132,509	2,132,509	9,735

	Current portion	Long-term portion	Principal balance as of 12/31/2022	Accrued interest as of 12/31/2022
Acquisition, construction and permanent loans from the Housing Authority of the City of Glendale to Harrower Village totalling $10,700,000, bearing interest at the rate of 0.75% per annum and maturing 55 years from the date of permanent loan conversion. Annual payments from residual receipts are due through maturity.	-	7,568,454	7,568,454	114,007
Construction and permanent loan for Beacon Landing, maximum proceeds of $23,479,303. Interest at the Adjusted Term SOFR plus 1.7% (5.981% at December 31, 2022) payable monthly until conversion from construction to permanent loan, principal plus interest at 4.57% payable monthly after conversion. All unpaid principal and interest is due April 4, 2045.	-	15,032,170	15,032,170	76,198
Construction and permanent loan for Beacon Landing, maximum proceeds of $6,020,000, noninterest-bearing. Annual payments from residual receipts are required through maturity on February 1, 2077.	-	5,929,700	5,929,700	-
Construction and permanent loan for Beacon Landing, maximum proceeds of $8,555,556, bearing interest at the reate of 3% per annum. Interest during the construction period accrues and is payable upon permanent loan conversion. Thereafter, annual payments from residual receipts are required through maturity on February 2, 2079.	-	-	-	-
$4,621,000 acquisition and predevelopment loan for Carlton, payable in monthly installments of interest-only at the rate of 6.0% per annum through maturity on August 1, 2023, extended to February 28, 2025.	-	4,248,436	4,248,436	19,031
$3,580,000 acquisition loan for Central Ave Apartments, payable in monthly installments of interest-only at the rate of 6.50% per annum through maturity on January 21, 2024.	-	3,561,389	3,561,389	24,287
$1,500,000 predevelopment loan for Central Ave Apartments, payable in monthly installments of interest-only at the rate of 6.75% per annum through maturity on August 2, 2024.	-	1,158,622	1,158,622	8,344
Construction and permanent loan for La Veranda, maximum proceeds of $33,891,518. Interest at the Bloomberg Short-Term Bank Yield Screen Rate plus 2.20% (6.573% at December 31, 2022) payable monthly until conversion from construction to permanent loan, principal plus interest at 3.90% payable monthly after conversion. All unpaid principal and interest is due 20 years from the date of conversion.		21,123,430	21,123,430	110,256
Construction and permanent loan for La Veranda, maximum proceeds of $2,000,000, bearing interest at the rate of 3% per annum. Annual payments from residual receipts are required through maturity on June 1, 2078.	-	1,950,000	1,950,000	87,913
Construction and permanent loan for La Veranda, maximum proceeds of $9,120,000, bearing interest at the rate of 3% per annum. Annual payments from residual receipts are required through maturity on June 29, 2076.	-	8,208,000	8,208,000	157,904
$450,000 predevelopment loan for Villa Verde, bearing interest at the rate of 3% per annum. Interest is deferred until the maturity date of the note on December 31, 2024.	-	450,000	450,000	30,491

	Current portion	Long-term portion	Principal balance as of 12/31/2022	Accrued interest as of 12/31/2022
Operating Entities				
$8,247,500 acquisition loan for Grandview Apartments, payable in monthly installments of interest-only at the rate of 6.39% per annum through maturity on November 1, 2023.	8,242,711	-	8,242,711	-
$1,500,000 predevelopment loan for Grandview Apartments, payable in monthly installments of interest-only at the rate of 4.63% per annum through maturity on November 1, 2023.	-	-	-	-
Construction and permanent loan for Adams Terrace, maximum proceeds of $33,769,000. Interest at the greater of 2.3% or one-month LIBOR plus 1% (5.42% at December 31, 2022) payable monthly until conversion from construction to permanent loan, principal plus interest at 4.00% payable monthly after conversion. All unpaid principal and interest is due 17 years from the date of conversion.	22,752,215	5,991,700	28,743,915	128,674
$5,627,000 acquisition and predevelopment loan for Western Landing, payable in monthly installments of interest-only at the rate of 6.00% per annum through maturity on July 26, 2024.	-	4,684,228	4,684,228	23,421
$2,155,245 predevelopment loan for Western Landing, payable in monthly installments of interest-only at the rate of 4.59% per annum through maturity on January 1, 2024.	-	421,401	421,401	1,182
Permanent loans with principal and interest payable monthly, bearing interest from 1.00% to 7.45%, maturing between November 2025 and December 2055. As of the report date, the Operating Entities are in compliance with all loans.	2,086,908	81,326,791	83,413,699	307,862
Permanent loans with annual payments from available excess cash or residual receipts, bearing interest from 0% to 10.5% and maturing between July 2022 and April 2076.	9,536,551	202,091,799	211,628,350	57,505,747
Noninterest-bearing permanent loans with principal either deferred until maturity or forgivable if certain terms are met. Maturity dates are through December 2075.	-	5,610,000	5,610,000	-
Affiliated Nonprofit Corporations				
Noninterest-bearing loan secured by real estate owned by Hudson Oaks. Principal deferred until maturity in February 2029 but subject to acceleration and interest charges if the property does not comply with regulations.	-	440,000	440,000	-
Subtotal	48,191,989	389,945,840	438,137,829	58,658,208
Debt issuance costs, net of accumulated amortization of $2,890,807	-	-	(5,417,447)	-
	$ 48,191,989	$ 389,945,840	$ 432,720,383	$ 58,658,208

Loans coming due within one year of September 28, 2023, include a construction loan of approximately $22.8 million for a project that is in operation as of December 31, 2022. The loan is expected to be repaid using proceeds from capital contributions of the tax credit investor limited partner of the project and other permanent loan commitments. Residual receipts notes from the Los Angeles Housing Department for Fremont Building Limited Partnership and Grand Avenue Apartments Limited Partnership in the amounts of $4,830,000 and $4,565,647, respectively, were due August 2023 and coming due December 2023, respectively, are being renegotiated with the lender. Management expects these loans to be extended or refinanced and the past due amount has not been called. Multiple notes to Abode Communities where lump sum principal payments totaling $8 million are due. Underwriting for renewals of these notes in in process. Commitment letter have been received for $5 million and management expects the entire amount to be renewed or replaced with similar loans for similar purposes. Development Entities (including Western Landing and Grandview) acquisition and predevelopment notes totaling approximately $22.5 million will be repaid with construction loan proceeds or extended as needed. The remainder is monthly principal reductions on amortizing loans.

	Current portion as of 12/31/2022	Long-term portion as of 12/31/2022	Principal balance as of 12/31/2022	Accrued interest as of 12/31/2022
Abode Communities				
Nonrecourse Debt	$ -	$ 1,576,000	$ 1,576,000	$ -
Recourse Debt	5,573,604	12,687,500	18,261,104	47,451
Total Abode Communities	5,573,604	14,263,500	19,837,104	47,451
Development Entities				
Nonrecourse Debt	-	62,431,842	62,431,842	561,718
Recourse Debt	-	12,684,579	12,684,579	82,153
Total Development Entities	-	75,116,421	75,116,421	643,871
Operating Entities (nonrecourse)				
Hard Debt	33,081,834	92,424,120	125,505,954	461,139
Soft Debt	9,536,551	207,701,799	217,238,350	57,505,747
Total Operating Entities	42,618,385	300,125,919	342,744,304	57,966,886
Affiliated Nonprofit Corporations				
Nonrecourse Debt	-	440,000	440,000	-
Total Affiliated Nonprofit Corporations	-	440,000	440,000	-
Total	$ 48,191,989	$ 389,945,840	$ 438,137,829	$ 58,658,208

	Current portion as of 12/31/2021	Long-term portion as of 12/31/2021	Principal balance as of 12/31/2021	Accrued interest as of 12/31/2021
Abode Communities				
Nonrecourse Debt	$ -	$ 1,576,000	$ 1,576,000	$ -
Recourse Debt	2,000,000	11,932,611	13,932,611	35,169
Total Abode Communities	2,000,000	13,508,611	15,508,611	35,169
Development Entities				
Nonrecourse Debt	-	35,287,867	35,287,867	155,528
Recourse Debt	2,807,791	13,689,042	16,496,833	100,673
Total Development Entities	2,807,791	48,976,909	51,784,700	256,201
Operating Entities (nonrecourse)				
Hard Debt	12,305,683	95,770,080	108,075,763	361,927
Soft Debt	322,091	196,752,295	197,074,386	52,827,214
Total Operating Entities	12,627,774	292,522,375	305,150,149	53,189,141
Affiliated Nonprofit Corporations				
Nonrecourse Debt	-	440,000	440,000	-
Total Affiliated Nonprofit Corporations	-	440,000	440,000	-
Total	$ 17,435,565	$ 355,447,895	$ 372,883,460	$ 53,480,511

The annual maturities of long-term debt for each of the next five years and thereafter subsequent to December 31, 2022 are as follows:

	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Total
2023	$ 5,573,604	$ -	$ 42,618,385	$ -	$ 48,191,989
2024	4,687,500	37,316,888	3,609,007	-	45,613,395
2025	625,000	-	10,403,346	-	11,028,346
2026	250,000	-	9,966,772	-	10,216,772
2027	5,125,000	-	3,049,240	-	8,174,240
Thereafter	3,576,000	37,799,533	273,097,554	440,000	314,913,087
	$ 19,837,104	$ 75,116,421	$ 342,744,304	$ 440,000	$ 438,137,829

Interest capitalized into project development costs and property and equipment totaled $4,359,165 and $2,151,911 for the years ended December 31, 2022 and 2021, respectively.

The Los Angeles Housing and Community Investment Department ("HCID") loaned Abode Communities $1,886,852 at 5% per annum for the purpose of developing affordable housing. HCID allowed Abode Communities to subsequently assign the real property and its rights and obligations under the loan agreement to Parthenia Housing Associates, L.P., in which Abode Communities participates as the General Partner. Because the funds were part of a government grant that required the loan to remain with Abode Communities, the security interest for the HCID loan is cross collateralized against real property assigned to the limited partnership.

Concurrent with the execution of the loan, Abode Communities received a $1,886,852 promissory note from the limited partnership, the terms of which are identical to the loan payable to HCID. Proceeds due under the note receivable will be used to offset the identical payments due under the note payable. As such, Abode Communities has not reflected the note, interest income and interest expense in the consolidated financial statements.

Financial instruments

Evergreen entered into an interest rate swap agreement (the "swap agreement") with Union Bank (the "swap provider") to reduce the impact of changes in interest rates. Under the terms of the swap agreement, Evergreen has agreed to pay interest to the swap provider at a fixed rate of 4.19%, exclusive of any fees, add-ons or other trustee or bank charges, while the swap provider has agreed to make Evergreen's required monthly mortgage payment. The notional amount of the swap agreement is equal to the outstanding amount of the bonds. The swap agreement expires upon payment in full of the mortgage.

Laurel Village entered into two interest rate swap agreements (the "swap agreements") with Union Bank (the "swap provider") to reduce the impact of changes in interest rates. Under the terms of the swap agreements, Laurel Village has agreed to pay interest to the swap provider at fixed rates of 4.90% and 4.98%, exclusive of any fees, add-ons or other trustee or bank charges, while the swap provider has agreed to make Laurel Village's required monthly mortgage payments. The notional amounts of the swap agreements are equal to the outstanding amount of the loans. The swap agreements expire upon payment in full of the respective notes.

Selma entered into an interest rate swap agreement (the "swap agreement") with Union Bank (the "swap provider") to reduce the impact of changes in interest rates. The swap agreement became

effective April 1, 2017. Under the terms of the swap agreement, Selma has agreed to pay interest to the swap provider at a fixed rate of 5.56% exclusive of any fees, add-ons or other trustee or bank charges, while the swap provider has agreed to make Selma's required monthly mortgage payment. The notional amount of the swap agreement is equal to the outstanding amount of the loan. The swap agreement expires upon payment in full of the note.

Derivative instruments not meeting the criteria for hedge accounting are recorded at fair value on the consolidated statements of financial position with any change in fair value reflected in the consolidated statements of activities.

A liability for the fair market value of the interest rate swaps as of December 31, 2022 and 2021 in the amounts of $25,155 and $1,970,964, respectively, have been recorded, which represents the fair value of the future differences in interest to be paid and received under the swap agreements over the remaining term of the swap agreements, and is included in fair market value of interest rate swaps on the consolidated statements of financial position. For the years ended December 31, 2022 and 2021, a gain on fair value of $1,945,809 and $849,433, respectively, has been recognized and is included in the consolidated statements of activities.

Note 12 - Fair value

As of December 31, 2022 and 2021, the liability which represents the fair value of the interest rate swaps in the amounts of $25,155 and $1,970,964, respectively, is classified within Level 2 of the fair value hierarchy. No other assets or liabilities are measured at fair value as of December 31, 2022 and 2021. The following table presents the financial liability that was measured at fair value on a recurring basis as of December 31, 2022 and 2021:

	Level 1	Level 2	Level 3	Total
Interest rate swaps at December 31, 2022	$ -	$ 25,155	$ -	$ 25,155
Interest rate swaps at December 31, 2021	$ -	$ 1,970,964	$ -	$ 1,970,964

On a recurring basis, the Operating Entities measure the interest rate swaps at the estimated fair value. In determining the fair value of the interest rate swap derivatives, management uses the present value of expected cash flows based on the market observable interest rate yield curve commensurate with the term of the instrument. The Operating Entities incorporate credit valuation adjustments to appropriately reflect both the Operating Entities' nonperformance risk and that of the respective counterparty in the fair value measurement. The credit valuation adjustments utilize Level 3 inputs, such as estimates of current credit spreads, to evaluate the likelihood of default by either the respective counterparty or the Operating Entities. However, management has determined that as of December 31, 2022 and 2021, the impact of the credit valuation adjustments was not significant to the overall valuation of the swaps. As a result, the fair values of the swaps are considered to be based primarily on Level 2 inputs.

Note 13 - Deferred revenue

Deferred revenue consists of the following as of December 31:

	2022	2021
Capital Magnet Fund deferred revenue	$ 4,280,000	$ 830,000
Deferred straight line rent	-	372,977
Miscellaneous	130,669	145,659
	$ 4,410,669	$ 1,348,636

Capital Magnet Fund deferred revenue represent funds received under the federal capital magnet fund program to invest in affordable housing, 5% of which can be used to fund Abode Communities' operations. The funds must meet certain criteria in order to be considered earned as revenue. Abode Communities received additional Capital Magnet Fund award funds of $4,200,000 during 2022. Capital magnet fund revenue recognized for the years ended December 31, 2022 and 2021 was $750,000 and $1,500,000, respectively.

Note 14 - Forgivable loans and grants payable

Forgivable loans and grants payable consists of the following as of December 31:

	2022	2021
TCAC grants payable	$ 6,047,433	$ 6,254,646
CDC grant payable	200,000	206,250
City of Los Angeles forgivable loan	2,200,000	2,300,000
	$ 8,447,433	$ 8,760,896

TCAC grants payable represent funds received by Operating Entities from the California Tax Credit Allocation Committee ("TCAC") through the American Recovery and Reinvestment Act of 2009, Section 1602 award program in the form of noninterest-bearing forgivable loans. The loans are secured by deeds of trust and assignments of rents on the underlying real property interests, and repayment is required only in the event the Operating Entities do not operate the housing projects in compliance with regulatory and program requirements during their 15-year compliance periods. The TCAC grants are being recognized as grant revenue over the 40-year estimated useful life of the buildings and improvements. TCAC grant revenue recognized for each of the years ended December 31, 2022 and 2021 was $207,213.

CDC grants payable represent funds received from the Community Development Commission of the County of Los Angeles to make repairs and improvements to the project in the form of a grant which is forgivable over a seven-year period, so long as the borrower annually complies with the terms of the grant agreement. The grant proceeds are being recognized as grant revenue over the 40-year estimated useful life of the related improvements. Grant revenue recognized for each of the years ended December 31, 2022 and 2021 was $6,250.

Noninterest-bearing loan from the City of Los Angeles to Abode Communities for the benefit of Rolland Curtis Commercial QALICB, maturing on July 16, 2043. The loan is forgivable over a 25-year period so long as the borrower complies with the terms of the agreement. The proceeds of the

loan are being recognized as grant revenue over the term of the agreement. Grant revenue recognized for each of the years ended December 31, 2022 and 2021 was $100,000.

Note 15 - Net assets with donor restrictions

The following revenues are recorded as net assets with donor restrictions as of December 31, 2022 and 2021:

Grant received from	Purpose	Period	2022	2021
Rose Hills Foundation	Resident Services	3/31/2023-3/31/2025	$ 200,000	$ -
Weingart Foundation	General Operating	11/1/2020-10/31/2022	-	62,500
The Earl and Anna Broady Foundation	Resident Services	12/9/2020-12/31/2023	20,350	57,500
The Ralph Parsons Foundation	Resident Services	7/1/2021-6/30/2022	-	40,000
California Community Foundation	General Operating	7/1/2018-6/30/2023	15,000	15,000
California Community Foundation	General Operating	7/1/2019-6/30/2022	-	125,000
California Community Foundation	General Operating	7/1/2022-6/30/2024	75,000	-
US Bank	General	8/1/2021-7/31/2022	-	8,750
US Bank	Predevelopment Costs	8/1/2021-7/31/2022	-	14,583
US Bank	General	5/1/2022-4/30/2023	8,333	-
Capital One	Resident Services	10/1/2021-9/30/2022	-	22,500
JP Morgan Chase	General	12/1/2021-11/30/2023	68,750	143,750
JP Morgan Chase	Predevelopment	12/1/2021-11/30/2023	75,000	100,000
Various	Resident Services	Various	17,500	17,500
Total net assets with donor restriction			$ 479,933	$ 607,083

Note 16 - Statements of cash flows

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the consolidated statements of financial position that sum to the total of the same such amounts in the consolidated statements of cash flows:

	2022	2021
Cash and cash equivalents	$ 21,484,846	$ 23,348,078
Restricted reserves and deposits	21,022,680	14,170,217
Total cash, cash equivalents and restricted cash shown in the consolidated statements of cash flows	$ 42,507,526	$ 37,518,295

Amounts included in restricted cash are comprised of security deposits held in trust for the future benefit of tenants upon moving out of the projects and reserves as required by regulatory authorities and the partnership/operating agreements.

Note 17 - Leases

Abode communities is the lessee under various operating leases for office space and equipment which expire through November 2027 and ground leases which expire through December 2116. Total lease expense for the years ended December 31, 2022 and 2021 was $213,323 and $710,731, respectively.

Average remaining lease term and risk-free rate for Abode Communities' leases as of December 31, 2022:

Average remaining term (in years)	56
Average risk-free rate	1.86%

Various Operating Entities and Development Entities have entered into various ground lease agreements, which expire at various maturity dates through 2116. The right-of-use assets associated with the ground leases total $24,778,278 as of December 31, 2022. Prepaid ground leases, net of accumulated amortization, total $17,946,680 as of December 31, 2021.

Lease payments
Expected future lease payments included in the measurement of the lease liability at December 31, 2022 total $3,186,795, and include the fixed payments. Certain ground leases include additional payments from excess/distributable cash which are paid periodically. Payment of scheduled additional rent lease payments is subject to available cash flows, as defined in the lease. Scheduled additional rent lease payments in excess of actual payment amounts can be deferred and are record as deferred lease payable.

Certain leases also require Abode Communities to pay property taxes applicable to lease assets and to provide insurance coverage on lease assets as well as any leasehold improvements made by Abode Communities. The above tax and insurance payments are variable payments made to third parties and are not included in rent expense.

Lease liability
The lease liability at December 31, 2022 of $2,421,589 is the present value of remaining scheduled lease payments discounted using Abode Communities' discount rate of 1.86%. Future remaining scheduled lease payments during the lease terms are shown in the table below. The annual payment amounts are presented on an undiscounted basis along with a reconciliation to the lease liability on December 31, 2022, which is recorded on a present value basis, as described above.

2023	$ 609,003
2024	625,867
2025	442,466
2026	47,856
2027	48,856
Thereafter	1,412,747
Total lease payments	3,186,795
Less inputed interest	(765,206)
Present value of lease liability	$ 2,421,589

Note 18 - Retirement plan

Abode Communities maintains a Voluntary 401(k) Retirement Plan covering all eligible employees of Abode Communities. The plan provides for voluntary employee contributions and Abode Communities matching of up to 4% of employee annual salary. All employer and employee contributions are immediately vested. Matching contributions to the plan for the years ended December 31, 2022 and 2021 totaled $331, 508 and $317,123, respectively.

Note 19 - Related party transactions

In the ordinary course of business, Abode Communities has significant related party transactions with affiliates. It provides a considerable amount of funding in connection with the development of projects. It also provides architectural services, development services, project management services, social services and property management services. In certain cases, Abode Communities pays operating expenses on behalf of affiliates, which are reimbursed to Abode Communities on a monthly basis. In certain instances, however, such as when individual properties may be experiencing cash flow difficulties, repayment may be delayed, providing the individual properties with a source of funds.

Abode Communities earns architectural fees, consulting fees, asset management fees, social services fees, accounting fees and property management fees in connection with services rendered to consolidated affiliated entities.

The amounts loaned by Abode Communities primarily represent development loans to affiliates and eliminate in consolidation. These loans are unsecured and due on demand, and some bear interest.

Note 20 - Availability and liquidity

The following represents Abode Communities' financial assets at December 31, 2022 and 2021:

	2022		2021	
	Abode Communities	Consolidated	Abode Communities	Consolidated
Cash and cash equivalents	$ 7,493,511	$ 21,484,846	$ 10,318,652	$ 23,348,078
Accounts receivable	4,618,566	1,465,009	4,642,155	2,763,615
Grants receivable	782,628	782,628	222,143	222,143
Developer fee and interest receivable	12,358,251	88,636	9,317,375	66,818
Total current financial assets	25,252,956	23,821,119	24,500,325	26,400,654
Less amounts not available to be used within one year				
Cash restricted for predevelopment purposes	4,634,594	4,634,594	2,795,136	2,795,136
Property and partnership management fees receivable	2,544,036	-	2,463,837	-
Deferred developer fee receivable	4,343,895	-	4,788,485	-
Net assets with donor restrictions	479,933	479,933	607,083	607,083
Financial assets available to meet general expenditures over the next 12 months	$ 13,250,498	$ 18,706,592	$ 13,845,784	$ 22,998,435

Abode Communities' financial assets are intended to be sufficient to meet its general expenditures, liabilities and other obligations as they become due. As part of its liquidity plan, excess cash is

invested in short-term investments, including money market accounts and certificates of deposit, or used as part of income generating programs.

Note 21 - Guaranties

In its role as general partner of the various Operating Entities, Abode Communities is liable for recourse liabilities. These projects have been allocated low-income housing tax credits pursuant to Internal Revenue Code Section 42. In connection with their general partnership interests, certain guarantees have been made to the partnerships, including the following:

Development deficit and repurchase guarantees
Abode Communities is obligated to pay any development cost deficits or, at the option of the investor limited partner, to purchase the interest of the investor limited partner if the project is not completed or if permanent financing has not been obtained by specific dates. This obligation typically terminates upon funding of permanent project financing. As of December 31, 2022, the amounts due under this guaranty are as follows, all of which are expected to be repaid at permanent loan conversion:

Project	Amount
Rolland Curtis East, L.P.	$ 178,000
Rolland Curtis West, L.P.	758,000
44000 Sahuayo Street. L.P.	1,414,000

Construction loan repayment and completion guarantees
Abode Communities has provided repayment guarantees for construction loans as well as unlimited construction completion guarantees in favor of certain lenders for the development and lease-up of the project, should the project not receive expected permanent financing, or should the cost of the development exceed permanent financing received. There are no significant delays or cost overruns in current development projects. As of December 31, 2022 and 2021, no amounts were due under this guaranty.

Operating deficit guaranty

Abode Communities and ACH are each obligated to make noninterest-bearing loans to cover operating cash shortfalls which are repayable through available cash flow. The guarantees are for various lengths of time, as defined in the limited partnership agreements. As of December 31, 2022 and 2021, Abode Communities has one outstanding advance of $231,065 and $231,065, respectively, made under this guaranty, which is reported net of allowance for doubtful accounts of $231,065 and $231,065, respectively, on the accompanying consolidated statements of financial position. The following are the projects that are under the operating deficit guaranty and the maximum amount of the guaranty:

Project	Amount
Las Brisas II	$ 296,800
Vista del Mar	784,000
Glassel Park (Rio Vista)	435,000
Sherman Way (Ivy Terrace)	520,000
Riverwalk at Reseda	680,000
Selma Community Housing	464,000
New Park Place	318,791
Viviendas del Valle	552,551
Sun Sage Homes	380,000
Rolland Curtis East	360,000
Rolland Curtis West	350,000
Imagine Village	400,000
Westmont Vista	340,000

Recapture guaranty

In the event of a recapture of tax credits previously received by the investor limited partners/members, Abode Communities and ACH shall be obligated to reimburse the investor limited partner or investment member for any recaptured credits plus any associated penalties, interest or additional taxes due. Abode Communities and ACH shall not be liable for a recapture event caused by a change in law or actions of the investor or special limited partner. As of December 31, 2022 and 2021, no amounts were due under these guaranties.

Note 22 - Concentration of credit risk

Abode Communities maintains cash with various financial institutions. All reserves are held in Abode Communities' name. At times, these balances may exceed the federal insurance limits; however, Abode Communities has not experienced any losses with respect to its bank balances in excess of government provided insurance. Total cash balances are insured by the FDIC up to $250,000 per bank. As of December 31, 2022, Abode Communities has cash balances on deposit which exceed the insured limit by approximately $12,500,000. Management believes that no significant concentration of credit risk exists with respect to these cash balances at December 31, 2022.

Note 23 - Commitments and contingencies

Grant and property use restrictions

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

Rental assistance contracts

15 of the properties owned by Abode Communities have entered into rental assistance contracts with HUD or a local housing authority. The contracts have various terms and require the affiliate projects to operate as a low-income housing property and to obtain approval of all rent increases from HUD or the local housing authority.

Low-income housing tax credits

In connection with the Operating Entities who receive low-income housing tax credits, each Operating Entity's low-income housing tax credits are contingent on its ability to maintain compliance with applicable sections of Section 42. Failure to maintain compliance with occupant eligibility and/or unit gross rent, or to correct noncompliance within a specified time period, could result in recapture of previously taken tax credits plus interest. In addition, such potential noncompliance may require an adjustment to the contributed capital by the limited partner.

Forgivable interest

Certain Operating Entities have entered into loans which contain terms that limit the amount of accrued but unpaid interest that may be payable. Generally, accrued but unpaid interest as of the time the loan is due shall be payable only to the extent the fair market value of the project exceeds the principal balance of the loan plus the principal balance of any loans senior to the loan.

Due to this contingency, interest has not been accrued because the future fair market value of the property at loan maturity is not expected to be sufficient. The following is a schedule of contingent interest as of December 31 that could be due if the fair market value of the property is sufficient:

	2022	2021
Centennial Place Limited Partnership	$ 2,642,000	$ 2,376,000
Clark Residence Limited Partnership	4,733,000	4,578,000
Fremont Building Limited Partnership	6,601,000	6,281,000
Parthenia Housing Associates, L.P.	2,394,000	2,299,000
Villa Parke Homes	746,000	722,000
	$ 17,116,000	$ 16,256,000

Litigation

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

Morgan Place, L.P., Sherman Way Community Housing, L.P. and Hart Village, L.P., along with 60 other housing property owners with Community Redevelopment Agency of the City of Los Angeles ("CRA") funding, were listed as nominal defendants in the lawsuit brought against the City of Los Angeles and the Community Redevelopment Agency of the City of Los Angeles by the Plaintiffs: Independent Living Center of Southern California, Fair Housing Council of San Fernando Valley and Communities Actively Living Independent and Free.

The complaint alleges that CRA engaged in a pattern and practice of discrimination by failing to ensure apartment complexes that were funded with CRA funds were accessible to people with disabilities. Management does not anticipate any material monetary cost, physical corrections or mitigations.

Five separate lawsuits have been filed involving 28 plaintiffs and five properties. The plaintiffs in each of the lawsuits allege they were not offered the opportunity to receive a copy of the consumer credit report which was ordered by the company during the application process. Four of the five lawsuits have either been settled or dismissed. Trial for the final, remaining lawsuit is scheduled and is expected to go forward as plaintiffs' counsel has ignored recent settlement offers. A separate hearing will take place in the near future where a judge will decide the attorney's fees that plaintiffs' counsel is entitled to. The damages will be covered by the insurance carrier, and Abode Communities is waiting for determination if the plaintiffs' attorney's fees will also be covered or will have to be covered as an out-of-pocket expense for the Organization. Management does not expect any payout required to be material; however, the liability cannot be estimated at this time.

Economic concentrations
Abode Communities owns, operates and invests in rental property in Southern California, whose future operations could be affected by changes in economic or other conditions in that geographical area or by changes in federal low-income housing subsidies or the demand for such housing.

Note 24 - Subsequent events

Events that occur after the consolidated statement of financial position date but before the consolidated financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the consolidated statement of financial position date are recognized in the accompanying consolidated financial statements. Subsequent events which provide evidence about conditions that existed after the consolidated statement of financial position date require disclosure in the accompanying notes. Management evaluated all activity of Abode Communities through September 28, 2023, the date the consolidated financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition in the consolidated financial statements or disclosure in the notes to the consolidated financial statements except as noted below:

In May 2023, Western Landing, L.P. entered into construction and permanent financing agreements with various lenders totaling approximately $45,000,000.

In June 2023, Manchester Urban Homes, L.P. entered into construction and permanent financing agreements with various lenders totaling approximately $75,000,000.

In August 2023, Abode Communities entered into a $500,000 unsecured loan agreement with US Bank. Interest at the rate of 3% per annum is payable quarterly through maturity on August 1, 2026. Three one-year extensions are available.

In June 2023, created a new partnership, 231 Grant, L.P. which entered into construction and permanent financing agreements with various lenders totaling $68,500,000.

In September 2023, Abode Communities entered into a $2,000,000 unsecured loan agreement with the Conrad N. Hilton Foundation. Interest at the rate of 3% per annum is payable quarterly through maturity on September 30, 2028. Principal payments of $1,000,000 each are due on September 30, 2027 and September 30, 2028.

Abode Communities has determined that Silicon Valley Bank ("SBV") is an investor in Harrower Village, L.P. ("Harrower"). As of the date these financial statements were available to be issued, capital contributions receivable from the Limited Partner is approximately $16,000,000 which includes a portion that will be funded through investor contributions to the Limited Partner from SVB. These equity contributions are required to fund various third party construction obligations within the next one year.

Abode Communities believes SVB's obligations to fund these capital contributions will ultimately be met by the FDIC backed bridge bank set up to replace SVB. However, there may be disruptions to Harrower's timing in construction as these contributions from SVB may not be available in all or in part in the near future depending on the resolution of SVB. Abode Communities' determination is based on evidence obtained up to the date these financial statements were available to be issued. As the effect of SVB's closure is still developing, it is reasonably possible that its closure could have an impact on Harrower in the next year and the effect could be material.

Supplementary Information

Abode Communities

Consolidating Statement of Financial Position
December 31, 2022

	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Eliminations	Total
Assets						
Cash and cash equivalents	$ 7,493,511	$ 4,021,437	$ 9,864,467	$ 105,431	$ -	$ 21,484,846
Restricted reserves and deposits	5,105,332	-	15,917,348	-	-	21,022,680
Accounts receivable, net	4,618,566	-	1,047,423	-	(4,200,980)	1,465,009
Grants receivable	782,628	-	-	-	-	782,628
Notes receivable, net	22,211,253	-	-	592,062	(18,508,765)	4,294,550
Interest receivable	480,017	-	-	69,083	(549,100)	-
Prepaid expenses	230,675	134,903	48,681	-	-	414,259
Due from affiliates	5,211,501	-	(2,376,794)	(2,525)	(2,683,944)	148,238
Advances to projects, net	2,832,635	-	-	-	(2,832,635)	-
Development fee and interest receivable	12,358,251	-	-	-	(12,269,615)	88,636
Deposits	204,696	62,500	217,471	-	-	484,667
Partnership investments	7,615,428	-	-	(12,664,023)	6,301,429	1,252,834
Investments - other	146,941	-	-	-	-	146,941
Property and equipment, net	796,960	109,277,708	495,509,419	-	(9,626,503)	595,957,584
Right-of-use asset	1,375,981	10,891,276	14,821,889	-	-	27,089,146
Deferred fees, net	-	-	668,097	-	-	668,097
Other assets	58,852	350,345	1,259,808	-	-	1,669,005
Total assets	$ 71,523,227	$ 124,738,169	$ 536,977,809	$ (11,899,972)	$ (44,370,113)	$ 676,969,120

Abode Communities

Consolidating Statement of Financial Position
December 31, 2022

	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Eliminations	Total
Liabilities and Net Assets						
Liabilities						
Accounts payable	$ 949,327	$ 17,333,260	$ 7,810,054	$ -	$ -	$ 26,092,641
Prepaid rents	-	-	357,433	-	-	357,433
Accrued vacation	443,505	-	-	-	-	443,505
Accrued interest payable	47,451	774,348	61,136,549	-	(3,300,140)	58,658,208
Security deposit liability	-	-	1,547,202	-	-	1,547,202
Deferred revenue	8,933,829	-	130,669	-	(4,653,829)	4,410,669
Development fee payable	-	2,191,243	10,964,464	-	(12,269,529)	886,178
Due to affiliates	-	2,093,589	9,686,662	2,325	(11,782,576)	-
Fair market value of interest rate swaps	-	-	25,155	-	-	25,155
Operating lease liability	1,634,717	-	786,872	-	-	2,421,589
Forgivable loans and grants payable	2,200,000	-	6,247,433	-	-	8,447,433
Mortgages and notes payable, net	19,818,643	81,417,924	357,607,546	440,000	(26,563,730)	432,720,383
Total liabilities	34,027,472	103,810,364	456,300,039	442,325	(58,569,804)	536,010,396
Net assets						
Without donor restrictions, controlling	37,015,822	12,193,154	(34,137,470)	(12,342,297)	14,527,492	17,256,701
Without donor restrictions, noncontrolling	-	8,734,651	114,815,240	-	(327,801)	123,222,090
With donor restrictions	479,933	-	-	-	-	479,933
Total net assets	37,495,755	20,927,805	80,677,770	(12,342,297)	14,199,691	140,958,724
Total liabilities and net assets	$ 71,523,227	$ 124,738,169	$ 536,977,809	$ (11,899,972)	$ (44,370,113)	$ 676,969,120

See Independent Auditor's Report.

Abode Communities

Consolidating Statement of Financial Position
December 31, 2021

	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Eliminations	Total
Assets						
Cash and cash equivalents	$ 10,318,652	$ 3,506,012	$ 9,417,115	$ 106,299	$ -	$ 23,348,078
Restricted reserves and deposits	1,436,113	816,642	11,917,462	-	-	14,170,217
Accounts receivable, net	4,642,155	-	1,384,920	-	(3,263,460)	2,763,615
Grants receivable	222,143	-	-	-	-	222,143
Notes receivable, net	20,194,114	-	-	707,846	(16,607,410)	4,294,550
Interest receivable	648,217	-	-	55,679	(703,896)	-
Prepaid expenses	473,012	14,986	18,149	-	-	506,147
Due from affiliates	3,935,150	-	-	-	(3,840,888)	94,262
Advances to projects, net	384,401	-	-	-	(384,401)	-
Development fee and interest receivable	9,317,375	-	-	-	(9,250,557)	66,818
Deposits	304,496	62,500	201,221	-	-	568,217
Partnership investments	(3,418,398)	-	-	(9,131,013)	13,030,630	481,219
Investments - other	146,941	-	-	-	-	146,941
Property and equipment, net	777,968	70,512,429	451,962,196	-	(10,422,747)	512,829,846
Deferred fees, net	-	-	724,286	-	-	724,286
Prepaid ground lease, net	-	3,691,276	14,255,404	-	-	17,946,680
Other assets	19,763	784,254	792,300	-	-	1,596,317
Total assets	$ 49,402,102	$ 79,388,099	$ 490,673,053	$ (8,261,189)	$ (31,442,729)	$ 579,759,336

Abode Communities

Consolidating Statement of Financial Position
December 31, 2021

	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Eliminations	Total
Liabilities and Net Assets						
Liabilities						
Accounts payable	$ 950,153	$ 12,926,764	$ 1,931,739	$ -	$ -	$ 15,808,656
Prepaid rents	-	-	209,268	-	-	209,268
Accrued vacation	430,504	-	-	-	-	430,504
Accrued interest payable	35,169	346,347	56,489,418	-	(3,390,423)	53,480,511
Security deposit liability	-	-	1,545,793	-	-	1,545,793
Deferred revenue	6,661,041	-	193,388	-	(5,505,793)	1,348,636
Development fee payable	-	3,670,138	6,141,883	-	(9,062,021)	750,000
Due to affiliates	-	923,742	8,203,953	76,086	(9,203,781)	-
Fair market value of interest rate swaps	-	-	1,970,964	-	-	1,970,964
Forgivable loans and grants payable	2,300,000	-	6,460,896	-	-	8,760,896
Mortgages and notes payable, net	15,482,037	56,878,204	319,417,825	440,000	(24,662,376)	367,555,690
Total liabilities	25,858,904	74,745,195	402,565,127	516,086	(51,824,394)	451,860,918
Net assets						
Without donor restrictions, controlling	22,936,115	22,367	(29,295,375)	(8,777,275)	20,594,665	5,480,497
Without donor restrictions, noncontrolling	-	4,620,537	117,403,301	-	(213,000)	121,810,838
With donor restrictions	607,083	-	-	-	-	607,083
Total net assets	23,543,198	4,642,904	88,107,926	(8,777,275)	20,381,665	127,898,418
Total liabilities and net assets	$ 49,402,102	$ 79,388,099	$ 490,673,053	$ (8,261,189)	$ (31,442,729)	$ 579,759,336

See Independent Auditor's Report.

Abode Communities

Consolidating Statement of Activities
Year Ended December 31, 2022

	Without donor restrictions					With donor restrictions	
	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Eliminations	Abode Communities	Total
Changes in net assets							
Revenue and support							
Grants and contributions	$ 1,086,310	$ -	$ 213,463	$ -	$ -	$ 283,333	$ 1,583,106
Government grants	13,796,340	49,365	-	-	-	-	13,845,705
Development fees	8,083,476	-	-	-	(169,248)	-	7,914,228
Architectural and consulting	4,662,042	-	-	-	(3,024,758)	-	1,637,284
Resident services	893,421	-	-	-	(781,645)	-	111,776
Property and partnership management fees	3,108,309	-	-	-	(2,959,534)	-	148,775
Rental income	-	-	32,704,805	-	-	-	32,704,805
Gain on FMV of interest rate swap	-	-	1,945,809	-	-	-	1,945,809
Miscellaneous revenue	106,831	-	446,418	-	(96,217)	-	457,032
Interest income	721,147	-	10,276	13,564	(649,043)	-	95,944
Net assets released from restriction	410,483	-	-	-	-	(410,483)	-
Total revenue and support	32,868,359	49,365	35,320,771	13,564	(7,680,445)	(127,150)	60,444,464
Expenses							
Salaries	7,647,656	-	3,895,458	-	(1,245,046)	-	10,298,068
Payroll taxes	571,660	-	310,121	-	(93,406)	-	788,375
Employee benefits	711,537	-	578,799	-	(126,758)	-	1,163,578
Consultants	2,896,355	-	681,719	38,264	(962,467)	-	2,653,871
Lease expense	96,819	-	207,821	-	(87,317)	-	217,323
Office expenses	659,385	8,315	627,154	257	(528,164)	-	766,947
Training, travel and parking	121,030	-	14,032	-	-	-	135,062
Property and partnership management fees	-	-	2,911,708	-	(2,780,319)	-	131,389
Resident and community services	46,464	-	1,166,174	-	(781,645)	-	430,993
Repairs and maintenance	41,825	-	6,399,963	-	-	-	6,441,788

Abode Communities

Consolidating Statement of Activities
Year Ended December 31, 2022

	Without donor restrictions					With donor restrictions	
	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Eliminations	Abode Communities	Total
Utilities and telephone	66,294	-	4,414,077	-	-	-	4,480,371
Property tax and insurance	325,839	-	2,419,306	-	(40,882)	-	2,704,263
Interest	493,299	-	11,178,846	-	(882,804)	-	10,789,341
Amortization of right-of-use assets	455,501	-	10,829	-	-	-	466,330
Legal and accounting	177,528	-	803,895	7,025	(216,151)	-	772,297
Bad debt expense	350,000	-	1,465,628	-	(350,000)	-	1,465,628
Real estate development	900	-	1,272,611	-	-	-	1,273,511
Fundraising expenses	21,747	-	-	-	-	-	21,747
Grant expense	199,150	-	-	-	-	-	199,150
Depreciation and amortization	150,677	-	17,363,514	-	(132,729)	-	17,381,462
Total expenses	15,033,666	8,315	55,721,655	45,546	(8,227,688)	-	62,581,494
Change in net assets prior to equity in loss of investment in partnership interests	17,834,693	41,050	(20,400,884)	(31,982)	547,243	(127,150)	(2,137,030)
Equity in loss of investment in partnership interests	(3,960,124)	-	-	(3,533,060)	7,492,526	-	(658)
Change in net assets	$ 13,874,569	$ 41,050	$ (20,400,884)	$ (3,565,042)	$ 8,039,769	$ (127,150)	$ (2,137,688)
Change in net assets, controlling	$ 13,874,569	$ 43,341	$ (6,616,433)	$ (3,565,042)	$ 8,039,769	$ (127,150)	$ 11,649,054
Change in net assets, noncontrolling	-	(2,291)	(13,784,451)	-	-	-	(13,786,742)
Total change in net assets	$ 13,874,569	$ 41,050	$ (20,400,884)	$ (3,565,042)	$ 8,039,769	$ (127,150)	$ (2,137,688)

See Independent Auditor's Report.

Abode Communities

Consolidating Statement of Activities
Year Ended December 31, 2021

	Without donor restrictions					With donor restrictions	
	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Eliminations	Abode Communities	Total
Changes in net assets							
Revenue and support							
Grants and contributions	$ 644,732	$ -	$ 213,463	$ -	$ -	$ 329,583	$ 1,187,778
Government grants	1,600,000	-	-	-	-	-	1,600,000
Development fees	5,979,050	-	-	-	(10,024)	-	5,969,026
Architectural and consulting	5,067,501	-	-	-	(2,465,080)	-	2,602,421
Resident services	872,565	-	-	-	(760,789)	-	111,776
Property and partnership management fees	2,873,704	-	-	-	(2,733,143)	-	140,561
Rental income	-	-	31,168,296	-	-	-	31,168,296
Gain on FMV of interest rate swaps	-	-	849,433	-	-	-	849,433
Miscellaneous revenue	165,549	-	330,316	30	(50,000)	-	445,895
Forgiveness of debt	-	631,239	1,219,000	-	(631,239)	-	1,219,000
Interest income	563,581	-	5,615	13,008	(513,517)	-	68,687
Net assets released from restriction	525,093	-	-	-	-	(525,093)	-
Total revenue and support	18,291,775	631,239	33,786,123	13,038	(7,163,792)	(195,510)	45,362,873
Expenses							
Salaries	6,986,600	-	3,588,454	-	(823,444)	-	9,751,610
Payroll taxes	511,832	-	223,272	-	(61,762)	-	673,342
Employee benefits	711,302	-	510,777	-	(81,922)	-	1,140,157
Consultants	3,379,236	-	772,888	-	(1,120,389)	-	3,031,735
Rent	549,921	-	219,361	-	(58,551)	-	710,731
Office expenses	497,580	7,427	545,986	124	(239,227)	-	811,890
Training, travel and parking	22,091	-	12,908	-	-	-	34,999
Property and partnership management fees	-	-	2,657,569	-	(2,552,594)	-	104,975
Resident and community services	31,402	-	1,159,527	-	(760,789)	-	430,140
Repairs and maintenance	28,749	-	5,081,289	-	-	-	5,110,038

Abode Communities

Consolidating Statement of Activities
Year Ended December 31, 2021

	Without donor restrictions					With donor restrictions	
	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Eliminations	Abode Communities	Total
Utilities and telephone	55,895	-	3,961,061	-	-	-	4,016,956
Property tax and insurance	262,363	-	2,364,778	-	(24,228)	-	2,602,913
Interest	529,415	-	10,977,269	-	(766,798)	-	10,739,886
Legal and accounting	258,077	-	705,264	4,300	(222,806)	-	744,835
Bad debt expense	186,416	-	1,102,052	-	-	-	1,288,468
Real estate development	632,596	628,690	29,399	1,618	(644,539)	-	647,764
Fundraising expenses	25,722	-	-	-	-	-	25,722
Grant expense	280,175	-	-	-	(50,000)	-	230,175
Depreciation and amortization	145,606	-	17,173,708	-	(172,837)	-	17,146,477
Total expenses	15,094,978	636,117	51,085,562	6,042	(7,579,886)	-	59,242,813
Change in net assets prior to equity in loss of investment in partnership interests	3,196,797	(4,878)	(17,299,439)	6,996	416,094	(195,510)	(13,879,940)
Equity in loss of investment in partnership interests	(2,252,236)	-	-	(1,891,717)	4,143,356	-	(597)
Change in net assets	$ 944,561	$ (4,878)	$ (17,299,439)	$ (1,884,721)	$ 4,559,450	$ (195,510)	$ (13,880,537)
Change in net assets, controlling	$ 944,561	$ (2,832)	$ (4,369,158)	$ (1,884,721)	$ 4,559,450	$ (195,510)	$ (948,210)
Change in net assets, noncontrolling	-	(2,046)	(12,930,281)	-	-	-	(12,932,327)
Total change in net assets	$ 944,561	$ (4,878)	$ (17,299,439)	$ (1,884,721)	$ 4,559,450	$ (195,510)	$ (13,880,537)

See Independent Auditor's Report.

Abode Communities

Consolidating Statement of Changes in Net Assets
Year Ended December 31, 2022

	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Eliminations	Total
Controlling interest						
Beginning net assets without donor restrictions	$ 22,936,115	$ 22,367	$ (29,295,375)	$ (8,777,275)	$ 20,594,665	$ 5,480,497
Contributions	-	12,125,100	1,981,850	-	(14,106,950)	-
Distributions	-	-	(8)	-	8	-
Transfer	205,138	-	(205,158)	20	-	-
Transfer of interest	-	2,346	(2,346)	-	-	-
Change in net assets without donor restrictions	13,874,569	43,341	(6,616,433)	(3,565,042)	8,039,769	11,776,204
Ending net assets without donor restrictions, controlling interest	$ 37,015,822	$ 12,193,154	$ (34,137,470)	$ (12,342,297)	$ 14,527,492	$ 17,256,701
Noncontrolling interest						
Beginning net assets without donor restrictions	$ -	$ 4,620,537	$ 117,403,301	$ -	$ (213,000)	$ 121,810,838
Contributions	-	6,285,285	9,289,397	-	-	15,574,682
Distributions	-	-	(131,920)	-	(114,801)	(246,721)
Syndication costs	-	-	(129,967)	-	-	(129,967)
Transfer	-	(2,168,880)	2,168,880	-	-	-
Change in net assets without donor restrictions	-	(2,291)	(13,784,451)	-	-	(13,786,742)
Ending net assets without donor restrictions, noncontrolling interest	$ -	$ 8,734,651	$ 114,815,240	$ -	$ (327,801)	$ 123,222,090
Net assets with donor restrictions, beginning of year	$ 607,083	$ -	$ -	$ -	$ -	$ 607,083
Change in net assets with donor restrictions	283,333	-	-	-	-	283,333
Release of net assets with donor restrictions	(410,483)	-	-	-	-	(410,483)
Subtotal	(127,150)	-	-	-	-	(127,150)
Net assets with donor restrictions, end of year	$ 479,933	$ -	$ -	$ -	$ -	$ 479,933

See Independent Auditor's Report.

Abode Communities

Consolidating Statement of Changes in Net Assets
Year Ended December 31, 2021

	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Eliminations	Total
Controlling interest						
Beginning net assets without donor restrictions	$ 21,557,976	$ (4,852)	$ (24,522,418)	$ (6,896,649)	$ 16,099,140	$ 6,233,197
Contributions	-	30,151	33,879	-	(64,030)	-
Distributions	-	(100)	(5)	-	105	-
Transfer	433,578	-	(437,673)	4,095	-	-
Change in net assets without donor restrictions	944,561	(2,832)	(4,369,158)	(1,884,721)	4,559,450	(752,700)
Ending net assets without donor restrictions, controlling interest	$ 22,936,115	$ 22,367	$ (29,295,375)	$ (8,777,275)	$ 20,594,665	$ 5,480,497
Noncontrolling interest						
Beginning net assets without donor restrictions	$ -	$ 2,178,327	$ 110,090,664	$ -	$ (213,000)	$ 112,055,991
Contributions	-	2,444,256	20,353,389	-	-	22,797,645
Distributions	-	-	(110,471)	-	-	(110,471)
Change in net assets without donor restrictions	-	(2,046)	(12,930,281)	-	-	(12,932,327)
Ending net assets without donor restrictions, noncontrolling interest	$ -	$ 4,620,537	$ 117,403,301	$ -	$ (213,000)	$ 121,810,838
Net assets with donor restrictions, beginning of year	$ 802,593	$ -	$ -	$ -	$ -	$ 802,593
Change in net assets with donor restrictions	329,583	-	-	-	-	329,583
Release of net assets with donor restrictions	(525,093)	-	-	-	-	(525,093)
Subtotal	(195,510)	-	-	-	-	(195,510)
Net assets with donor restrictions, end of year	$ 607,083	$ -	$ -	$ -	$ -	$ 607,083

See Independent Auditor's Report.

Abode Communities

Consolidating Statement of Cash Flows
Year Ended December 31, 2022

	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Eliminations	Total
Cash flows from operating activities						
Changes in net assets without donor restrictions	$ 13,874,569	$ 41,050	$ (20,400,884)	$ (3,565,042)	$ 8,039,769	$ (2,010,538)
Changes in net assets with donor restrictions	(127,150)	-	-	-	-	(127,150)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities						
Depreciation and amortization	150,677	-	17,363,514	-	(132,729)	17,381,462
Amortization of right-of-use leased assets	455,501	-	10,829	-	-	466,330
Ground lease expense	-	-	163,164	-	-	163,164
Decrease of lease liability	(522,013)	-	(1,334)	-	-	(523,347)
Amortization of debt issuance costs	19,113	-	481,198	-	-	500,311
Gain on FMV of interest rate swaps	-	-	(1,945,809)	-	-	(1,945,809)
Loss on investments	3,960,123	-	-	3,533,010	(7,492,475)	658
Amortization of grants payable	(100,000)	-	(213,463)	-	-	(313,463)
(Increase) decrease in						
Accounts receivable	23,589	-	337,497	-	937,520	1,298,606
Grants receivable	(560,485)	-	-	-	-	(560,485)
Prepaid expenses	242,337	(134,903)	(15,546)	-	-	91,888
Developer fee receivable	(3,040,876)	-	-	-	3,019,058	(21,818)
Deposits	99,800	-	(16,250)	-	-	83,550
Other assets	(39,089)	433,909	(467,508)	-	-	(72,688)
Increase (decrease) in						
Accounts payable	(826)	-	2,898,751	-	-	2,897,925
Prepaid rents	-	-	148,165	-	-	148,165
Accrued vacation	13,001	-	-	-	-	13,001
Accrued interest payable	12,282	537,736	4,694,252	-	(66,573)	5,177,697
Security deposit liability	-	-	1,409	-	-	1,409
Deferred revenue	2,598,036	-	(62,719)	-	851,964	3,387,281
Net cash provided by (used in) operating activities	17,058,589	877,792	2,975,266	(32,032)	5,156,534	26,036,149

Abode Communities

Consolidating Statement of Cash Flows
Year Ended December 31, 2022

	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Eliminations	Total
Cash flows from investing activities						
Investment in property and equipment	(169,669)	(60,195,382)	(24,952,426)	-	(7,788,589)	(93,106,066)
Payment of ground lease	-	(7,200,000)	-	-	-	(7,200,000)
Notes receivable	(1,848,939)	-	-	102,380	1,746,559	-
Net (payment) repayment of advances to projects	(2,448,234)	-	-	-	2,448,234	-
Net (payment) repayment of advances to affiliates	(1,276,351)	1,272,662	3,756,688	(71,236)	(3,735,739)	(53,976)
Payment of developer fees	-	(2,509,923)	(1,082,649)	-	3,592,572	-
Investment in partnership	(14,993,949)	-	-	-	14,221,676	(772,273)
Net cash provided by (used in) investing activities	(20,737,142)	(68,632,643)	(22,278,387)	31,144	10,484,713	(101,132,315)
Cash flows from financing activities						
Principal payments on mortgages and notes payable	-	(9,752,573)	(14,333,275)	-	-	(24,085,848)
Proceeds from mortgages and notes payable	4,328,493	60,091,894	26,821,184	-	(1,901,354)	89,340,217
Transfer	205,138	-	(205,158)	20	-	-
Contributions	-	18,410,385	10,789,397	-	(13,625,100)	15,574,682
Distributions	-	-	(131,928)	-	(114,793)	(246,721)
Debt issuance costs paid	(11,000)	(339,306)	(146,627)	-	-	(496,933)
Net cash provided by (used in) financing activities	4,522,631	68,410,400	22,793,593	20	(15,641,247)	80,085,397
Net increase (decrease) in cash, cash equivalents and restricted cash	844,078	655,549	3,490,472	(868)	-	4,989,231

Abode Communities

Consolidating Statement of Cash Flows
Year Ended December 31, 2022

	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Eliminations	Total
Cash, cash equivalents and restricted cash, beginning	11,754,765	4,322,654	21,334,577	106,299	-	37,518,295
Cash, cash equivalents and restricted cash, end	$ 12,598,843	$ 4,978,203	$ 24,825,049	$ 105,431	$ -	$ 42,507,526
Supplemental disclosure of cash flow information						
Cash paid for interest, net of amount capitalized of $4,359,165	$ 461,904	$ -	$ 6,152,742	$ -	$ -	$ 6,614,646
Supplemental schedule of noncash investing and financing activities						
Accounts payable included in property and equipment	$ -	$ 23,857,895	$ (2,979,564)	$ -	$ -	$ 20,878,331
Reclassification of developer fee payable to net assets	-	-	324,994	-	(324,994)	-
Reclassification of accrued interest to net assets	-	-	156,856	-	(156,856)	-
Reclassification of property and equipment to deferred fees	-	-	(64,255)	-	-	(64,255)
Reclassification of property and equipment to syndication costs	-	-	(129,967)	-	-	(129,967)
Reclassification of property and equipment to debt issuance costs	-	-	(93,054)	-	-	(93,054)
Developer fees included in (transferred from) accounts payable	-	4,701,166	2,098,914	-	(6,800,080)	-
Write-off of fully depreciated property	156,524	-	-	-	-	156,524
Accounts payable included in deferred fees	-	-	34,440	-	-	34,440
Increase in right-of-use assets and operating lease liabilities	2,021,795	-	788,206	-	-	2,810,001
Reclassification of prepaid ground lease to right-of-use assets	-	3,691,276	14,255,404	-	-	17,946,680

See Independent Auditor's Report.

Abode Communities

Consolidating Statement of Cash Flows
Year Ended December 31, 2021

	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Eliminations	Total
Cash flows from operating activities						
Changes in net assets without donor restrictions	$ 944,561	$ (4,878)	$ (17,299,439)	$ (1,884,721)	$ 4,559,450	$ (13,685,027)
Changes in net assets with donor restrictions	(195,510)	-	-	-	-	(195,510)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities						
Depreciation and amortization	145,606	-	17,173,708	-	(172,837)	17,146,477
Ground lease expense	-	-	194,239	-	-	194,239
Gain on FMV of interest rate swaps	-	-	(849,433)	-	-	(849,433)
Loss on investments	2,188,360	-	-	1,891,670	(4,079,433)	597
Amortization of grants payable	(50,000)	-	(213,463)	-	-	(263,463)
Amortization of debt issuance costs	17,160	-	448,025	-	-	465,185
Forgiveness of debt	-	(637,000)	(1,219,000)	-	637,000	(1,219,000)
Write-off of project development costs	-	612,695	-	-	-	612,695
(Increase) decrease in						
Accounts receivable	(1,268,909)	-	(620,883)	-	600,630	(1,289,162)
Grants receivable	(63,741)	-	-	-	-	(63,741)
Prepaid expenses	7,902	(7,296)	120,299	-	-	120,905
Developer fee receivable	(1,814,381)	-	-	-	1,792,563	(21,818)
Deposits	(125,100)	52,500	20,145	-	-	(52,455)
Other assets	52,392	(779,641)	85,554	-	-	(641,695)
Increase (decrease) in						
Accounts payable	(14,102)	-	(1,789,598)	-	-	(1,803,700)
Prepaid rents	-	-	(23,723)	-	-	(23,723)
Accrued vacation	50,654	-	-	-	-	50,654
Accrued interest payable	(25,169)	142,610	4,867,496	-	(332,140)	4,652,797
Security deposit liability	-	-	14,364	-	-	14,364
Deferred revenue	(2,030,492)	-	(12,562)	-	479,552	(1,563,502)
Net cash provided by (used in) operating activities	(2,180,769)	(621,010)	895,729	6,949	3,484,785	1,585,684

Abode Communities

Consolidating Statement of Cash Flows
Year Ended December 31, 2021

	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Eliminations	Total
Cash flows from investing activities						
Investment in property and equipment	(473,273)	(27,445,362)	(5,026,152)	-	(4,189,573)	(37,134,360)
Payment of ground lease	-	(3,691,276)	-	-	-	(3,691,276)
Distribution from investment	33,059	-	-	-	-	33,059
Notes receivable	(1,574,225)	-	-	(13,009)	1,587,234	-
Net (payment) repayment of advances to projects	1,719,613	-	-	-	(1,719,613)	-
Net (payment) repayment of advances to affiliates	(465,480)	(477,852)	(184,350)	(953)	1,118,981	(9,654)
Payment of tax credit monitoring fees	-	-	(1,745)	-	-	(1,745)
Payment of developer fees	-	-	(2,030,871)	-	1,917,459	(113,412)
Investment in partnership	(492,230)	-	-	-	-	(492,230)
Net cash used in investing activities	(1,252,536)	(31,614,490)	(7,243,118)	(13,962)	(1,285,512)	(41,409,618)
Cash flows from financing activities						
Principal payments on mortgages and notes payable	-	(2,677,263)	(26,706,973)	-	-	(29,384,236)
Proceeds from mortgages and notes payable	205,348	34,748,710	13,968,723	-	(2,135,348)	46,787,433
Transfer	433,578	-	(437,673)	4,095	-	-
Contributions	-	2,474,407	20,387,268	-	(64,030)	22,797,645
Distributions	-	(100)	(110,476)	-	105	(110,471)
Debt issuance costs paid	-	(546,540)	(156,187)	-	-	(702,727)
Net cash provided by (used in) financing activities	638,926	33,999,214	6,944,682	4,095	(2,199,273)	39,387,644
Net increase (decrease) in cash, cash equivalents and restricted cash	(2,794,379)	1,763,714	597,293	(2,918)	-	(436,290)

Abode Communities

Consolidating Statement of Cash Flows
Year Ended December 31, 2021

	Abode Communities	Development Entities	Operating Entities	Affiliated Nonprofit Corporations	Eliminations	Total
Cash, cash equivalents and restricted cash, beginning	14,549,144	2,558,940	20,737,284	109,217	-	37,954,585
Cash, cash equivalents and restricted cash, end	$ 11,754,765	$ 4,322,654	$ 21,334,577	$ 106,299	$ -	$ 37,518,295
Supplemental disclosure of cash flow information						
Cash paid for interest, net of amount capitalized of $2,151,911	$ 537,424	$ -	$ 6,034,613	$ -	$ -	$ 6,572,037
Supplemental schedule of noncash investing and financing activities						
Accounts payable included in property and equipment	$ -	$ 12,926,764	$ 87,373	$ -	$ -	$ 13,014,137
Developer fees included in accounts payable	-	3,670,138	-	-	(3,670,138)	-
Write-off of fully depreciated property	115,465	-	-	-	-	115,465

See Independent Auditor's Report.

Abode Communities

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

Federal Grantor/ (Pass-through Grantor)/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Total Federal Expenditures	Passed to Subrecipients
U.S. Department of Treasury				
Capital Magnet Fund	21.011	N/A	$ 750,000	$ -
Total Capital Magnet Fund			750,000	-
Coronavirus State and Local Fiscal Recovery Funds				
Passed through from the California Department of Housing and Community Development	21.027	21-HK-17169	11,949,900	-
Total Coronavirus State and Local Fiscal Recovery Funds			11,949,900	-
Total U.S. Department of Treasury			12,699,900	
Total expenditures of federal awards			$ 12,699,900	$ -

See Notes to Schedule of Expenditures of Federal Awards.

Abode Communities

Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

Note 1 - Basis of presentation

The accompanying schedule of expenditures of federal awards ("Schedule") includes the federal award activity of Abode Communities under programs of the federal government for the year ended December 31, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles*, *and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of Abode Communities, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Abode Communities.

Note 2 - Summary of significant accounting policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Indirect cost rate

Abode Communities has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

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*

To the Board of Directors
Abode Communities

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Abode Communities, which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities, changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 28, 2023. Our report includes a reference to other auditors who audited the financial statements of certain Operating Entities as described in our report on Abode Communities' consolidated financial statements. The financial statements of certain Operating Entities were not audited in accordance with *Government Auditing Standards*, and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable conditions associated with these Operating Entities.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Abode Communities' internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Abode Communities' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Abode Communities' internal control over financial reporting.

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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 Abode Communities' consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated 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 over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

CohnReznick LLP

Sacramento, California
September 28, 2023

Independent Auditor's Report on Compliance for the Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Directors
Abode Communities

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Abode Communities' compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on Abode Communities' major federal program for the year ended December 31, 2022. Abode Communities' major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Abode Communities complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2022.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Abode Communities' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Abode Communities' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Abode Communities' internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

CohnReznick LLP

Sacramento, California
September 28, 2023

Abode Communities

Schedule of Findings and Questioned Costs
Year Ended December 31, 2022

A. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles:	Unmodified opinion		
Internal control over financial reporting:			
*Material weakness(es) identified?	____ Yes	X No	
*Significant deficiency(ies) identified?	____ Yes	X No	None reported
Noncompliance material to financial statements noted?	____ Yes	X No	

Federal Awards

Internal control over major federal programs:			
*Material weakness(es) identified?	____ Yes	X No	
*Significant deficiency(ies) identified?	____ Yes	X No	None reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified opinion		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	____ Yes	X No	

Identification of major federal programs:

Assistance Listing Numbers(s)	Name of Federal Program or Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000		
Auditee qualified as low-risk auditee	____ Yes	X No	

B. Findings - Financial Statements Audit

None reported

C. Findings and Questioned Costs - Major Federal Award Programs Audit

None reported

CohnReznick

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cohnreznick.com

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.

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

Supplemental Comments

Code Enforcement: for our historic converted YMCA property Centennial Place we have been working with the city regarding the code violation for the heating system. This system is obsolete so replacement parts are unavailable. The community is undergoing a major renovation for which the heating system is being replaced with new in room radiators and the city has approved this plan.

Civil Actions: As a real estate developer and owner, the organization is subject to litigation all covered by insurance.

Name (printed) Title Email address

Signature Date

Disclosure Form

The attached disclosure form is completed on behalf of all Ownership entities (Sheldon Farms, L.P., Sheldon Farms GP, LLC, Abode Communities, and Abode Community Housing).

Docusign Envelope ID: C630CB1A-AE78-467B-8375-BD16711A993F

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.

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

Supplemental Comments

Code Enforcement: for our historic converted YMCA property Centennial Place we have been working with the city regarding the code violation for the heating system. This system is obsolete so replacement parts are unavailable. The community is undergoing a major renovation for which the heating system is being replaced with new in room radiators and the city has approved this plan.

Civil Actions: As a real estate developer and owner, the organization is subject to litigation all covered by insurance.

Lara Regus	SVP, Development	lregus@abodecommunities.org
Name (printed)	Title	Email address
DocuSigned by: Lara Regus 595E3E26133A432...		10/3/2024
Signature		Date

Attachment 1A: Project Manager & Development Team

Attached are the following resumes of Abode Communities development team:

- Paige Dow, Senior Project Manager, Development
- Maegan Pearson, Associate Vice President, Development
- Lara Regus, Senior Vice President, Development

Leadership

- Capital Fellows Program- Sacramento, CA; Executive Fellow

Certifications

- Interdisciplinary Graduate Certificate, Real Estate, University California Berkeley

Paige Dow

Senior Project Manager, Development

(213) 225-2839 | pdow@abodecommunities.org

Paige Dow is senior project manager responsible for overseeing and managing multifamily affordable housing development projects. With nearly nine years of experience, Dow has demonstrated expertise in navigating the complexities of project management in community development across various stages of development, from predevelopment to construction.

Currently overseeing a pipeline of 421 units, Dow is responsible for leading community outreach efforts, securing entitlements, and coordinating design activities. She plays a critical role in project financing, including: creating financing plans, evaluating underwriting criteria, developing project proformas, applying for and securing financing, investor/lender negotiations and due diligence, and loan closings.

Before joining Abode Communities, Dow served as project manager at A Community of Friends and as a business development manager at Skid Row Housing Trust. In this capacity, she was pivotal in identifying and analyzing acquisitions and played a central role in managing multiple projects during the pre-development phase.

Dow received a Master of City Planning from the University of California, Berkeley and a Bachelor of Arts in Urban & Environmental Policy from Occidental College.

abode communities

Leadership

- City of Santa Monica Architectural Review Board, Chair

Affiliations

- Housing California; Member
- Nonprofit Housing Northern California; Member
- Southern California Association for Non-profit Housing; Member

Maegan Pearson

Associate Vice President, Development

(213) 225-2786 | mpearson@abodecommunities.org

Maegan Pearson is associate vice president, development responsible for providing strategic direction and oversight to advance development projects, mentoring emerging project management staff members, and ensuring critical path activities are met from project inception to permanent loan conversion. Her expertise in working collaboratively with school districts is highlighted by her ongoing role in 231 Grant, a workforce teacher housing development in Palo Alto.

Pearson's impact at Abode Communities includes the planning and delivery of over 700 housing units, valued at more than $360 million. Looking forward, she will play a critical role in the development of 648 new units, driving $452 million in community investment. Pearson specializes in urban affordable and workforce housing, with expertise in navigating projects that demand extensive community engagement and intricate ground lease agreements.

With 20 years of community development experience, Pearson has extensive expertise with identifying and purchasing land; securing entitlements; working collaboratively with architects, contractors and other consultants; securing necessary financing; overseeing design development and construction activities; and converting projects to permanent financing.

Prior to joining Abode Communities, Pearson served as senior project manager for Community Corporation of Santa Monica responsible for the construction of five new affordable housing developments, as well as the permanent loan conversion of three similarly sized developments. Additionally, she served as the director of real estate development with Inglewood Neighborhood Housing Services where she successfully obtained CDFI certification and secured a grant from the U.S. Department of Treasury, generating $2.3 million of new capital.

Pearson received a Bachelors in Social Ecology from the University of Irvine and a Masters in Urban and Regional Planning from the University of California, Los Angeles.

abode communities

Leadership

- Southern California Association of Nonprofit Housing; Board President

Affiliations

- Housing California; Member
- Nonprofit Housing Northern California; Member
- Southern California Association for Nonprofit Housing; Member

Lara Regus

Senior Vice President, Development

(213) 225-2812 | lregus@abodecommunities.org

Lara Regus is senior vice president of development responsible for the oversight of Abode Communities' new affordable housing production. As such, she identifies a wide-range of financing to bring developments to fruition; oversees predevelopment, construction and permanent financing activities; manages relationships with lenders and investors; and oversees Abode Communities' real estate development team. Regus is also instrumental in engagement to increase public awareness and support for affordable housing through education, policy, and advocacy endeavors.

In her 18-year tenure with Abode Communities, Regus has contributed to the development of nearly 1,600 multifamily residential units and is currently responsible for the executive oversight of development activities for more than 2,200 affordable homes in Abode Communities' development pipeline, equaling over one billion dollars in community investment. Her expertise has led Abode Communities to become a leading innovator in modular housing and joint-venture projects requiring complex entitlements and ground lease agreements.

Regus is particularly adept at land use planning and advancing public policy for the production of affordable housing. Among her many contributions to the industry, Regus currently serves as Board President for the Southern California Association of Nonprofit Housing (SCANPH), and is a member of Housing California and Nonprofit Housing Northern California. Regus is a mentor for UCLA Ziman Center for Real Estate Development's Howard and Irene Levine Affordable Housing Development Program. Regus earned a Masters in Urban Planning from University of California, Los Angeles and a Bachelors in Economics from Claremont McKenna College.

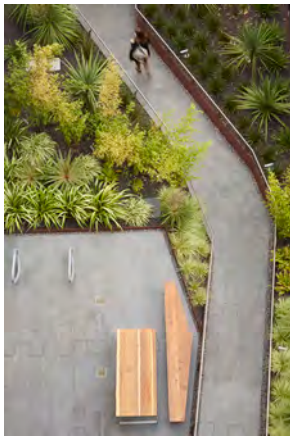
Prior to joining the organization in 2006, Regus served as a program associate at California Community Foundation and an analyst at JPMorgan Chase. She earned a Masters in Urban Planning from University of California, Los Angeles and a Bachelors in Economics from Claremont McKenna College.

abode communities

Attachment 1B: Architecture Resume

David Baker Architects is the architect of record on the project, with Caroline Souza serving as Principal.

- Caroline Souza AIA, LEED GA



David Baker
Architects

Firm Overview About DBA

David Baker Architects (DBA) is a nationally recognized, locally oriented architecture and urban design firm with a focus on sustainable, mixed-use communities that support stability and connection.

At the nexus of housing, climate, and community, DBA's work seizes opportunities to enact meaningful change—forging strong partnerships to create livable density and resilient, human-centered places that uplift communities at all scales.

Based in California and Alabama, DBA's diverse, collaborative team is committed to designing and leading with expertise, curiosity, tenacity, pragmatism, and joy.

We design thoughtful places that allow communities to thrive and that serve as a "multiplier of good"—that is, that enable and support engagement, connection, and other neighborhood benefits.

LOCATIONS

DBA_SFO
461 Second Street, Loft c127
San Francisco, CA 94017

DBA_OAK
2135 San Pablo Avenue
Oakland, CA 94612

DBA_LA
1301 North Broadway
Los Angeles, CA 90012

DBA_BHM
213 25th Street North, Suite E
Birmingham, AL 35203

"No local firm has a better track record than David Baker Architects at mending the civic fabric."
—John King, *The San Francisco Chronicle*

Firm Overview Studios & Specialties

DBA_HOUSING Our housing practice is the heart of our firm. It is motivated by optimistic pragmatism and characterized by exuberance, elegance, and economy.

DBA_URBAN Our housing-first urban design practice balances pragmatism and delight, creating neighborhoods scaled for people with optimistic, achievable plans.

DBA_MOD Our modular design studio offers expertise in a range of prefabricated construction, cutting-edge industry knowledge, and working relationships with multiple factories.

DBA_INSIDE Our interiors studio focuses on the shaping of interior spaces, creating refined and effective programming layouts and welcoming environments.

DBA_WORKSHOP Our fabrication shop creates unique custom furnishings and casework and provides hands-on support for the firm's architectural projects.

DBA_LAB Our flexible research and experimentation lab explores small-scale and pro bono works that engage urban space and user imagination.

SERVICES

ARCHITECTURE
Schematic Design
Design Development
Working Drawings
Construction Administration
Modular Design & Construction

URBAN DESIGN
Feasibility & Capacity Studies
Visioning & Community Design
Master Planning
Urban Design
Site Planning
Community Outreach & Engagement

INTERIOR ARCHITECTURE
Space Planning
Materials Selection
Furniture Specification
Furniture/Casework Design
Art Curation
Graphic & Visual Communications
Environmental Graphics & Wayfinding

FABRICATION
Custom Furniture & Casework
Detailing Mock-ups
Prototyping
Material Research & Testing
Furniture-Production Management

Firm Overview Structure & Capacity

DBA is a well-staffed firm with a diverse leadership team guiding a talented and qualified creative staff.

The strong collaborative nature of our firm maximizes our ability to harness individual areas of expertise, communicate across teams, and concentrate resources to find innovative solutions to challenges.

Principals

Katie Ackerly, AIA, CPHC, Sustainable Design Director
David Baker, FAIA, LEED AP
Pedram Farashbandi, AIA, LEED GA
Chelsea Johnson, AIA, LEED AP
Brett Randall Jones, AIA, LEED AP
Amanda Loper, AIA, LEED AP
Daniel Simons, FAIA, LEED AP
Caroline Souza, AIA, LEED GA

Practice Leads

Sally A.T. Roth, AIA, LEED AP BD & C, Technical Director
Anne Riggs, AIA, CASp, Inclusive Design Lead
Jonas Weber, AIA, LEED AP, Modular Lead
Irene Ung, Interiors Lead
Jonathan Parris, DBA_Workshop Lead

Associates

Cameron Acheson, AIA
Sarah Ahmadzai, LEED AP ND
Bryan Alcorn, AIA
Tom Bliska, AIA
Will Bloomer, AIA, LEED AP
Walt Carter
Taylor Dearinger, LEED GA
Stephen Laird Doherty, AIA
Erin Feeney, AIA, LEED AP
Billy Forrest, AIA, LEED AP, NCARB
David Friedlaender, AIA
Orrin Goldsby, AIA, LEED AP BD + C
Dawn Kang, AIA, LEED AP
Phil Karczewski, AIA
Callie Kesel, AIA
Won Young Kim
Aaron Landrith, AIA
Michael Lewandowski, AIA
Meghan McAllister, AIA
Josie Morgan, LEED GA
Mattison Ly, AIA, LEED AP
Cristina Rossi
Marcell Snodgrass, AIA, NOMA
Susan Son, AIA, LEED AP
Christine Thornton, NCIDQ, IIDA

Architects & Designers

Jordan Byrnes, DBA_Workshop
Brooke Calhoun
Monte Espino, AIA
Gavin Fraser, AIA
Jake Inserra
Mazdak Jafarian, LEED GA
Bethany Johnson
Josh Lamden, AIA
Carley Leckie, AIA
Jaqueline Lin
Megan Marvin, RA
Amelia Muller, AICP
John Pemberton, DBA_Workshop
Kevin Riley Jr., AIA, LEED BD+C
Jonny Rohrbaugh, AIA, CPHC
Melissa Sandoval
Judith Seaman
Lena Shah, NCIDQ, IIDA, LEED GA
Isabelle Smeall, Graphic Designer
Trent Tepool
Alina Voznenko
Jon Zeipen
Sveta Zoryna

Directors

Staci Selinger, Financial Director
Jessica Steele, Communications Director

Operations

Sy Selinger, Office Lead—California
Malia Gomez, Office Lead—Alabama
Dani Urias, People Operations
Georgia Downs, Business Development Coordinator
Emily Cook, Marketing Coordinator
Nalini Khatri, Staff Accountant
Cheyenne Chui, Project Accountant

Caroline Souza AIA, LEED GA

Principal / Caroline specializes in social justice design, including affordable housing and design for nonprofits in underserved communities.

Caroline is a skilled architect and team lead, experienced in the design of affordable and market-rate housing, modular developments, and more. She has recently served as Project Architect for La Fénix at 1950 Mission Street—a 9-story supportive, affordable family community—and Five88, 200 new homes for low-income families in Mission Bay. Caroline frequently shares her knowledge as a housing expert at conferences—particularly on designing viable and activated ground floors—and supports upcoming architects via in-house mentorship and involvement with the NPH Emerging Leaders Peer Network.

CREDENTIALS

Education

Master of Architecture,
University of Michigan, 2010

Bachelor of Architecture,
University of Idaho, 2008

Registration

CA Licensed Architect #35830

Affiliations

Professional Development Group,
Emerging Leaders Peer Network (ELPN),
Steering Committee (Emeritus)

Member, SPUR

Member, San Francisco Housing Action Coalition

CONTACT

carolinesouza@dbarchitect.com

SELECT EXPERIENCE

Affordable Housing

750 Golden Gate, San Francisco
850 Turk, San Francisco
1515 South Van Ness, San Francisco
Sheldon Farms Housing, Elk Grove, CA
La Fénix at 1950 Mission, San Francisco
Christie Avenue Housing, Emeryville, CA
Sunnydale Blocks 3A & 3B, San Francisco
Balboa Reservoir Educator Housing,
San Francisco
Colibrí Commons, East Palo Alto, CA
Five88, San Francisco
585 Keyes Street, San Jose, CA

Modular Housing

The Phoenix, Oakland, CA

Urban Planning

Lee Walker Heights Master Plan, Asheville, NC
The Phoenix Master Plan, Oakland, CA

Feasibility Studies

San Francisco Metropolitan Transit Authority (SFMTA) Sites Housing Study, City of San Francisco

SELECT SPEAKING + PUBLICATIONS

"9 Ways to Make Housing for People" Petaluma SDAT, Petaluma, 2024
"9 Ways to Make Housing for People" CCA, San Francisco, 2023
"9 Ways to Make Housing for People" AIA Central Valley, Sacramento, 2023
"9 Ways to Make Housing for People" IIT, Chicago, 2023
"Tour on Wheels: Livable Density", A23 AIA Conference, San Francisco, 2023
"Affordable Housing Best Practices," AIA Las Vegas, 2019
"Mixed-Use Success: Winning Design, Finance & Leasing Strategies," Housing California, Sacramento, 2018
"Mixed-Use Success: Winning Design, Finance & Leasing Strategies," AIA SF NEXT Conference, San Francisco, 2018
"Mixed-Use Development: Strategies for Success," Housing California, Sacramento, 2017

SELECT PREVIOUS EXPERIENCE

Designer, UrbanWorks, Chicago, 2011–2014

Approach Housing & Planning Expertise

HOUSING EXPERTISE

As deeply experienced housing architects, we have designed and built more than 15,000 homes—including more than 8,000 affordable homes nationwide.

Designing and building housing is a cornerstone of DBA's practice, and the act of providing wonderful homes that allow residents to thrive is the main reason most of our staff have dedicated their time and efforts to this profession. Our designs place priority on the well-being of the community, support residents and businesses, and convey a strong sense of place.

We have a passion for and deep understanding of the power of humane and respectful environments to transform neighborhoods and elevate the lives of individuals and families. We are committed to creating high-quality buildings that both elevate and integrate into their neighborhoods, improve the pedestrian and civic experience, create and reinforce community connections, and support families to thrive.

Our deep and broad housing practice both informs and has been strengthened by our work in research, urban planning, hospitality, interior architecture, and fabrication.

MASTER PLANNING EXPERTISE

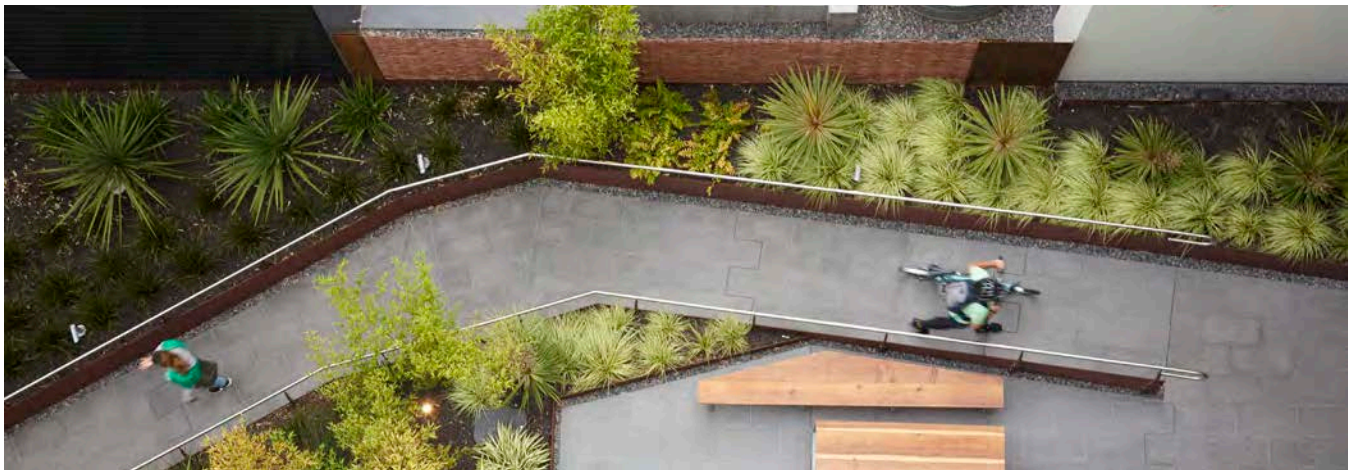
DBA takes a community-first approach to urban design, balancing pragmatism and delight to create neighborhoods scaled for people.

We are skilled at bringing dynamic buildings into diverse environments. We practice at a range of scales—from the single block to 30-plus acres—leveraging our experience with complex built environments to deliver uplifting, achievable plans. We work with communities to shape their envisioned spaces and with neighbors to find common ground.

We have a strong technical expertise with urban strategy and massing studies, rapid architectural prototyping, and site and circulation plans—the evaluative tools used to meaningfully parse opportunities and challenges Further, we bring an optimistic and progressive approach informed by long-time experience working with communities. Our process begins by learning from the site and existing communities, and we give extra attention to key moments of interface between new and existing construction, street-level feel, and opportunities for flexibility for buildings to change over time.

We are idealists but also realists, and approach planning with positive, practical visions for the city and for the experience of building construction. Above all, we are collaborators. We provide expertise in planning, urban design, and architecture, and we consult with communities and their agents, integrate feedback, and plan for present needs as well as growth.

Approach Resilient Design



LEADERSHIP IN SUSTAINABLE BUILDING

If you want to build a sustainable society, you start by solving housing. It is critical that we, as an industry, take responsibility for the way we build in light of the real and accelerating climate challenges we face.

DBA's core philosophy and practice of sustainable leadership dates back to award-winning solar designs in 1979; through the early adoption of green building frameworks in the 2000s; and continuing today to innovate our practice and influence others in the face of rapid technological and ecological change. We are signatories of the American Institute of Architects' 2030 Commitment, which involves reporting and tracking the predicted and actual carbon impact of our buildings annually. Housing demands that equity, health, and resilience occupy the core of sustainable design, because secure, safe housing is an essential cornerstone of a stable future. This understanding forms the basis of DBA's proactive, optimistic, and data-informed approach to building performance.

Our areas of focus include:

- *Human Experience:* We actively listen to community needs and have the tools to prioritize strategies that foster stability, comfort, agency, and belonging for users, including in the face of disruptive change.

- *Healthy Materials:* Our projects avoid chemicals that cause chronic acute harm to occupants, and they advance alternatives to plastics that would imperil communities somewhere else.

- *Ecology & Water:* Our projects build connections and intimacy with natural cycles by mending, enhancing, and celebrating site-specific ecologies. This includes habitat, carbon sequestration, and the health of water systems through direction, reduction, and reuse.

- *Energy Resources:* Our projects support successful operations and reduced operating costs. We optimize on-site distributed energy resources to limit operational carbon and achieve long-term energy resilience.

- *Advanced Materials & Methods:* We embrace reuse and dismantle carbon- and waste-intensive construction materials and practices in order to save money and increase industry productivity.

For all projects, DBA leverages our leadership in innovative, sustainable multifamily housing to reduce resource demand through common-sense strategies, and to create healthy spaces for residents to stay safe and thrive.

Our Sustainable Design Team includes staff with focused expertise on decarbonization; water efficiency; building performance analysis and building science; chemicals of concern; and durability, constructability, and economy. Our deep experience and vision makes us a valued thought-leader in climate-responsive urban housing. We maintain a stance of transparency and collaboration in service of providing better housing models for everyone.

Approach Community Process

PARTICIPATORY COMMUNITY ENGAGEMENT

We believe that community process makes projects better. We love talking with people about their neighborhoods and experiences.
Our intent is to engage in genuine, respectful discussion of community and project goals, opportunities, and constraints. Transparency and clear communication are key to helping everyone understand the components needed to make a good urban place. We share our information and expertise, ask good questions, and listen.

We are able to be flexible and collaborative in a wide range of sensitive contexts, and we work with communities to establish the most effective means of communication. We meet with groups in both formal and informal settings throughout the planning process and use various methods to connect with stakeholders, including on-site open houses, building tours, and interactive workshops.

DBA specializes in community design charrettes, and we rely heavily on the information and relationships gained through these processes to guide our designs and our practice. We employ a variety of strategies to develop and communicate design directions, including rapid-prototyping kits, models, precedent boards, conversation groups, and of course, a lot of Stickies.

We work closely with the developer's services team, or partner with outreach experts to extend our capabilities—such as bridging technology gaps or language differences.

We start with this framework:

- *Talk to everyone:* Everyone's voice counts, regardless of their position on the project.
- *Get real feedback:* Be open and realistic with the community on what aspects of the project residents can change and which they can't. Only elicit feedback that we can incorporate into our design.
- *Be up front about constraints:* Community members should never be kept in the dark. We believe the development team should never lie or bend the truth to appease or manage a community member.
- *Identify influential people, organizations, and leaders in the community:* We regularly engage deep-rooted neighborhood representatives to get to the heart of what's important to the community.

"DBA have been incredible guiding the outreach and evolution of our master planning project. They engage and respect the community at every step and effectively move the process forward."
—**Nevada Merriman,** MidPen Housing

Approach Innovation & Opportunity

MODULAR DESIGN & CONSTRUCTION

As a leader in modular design and construction, our modular practice offers proven, practical expertise in prefabricated design and construction, technical guidance, current industry knowledge, and relationships with multiple factories.

A knowledgeable and experienced team can maximize the benefits of modular construction. We understand the complexities, constraints, and opportunities of this evolving building technology, and we are able to use this knowledge to shorten construction schedules, decrease costs, and increase opportunities. We are capable of using a range of modular design and construction approaches—often within one project—to create interesting and efficient buildings. We understand the unique procurement challenges for affordable housing developers regarding modular construction due to financing structures and can work with development teams to create a schedule that accommodates financing and procurement restrictions.

We have recently completed several leading-edge modular developments. In Vallejo, Calif., Blue Oak Landing is modular Permanent Supportive Housing on track for zero energy. Tahanan Supportive Housing, a 146-home community in San Francisco, combined innovating financing and modular construction to be completed within three years and at a 30% lower cost per unit than similar developments. Completed in 2024, Sango Court in Milpitas, Calif., was built in collaboration with Autovol, a robotic modular factory based in Idaho, and recently won *Best of Show* in the 2024 Modular Building Institute Awards.

VALUING & CREATING EQUITY

DBA is a Certified B Corp, a designation that reflects high standards of verified social and environmental performance; transparency; and committment to an inclusive, equitable, and regenerative economy.

We are one of only 17 architecture firms nationwide to achieve this at the time of certification. We are also a JUST firm, meeting criteria set by the International Living Future Institute for staff care, stewardship, and community investment.

We believe that diversity at both the firm and the team level is significant. We are committed to creating meaningful opportunities not only for diverse staff, but for consultants, partners, and emerging practitioners. Our Equity Framework and Action Plan clarifies and formalizes our commitment to maintaining an equitable practice and to leveraging DBA's position in the AEC field to advocate for industry- and society-level equity. We aim to put equity in motion in our work by enacting strategies to move toward key goals in these areas:

Our Practice: *Create a Just, Equitable, Diverse, and Inclusive (JEDI) culture and workplace.*

Our Buildings: *Champion equitable environments in our design and planning work that foster connection and inclusivity.*

Beyond: *Engage and advocate within the larger architecture and construction industry to promote equity, diversity, and inclusion principles and practice.*

Approach Core Design Principles

We have defined four core principles meant to ground our ambitions in hyper-local benefits and other fundamentals of how housing improves places and lives.

We proactively invite and encourage members of our design, development, and consultant teams to share and embrace this approach for all projects.

DESIGN FOR HUMAN EXPERIENCE

Make decisions that expand **opportunity**, prioritize **joy**, and create meaningful **connection, health,** and **refuge.**

DO MORE WITH LESS

Don't use it if it's not necessary; leverage the beauty of raw materials and use **simple, efficient systems.**

CONNECT TO PLACE

Use the power of site planning and open-space design to **enhance belonging and well-being,** reconnect communities, and repair ecologies.

BET ON THE FUTURE

Embrace change, seize possibility, and make design choices as if **the future we need** is already here.

Approach 9 Ways to Make Housing for People

This complementary suite of elegant, economical, and human-centric design strategies informs our work from the outset to support a high quality of living for residents and neighbors alike.

These strategies range from large-scale thinking beyond the property line to intimate reminders that each home is a place to grow and celebrate. They work in concert to elevate a design and enhance the experience of inhabiting a building or neighborhood.

9 WAYS TO MAKE HOUSING FOR PEOPLE

We have crystallized our approach to human-centered design in a handbook published by ORO Editions in 2022.

Reweave the Urban Fabric
Create, repair, and enhance connections within existing neighborhoods.

Make Big Moves
Design a bold and interesting building form that defines the building.

A Little Goes a Long Way
Concentrate premium materials at points of shared enjoyment. Keep it simple everywhere else.

Activate the Edges
Energize the streetscape with a generous, mixed-use ground floor.

Be Welcoming
Set a positive tone with a bright and engaging entry sequence.

Cultivate Connection
Place compatible uses together to add convenience and support social encounters.

Enlighten Circulation
Bring light and fresh air into halls and stairs to connect with nature and encourage walking.

Art for All
Use art to invigorate common spaces, help with way-finding, and create a strong visual identity.

Get Personal
Reflect the character of the community and offer opportunities for expression.

David Baker
Architects

Work The Bridge at West Gateway

Affordable Family Housing

Under Construction / West Sacramento, CA / 60 homes / 70,894 sf / GreenPoint Rated Goal

Developer: Jamboree
Architect: David Baker Architects

This second phase of a built affordable family housing community project will add 60 affordable homes and expanded supportive services to the City of West Sacramento.

The project site is 0.9 acre carved from an existing 1.82 acre site, bounded by a railroad track to the east, Delta Lane to the south, West Gateway Place Phase 1 to the west, and Tower Bridge Gateway road to the north.

The affordable family homes and amenities are oriented onto a central community courtyard, and the new project will eventually share resources with the adjacent Phase 1 housing.

The development features open-air circulation throughout, including a sculptural green stair. Ground-floor homes connect directly to the sidewalk and rear yard via private stoops and patios. Located on a previously undeveloped site, the project features surface and off-site parking and has a goal of GreenPoint Rating.

David Baker
Architects

Work Hunters View Phase III

Affordable Family Housing / Public Park

Under Construction / San Francisco, CA / 118 homes / 173,000 sf / LEED for Homes Mid-Rise Goal; Living Building Challenge for Affordable Housing Pilot Project

Developer: The John Stewart Company
Architect: David Baker Architects
Associate Architect: Min Design

Hunters View Phase III is the final piece of the master-planned redevelopment of the Bayview Hunters Point public housing neighborhood on the eastern edge of San Francisco.

This affordable housing project encompasses two buildings on three parcels and will provide 118 homes and amenities to serve the larger community, including a new public park.

The buildings feature active and engaging ground floors that support community and sensitively integrate the housing with the park. The diverse ground-level program includes a community center, public library, offices, bike room, laundry, and homes.

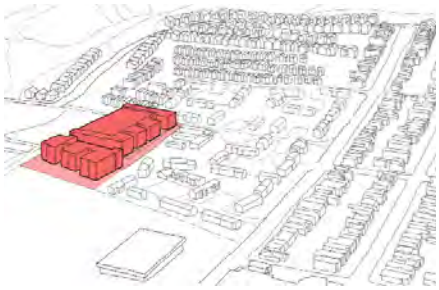
Together with landscape architect Fletcher Studio, Min Design and David Baker Architects undertook an extensive community engagement process to include residents and neighbors in the visioning for the property.

Work 88 Park at Midway Village

Affordable Family Housing

2024 / Daly City, CA / 147 homes / 107,176 sf / GreenPoint Rated Platinum

Developers: MidPen Housing, San Mateo County Housing Authority
Architect: David Baker Architects



David Baker
Architects

The first phase of a neighborhood redevelopment designed by DBA, 88 Park anchors the new community with a range of high-density, all-electric family homes and shared amenity spaces.

DBA worked with MidPen Housing and the San Mateo County Housing Authority to undertake an extensive community process and develop a five-phase master plan for Midway Village.This thoughtful redevelopment and expansion of an existing Housing Authority property and established community replaces 150 aging, outmoded units with 555 new, sustainable homes without displacement.

88 Park is the first housing: Two all-electric buildings frame a shared courtyard and offer a range of outdoor and amenity spaces. The massing is varied to maintain a village scale within the larger redevelopment. Together, the residential masses and their connecting circulation create active edges that shield an embedded parking garage that will serve the first two phases of development. The building includes a battery backup-ready community room sited on a prominent corner, which will serve as a gathering place for social events and also offer shelter and resources in emergency scenarios. DBA is currently designing the Phase 2 housing, 8 Partridge at Midway Village.

Work Africatown Plaza

Affordable Housing

2024 / Seattle, WA / 132 homes / 103,734 sf / Evergreen Sustainable Development Standard Goal

Developers: Africatown Community Land Trust, Community Roots Housing
Design Architect: David Baker Architects
Architect of Record: GGLO

Select Awards: PCBC Gold Nugget Grand Award—Best On-the-Boards Affordable Housing Community

Africatown Plaza is an affordable housing development and gathering space in Seattle's once primarily African-American Central District.

This seven-story mixed-use building includes 126 affordable homes, offices for the Africatown Community Land Trust, and neighborhood-focused micro-retail space.

The building is intended to serve as a unique destination within Seattle and a reflection of the Black Experience within the Pacific Northwest.The community-driven design includes a range of social spaces, including a plaza "heart" for celebrations, and a stoop culture enabled by ground-floor terraces that activate the street edge and connect outward toward the neighborhood.

Curving and organic forms inspired by African architecture—strong favorites from the design workshops—are incorporated in areas of high visibility and shared enjoyment. An iconic weathering steel volume visually anchors this corner and hovers above the plaza in the manner of a tree canopy, offering shelter and a gathering space for residents, while the columns root it into the ground, symbolizing stability and permanence for the community.

Work Sango Court

Modular Affordable Family Housing

2023 / Milpitas, CA / 102 homes / 108,381 sf / GreenPoint Rated Silver

Developer: Resources for Community Development
Architect: David Baker Architects

Select Awards: Modular Building Institute Best of Show—Permanent Building

This affordable community leverages modular construction with an efficient, elegant massing—two simple residential bars set back from the property line—framing a series of open spaces

Along a new street, the primary facade creates a human scale with stepped volumes varied by color and subtle articulation. A pair of linked courtyards align with a facing planned public park, forming an integrated green core at the heart of the community. The building features open-air circulation throughout—rare in modular design—emphasizing fresh air and access to nature.

Perforated sunshades patterned after the area's historic farmland add cooling and visual interest. At street level, weathering steel and concrete are paired with a welcoming garden entry, open-air lobby, and community-oriented ground floor. Stormwater planters and extensive permeable surfaces provide rainwater filtration and resiliency.

The transit-oriented, all-electric building prioritizes climate resilience and the health and comfort of residents. Fully half of the homes are reserved for households experiencing homelessness.

Work Page Street Studios

Affordable Housing

2023 / San Jose, CA / 82 homes / 53,789 sf / GreenPoint Rated Goal

Developer: Charities Housing
Architect: David Baker Architects

Located in the West San Carlos Urban Village in San Jose, Page Street Studios offers affordable homes with easy access to public transportation, markets, and shops.

The building features 81 studios for low-income individuals and couples, including 27 homes reserved for chronically homeless households, plus a three-bedroom manager's unit.

Amenities include a community room with a shared kitchen, roof decks, and a landscaped paseo that is planned to connect many blocks along the West San Carlos Urban Village.

The compact garage features 60 auto spaces in triple parking lifts as well as two accessible spaces, and there are two exterior EV (electric vehicle) charging spaces.

David Baker
Architects

Work Blue Oak Landing

Permanent Supportive Housing

2023 / Vallejo, CA / 75 homes / 58,795 sf / GreenPoint Gold

Developer: Eden Housing
Architect: David Baker Architects

Select Awards: AIA California Design Honor Award; PCBC Gold Nugget Award of Merit—Best Supportive/Transitional Housing; *Fast Company* Innovation by Design Awards: "Spaces and Places" Honorable Mention

David Baker
Architects

Built with modular construction to streamline delivery of supportive homes, this resilient all-electric building is on track for zero energy.

Blue Oak Landing provides stable homes for unhoused individuals and families. The community is centered on an active ground floor with on-site services and amenities linked to a broad landscaped yard and integrated with the surrounding wetland ecosystem. The building form is split into two bars, with open-air bridge circulation spanning an existing storm easement rich with native plantings. This opening forms a pivot point to address the street curve and creates a visual link to the rear yard and creek beyond.

A distinctive sawtooth facade of faceted weathering steel tops textured concrete and custom-perforated fencing at ground level. The entryway is set off with a linear catenary ceiling and integrated lighting by DBA_Workshop that draws a dynamic connection between the front and rear landscape.

Per the 2024 AIA California Design Awards Jury: "This is an exemplary project that satisfied every requirement .... The creative use of prefabrication is amazing. It considers the needs of previously homeless families as well as the environmental challenges of the site. Coherent and powerful design."

Work Coliseum Place

Affordable Family Housing

2022 / Oakland, CA / 59 homes / 20,290 sf / GreenPoint Platinum

Developer: Resources for Community Development
Architect: David Baker Architects

This affordable mid-rise adds new homes along the border between a low-rise residential neighborhood and a planned high-density TOD at Coliseum BART in East Oakland.

As part of ILFI's Living Building Challenge Affordable Housing Pilot, Coliseum Place focused on achieving high levels of sustainability within a budget. The design combines simple massing and solar orientation as the basis for ambitious energy-consumption-reduction goals. The all-electric, zero-energy-ready building features decentralized heat pump water heating and a 98 kW PV array that offsets 100% of common loads.

The community is centered on a highly visible green "core" with an open-air stair that focuses attention on the connection between social zones, views, plantings, and art. Common spaces emphasize natural materials and a biophilic color palette. The entry is set off with a custom front door, and hand-hewn benches and a kinetic ceiling designed and fabricated by DBA_Workshop elevate the lobby.

David Baker
Architects

Work 555 Larkin

Affordable Family Housing

2022 / San Francisco / 108 homes / 110,000 sf / GreenPoint Rated

Developer: Tenderloin Neighborhood Development Corporation
Architect: David Baker Architects

Constructed entirely during the COVID-19 pandemic, 555 Larkin represents affordable housing as an essential service.

This new development brings 108 much-needed affordable family homes to San Francisco's Tenderloin neighborhood, supported by a sheltered central courtyard, community spaces, and a neighborhood-serving senior services center.

The eight-story structure features a curved facade set on a Radius Track framework that brings motion and interest to the street edge. This undulating plane is clad in local low-fire brick, including a series of hand-made tiles by David Baker. Further custom touches include a signature entry K-Door by Pacassa Studio, an Oakland artisan, and an immersive lobby bench and ceiling installation by DBA_Workshop.

Located on the site of a historic former tire shop, the building integrates elements from the previous structure, including the shop's storied marquee, which long displayed inspirational quotes and encouragement. The restored billboard has a new home in the building's residential courtyard.

David Baker
Architects

Work Jazzie Collins Apartments

Permanent Supportive Housing

2022 / San Francisco, CA / 96 homes / 48,229 sf / GreenPoint Rated

Developers: HomeRise, Strada Investment Group
Architect: David Baker Architects

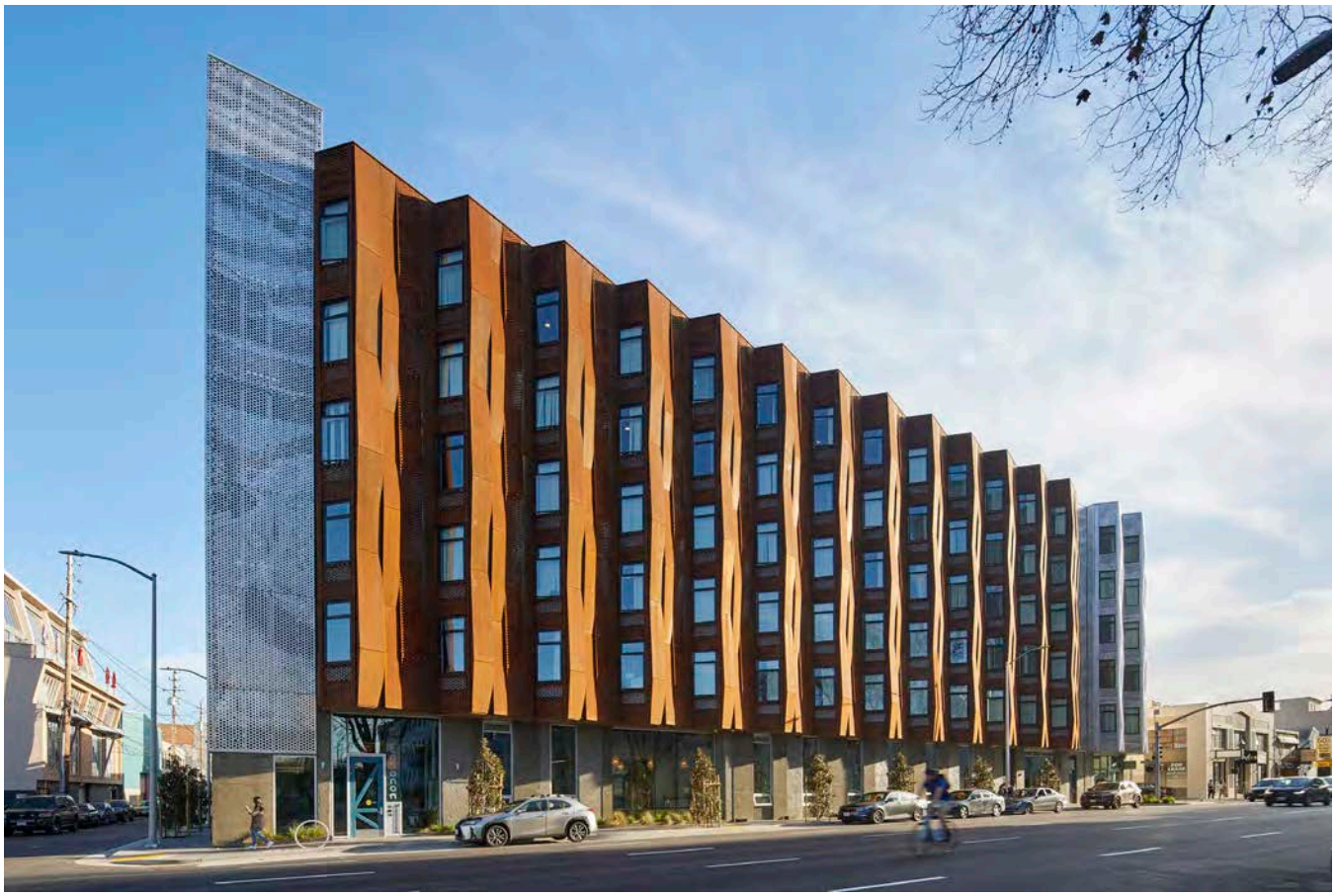
Dedicated to Jazzie Collins, a Black trans activist who for decades drove positive social change in San Francisco, this new community offers 96 urban homes for individuals exiting homelessness.

This supportive housing is one of six buildings in a new mixed-use, mixed-income micro-neighborhood centered on an upcoming public plaza just off San Francisco's Market Street corridor. The site's proximity to the BART tunnel required an excavated basement to offset weight placed on the tunnel. To remain within height and weight limits, the design concentrates community areas below grade, with light brought in via a dramatic south-facing sunken court.

The transparent residential entry—distinguished by a custom front door—opens to a dramatic lobby stair connecting to the sunken community room and open-air courtyard. The all-electric building includes extensive on-site social-service and management spaces, a community room and common kitchen, laundry facilities, and shared open space.Above, five residential floors of compact, furnished studios include private bathrooms, kitchenettes, and city or park views.

David Baker
Architects

Work Tahanan Supportive Housing



Permanent Supportive Housing

2021 / San Francisco, CA / 146 homes / 63,032 sf / GreenPoint Gold

Developer: Mercy Housing California
Development Partners: Tipping Point Community, San Francisco Housing Accelerator Fund
Architect: David Baker Architects
Landscape Architect: Fletcher Studio

Select Awards: AIA California Residential Design Merit Award; Terwilliger Center Award for Innovation in Attainable Housing Finalist

This six-story modular building is a prototype of a new financing structure and approach to speed the production of permanent supportive housing.

The goal was to expedite the development process and reduce cost using philanthropic funding, then engage modular design technologies to streamline construction.

Tahanan offers 145 furnished studios for individuals affected by homelessness. The design maximizes the infill site with compact homes over a community-focused ground floor. With high ceilings and extensive glazing, the light-filled spaces balance security and transparency. The building offers extensive social support resources as well as a flexible community room that opens widely to a sunny mural-lined courtyard.

Sited in the SOMA Pilipinas Cultural District, the building references Filipino culture: Textures and patterns drawn from the topography and crafts of the Philippines appear in textured concrete finishes and perforated metal screens. Tahanan is a Tagalog word evoking the idea of “coming home” and represents a place for people to return to or rest.

David Baker
Architects

Work La Fénix at 1950 Mission

Affordable Family Housing

2020 / San Francisco, CA / 157 homes, 166,375 sf / GreenPoint Gold

Developers: BRIDGE Housing, Mission Housing Development Corporation
Architect: David Baker Architects
Associate Architect: Cervantes Design Associates

Select Awards: AIA California Design Merit Award; AIA San Francisco Social Responsibility Commendation ; Architizer A+ Awards Affordable Housing Special Mention

Long-awaited affordable housing in San Francisco's Mission District, La Fénix at 1950 was built to help Mission residents gain stability in their neighborhood.

The building offers 157 homes—including 30 homes reserved for formerly unhoused families—supported by extensive services and community spaces. A central courtyard links a range of shared spaces to foster resident connection and social gatherings: a community room and kitchen, media lab, laundry lounge, and neighborhood-serving child-care center.

A new mid-block paseo creates access to the site and continues the network of art spaces, plazas, and alleyways that characterize the Mission. The ground floor includes street-side space for a local retail and Youth Arts Exchange (YAX), which activates the paseo with murals and workshops in art and cultural expression. The DBA-designed YAX space includes gallery and classrom space, a recording studio, photography darkroom, and student lounge.

The building is topped by an extensive roof deck providing sweeping city views and space for gardening, play, and respite.

David Baker
Architects

Work 222 Taylor

Affordable Family Housing

2019 / San Francisco / 113 homes, 126,000 sf
LEED for Homes Mid-Rise Platinum,
Energy Star Multifamily Mid-Rise

Developer: Tenderloin Neighborhood Development Corporation
Architect: David Baker Architects

Select Awards: AIA San Francisco Excellence in Architecture Citation; AIA San Francisco Social Responsibility Commendation; AIA California Residential Design Honor Award & Leading Edge Award

This critically needed building provides affordable homes and sheltered open space for low-income and formerly homeless families in San Francisco's Tenderloin district.

The 8-story mid-rise replaces a parking lot with a car-free, high-density building two blocks from the Market Street transit corridor. The corner features lofty ground-level retail spaces that activate the street edge, with a mid-size local grocer and a spot for a neighborhood restaurant.

A flexible central courtyard and roof-top farm offer critical green space for residents. The farm provides fresh food and offers a shared gathering space with sweeping city views. The contextual building both fits in and stands out in the historic neighborhood, with a variegated brick facade that references local masonry. Dramatic notches in the facade align with surrounding cornices, reflecting the historic urban fabric while adding the height needed to provide 113 homes.The all-electric sustainable building is one of the first EnergyStar Multifamily Mid-Rises in California, meeting strict criteria set by the EPA.

David Baker
Architects

Work Edwina Benner Plaza

Affordable Family Housing

2019 / Sunnyvale, CA / 66 homes / 110,612 sf / GreenPoint Rated Platinum

Developer: MidPen Housing
Architect: David Baker Architects

Select Awards: *Metropolis* Planet Positive Award; PCBC Gold Nugget Honor Award: Best Affordable Housing Community; PCBC Gold Nugget Honor Award: Best Innovative Energy Design; Silicon Valley Clean Energy All-Electric Showcase Award

Edwina Benner Plaza is a vibrant, multifamily community bringing 66 affordable new homes to Sunnyvale, in housing-crunched Silicon Valley.

Bounded by a busy highway, an active temple, and quiet residential uses, the site plan responds to and respects the existing residential, civic, and commercial context.

Elements on the site are organized to promote an environment for healthy living, to cultivate a sense of community, and to maximize connection to the landscape.

The entry sequence activates community life by bringing together shared activity rooms, laundry, service programs, and an after-school center around a lively outdoor play space.

An all-electric building, Edwina Benner Plaza is among the first affordable housing projects in the nation to have zero operating emissions: Each residential wing is served by a custom, high-efficiency central heat pump; rooftop photovoltaics cover common loads; and residents are opted in to the local all-renewable community utility.

David Baker
Architects

Work Five88

Affordable Workforce Housing

2017 / San Francisco / 200 homes / 230,422 sf / GreenPoint Rated Gold

Developers: Related California, Chinatown Community Development Corporation
Architect: David Baker Architects

Select Awards: AIA/HUD Secretary's Housing and Community Design Award, AIA SF Social Responsibility Commendation

When it opened, Five88 (pronounced "five-eight-eight") was the largest new 100% affordable housing development to open in San Francisco in a decade.

Located in the Mission Bay neighborhood adjacent to the new UCSF Medical Center, this building serves as a gateway to the developing area and provides 200 affordable, transit-oriented homes for low-income families.

The large development adds two mid-block passages—one public, one private—for neighborhood connectivity. The corner takes a dramatic form clad with weathering steel and visually supported by a row of "dancing columns"—tilting textured concrete columns that make for a lighthearted, dynamic street edge. Active uses line the ground floor: retail spaces, entry plazas, and residential stoops connect to the sidewalk at all edges.

The airy building wraps a central open space and freestanding community pavilion. A second-level podium courtyard overlooks this space and links directly to a suite of shared community uses—laundry room, fitness room, and resident lounge.

Work Williams Terrace

Affordable Senior Housing

2017 / Charleston, SC / 41 homes / 47,851 sf

Developer: Housing Authority of the City of Charleston
Design Architect: David Baker Architects
Architect of Record: McMillan Pazdan Smith Architecture

Select Awards: AIA/HUD Secretary's Housing and Community Design Award for Excellence in Affordable Housing Design

Williams Terrace is the first dedicated housing for low-income seniors in downtown Charleston.

DBA collaborated with a local firm to create this gracious senior building intended to help seniors keep living independently in the heart of the city. The design team worked closely with the Housing Authority to devise a dynamic building that meets the challenges of the site—located in a high-velocity flood zone—and respects the built fabric of the historic city.

Inspired by the local single-house typology, the building features external circulation that doubles as egress and social spaces. Ringing the central court, the deep "piazza" porches are lined with shaded seating that allows for an extension of personal living space and encourages interaction among the residents.

The shotgun-style homes feature through-ventilation and daylight at either end. Living rooms opening directly onto the broad, sheltered porches. A rooftop community room and terrace offers views across the adjacent public park out toward the harbor.

Attachment 1C: Attorney Resume

Attached are the resumes of Bocarsly Emden Cowan Esmail & Arndt, LLP. Nicole Deddens, Partner, will represent the Owner.

Bocarsly Emden Cowan Esmail & Arndt LLP

Our Firm

At Bocarsly Emden we undertake a wide variety of transactional matters, with a focus on providing comprehensive legal services for all aspects of affordable housing and community development, acquisition, finance, syndication, operation and disposition. In addition, our attorneys offer extensive experience in traditional real estate law, tax and finance.

Our attorneys bring their expertise to structuring, negotiating and documenting:

- Partnership and operating arrangements between developers and tax credit equity investors.
- Private activity and 501(c)(3) bond transactions among issuing authorities, developers, credit enhancers and equity investors.
- Joint ventures between for-profit and nonprofit enterprises.
- Regulatory and financing agreements between developers and governmental agencies.
- Construction and architectural agreements.
- Debt and equity arrangements.

This expertise allows us to provide our clients with a full spectrum of services in a cost-effective, streamlined fashion. And our dual-coast presence – with offices in Los Angeles and Bethesda, Maryland – gives us the resources to handle local and regional clients, plus the support system to accommodate national clients as well.

"One of the core beliefs the founders of our firm share is the client should have access to senior lawyers. We structured this firm, with offices on both coasts, so we can practice law in an entirely different way and give our clients that kind of superior, personal service."

Lance Bocarsly, Founding Partner, Bocarsly Emden

Our Clients

We represent:

- Nonprofit and for-profit developers
- Leading tax credit equity syndicators and investors
- Real estate owners and prospective purchasers
- Mezzanine lenders
- Tax-exempt organizations
- Individuals, partnerships, limited liability companies and corporations

Our Areas of Specialization

Affordable Housing

We represent clients across the entire spectrum of low-income housing transactions in California and on an ever-expanding national scale. Our areas of expertise include acquiring and developing real property, obtaining tax credits, handling tax credit syndications, and arranging government and institutional financing and equity investments.

Our experience in affordable housing:

- Enables us to develop creative solutions to typical and atypical problems, and
- Gives us an extensive network of public and private industry contacts, which allows us to service our clients' needs more efficiently and effectively.

Specifically, our affordable housing expertise includes the following:

- Low-Income Tax Credit Development: We represent developers (both nonprofit and for-profit) using federal and state low-income housing tax credits in the development of affordable and mixed-income multifamily housing projects. In connection with this, we assist our developer clients in structuring and negotiating investments by tax credit

equity investors as well as loans by conventional and governmental lenders, including tax-exempt bond transactions.

- Tax Credit Equity Investments: We participate in every aspect of the tax credit equity investment business – providing a full range of services to leading tax credit equity syndicators and investors, including fund formation and syndication matters, tax structuring, oversight of project-specific investments, project-related asset management and asset disposition.

- Private Activity, 501(c)(3) and Tax Increment Bond Transactions: We represent developers and investors in numerous transactions financed with the proceeds of private activity, 501(c)(3) and tax increment bonds. Also, we routinely provide guidance to clients on issues regarding credit enhancement, securitization and defeasance. Our attorneys have developed the structures necessary to combine bond financing structures with a wide variety of debt and equity sources, including federal and state low-income housing tax credits, historic tax credits, HOME and CDBG funds, Section 108 Loans and private equity.

- HUD Mixed Finance Deals: Bocarsly Emden routinely participates in commercial and mixed-use economic development projects located in urban areas. We have extensive experience in structuring a wide variety of public and private debt and equity financing for these projects including the use of New Market Tax Credits, Historic Tax Credits, Federal Section 108 Loans, Community Facility Districts and Tax Increment Financing. In addition, we regularly structure real estate transactions between the Public and Private Sectors. These Public/Private Partnerships have included Disposition and Development Agreements, Long Term Ground Leases and shared equity appreciation Financing.

- Tax-Exempt Organizations: We represent an extraordinary group of active and successful nonprofit developers, and we routinely counsel nonprofit clients on issues as diverse as complying with nonprofit set-asides, structuring to avoid private inurement, conducting non-charitable activities, establishing for-profit subsidiaries, handling unrelated business income, and complying with local property tax exemption requirements. Our attorneys offer substantial experience in forming nonprofit organizations and in qualifying their tax-exempt status.

- Historic Tax Credit Developments: We have an extensive background in the financing of historic buildings throughout the United States using historic tax credits. Our

experience in multifamily and commercial development and finance serves as an invaluable asset to developers and investors structuring transactions to include historic tax credits.

- New Markets Tax Credits Developments: We stand at the forefront of the New Markets Tax Credits program by providing clients with a wide range of structuring and leverage options. By representing developers, equity investors and leveraged lenders, we offer expertise in every aspect of a New Markets transaction.

- Solar, Wind & Renewable Energy: Bocarsly Emden has extensive experience working directly with developers, institutional investors and independent power producers who are developing and/or investing in renewable energy projects that utilize the investment tax credit in connection with solar projects and the production tax credit in connection to wind projects. We routinely represent companies in all aspects of the development and financing of renewable energy projects. We know how to cost effectively structure and negotiate solar and wind transactions, and identify business and transaction issues that arise in each. Moreover, our years of experience and commitment to every phase of the project allows us to maximize the value of production tax credits (IRC Section 45 and IRC Section 48 energy tax credits).

- Loan Funds: We represent nonprofit organizations and community development financial institutions in creating and operating loan funds designed to fill gaps in available financing for affordable housing and community development activities. Since 2006, we have participated in loan funds focused on acquisition financing in New York and Los Angeles, transit oriented development funds in San Francisco and Utah and special needs and supportive housing funds in California and around the country. These Funds have used funds provided by institutional lenders, nonprofit organizations and governmental entities in the form of loans, guarantees or other credit enhancement vehicles.

Affordable Housing Highlights

- We have represented clients developing, investing in and lending thousands to affordable housing transactions, valued in the billions of dollars, throughout the United States.

- We have represented syndicators raising more than $4.5 billion for investment in affordable housing transactions.
- We have represented clients on the following projects, among many others:
    - Neighborhood-based development leading to the investment of more than $40 million in affordable housing in South Central Los Angeles since 1993.
    - A $44 million low-income housing project in Seattle (Holly Park Phase I), with 305 units of affordable housing financed with Hope VI Implementation Grant funds and tax-exempt bond financing.
    - A $35 million affordable housing project in San Francisco (Turk Street Apartments), with direct equity investments by Philip Morris Corporation, Pacific Gas & Electric and Prudential.

Representative Mixed Finance Transactions

Projec	Housing Authority
Aliso Village I & Aliso Village II	Housing Authority of the City of Los Angeles
Arbor Creek	Sacramento Housing & Redevelopment Agency
Arcadia (mixed finance)	Housing Authority of County of Trempeleau, WI
Auburn Manor and 12 scattered sites	Housing Authority of City of Washburn, WI
Bayfield Redevelopment	Housing Authority of County of Bayfield, WI
Broadway Seniors	Sacramento Housing & Redevelopment Agency
Civic Common Apartments	Portland Housing Authority
Columbia - Cecelia - HOPE VI	Housing Authority of Portland
Columbia - Haven - HOPE VI	Housing Authority of Portland
EGIS Apartments	King County Housing Authority
Frazier Fellowship - HOPE VI	Housing Authority of the City of Dallas, Texas
Georgetown Apartments (mixed finance)	Indianapolis Housing Agency
Gordon Square - Carver Park HOPE VI	Cuyahoga Metropolitan Housing Authority - Cleveland, OH
Haven Apartments	Portland Housing Authority
Hilliard Apartments	Chicago Housing Authority
Hillside - HOPE VI	Housing Authority of the City of Tacoma
Hotel Berry	Sacramento Housing & Redevelopment Agency
Humboldt Gardens - HOPE VI	Housing Authority of Portland
Kelsey Village	Sacramento Housing & Redevelopment Agency
Louisiana Court Apartments	Housing Authority of Saint Louis Park, MN
Millennium HOPE VI - 4 phases	Housing Authority of Muncie, Indiana
New Dana Strand	Housing Authority of the City of Los Angeles
NIA Apartments	King County Housing Authority
Normont Terrace	Housing Authority of the Los Angeles County
Park Avenue HOPE VI	Housing Authority of Denver
Scattered Sites - HOPE VI	Housing Authority of the City of Milwaukee
Valencia Gardens - HOPE VI	Housing Authority of the City and County of San Francisco
Woolsey - New Columbia HOPE VI - 3 phases	Housing Authority of Portland

Real Estate/Community Development

Our work in the real estate/community development arena includes the following specializations:

- Acquisitions and Dispositions: We help clients buy it or sell it, often utilizing tax-advantaged structures, no matter what the transaction involves – vacant land, a car dealership, a mobile home park, a national retail chain, an assisted living facility, a regional shopping center, an apartment building or a major sports franchise. In addition to negotiating purchase and sale agreements, we provide a full complement of services that include review of environmental and other due diligence, title, tax structuring, negotiation of construction and architectural agreements, and debt and equity financing.

- Land Use and Entitlement: We provide owners and prospective purchasers with a wide range of land use-related services, including land use due diligence, the processing of discretionary approvals and land use compliance. Our attorneys bring real-world experience to land use issues with the goal of finding cost-efficient and expedient land use solutions. We are experts at working with local governments and community stakeholders to find workable long-term entitlement solutions.

- Mezzanine Lending: We represent leading mezzanine lenders in real estate and personal property-secured transactions. As the mezzanine lending business has evolved in recent years, we have provided creative solutions to clients on a wide array of securitization, intercreditor, participation and asset management issues.

- Tax Counseling: We provide general tax counseling services to individuals, partnerships, limited liability companies and corporations, and often provide tax guidance in connection with real estate transactions such as 1031 exchanges and roll-up transactions. Our expertise in this area includes real estate development and investment undertakings, many of which are handled as joint ventures or other profit participation arrangements. We also are experienced in negotiating, documenting and closing major real estate and business-related transactions.

"When creating this firm, we not only wanted to hire people who knew transactional law inside and out, but who share our commitment to client service. The professionals who work at both our Los Angeles and Bethesda offices are as committed as any of the partners in putting the needs of our clients first."

Lance Bocarsly, Founding Partner, Bocarsly Emden

Our Partners

Kyle Arndt, Founding Partner

Kyle Arndt is a transactional real estate attorney and a founding partner in Bocarsly Emden. While Mr. Arndt has experience in a wide variety of transactional matters, he has focused his practice in the areas of real estate development, tax credit syndication, private equity real estate investment and mezzanine lending. He represents developers of multi-family, single family, commercial, retail industrial and office centers throughout the United Stated with an emphasis on urban infill commercial and affordable housing projects. Mr. Arndt also represents private equity investors, fund managers and mezzanine lenders who participate in a wide variety of real estate transactions.

Mr. Arndt has participated in numerous multi-family housing and single family housing developments targeted at low and moderate income persons. Mr. Arndt has represented developers and tax credit equity investors in hundreds of affordable multi-family housing developments financed using the Federal Low Income Housing Tax Credit, Tax Exempt Private Activity Bonds, Federal CDBG and HOME Funds, local tax increment funds and other similar sources. Mr. Arndt also represents equity investors and mezzanine lenders in market rate in-fill housing projects targeted to working families and first time home buyers.

In addition to low and moderate income housing developments, Mr. Arndt routinely participates in commercial and mixed-use economic development projects located in urban areas. Mr. Arndt has structured a wide variety of public and private debt and equity financing for these project including the use of New Market Tax Credits, Historic Tax Credits, Federal Section 108 Loans, Community Facility Districts and Tax Increment Financing. Mr. Arndt has extensive experience in structuring real estate transactions between the Public and Private Sectors. These Public/Private Partnerships have included Disposition and Development Agreements, Long Term Ground Leases and shared equity appreciation Financing. Along with his Partners, Mr. Arndt has been at the forefront of structuring transactions using a wide variety of Federal, State and local energy tax credits and incentives.

Mr. Arndt has been actively involved with a number of community-based organizations in Los Angeles. Mr. Arndt served on the Board of Directors of the UCLA Law Alumni Association

from 1995 to 1998. Mr. Arndt is also a past member of the Board of Directors of the Westside Village Civic Association, one of the largest homeowners groups in the City of Los Angeles. Mr. Arndt currently serves as the President of the Board of Directors of Hollywood Community Housing Corporation (HCHC), one of the largest non-profit developers of affordable and special needs housing in Los Angeles County. Under Mr. Arndt's direction, HCHC has developed over three hundred units of affordable housing as well as innovative mixed used developments which have served as a template for mixed-use urban infill projects though out the State.

Mr. Arndt maintains active memberships in a variety of professional associations. Mr. Arndt is a member of the American Bar Association Forum on Affordable Housing and Community Development Law and has served as both the Materials Editor and Chairperson of the Forum's annual conference. Mr. Arndt's publications include "Defenestrating the Myth of Private Inurement and Public Benefit", Journal of Affordable Housing and Community Development Law, Vol. 7, No. 1 (1997). Mr. Arndt has also been quoted by publications such as the Wall Street Journal, L.A. Times and Los Angeles Business Journal on issues relating to housing and economic development and urban revitalization.

Mr. Arndt attended law school at the University of California, Los Angeles where he was Editor-in-Chief of the UCLA Law Review. Prior to receiving his JD, Mr. Arndt received a Masters in Urban Planning from the UCLA Graduate School of Architecture and Urban Planning. Mr. Arndt also has a Bachelor of Arts from the University of California, Santa Cruz.

Lance Bocarsly, Founding Partner

Lance Bocarsly is a nationally recognized transactional real estate attorney specializing in affordable housing, community and economic development transactions, and a founding partner in Bocarsly Emden. He has represented developers, syndicators and investors in over one thousand transactions financed with federal low income housing tax credits and tax exempt bonds, generating tens of thousands of residential units for low income tenants in over forty states. Mr. Bocarsly's practice focuses on all aspects of the acquisition and development of, and investment in, real property, including negotiation of purchase agreements, construction and permanent financing from institutional and governmental sources, negotiation of construction and development contracts, formation and syndication of partnerships and limited liability companies owning and operating real estate developments and syndication of investment funds in real estate transactions. In addition, Mr. Bocarsly has substantial experience in advising nonprofit and for-profit developers undertaking affordable housing and economic development.

Mr. Bocarsly handles the acquisition, financing and development of multi-family and senior affordable housing transactions throughout the United States. Mr. Bocarsly also represents clients in the acquisition, financing and disposition of mixed-income and mixed-use transactions, economic and community development projects and low income homeownership developments.

Mr. Bocarsly was formerly a partner with Bingham McCutchen LLP and Riordan & McKinzie in Los Angeles, California. He was elected a Fellow of the American College of Real Estate Lawyers in 2011 and was recognized as the UCLA School of Law Real Estate Law Association Alumnus of the year in 2013. Mr. Bocarsly serves as an adjust professor of law at UCLA School of Law, teaching the Real Estate Law Clinic: Affordable Housing.

Mr. Bocarsly is the co-author of "Community Land Trusts: A Growing Trend in Affordable Home Ownership", ABA Journal of Affordable Housing and Community Development Law, Summer, 2008, "Tax-Exempt General Partners and the IRS: Defenestrating the Myth of Private Inurement and Public Benefit", ABA Journal of Affordable Housing and Community Development Law, Fall, 1997, "Real Property Tax Exemptions In Affordable Housing Transactions", ABA Journal of Affordable Housing and Community Development Law, Winter,

1993, and “Scenic Rivers Designation Maintained”, U.C.L.A. Journal of Environmental Law and Policy, Spring 1985. He has been a featured speaker at, and has chaired, numerous conferences analyzing affordable housing and community development issues. In addition, Mr. Bocarsly served on the Governing Committee of the American Bar Association’s Forum on Affordable Housing and Community Development Law from 1994 through 2003 and served as the Chair of the Forum in 2001-2002.

Mr. Bocarsly received his Bachelor of Arts degree, cum laude, from the University of California, Los Angeles in 1984 and his Juris Doctor degree in 1987 from the University of California, Los Angeles.

Eugene G. Cowan, Founding Partner

Areas of Specialization: Mr. Cowan practices in the area of taxation, including real estate and other partnership syndications; income tax planning and litigation of individuals, businesses and tax-exempt organizations; and state and local income, property and sales tax matters. He is nationally known for his knowledge of tax issues relating to residential and community economic development using low-income tax credits, historic rehabilitation tax credits and New Markets Tax Credits. He also has extensive experience in creative tax planning for business and investment transactions, including mergers and acquisitions of private and public companies.

Affiliations/Memberships: Mr. Cowan is Past Chair of the ABA Forum on Affordable Housing and Community Development Law, Syndication Division; Past Chair of the Los Angeles County Bar Association Real Estate Taxation Committee; and a member of both the American Bar Association and the Los Angeles County Bar Association Taxation Sections. He also has served as a part-time faculty member at the UCLA School of Law and the San Diego School of Law, and has been a featured speaker at recent conferences of the ABA Forum on Affordable Housing and Community Development Law.

Publications: Mr. Cowan co-authored “Tax Exempt General Partners and the IRS: Defenestrating the Myth of Private Inurement and Public Benefit,” ABA Journal of Affordable Housing and Community Development Law, Vol. 7, No. 1 (1997).

Education: Mr. Cowan received his Bachelor of Arts degree in Biochemistry from the University of California, San Diego, in 1977, his Master of Arts in Teaching in 1978 from Northwestern University, his JD degree in 1981 from the University of California, Berkeley School of Law (Boalt Hall), and his Master of Laws in Taxation in 1983 from the New York University School of Law.

Craig Emden, Founding Partner

Craig Emden is a transactional tax attorney and a founding partner in Bocarsly Emden. His practice focuses on the structuring and closing of low-income housing tax credit transactions. He represents syndicators and developers of projects using the low-income housing tax credit, with significant experience in nonprofit and Native American sponsored transactions. He coordinates all aspects of low-income housing tax credit transactions including advice on tax, nonprofit, corporate and real estate issues. He also has extensive experience in historic rehabilitation tax credit transactions, IRS rulings and audits and tax planning. In addition, Craig has substantial experience in corporate and real estate acquisitions, including nonprofit sponsored loan funds established to provide funding for affordable housing and transit oriented development.

Craig has been practicing law for over 35 years and has been involved in low-income housing tax credit transactions since the inception of the program in 1986. He has been involved in thousands of low-income housing tax credit transactions.

Craig is a member of the District of Columbia and Maryland Bars. He was a member of the governing committee of the ABA Forum on Affordable Housing and Community Development from 2001 until 2010 and was Chair of the Forum in 2008-09. He was a member of the Advisory Board of The Housing and Development Reporter.

Craig is the co-author of “Section 704(b) Regulations and Tax Credit Transactions: Structuring Low-Income Housing Tax Credit Transactions to Avoid Reallocations of Tax Credits and Losses,” Journal of Affordable Housing, Summer 2002, “IRS Rulings May Significantly Reduce Eligible Basis in Tax Credit Transactions,” Journal of Affordable Housing and Community Development Law, Winter 2001, “The Low-Income Housing Credit Provides Shelter from the Cold and Taxes,” Journal of Taxation of Investments, Winter 1995, and is the author of “Current Decision, Redding v. Commissioner,” George Washington University Law Review, November 1979.

Craig was formerly a partner with Venable, Tucker Flyer, and Ginsburg, Feldman and Bress, all in Washington, D.C.

Craig received his Bachelor of Science degree in Business from Miami University (Ohio) in 1977, his Juris Doctor degree from George Washington University National Law Center, where he was on the Law Review, in 1980, and his Master of Laws in Taxation from Georgetown University in 1984.

Aaftab Esmail, Founding Partner

Aaftab Esmail is a founding partner in Bocarsly Emden Cowan Esmail & Arndt LLP and has over 25 years of experience as a transactional real estate attorney. His practice focuses on the acquisition, financing, syndication, development, construction, leasing and disposition of a wide variety of real estate projects, with a particular emphasis on multi-family residential properties. He has extensive experience in the structuring and negotiation of complex joint venture, partnership and other entity arrangements and also represents both landlords and tenants in the leasing of retail and mixed use projects.

Mr. Esmail has extensive experience in the acquisition, financing, development and leasing of multi-family properties, mixed use projects, student housing, industrial parks, shopping centers, office buildings and tax-credit projects throughout the United States. He has also represented landlords and national tenants in the leasing of shopping centers, office buildings, industrial parks and telecommunication buildings. Mr. Esmail has also represented clients in the acquisition, financing and disposition of sport franchises and national and regional chains of supermarkets, convenience stores, gas stations and auto parts stores.

Mr. Esmail has been named one of the “Best Lawyers in America” and one of the “Best Lawyers in the Los Angeles Area” based on confidential peer review surveys. Clients and adverse parties alike commend his practical and deal making approach to transactions.

Mr. Esmail received his Bachelor of Arts degree from the University of California, Los Angeles in 1983 and his Juris Doctorate degree in 1986 from Harvard Law School. He is a member of the California Bar Association and the Los Angeles County Bar Association.

Tracy Damudar, Partner

Tracy Damudar is a transactional real estate attorney whose practice includes the representation of real estate developers, landlords, tenants and investors in a broad range of real estate transactions, including acquisitions, dispositions, financing and improvement of a variety of properties – such as office buildings, multifamily properties, mixed-use developments and industrial facilities. She also handles commercial and retail leasing, ground leasing, affordable housing and tax-deferred exchanges.

Ms. Damudar received her Bachelor of Arts degree from the University of California, Berkeley in 1993 and her JD degree from the University of California, Hastings College of Law in 1997. She is a member of the California Bar Association.

Nicole Deddens, Partner

Ms. Deddens represents both for-profit and nonprofit affordable housing developers and investors in commercial, mixed-use and residential developments. In particular, she has knowledge and experience in the development and finance of affordable housing, historic buildings and projects utilizing (1) tax credits, such as federal and state low-income housing tax credits and historic tax credits, (2) development incentives, such as tax abatement and tax increment financing, and (3) federal funds, HOME Investment Partnership Act funds, FHA-insured loans and tax-exempt bonds.

Ms. Deddens received her Bachelor of Arts degree magna cum laude from the University of Notre Dame in 1997 and her JD degree in 2000 from UCLA. In 2001, she was a Women's Law and Public Policy Fellow at Georgetown University Law Center.

Nichole Berklas, Partner

Nichole Berklas is a transactional real estate attorney at Bocarsly Emden. She represents developers, investors and syndicators in a wide range of projects, including multi-family, single family, commercial, retail and office centers throughout the United States. Her practice involves all aspects of the acquisition, development of and investment in a piece of property, including negotiation of purchase agreements, construction and permanent loans funded by numerous sources, negotiation of development contracts, and formation and syndication of partnerships and limited liability companies. In addition, Ms. Berklas has experience representing both national retailers and REITS in the negotiation of in–line and pad site leases.

Ms. Berklas was formally an associate with Riordan & McKinzie in Los Angeles, California and Winstead Secrest & Minick in Dallas, Texas.

Ms. Berklas received her Bachelor of Arts degree from University of California, Los Angeles in 1997 and her Juris Doctorate from New York University School of Law in 2001.

Robert Cowan, Partner

Mr. Robert Francisco Cowan is an associate with Bocarsly Emden, working primarily in the firm's Tax Credit practice, with emphasis on the New Markets Tax Credit, Historic Tax Credit and Renewable Energy Tax Credit, as well as the Low Income Housing Tax Credit. Robert also represents developers and investors, as well as lenders, in commercial and residential real estate development.

Mr. Cowan's experience includes advising one of the country's most prolific tax credit investors over the course of multiple transactions with a leading solar industry developer, resulting in approximately 30 megawatts worth of solar panel installations across California, Massachusetts and New Jersey.

Mr. Cowan has advised the same institutional tax credit investor in New Markets Tax Credit financings totaling over $190 million of qualified equity investments across several states, as well as in several transactions involving the rehabilitation of historic properties in California and the rest of the country.

Mr. Cowan also routinely represents non-profit and for-profit clients seeking to utilize tax credit-based financing. Non-profit clients have included California-based 501(C)(3) corporations targeting at-risk youth, managing multi-family housing developments, and constructing the first science center for children in the San Fernando Valley.

Mr. Cowan's for-profit developer clients include an active Southern California-based developer who owns over 2,600 units of market and affordable housing. Mr. Cowan has represented this developer not only in the syndication of low income housing tax credits, but also the redevelopment of one prime square mile in downtown Lancaster, California, into an award-winning 150,000 square foot retail promenade over the course of 3 separate transactions.

Mr. Cowan joined the firm as an associate in 2007. Mr. Cowan received his bachelor's degree from the University of Southern California, his juris doctor from Loyola Law School in Los Angeles, and is currently admitted to practice law in the state of California.

Aaron Eshaghian, Partner

Aaron Eshaghian is an associate at Bocarsly Emden, where he practices real estate transactional law. Mr. Eshaghian represents investors and developers in connection with the acquisition, financing, syndication, leasing and disposition of a broad range of real estate projects. In addition to his general real estate work, Mr. Eshaghian focuses on real estate projects involving the use of tax credit-based financing.

Mr. Eshaghian received his Bachelor of Arts degree, magna cum laude, in Business Economics and History from the college honors program at University of California, Los Angeles in 2009, and his Juris Doctor in Law, with a specialization in Business Law, from the University of California, Los Angeles in 2013.

During law school, Mr. Eshaghian held positions at various organizations within the real estate sector. Mr. Eshaghian clerked in the Housing Department of the Los Angeles City Attorney's Office, worked in the in-house legal department of a regional real estate investment and management company, served as a summer associate for a local real estate transactional law firm, and was a member of UCLA's inaugural class of the Real Estate Law Clinic. Through these experiences, Mr. Eshaghian has attained the foundational tools to better meet client needs.

Michael Hopkins, Partner

Michael Hopkins is a transactional real estate attorney and an associate at Bocarsly Emden. Her practice focuses on affordable housing, where she represents investors and developers (both for profit and nonprofit) in connection with the acquisition, financing and syndication of real estate projects utilizing the low-income housing tax credit. In addition, Ms. Hopkins has assisted with the development of affordable multi-family properties financed with state low-income housing tax credits, tax exempt private activity bonds, federal CDBG, HOME funds, Affordable Housing Program funds and other similar funding sources. She also represents investors in multi-family housing developments within Native American nations, including projects financed, in part, with Native American Housing Assistance and Self-Determination Act (NAHASDA) allocations. Ms. Hopkins is a member of the District of Columbia and Maryland Bars. She is also a member of the ABA Forum on Affordable Housing and Community Development Law and serves on the Leadership Committee for the Young Lawyer's Division of the Forum. Prior to joining the firm, Ms. Hopkins was a law clerk at Simon Passanante, PC in St. Louis, Missouri, and served as Executive Editor of the Saint Louis University Public Law Review.

Ms. Hopkins received her Bachelor of Arts degree cum laude from the University of Maryland, College Park, in 2002 and her Juris Doctor degree from Saint Louis University School of Law in 2006.

Daryll Kidd, Partner

Daryll Kidd is a partner in Bocarsly Emden. She practices general real estate law with an emphasis on affordable housing where she represents developers (both for profit and nonprofit) and investors in connection with the acquisition, financing and syndication of real estate projects utilizing the low-income housing tax credit and the new markets tax credit.

Ms. Kidd was formerly with Bingham McCutchen LLP. Previously, Ms. Kidd worked for the administration of former Los Angeles Mayor Richard J. Riordan in the Offices of Community Affairs and Policy.

Ms. Kidd received her Bachelor of Arts degree from the University of California, Berkeley, in 1999 and her Juris Doctor degree from the University of California Berkeley School of Law (Boalt Hall) in 2004.

Rachel Rosner, Partner

Rachel Rosner is a partner in the Los Angeles Office of Bocarsly Emden. Her practice focuses on affordable housing, where she represents investors and developers (both for profit and nonprofit) in connection with the acquisition, financing and syndication of real estate projects utilizing the low-income housing tax credit.

Prior to joining Bocarsly Emden, Ms. Rosner served as a legal fellow in the Office of Los Angeles Mayor Antonio Villaraigosa, where she worked primarily on issues related to low-income housing and city governance. During law school, Ms. Rosner clerked in the Housing Section of the United States Department of Justice, Civil Rights Division. At the Justice Department, Ms. Rosner worked on cases challenging discrimination in mortgage lending, housing, and zoning.

Ms. Rosner earned her Juris Doctor from Washington University in St. Louis in 2010, where she received the Equal Justice Works Award for commitment to pro bono and public service and served as Senior Editor of the Washington University Law Review. She earned her Bachelor of Arts degree in Political Science from the honors program at the University of Maryland in 2006. Ms. Rosner is admitted to practice law in the State of California.

Alicia Went, Partner

Alicia M. Went is a transactional tax attorney and partner at Bocarsly Emden. Ms. Went advises clients on a wide range of tax issues and her current practice focuses on tax credit transactions, including Low-Income Housing Tax Credits, New Markets Tax Credits, Historic Tax Credits, and Energy Tax Credits. Ms. Went has ample experience representing tax credit syndicators and developers in Low-Income Housing Tax Credit transactions and portfolio acquisitions. She has also represented numerous community developments entities and borrowers in New Markets Tax Credit transactions across the country.

Prior to joining Bocarsly Emden, Ms. Went was an associate at Ballard Spahr LLP, where she focused on Low-Income Housing Tax Credit transactions, New Markets Tax Credit transactions, tax controversy matters and general tax matters. Earlier in her career. Ms. Went was a senior tax associate at KPMG LLP, where she worked with Fortune 500 companies and sophisticated partnerships, across a wide range of industries, in tax preparation and consulting matters.

Ms. Went received her LLM in Taxation from New York University School of Law, her Juris Doctorate degree from Temple University Beasley School of Law and her Bachelor of Science degree in Finance from the Pennsylvania State University.

Juan Bustamante, Attorney

Juan Bustamante is an associate at Bocarsly Emden, where he practices real estate law with a focus on affordable housing and community development. He represents developers and investors in connection with the acquisition, financing and development of real estate, primarily in transactions involving federal low-income housing tax credits and new markets tax credits.

Mr. Bustamante received his J.D. from New York University School of Law, where he was a Frank J. Guarini Government Scholar and a researcher at the Furman Center for Real Estate & Urban Policy. Mr. Bustamante earned his B.S. in Earth Systems and his M.S. in Civil/Environmental Engineering from Stanford University.

Sharona Daneshrad, Attorney

Sharona Daneshrad is an associate in the Los Angeles office of Bocarsly Emden where she focuses on general real estate, affordable housing and community development projects. She represents investors and developers in connection with the acquisition, financing and syndication of projects utilizing the federal Low-Income Housing Tax Credit Program.

Prior to joining Bocarsly Emden, Ms. Daneshrad was an associate at Alston & Bird LLP in Los Angeles, where her practice focused on representing equity sponsors and financial institutions in a variety of secured financings, including asset-based and cash flow acquisition financings, and representing banks and institutional investors in the origination, servicing and sale of commercial real estate debt.

Ms. Daneshrad received her Juris Doctor from Loyola Law School of Law Angeles in 2013 as a member of the St. Thomas Moore Honors Society and the Dean's Honors List. During law school, she served as a legal extern for the Honorable Susan Bryant-Deason, and was as a certified law student advocate in the Youth Justice Education Clinic. Ms. Daneshrad received her Bachelor of Arts degree, cum laude, in Psychology with a Minor in Education, from the University of California, Los Angeles in 2010. Ms. Daneshrad is admitted to practice law in the State of California.

Heather Gazan, Attorney

Heather Gazan is a transactional real estate attorney and an associate at Bocarsly Emden. Her practice focuses on affordable housing, where she primarily represents investors in connection with the acquisition, financing and syndication of real estate projects utilizing the low-income housing tax credit. In addition, Ms. Gazan has assisted with the development of affordable multi-family properties financed with tax exempt private activity bonds, CDBG and HOME funds, Affordable Housing Program funds and other similar funding sources. Ms. Gazan also taught Legal Reasoning and Writing at the George Mason University Antonin Scalia Law School. Prior to and while attending law school, Ms. Gazan worked as a consultant, providing research and technical assistance services to the U.S. Department of Housing and Urban Development and local governments throughout the country on a variety of affordable housing and community development programs.

Ms. Gazan is a member of the District of Columbia and Maryland Bars.

Ms. Gazan received her Bachelor of Arts degree from Pennsylvania State University, University Park, in 1995, a Master's degree in City Planning from the University of Pennsylvania in 1997 and her Juris Doctor degree from George Washington University National Law Center in 2004.

Adam Reifman, Attorney

Mr. Reifman's practice focuses on general real estate, affordable housing and community development projects.

Prior to joining Bocarsly Emden, Adam was an associate at Murphy Austin Adams Schoenfeld LLP, focusing on commercial real estate matters, including purchase and sale transactions, financing and refinancing transactions, leasing, property management transactions, easements, conservation and mitigation transactions. He was also previously an associate at Sabelhaus & Strain LLP, focusing on complex commercial contract drafting, review and negotiation in theareas of real estate law, affordable housing, Low-Income Housing Tax Credit (LIHTC), partnership and LLC formation, and Fair Housing Law.

Having represented developers, borrowers, limited partnerships and LLCs, nonprofit lenders, commercial landlords and tenants, Adam possesses a diversity of knowledge on a wide range of transactional issues.

Adam earned his J.D., *magna cum laude*, from Temple University – James E. Beasley School of Law in Philadelphia and received a B.A. in Economics from New York University in New York.

Emily Waterhouse, Attorney

Ms. Emily Waterhouse is a transactional real estate attorney and an associate in the Los Angeles office of Bocarsly Emden. She specializes in affordable housing and community development projects and represents investors and developers in the acquisition, financing, and syndication of real estate projects that utilize the federal low-income housing tax credit and the new markets tax credit.

Prior to joining Bocarsly Emden, Ms. Waterhouse was an associate at Katten Muchin Rosenman LLP, where she focused on commercial finance transactions and represented agents, lenders, private equity sponsors and borrowers in a variety of leveraged financings.

Ms. Waterhouse received Juris Doctorate degree from UCLA Law, where she served as editor-in-chief of the Journal of Environmental Law & Policy and chair of the Landlord-Tenant Clinic. Ms. Waterhouse received her Bachelor of Arts degree from Amherst College with a double major in Political Science and Environmental Studies.

Other Information

Conflicts of Interest

As attorneys, we are governed by the rules of professional conduct of the Maryland State Bar and the State Bar of California relating to our representation of clients when present or potential conflicts of interest exist. These rules require us to obtain written consent from any past or present client before commencing substantive representation on a matter where a conflict may be present. As such, Bocarsly Emden's final agreement to represent a client must be contingent upon receiving any applicable conflict waiver letters which would be required at that time.

Equal Opportunity & Non-Discrimination Policy

Bocarsly Emden believes that all individuals are entitled to equal employment opportunity. We make employment decisions without regard to race, color, sex, age, mental or physical disability, religion, creed, national origin, marital status, sexual orientation, ancestry, citizenship, veteran status, pregnancy or any other unlawful consideration. This policy applies to all aspects of employment, including recruitment, hiring, training and development, promotion, compensation, transfer, termination, layoff and all other conditions and privileges of employment, in accordance with applicable laws.

Compensation & Ensuring Value

One of Bocarsly Emden's core belief's is that every client must receive true value for monies spent on legal services. We believe that there are four elements to ensuring that its clients are billed in a fair and value oriented manner that is sensitive to the needs of that client: flexibility of rate structure, meaningful communication regarding costs and fees, appropriate staffing and minimizing costs.

Conclusion

The success of Bocarsly Emden is attributable to our commitment to provide the highest quality of legal representation while never losing sight of our client's primary objectives. Bocarsly Emden's unique culture allows us to distinguish ourselves from mega-firms. At Bocarsly Emden, we believe that an attorney-client relationship is inherently personal and that the highest quality of legal services cannot be provided unless an attorney knows his or her client and understands their business in a meaningful way. Every matter has quirks and nuances that should be understood by a senior attorney so that the legal services can be responsive to that specific matter. At Bocarsly Emden, you will always be treated as one of our most important and valued clients and we will commit to provide you with a level of service unparalleled in the industry. You will have a consistent team of attorneys who you will know and trust and who will understand your objectives for each matter.

Our Offices

Bocarsly Emden Cowan Esmail & Arndt LLP

Los Angeles Office

633 West Fifth Street, Suite 5850

Los Angeles, CA 90071

Phone: 213.239.8000

Fax: 213.239.0410

Maryland Office

4800 Hampden Lane, Suite 200

Bethesda, MD 20814

Phone: 301.634.0500

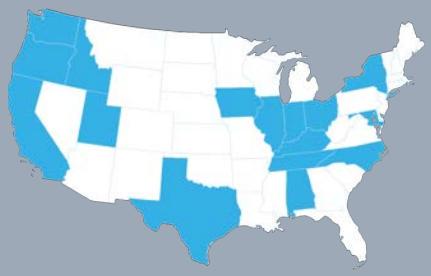
Fax: 301.654.4007

Attachment 1D: Civil Engineer Resume

KPFF is the Civil Engineer of record for the Sheldon Farms project. Resumes for the following key staff are inclued.

- Ryan Carter PE, MBA, QSD/QSP

kpff



25
OFFICES THROUGHOUT THE UNITED STATES

1,400+
KPFF TEAM MEMBERS

7
OFFICES IN CALIFORNIA

850+
LICENSED PROFES-SIONALS

1960
YEAR KPFF FOUNDED

32
YEARS IN SAN FRANCISCO

Developing partnerships to create extraordinary places since 1960.

Great engineering is the cornerstone of a safe and thriving community, a responsibility that KPFF does not take lightly. We are driven to do our best work with this in mind. Marrying these fundamentals with our core values of **excellence, trust, passion, relationships and stability** creates an environment where our team flourishes.

We listen attentively, we adapt, and we tailor our systems to fit the unique challenges of each project. We have offices across the state, giving us **extensive knowledge** of local code, seismic considerations, soil conditions and climate change. Our team applies the **latest technology** including BIM, AI and analytical software to explore and develop advanced solutions.

Northern California Profile

KPFF Northern California Civil + Survey was established in 2024, merging the civil and survey practices that had been operating separately since 2010, to better serve the architectural and construction industry in Northern California. The Northern California office has a team of 23 comprised of civil engineers, and surveyors. Our team will continue to be successful by listening to our client's needs, communicating well, and providing excellent technical expertise and superior service.

Civil Engineering

Our civil engineering group works with local, county, state, and federal public agencies as well as private commercial developers. Strengths include Stormwater Management, ADA Accessibility, Earthwork/Grading, Utility Relocation/Design, Surveying Coordination, Erosion Control, Infrastructure Master Planning, Urban Redevelopment, Sidewalk/ Right-of-Way Design, Road Improvements and more.

Surveying

We are committed to creating, fostering, and sustaining a culture of Diversity, Equity, and Inclusion. Teams that represent varied identities, backgrounds, and perspectives drive innovation and generate better solutions to the complexities of our constantly evolving and diverse world, better serving the needs of our employees, clients, and communities. While recognizing the challenges and unknowns that will arise on our journey, our commitment to these values is unwavering, and integral to our work here at KPFF.

kpff

RYAN CARTER PE, MBA, QSD/QSP

Managing Principal | Civil Engineer

Ryan has managed a wide variety of civil engineering projects throughout California, Nevada and Arizona, specializing in land development civil engineering. His experience has focused on school and industrial projects, healthcare, commercial development, residential subdivisions, and federal government. As the Managing Principal of Northern California Civil KPFF, Ryan is responsible for client communication, supervision of engineering, survey and drafting personnel, project design and production, overall project coordination and construction administration. His experience includes over 25 years of civil design, consulting, and program management.

relevant experience

- Alameda County Water District Security Master Plan; Alameda, California
- City of Lathrop Recycled Water Discharge; Lathrop, California
- Wellness Center; Elk Grove, California
- Elk Grove Food Bank; Elk Grove, California
- California Highway Patrol; Sacramento, California
- California Lottery Due Diligence; Milpitas, California
- Cesar Chavez Library; Stockton, California
- Judicial Council of California
  - Nevada City Courthouse Study; Nevada City, California
  - Fort Ord Courthouse Study; Monterey, California
- Mainzer Theater; Merced, California
- Menlo Park Community Center; Menlo Park, California
- Pasadena Arts Center; Pasadena, California
- Sacramento Downtown Plaza; Sacramento, California
- Sacramento Zoo; Sacramento, California
  - Biodiversity Center
  - Fox Shade Structure
  - Lion Exhibit Wall
  - Playground
  - Portable Classrooms
- San Diego County Animal Shelter; San Diego, California
- Stanislaus County Empire Library; Empire, California

education

Master of Business, University of Phoenix

Bachelor of Science, Civil Engineering, California State University, Chico

licenses + certifications

Professional Engineer: CA (C72087)

Professional Engineer: NV (031335)

QSD/QSP in California

affiliations + memberships

Urban Land Institute

American Society of Civil Engineers

CSU Chico Professional Advisory Board (PAB) Member

ACE Mentor- California Capital Board Member

kpff

Attachment 1E: Construction Management Resume

AMJ Construction Management, Inc will be the construction manager for Sheldon Farms. Attached is their firm resume with Matthew Wickersham acting as Principal.

INTRODUCTION

AMJ Construction Management, Inc. (AMJ) is dedicated to excellence through proven experience, integrity and superlative service. We provide value-added services to our clients by creating a unique, trust-based partnership throughout the entire construction process. Our pledge is to establish lasting relationships with our customers by exceeding their expectations through exceptional performance by every member of our team, resulting in successful outcomes with each and every project.

COMPANY HISTORY

AMJ's expertise comes as a result of over 70 years of combined experience amongst the firm's principals. Our experience spans the architectural, engineering and construction/project management industries, including work in residential and commercial structures, large civil developments, utility generation and transmission, and transportation infrastructure.

AMJ's clients include public agencies, private corporations and not-for-profit organizations. Among the client-types, AMJ has successfully managed a diverse range of projects from the historic renovation of individual Hollywood bungalows to the new construction of 250+ unit master-planned developments and located from San Diego to San Francisco. The professionals at AMJ are well-versed with managing multiple project types on fixed budgets and tight construction schedules. AMJ's scope of services are customized to fit each client to ensure that every detail is considered, and the client can feel confident in having an experienced Owner's Representative to manage their construction program from beginning to end.

COMPANY STRUCTURE

AMJ is boutique consulting firm with a dedicated staff of Principals, Project Managers and Engineers. With a mission to deliver high-caliber construction management services and a passion to support development throughout the State of California, the professionals at AMJ have delivered over 12,000 multi-family residential units.

Please direct all questions and/or concerns to:

Mr. Matthew Wickersham
7474 N. Figueroa Street, Suite 250
Los Angeles, California 90041

Phone (818) 807-7085
E-Mail mjwickersham@amjcm.com

Relevant Project Experience

The AMJ Construction Management team works proactively with developers to complete their multifamily residential project within a timeline that meets their needs. Primarily consisting of new construction, renovation/rehab, and adaptive re-use projects, our multifamily construction management ranges from affordable to market rate, housing to hospitality. Each multifamily residential project presents a unique set of challenges, including lending requirements, construction scheduling, local compliance approvals, and various product types.

Throughout the entire construction process we work closely with the architect and various consultants, making key decisions for effective and efficient cost management. This includes using knowledgeable and experienced cost estimators on staff that utilize our vast historical database, which provides accurate cost expense forecasting at critical design milestones. These timely design decisions, coupled with accurate cost estimating, are critical to successful project outcomes for our clients.

Because we are involved in the construction management from inception to lease-up, we can provide critical value-added services at virtually every stage of the development lifecycle. In addition, we utilize our industry connections to bring together a network of proven professionals who are uniquely qualified to successfully deliver a specific product type. Throughout each project phase, our experience in proactive, effective scheduling and cost management plays a key role in tracking overall progress, delivery date forecasting, and in assessing the potential for project acceleration to meet deadlines.

Project: Mission Gateway

Project Type: New Construction (Type I-A & V-A)

Construction Duration: 28 months

Description: Mission Gateway was a two-phase delivery for a total of 356 units. The residential units were constructed over subterranean and at-grade parking plus the addition of ground floor amenity space for the residents. The building was designed with five individual courtyards, each one themed for a different program. Outdoor amenities include a playground, grilling and dining areas, gaming areas and various entertainment spaces.

Project: Amani Apartments

Project Type: New Construction (Type I-A & Type V-A)

Construction Duration: 22 months

Description: Amani Apartments is a 53-unit affordable housing community located at 4200 W Pico Boulevard, Los Angeles, CA 90019. This project consists of fifty three (53) Supportive Housing units designated for extremely low-income seniors (aged 55+) experiencing homelessness. Eleven (11) of the units will be for individuals living with a serious mental disorder referred by the Los Angeles County Department of Mental Health (DMH). Community amenities include a secure building with 24-hour camera monitoring, designated smoking area, laundry facilities, community room with TV and computer workstations, rooftop lounge, BBQ area, pet friendly, bicycle storage, free Wi-Fi, no available resident parking.

Project: Lamp Lodge

Project Type: New Construction (Type I-A & III-A)

Construction Duration: 20 months

Description: The original Lodge, built in 1912, was in disrepair. The owner, The People Concern, partnered with Meta Housing to create a new development to house the original Lodge residents, as well as new residents experiencing homelessness and chronic homelessness within the surrounding Skid Row neighborhood. The partnership temporarily relocated residents of the Lodge and replaced the old building with 82 new, thoughtfully designed units. The new building contains a central courtyard and plenty of community space for new and returning residents.

Project: Chesterfield Apartments

Project Type: New Construction (Type I-A & Type V-A)

Construction Duration: 20 months

Description: The Chesterfield provides 42 supportive homes in South L.A. for seniors age 55+ who have experienced homelessness. These affordable homes are coupled with robust support services that help residents live more stable, independent lives. This model is known as "Housing First" and has been proven as an effective solution for homelessness, helping some U.S. communities reduce chronic homelessness by as much as 90 percent. The design includes 42 studio apartments, one two-bedroom manager's unit, a community room, a laundry room and office space. A ground floor patio and landscaped rooftop terrace with seating areas provides space for socializing outdoors.

Project: The Kaufmann Apartments

Project Type: New Construction

Construction Duration: 18 months

Description: Located on Colorado Avenue, in the iconic downtown area of Santa Monica, the Kaufmann Apartments provides 34-units of artfully designed apartment living. With flowing wood siding and landscaped front gardens, the apartment complex opened with high remarks from the City of Santa Monica and the building's new residents. Striving to exceed the sustainability standards in Santa Monica, the building design carried a strong emphasis on green features. In recognition of these achievements, the project was awarded a LEED Platinum certification. The completion of the Kaufmann Apartments marked the fifth multifamily residential project that AMJ has completed with the City of Santa Monica in the past five years. With three more in construction, the firm has established strong relationships with City Staff.

5-Year Multifamily Residential For Affordable Housing Job History

American Family Housing

- 15081 Jackson – In Pre-Construction (Modular)
- Mariposa – In Pre-Construction
- Sepulveda HomeKey – In Construction
- Casa Paloma – Completed 10.2022 (Modular)

A Community of Friends (ACOF)

- Estrella Azul – In Pre-Construction
- Huntington Square – In Pre-Construction
- Liberty Lane – In Pre-Construction
- Lorena Plaza – In Construction
- West Terrace – In Construction
- Oasis – In Construction
- Firestone Phoenix – Completed 03.2021
- Casa del Sol – Completed 04.2020

Abode Communities

- Shasta – In Pre-Construction
- Camden – In Pre-Construction
- Grandview – In Pre-Construction (HHH PLA)
- 231 Grant – In Construction
- Western Landing – In Construction (Modular)
- Chavez Gardens – In Pre-Construction
- Beacon Landing – Completed 03.2024 (Modular & HHH PLA)
- Villa Verde – In Pre-Construction
- Harrower Village – In Construction
- Vermont Manchester – In Construction (Metro PLA)
- Adams Terrace 1 & 2 – In Construction (HHH PLA)
- Imagine – Completed 12.2019

Brilliant Corners

- Toyon Gardens – In Pre-Construction

Community Corporation of Santa Monica

- Berkeley Station – In Construction (Modular)
- Virginia – In Pre-Construction
- 1819 Pico – In Construction
- Las Flores – In Construction
- Pacific Landing – In Construction
- Vista Ballona – Completed 06.2022
- Greenway Meadows – Completed 03.2021

Community Housing Works
- Kimball Tower – Completed 05.2020
- Morgan Tower – Completed 05.2020

EAH Housing
- Distel Circle – In Pre-Construction (Modular)
- Martel – In Pre-Construction
- Laurel – In Pre-Construction
- Greenfield Commons – In Construction (Modular)
- Main Street – In Pre-Construction
- Pointe on La Brea – In Construction
- Magnolia Villas – Completed 12.2021
- Pointe on Vermont – Completed 03.2021

East Los Angeles Community Corporation
- Los Lirios – In Construction (HHH PLA)
- Whittier, Phase II – In Construction
- Rosa de Castilla – Completed 04.2022 (HHH PLA)
- Cielito Lindo, Phase II – Completed 12.2019
- Sun Valley – Completed 12.2019

Hampstead Companies
- Prospera at Homestead – In Construction
- Silvey Villas – In Construction
- Prospera at Fiddyment Ranch – In Construction

Hollywood Community Housing Corporation
- Luna Vista – In Pre-Construction
- Walnut Park – In Pre-Construction
- Palm Vista – In Construction
- Gramercy – Completed 03.2022
- Florence Mills – Completed 04.2021
- Stanford – Completed 03.2021
- Paul Williams – Completed 03.2019
- Coronel – Completed 02.2019

L.A. Family Housing
- Sherman – In Pre-Construction (Modular)
- Devonshire – In Construction (Modular)
- The Emerald – In Construction
- My Angel – In Construction
- Canoga Park Bridge Housing – Completed 02.2021
- Residence on Main – Completed 11.2020
- Sylmar Bridge Housing – Completed 06.2020
- North Campus – Completed 06.2019

- South Campus, Phase II – Completed 05.2019

LINC Housing
- Belmont – In Pre-Construction
- Victory Boulevard – In Pre-Construction (Modular)
- Hope Village – In Pre-Construction
- The Armory – In Pre-Construction (Modular)
- Sage Pointe – In Pre-Construction
- South Library – In Pre-Construction
- Cadence – In Construction

Little Tokyo Service Center
- Santa Monica & Vermont – In Construction

Mercy Housing
- Norwalk – In Pre-Construction
- Motherhouse – In Pre-Construction
- 3552 Whittier – In Construction (Modular)
- MLK + PCH – In Construction
- San Julian – Completed 06.2023 (Modular)
- Sherman Oaks – In Construction
- Placentia – Completed 09.2020
- Pico Robertson – Completed 06.2020
- Villa de Vida – Completed 05.2020
- Baldwin Rose – Completed 12.2019
- Pico Robertson – In Construction

Meta Housing
- Warner Center, Phase II – In Pre-Construction
- 1400 Long Beach – In Construction
- Warner Center, Phase I – In Construction
- Metro at Florence – In Construction
- Alves Lane – In Construction
- Willow Pass – In Construction
- 619 Westlake – Completed 08.2023
- Citrus Crossing – In Construction
- Washington Crossing – In Construction (HHH PLA)
- Otay Ranch – In Construction
- Palmdale Terrace – In Construction
- Juniper Grove – In Construction
- Mission Gateway – Completed 06.2023
- Vermont Corridor – Completed 02.2023 (HHH PLA)
- Lamp Lodge – Completed 05.2023
- Whittier Downey Northwest – Completed 03.2022
- Willow View – Completed 08.2021

- Metro at Buckingham – Completed 12.2020
- Whittier Downey Southeast – Completed 12.2019
- Courson Arts Colony West – Completed 07.2019
- The Cannery – Completed 05.2019

PATH Ventures

- 3rd Street – In Pre-Construction (Modular)
- City Heights – In Construction (Modular)
- Villas at West Carson – In Construction
- Villas at Hollywood – In Construction
- Gramercy Court – Completed 12.2021
- Villas at Montclair – Completed 12.2021
- Villas at South Gate – Completed 11.2021

Penny Lane Abbey Road

- The Rigby – In Pre-Construction
- The Main – In Pre-Construction
- Sun Commons – In Construction
- Imagine II – In Construction

Related

- Alhambra – In Pre-Construction
- Rose Hills Courts II – In Pre-Construction
- Rose Hills Courts I – In Construction
- Pueblo del Sol I & II – In Construction

Skid Row Housing Trust

- San Pedro & 7th – Completed 04.2022

Trestle

- 8th Avenue – In Construction

Venice Community Housing

- LAX Suites – In Construction
- The Journey – In Construction
- Rose Avenue – Completed 04.2022

Wakeland Housing

- Alma – In Pre-Construction
- Union Tower – In Pre-Construction
- Quincy – Completed 08.2023
- Wilcox – Completed 06.2023
- Amani – Completed 04.2023
- Chesterfield – Completed 02.2023

Weingart

- 11010 SMB – Completed 06.2023 (Modular)

West Hollywood Community Housing

- Mariposa Gold – In Pre-Construction
- Aloe Palm Canyon – In Construction
- Third Thyme – In Construction
- Mariposa Lily – In Construction
- Berendo Sage – In Construction

RESUMES

MATTHEW WICKERSHAM

Project Principal

Matthew has over twenty years working in the construction consulting industry. His client-based focus and hardworking mentality allow him to effectively manage multiple projects and/or tasks in a fast paced environment. Matthew has provided project management and project engineering services, including preconstruction support, scheduling and project and document controls on over fifty multifamily residential projects, including new construction and rehabilitation.

Education

- MBA, USC Marshall School of Business, 2013
- B.S., Business Administration, University of Nevada-Las Vegas, 2007
- Construction Management Certification, University of California-Los Angeles

Affiliations

- Project Management Institute (PMI) – Member
- Construction Management Association of America (CMAA) – Member
- Southern California Association of Non-Profit Housing (SCANPH) – Member

BRIAN CARUSO

Preconstruction Support

Over the last two-plus decades, Brian has applied his development, design, engineering and construction expertise to a portfolio of award-winning commercial and multi-family projects with a combined market value of over $4B. Brian played a pivotal role in the acquisitions, entitlement, design and construction of the projects, while innovating first-of-its-kind modular solutions for low-rise and high-rise buildings.

Education

- B.S., Construction Management, Cal Poly San Luis Obispo

Affiliations

- San Francisco Department of Building Inspection, Code Advisory Committee
- Temescal Telegraph Business Improvement District, Board Member
- Bay Area Green Chamber of Commerce, Founding Board Member
- Bay Area Council, SFHAC, ULI – Active Memberships

PAUL MILLER AIA, LEED AP

Preconstruction Support

With an illustrious career spanning over twenty-three years in architectural design, Paul has left an indelible mark on the industry through his tenure at esteemed firms such as Gensler, Marmol Radziner, and Koning Eizenberg. Paul's professional journey has been characterized by a steadfast commitment to mission-driven development, a commitment that ignited during the early 2000s when he dedicated himself to the realm of affordable housing. Here, he found his calling, channeling his design prowess and managerial acumen towards projects aimed at fostering inclusive communities and addressing societal needs.

In 2020, Paul embarked on a new chapter in his career journey by joining AMJ, where his expertise found a synergistic alignment with the company's ethos and aspirations. Since his tenure, Paul has been instrumental in spearheading the pre-construction and design management of over two dozen multifamily residential affordable housing projects. His visionary leadership, coupled with his profound understanding of the intricacies of affordable housing, has been pivotal in delivering projects that not only meet the functional needs of communities but also enrich their social fabric.

Education

- Bachelor of Architecture, Carnegie Mellon University, 1998

ERIK FERNANDEZ

Project Manager

With over seventeen years of dedicated experience in the construction industry, Erik has cultivated a comprehensive expertise across a diverse range of project types. His professional journey encompasses single and multi-family residential developments, commercial ventures, mixed-use projects, hospitality establishments, retail build-outs, tenant improvements, and educational facilities.

Erik's dynamic career trajectory underscores his versatility and adaptability within the construction domain. His multifaceted experience equips him with a holistic perspective, enabling him to tackle diverse challenges with confidence and proficiency. With a steadfast commitment to excellence and a proven track record of success, Erik continues to be a driving force in shaping the built environment, delivering impactful projects that stand as testaments to his unwavering dedication and expertise.

Joining AMJ in 2020, Erik has been instrumental in the pre-construction and construction management of over twenty multifamily residential affordable housing projects as well as mission driven charter schools.

Education

B.S., Construction Management, University of Washington, 2004

Attachment 1F: Property Manager Resume

The John Stewart Company will be the Property Manager for Sheldon Farms. Attached is the John Stewart Company Brochure, as well as the firm's resume. Tracy Esposito is the Vice President of the Sacramento Region.

The John Stewart Company

Diversified Housing Services

THE JOHN STEWART COMPANY

"Forging a strong and lasting partnership with JSCo is one of the best decisions we have made as an institution. In the course of eight years, JSCo has helped us turn a poorly-performing housing portfolio into a major cornerstone of our company. JSCo offers a deep and capable staff; expertise in managing all kinds of family and special needs housing; familiarity with regulatory requirements; unmatched geographic coverage around the Bay Area and beyond; and a management infrastructure that brings to bear skills and experience not generally present in on-site staff. Last but not least, they make it their business to understand and respect the needs of their clients."

Daniel Sawislak
Executive Director
Resources for Community Development

A Commitment to Service

John Stewart, Chairman and
Jack Gardner, President & CEO.

The John Stewart Company (JSCo) was founded in 1978 with a small staff but a strong commitment to providing high-quality management services for affordable housing in the Bay Area. Today, JSCo is a leading full-service housing management, development and consulting organization employing over 1300 people throughout California. We service a diverse portfolio of over 400 housing communities with more than 30,000 residential units — home to almost 100,000 Golden State residents.

One Stop Service

Whether you're looking for a development partner, need construction management services, or simply require top-notch management of your existing property, JSCo can guide you through all aspects of the complex process of multifamily housing development and/or property operations. Be it financial consulting, construction monitoring, rental marketing or specialized management programs, we have all the resources you need to make your project a success. The John Stewart Company has the versatility and professional capacity to perform every task from initial feasibility analysis through development and long-term property management.

Our strength as a diversified housing services provider is built upon the foundation of multi-family housing management spanning a broad range of populations. Tailored to your specific needs, our management approach goes beyond the traditional services of maintenance and budgeting. At JSCo, we are committed to creating secure and service-oriented environments for our residents while providing value-added benefits to our clients.

Creating Communities Through Partnerships

Our partnerships with private, public and non-profit organizations have earned wide-spread community support for many successful housing ventures. As part of this process, we frequently commit our own assets and share risk with our partners. We believe that productive partnerships are based on mutual trust, transparency, mutual accountability and confidence that common goals are best achieved together.

The wide spectrum of partners and clients served by The John Stewart Company ranges from government agencies to financial institutions; from community associations to resident organizations; and from non-profit community development corporations to private developers.

Ultimately, we recognize that both our residents' quality of life and our clients' success depend on our ability to develop and manage exceptional living environments that are a source of pride for their communities. We share with our clients a commitment to providing housing that is planned, built and managed to stand the test of time.

A Full Spectrum of Housing

Development & Construction Services

Acquisition and Rehabilitation
Interior/exterior Rehabilitation
Structural Repairs
Seismic Upgrades
Landscape Improvements
Electric/Gas meter Conversions
Relocation Services

New Housing Development
Conventional and Affordable
Rentals and Ownership
Housing for Special Populations
Mixed Income Developments
Mixed Use – Residential/Retail
Transit-Oriented Development

Historic Preservation/Adaptive Reuse
Historic Tax Credit Rehabilitation
Adaptive Reuse of Historic Properties

Pre-Construction and Construction Services
Planning and Zoning Review
Owners' Representative Services
Construction Monitoring
Architectural Services
General Contracting
Construction Management
Public Agency Coordination
Technical Consultant Coordination
Bid Coordination and Selection

Financial Services

Financial and Syndication Services
Funding Source Identification
HUD/CalHFA Funding Applications
Tax Credit Applications
Grant Writing
Tax Credit Syndications
Financial Packaging
Financial Consulting

Project Planning and Feasibility Analysis
Predevelopment Due Diligence
Feasibility Studies
Development Timelines
Building Diagnostics
Market Identification
Financial Projections

Services Under One Roof

Housing Management Services

A full spectrum of Housing Types

Apartments
Condominiums
Planned Unit Developments
Common Interest Developments
Cooperatives
Live/Work
Single Room Occupancy Hotels
Retirement Housing

Specialized Program Development

Supportive Services
Information and Referral Services
Educational Services
Health Services
Child Care
On-the-job Training
Recreational Programs
Artists' Housing

Services for Diverse Populations

Families and Individuals
Renters and Homeowners
Seniors and Children
Special Needs Populations
Homeless Transition Age Youth

Marketing and Rent Up

Advertising and Promotion
Resident Screening
Community Building & Outreach
Fair Housing Compliance
HUD/CalHFA/HCD Compliance
Tax Credit Compliance
Redevelopment Agency Compliance
Affordable Housing Program Compliance

"I'm convinced that the opportunities that we were given with the Affordable Housing program were instrumental in helping us through the difficult financial times in our lives. It allowed us the ability to concentrate on the important things in life, such as great education, spending quality time with family and bonding with other families in similar situations. My children and I thank you from the bottom of our hearts for having the foresight to create programs that help so many people."

– Former Resident (Now a homeowner)

Innovative Housing Solutions

At the John Stewart Company, we are committed to creating housing solutions that really work and our clients, for our residents, and for the communities in which we work. From inner-city single room occupancy hotels to garden-style family apartments to high-rise condominium towers, our goal is the same: that every home is exceptionally well-built, secure, and expertly managed. Consider the following examples of our development and construction management activities::

In 2004, the John Stewart Company co-developed North Beach Place, a 341-unit, mixed-income, mixed-use HOPE VI project in San Francisco with BRIDGE Housing Corporation and Em Johnson Interest. This development includes an on-site childcare center, teen center, computer learning center and 20,000 square feet of retail space. North Beach Place is one of the few HOPE VI projects in the state that not only fully replaced the public housing units formerly on the site, but also added more than 100 new units of affordable housing for very low and low-income seniors and families.

Building on the success of North Beach Place, JSCo is currently the lead developer for the first "HOPE SF" project in San Francisco: the transformation of a 22-acre dilapidated public housing complex in into a new 750-unit mixed-income and mixed-use neighborhood.

In the East Bay, The John Stewart Company served as developer, owner and manager of one of the first transit-oriented, mixed-use residential developments in California. Located adjacent to the Del Norte BART Station in El Cerrito, this award-winning mixed-income community successfully promoted the use of public transportation by 70% of its residents.

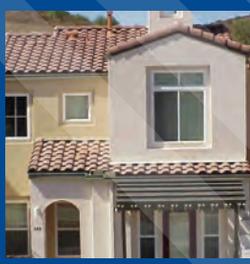
Working with community-based nonprofit housing partners, JSCo is also both preserving existing affordable housing and developing innovative "green" supportive housing for special needs populations.

For example, we recently partnered with a non-profit organization in San Francisco to renovate and preserve the affordability of a 245-unit HUD Section 236 development, and in both Southern California and the Bay Area we have recently worked with local nonprofit organizations to build LEED-certified supportive housing developments for low-income blind and developmentally disabled populations.

We also recently completed a LEED-certified mixed-income and mixed-use artists' complex in Ventura, California. Targeted to low-income working artists, this sustainable project is one of the first in the nation to take advantage of the new "artistic and cultural" preference allowed for Low Income Housing Tax Credit developments. The complex includes gallery/performance space, art-oriented retail uses, supportive housing for formerly homeless households and market-rate condominiums.

Acting as owner's representative for multiple non-profit housing corporations, we have directed many multi-million dollar residential rehabilitation projects from contract to completion – often finishing early and under budget. Combined with property management, we have provided seamless capital improvement services for clients throughout the state.

Working with non-profit and private housing owners and public agencies across California, JSCo has created housing solutions too numerous to describe here. With our broad development experience and diverse management skills, The John Stewart Company seeks out challenging opportunities to bring new life to troubled neighborhoods and new hope to families in search of a place to call home.



The John Stewart Company

Recognition & Awards

Outstanding Achievement in Affordable Housing & Community Development
– San Diego Housing Federation (2010)

Affordable Housing Finance
Readers' Choice Awards
– Best Green Project - Casa Feliz (2010)
– Best Family Project - North Beach Place (2005)

Enterprise Partner of the Year
– Community Housing Partnership (2009)

Housing Sponsor of the Year
– Merritt Community Capital (2008)

Excellence in Affordable Housing, Property and Asset Management
– Enterprise Community Partners (2008)

2005 Local Hero
– Housing Rights, Inc. (2005)

Rubicon "Above and Beyond" Honoree
– Rubicon Programs, Inc. (2005)

Community Developer Award
– San Francisco Chamber of Commerce (2002)

business card goes here

Five Locations to Serve You

The John Stewart Company provides development, construction oversight and management services throughout California. Headquartered in San Francisco, we also have offices in Sacramento, South Bay, Los Angeles and San Diego.

San Francisco
Corporate Offices
1388 Sutter Street
Suite 1100
San Francisco, CA 94109
Phone: 415/345-4400
Fax: 415/614-9175
www.jsco.net

Sacramento
Regional Office
1455 Response Road
Suite 140
Sacramento, CA 95815
Phone: 916/561-0323
Fax: 916/561-0326

South Bay
Regional Office
104 Whispering Pines Drive
Suite 200
Scotts Valley, CA 95066
Phone: 831/438-5725
Fax: 831/438-5737

Los Angeles
Regional Office
888 S. Figueroa Street
Suite 700
Los Angeles, CA 90017
Phone: 213/787-7200
Fax: 213/833-1866

San Diego
Regional Office
9948 Hibert Street
Suite 207
San Diego, CA 92131
Phone: 858/537-2026
Fax: 858/549-2739

www.jsco.net

The John Stewart Company (JSCo) was founded in 1978 to provide high quality management services for affordable housing in the Bay Area. Today, JSCo is a full-service housing management, development, and consulting organization employing over 1,400 people throughout California. According to the National Affordable Housing Management Association (NAHMA), JSCo is now the largest manager of affordable housing in California and the seventh largest in the United States. JSCo's management portfolio contains over 420 properties totaling over 34,000 residential units and is home to over 100,000 California residents.

The staff at The John Stewart Company is as multi-faceted as the populations we serve. We have been recognized by the State of California with an award for Excellence in the Workplace for the promotion of ethnic and cultural diversity. Our professional backgrounds are in areas as diverse as real estate, finance, education, sociology, land use planning, public policy, architecture, engineering, construction, accounting, and communication. Our diversity of experience, together with our commitment to providing service-oriented housing, exemplifies the unique perspective and breadth of services we bring to every client.

The John Stewart Company is experienced in the complex process of multi-family real estate financing, development, marketing, and management. We have the versatility and professional capacity to perform every task from initial feasibility through development and long-term property management. We have five offices across California, located in San Francisco, Sacramento, Scotts Valley, Los Angeles and San Diego. Our services include:

Housing Types
Affordable and Market-Rate Rental Housing, Senior Housing, Cooperatives, Special Needs Housing and Permanent Supportive Housing.

The JSCo management portfolio contains over 420 properties and more than 34,000 residential units, and is home to over 100,000 California residents.

Management Services
Comprehensive housing management is the foundation of The John Stewart Company's diversified housing services. Our goal is to provide secure, service oriented, well maintained and professionally managed housing that serves the interests of residents and owners alike. Reaching beyond the traditional management services of maintenance and budgeting, we strive to create community environments that foster high levels of physical, social, and emotional well-being among residents. We partner with a wide variety of organizations at properties serving special needs residents, including the formerly or chronically homeless, developmentally disabled, and transitionary housing. JSCo staff work closely with these organizations to provide the necessary ongoing resident support. At the same time, we also provide owners and sponsors with financial efficiency, accountability, and value-added benefits.

Maintenance
A comprehensive maintenance program ensures that every property is well maintained. Extensive preventive maintenance procedures keep equipment and systems in top operating condition. Every property is required to have an Operations Manual containing emergency information and procedures, utility location and shut-off maps, and identification, location and servicing information for building equipment systems.

Marketing and Lease-Up Services
The John Stewart Company's approach to marketing and lease-up utilizes a range of targeted advertising and promotional activities designed to effectively reach qualified applicants. In addition, we establish community outreach and community building programs in an effort to attract qualified potential residents.

Our screening procedures are careful and thorough. We perform background checks, call references and conduct family interviews. We verify income and assure compliance with housing assistance programs, when applicable.

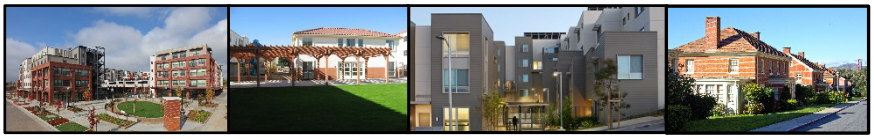
Our familiarity with the requirements of the many federal and state housing program and occupancy guidelines, such as HUD, CalFA, HCD and the Low-Income Housing Tax Credit program, assures full compliance with Regulatory Agreements and Fair Housing requirements.

Accounting Services
The John Stewart Company provides a full range of accounting services for its clients. Our monthly financial statements are designed to give complete financial information concerning the financial position, operations, and results of operations for the period. Income statements with monthly and year-to-date actual and budgeted amounts and balance sheets are provided.

Development & Construction Services
Acquisition and Rehabilitation, Historic Preservation and Adaptive Reuse, New Housing Development, Pre-Construction and Construction Phase Services

JSCo's Sacramento Regional Office
JSCo's Sacramento Regional Office is located in Sacramento California and is led by Tracy Esposito, Vice President. The Sacramento Regional territory is from Vallejo to the Nevada Border. Under Tracy's leadership, the Sacramento office is particularly skilled in managing former Homeless, Permanent Supportive Housing, and HUD and tax credit housing. The Sacramento Region is home to several of JSCo's largest clients, including many JSCo-owned assets. We also share several multi-regional clients with our SF, South Bay and LA Regions.

The John Stewart Company
Headquarters:
1388 Sutter Street, 11th Floor
San Francisco, CA 94109
(415) 345-4400



The John Stewart Company is experienced in the complex process of multifamily real estate financing, development, marketing and management.

Sacramento Region

- *49 Managed Properties*
- *4201 Total Residential Units**
- *4051 Affordable Units*
- *161 Market Rate Units*
- *2900 Multifamily Units*
- *540 Senior Units*
- *594 Supportive Housing Units*
- *1104 Special Needs Units*
- *360 Formerly Homeless Units*
- *623 Mental Disorder*
- *310 Physical Disability Units*
- *19 Veteran Units*
- *3558 Tax Credit Units*
- *752 HUD Multifamily Housing Units*

** Many of JSCo's managed properties provide several housing types and/or serve dual/multiple diagnosis populations. Overlap between the subcategories of populations served means that adding up the units in each sub-category will not result in the actual total number of units.*

Attachment 1G: Resident Services Resume

LifeSTEPS will be the resident reservices provider for Sheldon Farms project. Bios for key staff are included.

LifeSTEPS Organizational Resume

Life Skills Training and Educational Programs, Inc. (LifeSTEPS), a California 501c3, is the largest provider of social and supportive services to residents of affordable housing in California. Formed in 1996, LifeSTEPS is a statewide organization serving over 110,000 residents living in over 42,400 units of family, senior and SRO, low-income and supportive housing.

LifeSTEPS employs over 300 individuals throughout California. Our standard hours of operation are Monday through Friday from 8am until 5pm. We have systems in place to respond to resident emergencies should those occur outside of normal operating hours, including a 24/7 dedicated telephone number for immediate response for our special needs residents.

LifeSTEPS does not have any conditions such as bankruptcy, pending litigation, planned office closures, impending mergers or organizational conflicts of interest that may affect this proposer's ability to perform contractually.

LifeSTEPS maintains offices in the following locations:

Los Angeles County –
520 S. Sepulveda Blvd., Suite 306, Los Angeles, CA 90025

Orange County –
14131 Yorba Street, Tustin, CA 92780

Sacramento County –
3247 Ramos Circle, Sacramento, CA 95827

Santa Clara County –
255 N Market St, San Jose, CA 95110

Our organization's leaders started their careers working with homeless families and individuals. Our Executive Director, Beth Southorn, was the Program and Training Director of Shelter Network's homeless shelters in San Mateo County. She began her career working at a homeless shelter in New Jersey and has kept a hand in the world of homelessness prevention and housing her entire career. Our Board President, Craig Gillett, ran an eviction prevention and transitional housing program for homeless families for three years while earning his Master's Degree in Clinical Psychology. He too has been involved in housing and homelessness prevention since 1992.

The whole thrust of LifeSTEPS' activities is the result of these formative experiences in working with homeless populations. Our most ardent desire is to prevent the many layered harms of homelessness. LifeSTEPS has been providing its full array of social services to residents of

affordable and supportive housing for over twenty years. From the beginning, LifeSTEPS has provided social services, with service coordination and case management at its core, to all of its residents: family, senior, children, and special needs. We value the bond of trust between service provider and resident, a human relationship of care, with professional boundaries, that often means the difference between housing success and failure. We also strive to make sure that our service providers are culturally competent and appropriate for the needs of each of our resident communities.

LifeSTEPS provides a comprehensive set of social and supportive services that includes case management (general, specialized, clinical and intensive case management services), service coordination, after school programs for children, aging-in-place services for seniors, financial literacy, employment skills, mediation services, health and wellness activities, crisis intervention, individualized and group life skills education and services, green living, food distribution programs, mental health referrals, community activities, fund raising, and eviction prevention through our Client Assistance Safety Net program. LifeSTEPS regularly provides a variety of specialized services for particular housing agencies, including CTCAC, CDLAC, AHP, HCD, HUD, and many cities and counties across the state, including Los Angeles, Sacramento and Santa Clara Counties. In 2012, the California Housing Consortium recognized LifeSTEPS as Non-Profit of the Year for its leadership in resident services. Please visit our website at www.lifestepsusa.org for additional background information.

LifeSTEPS began as a service provider to residents of affordable housing. For the last decade or so, however, LifeSTEPS has moved into a wider array of services, including supportive services for mentally ill and formerly homeless individuals and families, HUD housing, Section 8, PBV, VASH, SRO, and MHSA projects. We currently provide resident services to 2,288 units of Santa Clara County HUD housing and 5,705 units of Sacramento Housing Redevelopment Agency housing. The Los Angeles County Department of Health Services, Los Angeles County Office of Diversion and Reentry, Los Angeles County Department of Mental Health, and the Alameda County Department of Behavioral Health Services have designated LifeSTEPS an approved provider of Intensive Case Management Services for supportive housing communities. We are the lead service agency with DHS for 424 formerly homeless, mentally ill, and disabled individuals and families living in Los Angeles. We are providing intensive case management services to another 385 formerly homeless or at risk of homelessness residents for the Sacramento Housing and Redevelopment Agency, County of Alameda Behavioral Health Department, and other project-based sites in Monterey, Sonoma, San Joaquin, and Alameda counties. In addition, LifeSTEPS serves Section 8 recipients at virtually all its communities, some of which are project-based Section 8 properties. We are the lead service provider at four one-hundred percent special needs projects in the Inland Empire, Los Angeles and Sacramento areas. Lastly, all of our social workers regularly deal with the same issues in affordable housing that afflict the chronically homeless: mental disorders, physical disabilities, histories of physical abuse, substance abuse, insufficient education, and a lack of life skills. We have the history, depth, knowledge, skills, and strength as an organization to work effectively and efficiently with a wide range of resident needs and within the full spectrum of affordable and supportive housing.

LifeSTEPS makes collaboration with property owners and property management companies a high priority. LifeSTEPS currently partners with 77 developer/owners, 46 property management companies and 67 managing general partners. Over the years we have developed procedures and policies that ensure a collaborative and complimentary effort with property managers, thereby avoiding resident splitting and turf battles. This cannot be overemphasized: a positive relationship between property management and social services is crucial to the power and impact of resident services. We routinely schedule ongoing meetings with our partners to ensure the highest quality of services to our residents. In addition, we provide bi-monthly written reports to our partners detailing our activities and outcomes. Because accurate reporting and documentation are key components of meeting service requirements, LifeSTEPS has developed a proprietary web-based data collection system for all of our resident services. We also have a wide range of ways to measure the outcomes from the services we provide.

LifeSTEPS provides staff members with regularly scheduled high quality training. Our Director of Operations provides weekly training sessions for our Regional Supervisors. Our Regional Supervisors in turn train all their on-site staff members by providing weekly training sessions by telephone and in-person training every two months. In addition, we have ongoing training through our LifeSTEPS Training Academy. Our proprietary curricula, forms, and additional training materials are available via our employee-only website.

Key Employees

Craig A. Gillett - President of the Board, Founder
Craig is an attorney, educator and licensed Marriage and Family Therapist living in Los Angeles. He has been involved with non-profit agencies since 1992, with a focus on homelessness, affordable housing for families and seniors, and mental health issues. At Antioch University Los Angeles, Craig was a core faculty member and the Director of Clinical Training in the Master's Degree Program in Clinical Psychology. Craig also maintains a private psychotherapy practice in Los Angeles. Craig's contributions to LifeSTEPS include the insistence on high quality service providers and case management services for every resident. Craig states, "we know from experience the crucial role that case management plays in stabilizing housing. We value the bond of trust between service provider and resident, a human relationship of care with professional boundaries that often makes the difference between housing success and failure."

Beth Southorn, M.A. - Executive Director
Beth has been working in the Social Service field since 1991. She has had experience with the mental health population, the aging, the homeless, the incarcerated, individuals in drug and alcohol recovery, domestic violence, and welfare recipients. Her experience in diversity, leadership, and program development has allowed her to form national models of success with vocational rehabilitation and affordable housing service programs. Beth earned her Master's degree in Counseling Psychology from the University of Notre Dame de Namur, and a Bachelor's degree in Psychology from San Francisco State University. Beth continues to enhance and improve the

successful model of resident empowerment she created and implemented for various affordable housing communities throughout Northern California.

Beth joined LifeSTEPS in 2001 as a Regional Director of Social Services leading Northern California. Beth has spearheaded the agency's efforts in creating a successful model for delivering social services to affordable and supportive apartment communities.

Elizabeth Hudson - Deputy Director

Elizabeth Gutierrez Hudson is an experienced executive organizational leader and has over 20 years of experience as an administrator of for-profit business and non-profit organizations. Prior to joining LifeSTEPS, Elizabeth worked and served at national and international corporations, including J.M. Smucker's Co., Center for Employment Training and The Salvation Army. In the arena of social services, she has served as a strategic partner to Executive Directors and leadership teams. She is instrumental in her work directing all aspects of administration and effectively networking with community leaders to improve and organize public programs with other agencies. In the introductory years of Homeless Rapid Rehousing Programs, based on her employment/training experience for low-income populations, she introduced the concept of offering job placement/job development skills as part of the HPRP services, a program where she represented one of the three agencies providing services through the Sacramento region with a $10m budget. She has been a member of social services related boards such as the Sacramento Program Operators and Emergency Food and Shelter Boards.

Elizabeth's educational and community accomplishments include earning two Master's Degrees including a Master's in Business Administration and Organizational Leadership. In 2003, she was selected as one of the leaders of the 26 county-region to attend and graduated from the Sierra Health Foundation Executive Leadership program and she is also lifetime certified as a Vocational Training Director. She also co-authored the book, Goal for It- II, which explores best practices to achieve your goals and advance your personal growth and development.

Rachel Roguski, Director of Supportive Housing and Health Services at LifeSTEPS

Rachel Roguski has dedicated over seven years to LifeSTEPS, beginning her career as a Resident Services Director in Affordable Housing. Her dedication and commitment have seen her rise through the ranks, serving as a Supervisor and Regional Director, before taking on her current role as the Director of Supportive Housing and Health Services.

Rachel holds a Bachelor of Science in Psychology from Brandman University, equipping her with extensive knowledge and skills in social services. She has a proven track record of working with diverse populations addressing a wide range of needs. Rachel excels at fostering relationships with housing authorities, county agencies, and housing developers, ensuring the success of LifeSTEPS' programs. In her role as Director of Supportive Housing and Health Services, Rachel is committed to expanding the reach and impact of our programs across California. She focuses on building sustainable, effective supportive housing and health services, while continuing to cultivate impactful relationships that benefit the communities we serve. Rachel's journey with LifeSTEPS is a testament to her unwavering commitment to service, personal growth, and building resilient

communities. Her leadership, compassion, and dedication inspire others to embrace their journey of growth and self-discovery, embodying the core values of LifeSTEPS.

Bruce Kuban, M.S.M.F.T., Trainer and HIPAA Privacy Officer
Bruce has the primary responsibility of providing staff training, quality assurance, compliance and oversight to several special projects contracted by LifeSTEPS to provide social and supportive services to residents living in affordable permanent housing. Two such projects include the Family Self Sufficiency program with the Santa Clara County Housing Authority and supervision of intensive case management services provided to formerly homeless residents now in permanent supportive housing provided through the Los Angeles County Department of Health Services, Housing for Health division. With over 30 years of experience in the field of Social Services, Bruce has worked as a case manager to clients receiving subsidized child care, a Family Resource Center Project Manager and 10 years as a middle school counselor. He received his Master's Degree in Marriage, Family and Child Counseling from Sacramento State University. While now working in an administrative capacity Bruce admits to always having a soft spot in his heart for direct services and face to face to contact with clients so his frequent site visits and opportunities to meet with residents is the continuing fuel that drives his passion to work in the field of service coordination.

Pam Moore, Director of Program Development and Quality Control
Pam Moore has spent over a decade designing strategic solutions and systems to assist with expanding the LifeSTEPS business model across California. Pam's system designs include developing and implementing diverse programs, a proprietary database infrastructure and reporting that continually drives performance to a higher level.

Prior to working with LifeSTEPS, Pam has also worked with the California community college system to bring adults with disabilities work experience opportunities, job skills and education to help individuals realize their dreams. In addition, as an Assistant Director for a therapeutic horseback riding facility, she promoted the physical and mental health benefits that therapeutic riding brings to children with physical, cognitive and/or emotional disabilities. Pam holds a BS in Organizational Behavior from National University.

Attachment 2: Project Map

Attached is the conceptual site plan for the Sheldon Farms project, with the vicinity map showcased below.

VICINITY MAP

PROJECT DATA:

TOTAL UNITS: 240

PARKING	**240 SPACES**
Surface Lot:	**205 Spaces**
Mashpee Road:	**35 parallel spaces**
ADA Stalls:	**12 Stalls required**

1 SITE V7
1" = 60'-0"

David Baker Architects | Abode

Sheldon Farms

CONCEPT SITE PLAN

22339
scale: 1" = 60'-0"
date: 2024-08-19

SK17

Attachment 3: Demonstrated Site Control

Attached is the signed letter of intent for development of 8851 Bruceville Road (Sheldon Farms).

Phone: 916.683.7111
Fax: 916.691.3168

Web: www.elkgrovecity.org

8401 Laguna Palms Way
Elk Grove, California 95758

CITY OF ELK GROVE
PROUD HERITAGE. BRIGHT FUTURE.

February 14, 2024

Abode Communities
1149 S. Hill Street, Suite 700
Los Angeles, CA 90015
Attn: Holly Benson, President & CEO

LETTER OF INTENT FOR DEVELOPMENT OF 8851 BRUCEVILLE ROAD

The purpose of this Letter of Intent ("LOI") is to express the City of Elk Grove's ("Seller" or "City") interest in selling or conveying the property located at 8851 Bruceville Road in Elk Grove, California, further identified as APN 116-0012-070 ("Site"), to Abode Communities, a California nonprofit public benefit corporation, or such limited partnership as may be created by Abode Communities for this affordable housing project ("Buyer").

Any purchase of the Site is conditional on the finalization of a purchase and sale or conveyance agreement ("Conveyance Agreement") between Buyer and Seller, and final approval of the Conveyance Agreement by the Elk Grove City Council ("City Council") as part of a public agenda. The Buyer shall have no obligation to acquire, and the Seller shall have no obligation to sell or convey, the Site unless and until such Conveyance Agreement has been signed by authorized representatives of each party, setting forth the specific terms and conditions of the conveyance, as approved by City Council. Below are the general terms currently being contemplated by the Seller. The term "shall" is mandatory and the term "may" is permissive.

Seller:	City of Elk Grove, a California municipal corporation
Buyer:	Abode Communities, a California nonprofit public benefit corporation, or such limited partnership as may be created by Abode Communities
Site:	8851 Bruceville Road APN 116-0012-070
Land Consideration:	The consideration for the Site shall be $1.85 million or such other amount as may be mutually agreed to by the parties (the "Land Consideration"). In no event shall the Land Consideration exceed the appraised value of the property as determined by a licensed appraiser commissioned by the Buyer at the time development entitlements are approved, or such other time that is mutually agreed by the Parties. Any agreement shall be in writing.
Term:	This LOI shall be valid for a term of 12 months, or until replaced by a purchase and sale or conveyance agreement, whichever occurs first.
Exclusive Arrangement:	The Seller guarantees that, for such term as this LOI and the subsequent Conveyance Agreement remains valid, the Buyer shall have an exclusive opportunity to pursue development of the Site.

The Project:

This LOI is intended to facilitate the development of an affordable housing development consisting of approximately 240 family units, with rents ranging from 30% to 80% AMI ("Project"). A maximum of two units, with no rent restrictions, shall be developed and operated as manager units. The design of the Project shall integrate an urban character that provides for orientation/activation of the transit corridor along Bruceville Road and integrates with the adjoining residential neighborhood. The Project shall meet one of the exemptions to the Surplus Land Act set forth in Government Code section 54221(f)(1) such that the property is considered "exempt surplus."

Seller's Obligation

Seller shall provide any and all documents, records, or other information in Seller's possession about the property or surrounding context that would normally be provided to inform the development of the Site.

The City shall consider an Affordable Housing Fund loan commitment of no more than $4,050,000 for the Project's costs, excluding the costs of land acquisition. The City may also consider an Affordable Housing Fund loan commitment for the Land Consideration, dependent on the method of conveyance selected. Such commitment shall be considered by the Affordable Housing Committee and City Council following execution of this LOI.

Buyer's Obligations:

The Buyer shall undertake the following actions:

- Undertake a public outreach and engagement process for development of the Site with the community. The specific outreach and engagement plan shall be provided to the City for review and approval within 30 days of the execution of this LOI.
- Prepare all Site development plans, including site plans, architecture plans, utility plans, and other materials required for submission to the City's Development Services Department.
- Complete a loan application for funding through the City's Affordable Housing Fund and obtain a loan commitment from the City.
- Secure design review and any other City entitlements necessary to develop the Project.
- Apply for and secure all necessary Project funding, except for any funds provided by the City.
- Prepare all Site construction plans and approvals, including, but not limited to, civil plans, building plans, and landscape plans.
- Pay all agency processing fees, impact fees, mitigation fees, or other costs associated with design, development/construction, and operation of the Project.

Process:

The Parties agree to the following process and estimated timeline:

- February 2024: Execution of this LOI.
- Winter/Spring 2024: Buyer to undertake public outreach and engagement.
- Winter 2024: Buyer to prepare design drawings and entitlement plans.

- Winter 2024: Execute the Conveyance Agreement in a form satisfactory to both parties. City to declare Site "exempt surplus" at this time.
- Summer 2024: Following execution of the Conveyance Agreement, Buyer to submit entitlement plans to the City for processing.
- Summer 2024: Submit loan application for City affordable housing funding.
- Fall 2024: Consideration of entitlements by appropriate City approval authority.
- Fall 2024: Conduct appraisal.
- Fall 2024: Secure loan commitment from City Affordable Housing Fund.
- 2025 and 2026: Secure Project funding.
- Winter 2026 and Winter 2027: Close Project financing and complete conveyance of Site (the "Closing Date").
- –2027-2029: Construct Project.

Right to Rescind or Revert to the City:

At any time during the term of this LOI, the City reserves the right to terminate the LOI with 30 days' notice. Should the City terminate the LOI without cause, the City shall reimburse reasonable Project expenses incurred by Buyer upon receipt of documentation showing such expenses.
Should the Buyer fail to develop the Project as described herein or perform within the timeframe provided herein or such other schedule as mutually agreed to by the Parties, and such failure continues for a period of 30 days after Seller's written notice of such failure to Buyer, as determined by the City in its reasonable discretion, the City shall have the right to terminate this LOI, and prior to the Closing Date, the Conveyance Agreement. Upon termination for cause, the City shall not be liable for reimbursement of any Project expenses incurred by the Buyer. Should the Site be transferred back to the City, the Buyer shall only be entitled to the purchase funds, less any title fees, taxes, or other reasonable transfer expenses paid by Buyer.

Due Diligence and Right to Entry:

After the execution of this LOI, Buyer shall be provided access to the Site pursuant to a Right of Entry agreement between the Parties to evaluate the suitability of the Site for the Project which may include environmental site assessments, appraisal, ALTA/ASCM survey, and other inspections and reports as Buyer may require.

CEQA Provisions:

With respect to the California Environmental Quality Act (CEQA), this LOI is merely an agreement to enter into good faith negotiations with respect to the proposed Conveyance Agreement according to the terms hereof so that mutually acceptable Conveyance Agreement can be submitted to the City Council for its consideration, all within the times provided herein with all final discretion and approval remaining with the City Council as to any proposed Conveyance Agreement, and all proceedings and decisions in connection therewith, as well as any and all future land use entitlements and approvals with respect to development of the Site (unless such land use approvals are deferred to the Planning Commission). As required by law, the City retains the sole and independent discretion as the lead agency to, among other things, balance the benefits of the Project against any significant

environmental impacts prior to taking final action if such significant impacts cannot otherwise be avoided, and determine to modify or not to proceed with the Project. This LOI does not legally obligate approval of the Project under CEQA, the entitlements and permits for the Project, or that the transaction described by the Conveyance Agreement will exist unless and until the conclusion of all applicable CEQA review processes and/or all other public review and hearing processes, subject to all applicable government approvals.

Until and unless the Conveyance Agreement is signed by Buyer, approved by the City Council and executed by the City, no agreement drafts, actions, deliverables or communications arising from the performance of this LOI shall impose any legally binding obligation on either Party to enter into Conveyance Agreement or be used as evidence of any oral or implied agreement by either Party to enter into any other legally binding document governing development of the Site.

Brokerage Commissions: Seller is acting as their own agent and Seller is not obligated to pay any brokerage commission on behalf of the Buyer.

Form of Agreement: The initial draft of the Conveyance Agreement shall be prepared by the Seller and shall contain such other terms and conditions as are customary and appropriate in transactions of this nature and reviewed and approved by Buyer.

If the proposals set forth above are acceptable to you, please sign and date the enclosed copy of this Letter of Intent indicating that you agree with these terms. This Letter of Intent may be signed in counterpart. Upon our receipt of your signature to this Letter of Intent, and the counter signing of this Letter of Intent by the City, we will proceed with the steps necessary to enter into a Conveyance Agreement.

CITY:

CITY OF ELK GROVE,
a California municipal corporation

By: _____
Jason Behrmann
City Manager
Date: 2/20/24

BUYER:

ABODE COMMUNITIES,
a California nonprofit public benefit corporation

By: _____
Sara Tsay
Senior Vice President, Business Development
Date: 2/6/2024

Approved as to form:

By: _____
Jonathan P. Hobbs
City Attorney

CITY OF ELK GROVE INCORPORATED July 1, 2000 STATE OF CALIFORNIA

Attest:

By: _____
Jason Lindgren
City Clerk

Commonwealth Land Title - California

Title Report

File No.: 932400979

Property Address: 8851 Bruceville Road, Elk Grove, CA 95758

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Access title reports, exception documents, an easy-to-use summary page, and more, at your fingertips and your convenience.

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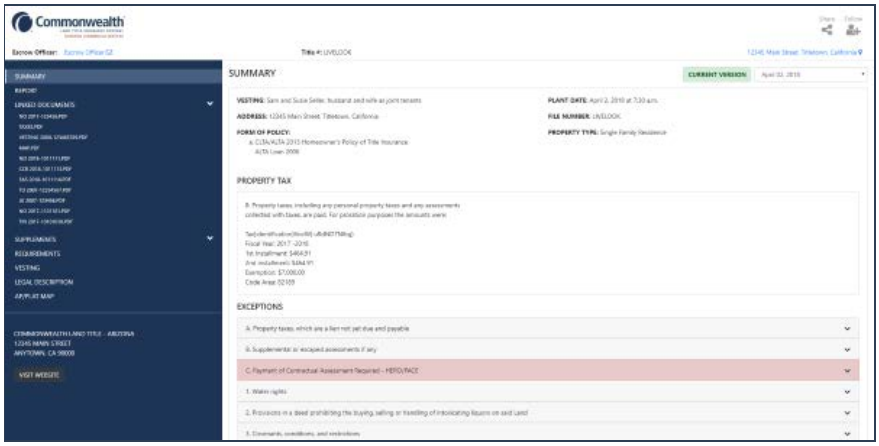

Effortless, Efficient, Compliant, and Accessible

PRELIMINARY REPORT

Prelim Number:

932400979 - UPDATE A

601 S. Figueroa Street, Suite 4000
Los Angeles, CA 90017

Issuing Policies of **Commonwealth Land Title Insurance Company**

Order No.: 932400979

Title Officer.: Jeff Martin
Email: Jeff.Martin@ctt.com

Escrow Officer: Cheryl Greer
Email: cgreer@cltic.com
601 S. Figueroa Street, Suite 4000
Los Angeles, CA 90017
Phone No.: 2133303080
Fax No.: 213-947-4403

Loan No.:

Property: 8851 Bruceville Road, Elk Grove, CA 95758

In response to the application for a policy of title insurance referenced herein, **Commonwealth Land Title Ins 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 herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions 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 Attachment One. 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 CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

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.

The policy(ies) of title insurance to be issued hereunder will be policy(ies) of Commonwealth Land Title Insurance Company, a Florida corporation.

Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One 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.

Countersigned By:

Authorized Officer or Agent
Ron Howarth

Effective date: September 18, 2024 at 07:30 AM
The form of Policy or Policies of Title Insurance contemplated by this Report is:

CLTA Standard Coverage Owner's Policy - 2022

ALTA Loan Policy 2021

1. The estate or interest in the Land hereinafter described or referred to covered by this Report is:

   A Fee

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

   City of Elk Grove, a municipal corporation

3. The Land referred to in this Report is described as follows:

   SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

EXHIBIT A

Legal Description

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF ELK GROVE, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

Lot 4 as shown on "Subdivision No. 18-019 Sheldon Farms - Large Lot Map", recorded November 30, 2021, in Book 434 of Maps, at Page 1, in the Office of the County Recorder of Sacramento County.

APN: 116-0012-070-0000

EXCEPTIONS

At the date hereof, items to be considered and exceptions to coverage in addition to the printed exceptions and exclusions in said policy form would be as follows:

1. Property taxes, including any personal property taxes and any assessments collected with taxes are as follows:

Code Area:	07034
Tax Identification No.:	116-0012-070-0000
Fiscal Year:	2024-2025
1st Installment:	$225.59 Open
2nd Installment:	$225.59 Open
Exemption:	$0.00
Bill No.:	24238446

2. Prior to close of escrow, please contact the Tax Collector's Office to confirm all amounts owing, including current fiscal year taxes, supplemental taxes, escaped assessments and any delinquencies.

3. Any liens or other assessments, bonds, or special district liens including without limitation, Community Facility Districts, that arise by reason of any local, City, Municipal or County Project or Special District.

4. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A or as a result of changes in ownership or new construction occurring prior to Date of Policy.

5. Pending assessment for the District shown below:

District:	Community Facilities District No. 2006-1
Disclosed by:	Notice of Special Tax Lien
Recording Date:	April 6, 2006
Recording No:	Book 20060406, Page 1882, of Official Records

   When the Notice of Assessment is recorded in the public records, the assessment shall become a lien on said Land.

   An agreement to modify the terms and provisions of the said document, as therein provided

Recording Date:	August 16, 2021
Recording No.:	202108160491, of Official Records

   An agreement to modify the terms and provisions of the said document, as therein provided

Recording Date:	November 17, 2021
Recording No.:	202111170999, of Official Records

   An agreement to modify the terms and provisions of the said document, as therein provided

Recording Date:	March 30, 2022
Recording No.:	202203300660, of Official Records

   An agreement to modify the terms and provisions of the said document, as therein provided

Recording Date:	June 27, 2022
Recording No.:	202206270390, of Official Records

   An agreement to modify the terms and provisions of the said document, as therein provided

Recording Date: June 27, 2022
Recording No.: 202206270391, of Official Records

An agreement to modify the terms and provisions of the said document, as therein provided

Recording Date: September 20, 2022
Recording No.: 202209200587, of Official Records

6. The land lies within the boundary of proposed Community Facilities District No. 2003-02, as disclosed by a map filed July 7, 2021 in Book 134, Page 21 of Maps of Assessment and Community Facilities Districts recorded July 7, 2021, as Document No. 202107070529, of Official Records.

An agreement to modify the terms and provisions of the said document, as therein provided

Recording Date: August 16, 2021
Recording No.: 202108160490, of Official Records

7. Pending assessment for the District shown below:

District: Zone 2-H Annexation No. 8
Disclosed by: Notice of Assessment
Recording Date: August 16, 2021
Recording No: 202108160493, of Official Records

When the Notice of Assessment is recorded in the public records, the assessment shall become a lien on said Land.

8. Pending assessment for the District shown below:

District: Storm Water Drainage Fee Zone 2, Annexation No. 44
Disclosed by: Notice of Assessment
Recording Date: August 16, 2021
Recording No: 202108160495, of Official Records

When the Notice of Assessment is recorded in the public records, the assessment shall become a lien on said Land.

9. Any unpaid amounts now owing, for delinquent utilities, of record or not. Any such amounts may be ascertained by contacting the following:

County of Sacramento at (916) 875-5555, and/or including :

City of Sacramento at (916) 808-5454.
City of Folsom at (916) 355-7200.
City of Galt at (209) 366-7150.
City of Elk Grove at (916) 478-3642.
City of Rancho Cordova at (916) 638-9000.
City of Isleton at (916) 777-7770.
City of Citrus Heights at (916) 725-2448, and for waste charges - Allied Waste at (916) 725-9060, and as required, fax request to (916) 463-0297.
Sacramento Suburban Water District at (916) 972-7171.

10. Water rights, claims or title to water, whether or not disclosed by the public records.

11. Rights of the public to any portion of the Land lying within the area commonly known as

Road, Street, Alley of Highway.

12. Easement(s) for the purpose(s) shown below and rights incidental thereto as delineated or as offered for dedication, on the map of said tract/plat;

Purpose:	40.00 foot light
Affects:	A portion of said property
Purpose:	Public utility
Affects:	The Westerly 12.5' of the Easterly 22.5'; The Easterly 12.5' of the Westerly 22.5' and a 12.5' portion in the Southerly portion of said land
Purpose:	Planting
Affects:	The Easterly 10' and the Westerly 16' of said land

13. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to:	County of Sacramento
Purpose:	Slope and drainage and ingress & egress
Recording Date:	October 6, 1995
Recording No.:	199510060163, of Official Records
Affects:	A portion of said property

14. Matters contained in that certain document

Entitled:	Subdivision Improvement Agreement (Subdivision No. 18-019, Sheldon Farms, North, Large Lot Map)
Dated:	September 1, 2021
Executed by:	The City of Elk Grove, a municipal corporation and JEN California 18, LLC, a California limited liability company
Recording Date:	November 30, 2021
Recording No.:	202111300672, of Official Records

Reference is hereby made to said document for full particulars.

15. Matters contained in that certain document

Entitled:	Subdivision Improvement Agreement (Subdivision No. 18-019.1, Sheldon Farms, North, Village I)
Dated:	September 1, 2021
Executed by:	The City of Elk Grove, a municipal corporation and JEN California 18, LLC, a California limited liability company
Recording Date:	November 30, 2021
Recording No.:	202111300704, of Official Records

Reference is hereby made to said document for full particulars.

16. Matters and Easements contained in that certain document

Entitled:	Private Storm Drain, Access, and Maintenance Easement Agreement
Dated:	April 19, 2023
Executed by:	The City of Elk Grove, a municipal corporation and JEN California 18, LLC, a California limited liability company
Recording Date:	April 19, 2023
Recording No.:	2023-04190399, of Official Records

Reference is hereby made to said document for full particulars.

17. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the public records.

The Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage.

The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

18. Any easements not disclosed by the public records as to matters affecting title to real property, whether or not said easements are visible and apparent.

19. Any lien or right to a lien for services, labor or material not shown by the Public Records.

20. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters which a correct survey would disclose and which are not shown by the public records.

21. Matters which may be disclosed by an inspection and/or by a correct ALTA/NSPS Land Title Survey of said Land that is satisfactory to the Company, and/or by inquiry of the parties in possession thereof.

END OF EXCEPTIONS

PLEASE REFER TO THE "INFORMATIONAL NOTES" AND "REQUIREMENTS" SECTIONS WHICH FOLLOW FOR INFORMATION NECESSARY TO COMPLETE THIS TRANSACTION.

REQUIREMENTS

1. The search did not disclose any open mortgages or deeds of trust of record, therefore the Company reserves the right to require further evidence to confirm that the property is unencumbered, and further reserves the right to make additional requirements or add additional items or exceptions upon receipt of the requested evidence.

2. The Company will require that an Owner's Affidavit be completed by the party(s) named below before the issuance of any policy of title insurance.

   Party(ies): The City of Elk Grove

   The Company reserves the right to add additional items or make further requirements after review of the requested Affidavit.

3. The requirement that the complete and correct name(s) of the buyer(s) in this transaction be submitted to the Title Department at least 5 days prior to the close of Escrow.

4. The transaction contemplated in connection with this Report is subject to the review and approval of the Company's Corporate Underwriting Department. The Company reserves the right to add additional items or make further requirements after such review.

END OF REQUIREMENTS

INFORMATIONAL NOTES

1. Note: The Company is not aware of any matters which would cause it to decline to attach CLTA Endorsement Form 116 indicating that there is located on said Land a Single Family Dwelling, known as 8851 Bruceville Road, Elk Grove, CA, to an Extended Coverage Loan Policy.

2. Note: The name(s) of the proposed insured(s) furnished with this application for title insurance is/are:

   No names were furnished with the application. Please provide the name(s) of the buyers as soon as possible.

3. Note: The only conveyance(s) affecting said Land, which recorded within 24 months of the date of this report, are as follows:

Grantor:	JEN California 18 LLC, a California limited liability company
Grantee:	City of Elk Grove, a municipal corporation
Recording Date:	April 19, 2023
Recording No.:	Book 20230419, Page 0398, of Official Records

4. Note: The charge for a policy of title insurance, when issued through this application for title insurance, will be based on the Short Term Rate.

5. Note: If a county recorder, title insurance company, escrow company, real estate broker, real estate agent or association provides a copy of a declaration, governing document or deed to any person, California law requires that the document provided shall include a statement regarding any unlawful restrictions. Said statement is to be in at least 14-point bold face type and may be stamped on the first page of any document provided or included as a cover page attached to the requested document. Should a party to this transaction request a copy of any document reported herein that fits this category, the statement is to be included in the manner described.

6. Note: Any documents being executed in conjunction with this transaction must be signed in the presence of an authorized Company employee, an authorized employee of a Company agent, an authorized employee of the insured lender, or by using Bancserv or other Company-approved third-party service. If the above requirement cannot be met, please call the Company at the number provided in this report.

7. Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.

8. The application for title insurance was placed by reference to only a street address or tax identification number. The proposed Insured must confirm that the legal description in this report covers the parcel(s) of Land requested to be insured. If the legal description is incorrect, the proposed Insured must notify the Company and/or the settlement company in order to prevent errors and to be certain that the legal description for the intended parcel(s) of Land will appear on any documents to be recorded in connection with this transaction and on the policy of title insurance.

9. Pursuant to Government Code Section 27388.1, as amended and effective as of 1-1-2018, a Documentary Transfer Tax (DTT) Affidavit may be required to be completed and submitted with each document when DTT is being paid or when an exemption is being claimed from paying the tax. If a governmental agency is a party to the document, the form will not be required. DTT Affidavits may be available at a Tax Assessor-County Clerk-Recorder.

10. Note: The policy of title insurance will include an arbitration provision. The Company or the insured may demand arbitration. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. Please ask your escrow or title officer for a sample copy of the policy to be issued if you wish to review the arbitration provisions and any other provisions pertaining to your Title Insurance coverage.

END OF INFORMATIONAL NOTES

WIRE FRAUD ALERT

This Notice is not intended to provide legal or professional advice.
If you have any questions, please consult with a lawyer.

All parties to a real estate transaction are targets for wire fraud and many have lost hundreds of thousands of dollars because they simply relied on the wire instructions received via email, without further verification. **If funds are to be wired in conjunction with this real estate transaction, we strongly recommend verbal verification of wire instructions through a known, trusted phone number prior to sending funds.**

In addition, the following non-exclusive self-protection strategies are recommended to minimize exposure to possible wire fraud.

- **NEVER RELY** on emails purporting to change wire instructions. Parties to a transaction rarely change wire instructions in the course of a transaction.
- **ALWAYS VERIFY** wire instructions, specifically the ABA routing number and account number, by calling the party who sent the instructions to you. DO NOT use the phone number provided in the email containing the instructions, use phone numbers you have called before or can otherwise verify. **Obtain the number of relevant parties to the transaction as soon as an escrow account is opened.** DO NOT send an email to verify as the email address may be incorrect or the email may be intercepted by the fraudster.
- **USE COMPLEX EMAIL PASSWORDS** that employ a combination of mixed case, numbers, and symbols. Make your passwords greater than eight (8) characters. Also, change your password often and do NOT reuse the same password for other online accounts.
- **USE MULTI-FACTOR AUTHENTICATION** for email accounts. Your email provider or IT staff may have specific instructions on how to implement this feature.

For more information on wire-fraud scams or to report an incident, please refer to the following links:

Federal Bureau of Investigation:
http://www.fbi.gov

Internet Crime Complaint Center:
http://www.ic3.gov

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FIDELITY NATIONAL FINANCIAL
PRIVACY NOTICE

Effective July 1, 2024

Fidelity National Financial, Inc. and its majority-owned subsidiary companies (collectively, "FNF," "our," or "we") respect and are committed to protecting your privacy. This Privacy Notice explains how we collect, use, and protect personal information, when and to whom we disclose such information, and the choices you have about the use and disclosure of that information.

A limited number of FNF subsidiaries have their own privacy notices. If a subsidiary has its own privacy notice, the privacy notice will be available on the subsidiary's website and this Privacy Notice does not apply.

Collection of Personal Information

FNF may collect the following categories of Personal Information:

- contact information (*e.g.*, name, address, phone number, email address);
- demographic information (*e.g.*, date of birth, gender, marital status);
- identity information (*e.g.* Social Security Number, driver's license, passport, or other government ID number);
- financial account information (*e.g.* loan or bank account information);
- biometric data (*e.g.* fingerprints, retina or iris scans, voiceprints, or other unique biological characteristics, and
- other personal information necessary to provide products or services to you.

We may collect Personal Information about you from:

- information we receive from you or your agent;
- information about your transactions with FNF, our affiliates, or others; and
- information we receive from consumer reporting agencies and/or governmental entities, either directly from these entities or through others.

Collection of Browsing Information

FNF automatically collects the following types of Browsing Information when you access an FNF website, online service, or application (each an "FNF Website") from your Internet browser, computer, and/or device:

- Internet Protocol (IP) address and operating system;
- browser version, language, and type;
- domain name system requests; and
- browsing history on the FNF Website, such as date and time of your visit to the FNF Website and visits to the pages within the FNF Website.

Like most websites, our servers automatically log each visitor to the FNF Website and may collect the Browsing Information described above. We use Browsing Information for system administration, troubleshooting, fraud investigation, and to improve our websites. Browsing Information generally does not reveal anything personal about you, though if you have created a user account for an FNF Website and are logged into that account, the FNF Website may be able to link certain browsing activity to your user account.

Other Online Specifics

Cookies. When you visit an FNF Website, a "cookie" may be sent to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer's hard drive. Information gathered using cookies helps us improve your user experience. For example, a cookie can help the website load properly or can customize the display page based on your browser type and user preferences. You can choose whether or not to accept cookies by changing your Internet browser settings. Be aware that doing so may impair or limit some functionality of the FNF Website.

Web Beacons. We use web beacons to determine when and how many times a page has been viewed. This information is used to improve our websites.

Do Not Track. Currently our FNF Websites do not respond to "Do Not Track" features enabled through your browser.

Links to Other Sites. FNF Websites may contain links to unaffiliated third-party websites. FNF is not responsible for the privacy practices or content of those websites. We recommend that you read the privacy policy of every website you visit.

Use of Personal Information

FNF uses Personal Information for these main purposes:

- To provide products and services to you or in connection with a transaction involving you.
- To improve our products and services.
- To prevent and detect fraud;
- To maintain the security of our systems, tools, accounts, and applications;
- To verify and authenticate identities and credentials;
- To communicate with you about our, our affiliates', and others' products and services, jointly or independently.
- To provide reviews and testimonials about our services, with your consent.

When Information Is Disclosed

We may disclose your Personal Information and Browsing Information in the following circumstances:

- to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure;
- to affiliated or nonaffiliated service providers who provide or perform services or functions on our behalf and who agree to use the information only to provide such services or functions;
- to affiliated or nonaffiliated third parties with whom we perform joint marketing, pursuant to an agreement with them to jointly market financial products or services to you;
- to law enforcement or authorities in connection with an investigation, or in response to a subpoena or court order; or
- in the good-faith belief that such disclosure is necessary to comply with legal process or applicable laws, or to protect the rights, property, or safety of FNF, its customers, or the public.

The law does not require your prior authorization and does not allow you to restrict the disclosures described above. Additionally, we may disclose your information to third parties for whom you have given us authorization or consent to make such disclosure. We do not otherwise share your Personal Information or Browsing Information with nonaffiliated third parties, except as required or permitted by law.

We reserve the right to transfer your Personal Information, Browsing Information, and any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of bankruptcy, reorganization, insolvency, receivership, or an assignment for the benefit of creditors. By submitting Personal Information and/or Browsing Information to FNF, you expressly agree and consent to the use and/or transfer of the foregoing information in connection with any of the above described proceedings.

Security of Your Information

We maintain physical, electronic, and procedural safeguards to protect your Personal Information.

Choices With Your Information

Whether you submit Personal Information or Browsing Information to FNF is entirely up to you. If you decide not to submit Personal Information or Browsing Information, FNF may not be able to provide certain services or products to you.

For California Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties, except as permitted by California law. For additional information about your California privacy rights, please visit the "California Privacy" link on our website (https://fnf.com/pages/californiaprivacy.aspx) or call (888) 413-1748.

For Connecticut Residents: For additional information about your Connecticut consumer privacy rights, or to make a consumer privacy request, or to appeal a previous privacy request, please email privacy@fnf.com or call (888) 714-2710.

For Colorado Residents: For additional information about your Colorado consumer privacy rights, or to make a consumer privacy request, or appeal a previous privacy request, please email privacy@fnf.com or call (888) 714-2710.

For Nevada Residents: We are providing this notice pursuant to state law. You may be placed on our internal Do Not Call List by calling FNF Privacy at (888) 714-2710 or by contacting us via the information set forth at the end of this Privacy Notice. For further information concerning Nevada's telephone solicitation law, you may contact: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: aginquiries@ag.state.nv.us.

For Oregon Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes. For additional information about your Oregon consumer privacy rights, or to make a consumer privacy request, or appeal a previous privacy request, please email privacy@fnf.com or call (888) 714-2710

We may disclose the categories of Personal Information and Browsing information listed above to the following categories of third parties:

- FNF affiliates and subsidiaries;
- Non-affiliated third parties, with your consent;
- Business in connection with the sale or other disposition of all or part of the FNF business and/or assets;
- Service providers;
- Law endorsement or authorities in connection with an investigation, or in response to a subpoena or court order.

For Texas Residents: For additional information about your Texas consumer privacy rights, or to make a consumer privacy request, or appeal a previous privacy request, please email privacy@fnf.com or call (888) 714-2710.

We may disclose the categories of Personal Information and Browsing information listed above to the following categories of third parties:

- FNF affiliates and subsidiaries;
- Non-affiliated third parties, with your consent;
- Business in connection with the sale or other disposition of all or part of the FNF business and/or assets;
- Service providers;
- Law endorsement or authorities in connection with an investigation, or in response to a subpoena or court order.

For Utah Residents: For additional information about your Utah consumer privacy rights, or to make a consumer privacy request, please call (888) 714-2710.

For Vermont Residents: We will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures.

For Virginia Residents: For additional information about your Virginia consumer privacy rights, or to make a consumer privacy request, or appeal a previous privacy request, please email privacy@fnf.com or call (888) 714-2710.

Information From Children

The FNF Websites are not intended or designed to attract persons under the age of eighteen (18). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian.

International Users

FNF's headquarters is located within the United States. If you reside outside the United States and choose to provide Personal Information or Browsing Information to us, please note that we may transfer that information outside of your country of residence. By providing FNF with your Personal Information and/or Browsing Information, you consent to our collection, transfer, and use of such information in accordance with this Privacy Notice.

FNF Website Services for Mortgage Loans

Certain FNF companies provide services to mortgage loan servicers, including hosting websites that collect customer information on behalf of mortgage loan servicers (the "Service Websites"). The Service Websites may contain links to both this Privacy Notice and the mortgage loan servicer or lender's privacy notice. The sections of this Privacy Notice titled When Information is Disclosed, Choices with Your Information, and Accessing and Correcting Information do not apply to the Service Websites. The mortgage loan servicer or lender's privacy notice governs use, disclosure, and access to your Personal Information. FNF does not share Personal Information collected through the Service Websites, except as required or authorized by contract with the mortgage loan servicer or lender, or as required by law or in the good-faith belief that such disclosure is necessary: to comply with a legal process or applicable law, to enforce this Privacy Notice, or to protect the rights, property, or safety of FNF or the public.

Your Consent To This Privacy Notice; Notice Changes

By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of the information in accordance with this Privacy Notice. We may change this Privacy Notice at any time. The Privacy Notice's effective date will show the last date changes were made. If you provide information to us following any change of the Privacy Notice, that signifies your assent to and acceptance of the changes to the Privacy Notice.

Accessing and Correcting Information; Contact Us

If you have questions or would like to correct your Personal Information, visit FNF's Privacy Inquiry Website or contact us by phone at (888) 714-2710, by email at privacy@fnf.com, or by mail to:

Fidelity National Financial, Inc.
601 Riverside Avenue,
Jacksonville, Florida 32204
Attn: Chief Privacy Officer

ATTACHMENT ONE

CALIFORNIA LAND TITLE ASSOCIATION
STANDARD COVERAGE POLICY - 1990 (11-09-18)

EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

   (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.

3. Defects, liens, encumbrances, adverse claims or other matters:

   (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;

   (b) not known to the Company, not recorded in the public records at 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 Date of Policy; or

   (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.

4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.

5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.

6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which 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.

   Proceedings by a public agency which 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 which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.

3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.

4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.

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 or material unless such lien is shown by the public records at Date of Policy.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART II

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

ATTACHMENT ONE
(CONTINUED)

CALIFORNIA LAND TITLE ASSOCIATION
STANDARD COVERAGE OWNER'S POLICY (02-04-22)
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*)

ATTACHMENT ONE
(CONTINUED)

CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (7-01-21)
EXCLUSIONS FROM COVERAGE

The following matters are excluded from the coverage of this policy and We 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, or 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 8.a., 14, 15, 16, 18, 19, 20, 23, or 27.
2. Any power to take the Land by condemnation. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 17.
3. Any defect, lien, encumbrance, adverse claim, or other matter:
   a. created, suffered, assumed, or agreed to by You;
   b. not Known to Us, not recorded in the Public Records at the Date of Policy, but Known to You and not disclosed in writing to Us by You prior to the date You became an Insured under this policy;
   c. resulting in no loss or damage to You;
   d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 5, 8.f., 25, 26, 27, 28, or 32); or
   e. resulting in loss or damage that would not have been sustained if You paid consideration sufficient to qualify You as a bona fide purchaser of the Title at the Date of Policy.
4. Lack of a right:
   a. to any land outside the area specifically described and referred to in Item 3 of Schedule A; and
   b. in any street, road, avenue, alley, lane, right-of-way, body of water, or waterway that abut the Land.

   Exclusion 4 does not modify or limit the coverage provided under Covered Risk 11 or 21.
5. The failure of Your existing structures, or any portion of Your existing structures, to have been constructed before, on, or after the Date of Policy in accordance with applicable building codes. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 14 or 15.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transfer of the Title to You 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 30.
7. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
8. Negligence by a person or an entity exercising a right to extract or develop oil, gas, minerals, groundwater, or any other subsurface substance.
9. Any lien on Your 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 9 does not modify or limit the coverage provided under Covered Risk 8.a or 27.
10. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19 and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 16:	1.00% of Policy Amount Shown in Schedule A or $2,500.00 (whichever is less)	$ 10,000.00
Covered Risk 18:	1.00% of Policy Amount Shown in Schedule A or $5,000.00 (whichever is less)	$ 25,000.00
Covered Risk 19:	1.00% of Policy Amount Shown in Schedule A or $5,000.00 (whichever is less)	$ 25,000.00
Covered Risk 21:	1.00% of Policy Amount Shown in Schedule A or $2,500.00 (whichever is less)	$ 5,000.00

ATTACHMENT ONE
(CONTINUED)

CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)

EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
   a. building;
   b. zoning;
   c. land use;
   d. improvements on the Land;
   e. land division; and
   f. environmental protection.

   This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
   a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
   b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
   c. that result in no loss to You; or
   d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
   a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
   b. in streets, alleys, or waterways that touch the Land.

   This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake or subsidence.
9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19 and 21, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 16:	1.00% of Policy Amount Shown in Schedule A or $2,500.00 (whichever is less)	$ 10,000.00
Covered Risk 18:	1.00% of Policy Amount Shown in Schedule A or $5,000.00 (whichever is less)	$ 25,000.00
Covered Risk 19:	1.00% of Policy Amount Shown in Schedule A or $5,000.00 (whichever is less)	$ 25,000.00
Covered Risk 21:	1.00% of Policy Amount Shown in Schedule A or $2,500.00 (whichever is less)	$ 5,000.00

ATTACHMENT ONE
(CONTINUED)

ALTA OWNER'S POLICY (07-01-2021)

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 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:

NOTE: The 2021 ALTA Owner's 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.

ATTACHMENT ONE
(CONTINUED)

2006 ALTA OWNER'S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly 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) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;
   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at 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 Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
   (a) a fraudulent conveyance or fraudulent transfer; or
   (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses that arise by reason of:

NOTE: The 2006 ALTA Owner's 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 below 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.

Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the filed rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for such discount. These discounts only apply to transactions involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

Not all discounts are offered by every FNF Company. The discount will only be applicable to the FNF Company as indicated by the named discount.

FNF Underwritten Title Companies
CTC - Chicago Title Company
CLTC - Commonwealth Land Title Company
FNTC - Fidelity National Title Company of California
FNTCCA - Fidelity National Title Company of California
TICOR - Ticor Title Company of California
LTC - Lawyer's Title Company
SLTC - ServiceLink Title Company

Underwritten by FNF Underwriters
CTIC - Chicago Title Insurance Company
CLTIC - Commonwealth Land Title Insurance Company
FNTIC - Fidelity National Title Insurance Company
CTIC - Chicago Title Insurance Company

Available Discounts

DISASTER LOANS (CTIC, CLTIC, FNTIC)
The charge for a Lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within twenty-four (24) months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be fifty percent (50%) of the appropriate title insurance rate.

CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC, FNTIC)
On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be fifty percent (50%) to seventy percent (70%) of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be forty percent (40%) to fifty percent (50%) of the appropriate title insurance rate, depending on the type of coverage selected.

MILITARY DISCOUNT RATE
Upon the Company being advised in writing and prior to the closing of the transaction that an active duty, honorably separated, or retired member of the United States Military or Military Reserves or National Guard is applicable, will be entitled to a discount equal to fifteen percent (15%) of the otherwise applicable rates such party would be charged for the title insurance policies.

Minimum charge: Four Hundred Twenty-Five And No/100 Dollars ($425.00)

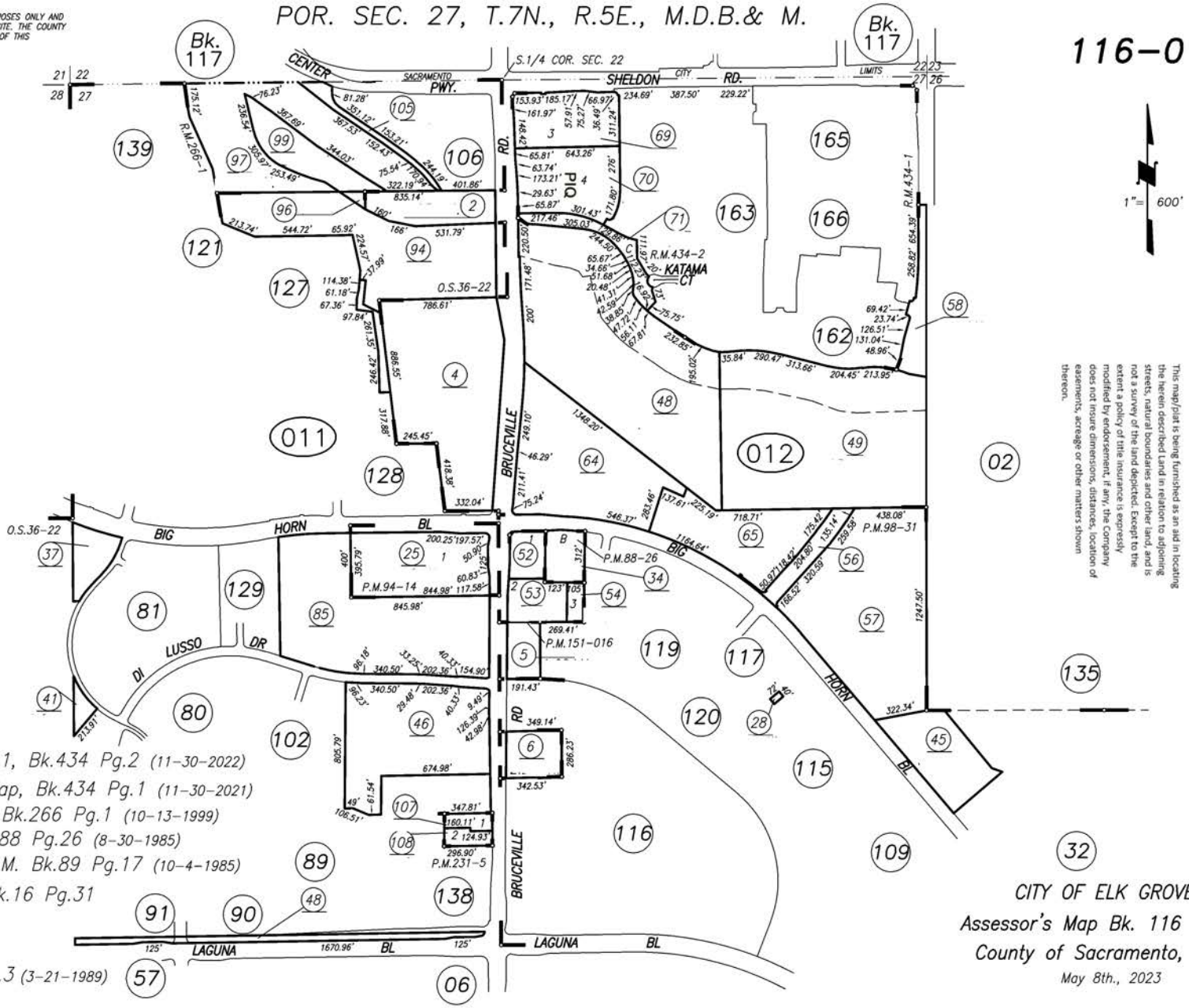
The Company may require appropriate proof of eligibility from the parties to the transaction verifying they are entitled to the discount as described. No other discounts or special rates, or combination of discounts or special rates, shall be applicable.

This map/plat is being furnished as an aid in locating the herein described Land in relation to adjoining streets, natural boundaries and other land, and is not a survey of the land depicted.Except to the extent a policy of title insurance is expressly modified by endorsement, if any, the Company does not insure dimensions, distances, location of easements, acreage or other matters shown thereon.

DISCLAIMER: ASSESSORS PARCELS ARE FOR TAX ASSESSMENT PURPOSES ONLY AND DO NOT INDICATE EITHER PARCEL LEGALITY OR A VALID BUILDING SITE. THE COUNTY OF SACRAMENTO ASSUMES NO RESPONSIBILITY ARISING FROM USE OF THIS INFORMATION.

POR. SEC. 27, T.7N., R.5E., M.D.B.& M.

116–01



This map/plat is being furnished as an aid in locating the herein described Land in relation to adjoining streets, natural boundaries and other land, and is not a survey of the land depicted. Except to the extent a policy of title insurance is expressly modified by endorsement, if any, the Company does not insure dimensions, distances, location of easements, acreage or other matters shown thereon.

Por. Sheldon Farms – Village 1, Bk.434 Pg.2 (11–30–2022)
Sheldon Farms – Large Lot Map, Bk.434 Pg.1 (11–30–2021)
Por. Creekview Unit No.1 R.M. Bk.266 Pg.1 (10–13–1999)
Laguna Business Park P.M. Bk.88 Pg.26 (8–30–1985)
Laguna Business Park Amd., P.M. Bk.89 Pg.17 (10–4–1985)
Hewitt Subdivision No.5 R.M. Bk.16 Pg.31
O.S. Bk.36 Pg.22
O.S. Bk.28 Pg.29
Por. Record of Survey O.S. Bk.3 (3–21–1989)

CITY OF ELK GROVE
Assessor's Map Bk. 116 Pg. 01
County of Sacramento, Calif.
May 8th., 2023

AFFORDABLE MULTIFAMILY HOUSING MARKET STUDY

SHELDON FARMS

8851 Bruceville Road
Elk Grove, CA 95758

CENTRAL ELK GROVE MARKET AREA

SACRAMENTO COUNTY, CALIFORNIA

Prepared for
ABODE COMMUNITIES

Market Study was prepared in accordance with the
2024 CTCAC Market Study Guidelines

OCTOBER 2024

LAURIN ASSOCIATES

RANEY
PLANNING & MANAGEMENT, INC.

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October 23, 2024

Paige Dow
Abode Communities
1149 S. Hill Street, Suite 700
Los Angeles, CA 90015

Re: Central Elk Grove Market Area – Sheldon Farms

Dear Ms. Dow:

Enclosed is the Market Study you requested for the affordable multifamily designated units in the Central Elk Grove Market Area, Sacramento County, California. The effective date of this Market Study is October 23, 2024. The site was visited on October 16, 2024. The market study indicates sufficient demand for the proposed project.

The reported analysis, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased, professional analyses, opinions and conclusions. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved. My compensation is not contingent upon the reporting of predetermined value or demand that favors the cause of the client, the attainment of stipulated result, or the occurrence of subsequent event.

Laurin Associates has over 30 years' experience preparing market studies for multifamily projects.

We appreciate the opportunity to be of service to you. If you have any questions, please do not hesitate to call me at (916) 372-6100.

Cordially,

Stefanie Williams

EXECUTIVE SUMMARY

A. PROJECT AND SITE DESCRIPTION

1. Sheldon Farms is the proposed construction of a 240-unit affordable multifamily housing complex located at 8851 Bruceville Road, Elk Grove, CA 95758, census tract 060670093.39. The complex targets family households with incomes at 30, 50, 60 and 70 percent of AMI. The project sponsor is Abode Communities; the project architect is David Baker Architects. Financing sources include 4 percent tax credits with bonds, HCD AHSC, City of Elk Grove, and CalHFA MIP.

TABLE E-1
PROPOSED PROJECT SUMMARY

BEDROOM SIZE	# OF UNITS	PROPOSED NET RENT	UTILITY ALLOWANCE	GROSS RENT	UNIT SQUARE FOOTAGE	% OF AREA MEDIAN INCOME	AVERAGE AFFORDABILITY RENT
FAMILY HOUSEHOLDS							
1BR – 1BA	29	$580	$83	$663	550	30%	$1,041
	35	$1,022		$1,105		50%	
	34	$1,243		$1,326		60%	
	17	$1,464		$1,547		70%	
2BR – 2BA	13	$690	$105	$795	865	30%	$1,259
	17	$1,221		$1,326		50%	
	18	$1,486		$1,591		60%	
	8	$1,751		$1,856		70%	
3BR – 2BA	24	$791	$128	$919	1,050	30%	$1,303
	26	$1,404		$1,532		50%	
	8	$1,711		$1,839		60%	
	9	$2,017		$2,145		70%	
2BR – 1BA	2	MANGER UNIT					

2. The proposed development consists of two three- and four-story buildings with a unit mix of 115 one-bedroom units with 550 square feet, 56 two-bedroom units with 865 square feet, and 67 three-bedroom units with 1,050 square feet; two additional two-bedroom units will be designated for on-site management. Construction is set to begin in February 2027 with a market entry date of December 2028.

3. Given the subject property's proposed unit types, sizes, and rents, the project will have a positive impact on the Market Area.

4. Sheldon Farms will be located on a 5.5-acre flat parcel zoned RD-30, in the central portion of the City. Primary access is from Bruceville Road.

ADJACENT LAND USES:

East: **Single Family Residential**
West: **Apartment Complex / Single Family Residential**
North: **Commercial Retail / Condominiums**
South: **Open Space**

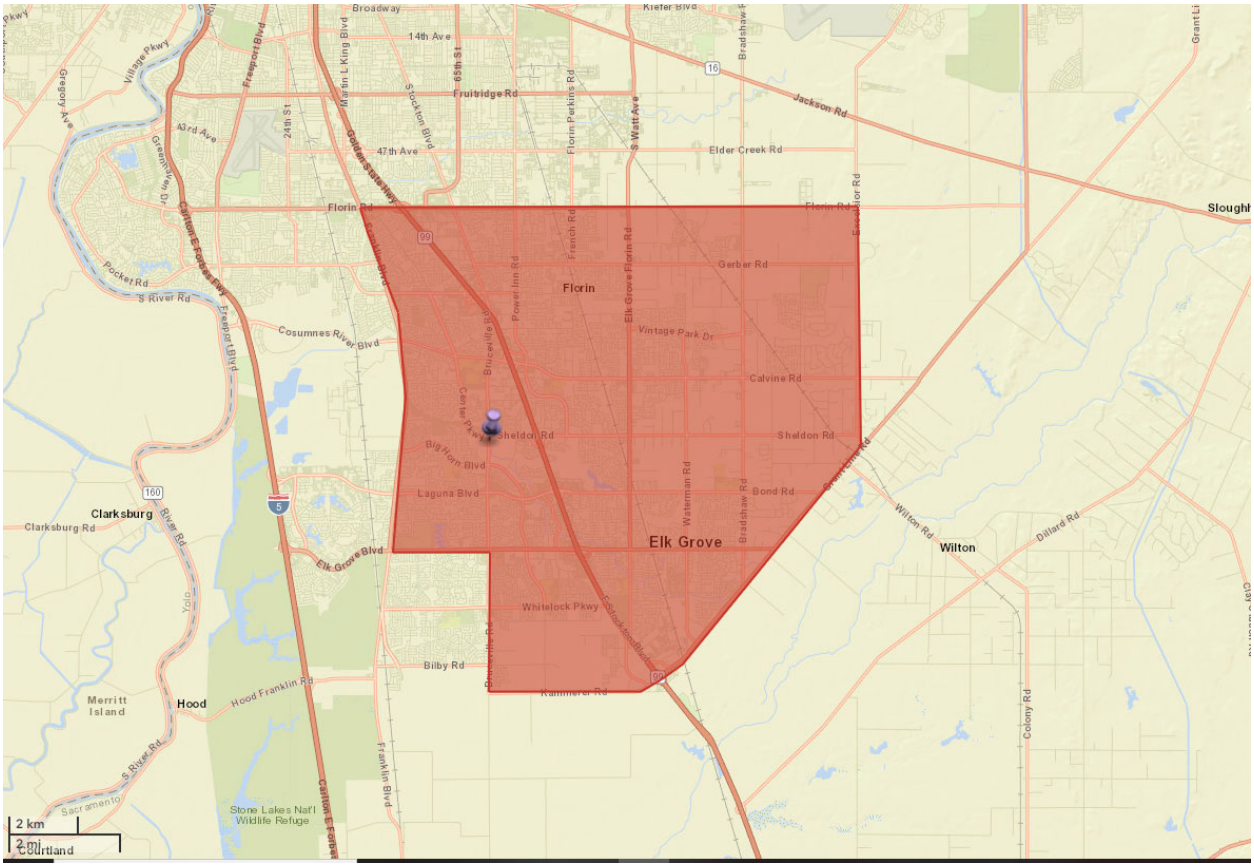
B. MARKET AREA

5. Included in the Central Elk Grove Market Area for this study is the central portion of the City of Elk Grove, and the southwestern portion of the City of Sacramento. (See Exhibit E-1). This area contains an estimated population of 264,878 and 80,500 households in 58.43 square miles.

Central Elk Grove Market Area boundaries:

North: Florin Road
South: Kammerer Road
East: Grant Line Road
West: Franklin Blvd.

EXHIBIT E-1
LOCATION OF THE CENTRAL ELK GROVE MARKET AREA



6. In 2010, the Central Elk Grove Market Area had a population of 220,271. Over the last fourteen years, the population has increased to 264,878. Over the next four years, it is expected to increase by 1.6 percent to 269,193. By the year 2029, the population of the Market Area is projected to increase to 270,272, an additional 0.4 percent above the 2028 total.

C. MARKET RELATED STRENGTHS AND WEAKNESSES

7. The Market Area has 14 affordable multifamily projects, which are 100.0 percent occupied, with wait lists. The newly constructed project will be an asset to the Central Elk Grove Market Area, and the demand for affordable units.

8. The project is located within walking distance of public transportation and within close proximity to shopping and services. The subject property's service and on-site amenities are sufficient for the Market Area.

9. There are no characteristics of the surrounding areas that detract from the overall desirability of the site.

10. As proposed the project will perform well, based on the market conditions, current affordable housing availability and demand. Laurin Associates has no recommendations for modifications.

D. DEMOGRAPHICS

11. In 2010, the Central Elk Grove Market Area had a total of 68,039 households. The number increased 18.3 percent to 80,500 households by 2024 and is projected to increase by 0.8 percent by 2028 to 81,174 households and an additional 0.2 percent to 81,343 households by 2029.

12. Approximately, 28.5 percent (22,943 households) of the Central Elk Grove Market Area households earn less than 50 percent of the CTCAC designated Sacramento County Area Median Income ($117,900). In addition, 20.0 percent of the households are classified as Low Income (50 to 80 percent of AMI), resulting in 48.5 percent of the households in the Central Elk Grove Market Area earning less than 80 percent of the AMI for Sacramento County.

13. According to the 2022 American Community Survey, 46.1 percent of the renter households were overpaying, 35 percent or more, for shelter in the City of Elk Grove. Of these households, those earning the least experienced the most rent burden. For example, of those renter households earning $10,000 to $19,999, 97.5 percent were overpaying for shelter, while those earning over $50,000, 27.0 percent were overpaying.

14. In the City of Elk Grove, the percentage of overcrowded units was 3.6 percent in 2022. Approximately 0.6 percent of the housing was built before 1940 and 0.3 percent of the units lacked complete plumbing facilities. In Sacramento County, 5.7 percent of the housing units were overcrowded, and 4.6 percent were built before 1940.

E. FIELD SURVEY, COMPETITIVE ANALYSIS AND MARKET DEMAND

15. According to the October 2024 survey, the overall vacancy rate for multifamily housing is 0.9 percent in the Central Elk Grove Market Area. The overall vacancy rate for income-restricted complexes is 0.0 percent. Most complexes reported few if any vacancies and the affordable complexes reported wait lists.

16. According to the Laurin Associates October 2024 multifamily survey, the average turnover rate was 35.0 percent.

17. The weighted average adjusted market rents are substantially higher than the highest proposed LIHTC rents. For example, the highest proposed LIHTC rents for the two-bedroom units are 19.37 percent less than the adjusted market rents. Based on the adjustment matrices, the rents are achievable as proposed.

TABLE E-2A
NET RENTAL RATE COMPARISON – HIGHEST LIHTC RENTS

Bedroom Type	Weighted Average Adjusted Market Rents	Average Adjusted Price Per Square Foot	Highest Restricted Rents*/Price Per Square Foot	Percent Difference for Rent	Percent Difference for Price Per Square Foot
1BR – 1BA	$2,053	$2.68	$1,464 / $2.58	-28.67%	-0.63%
2BR – 1BA	$2,172	$2.06	$1,751 / $2.02	-19.37%	-1.67%
3BR – 2BA	$2,594	$2.08	$2,017 / $1.92	-22.25%	-7.72%

Source: Laurin Associates, October 2024
*Rents are net rents. Utility Allowance: 1BR - $83, 2BR - $105, and 3BR - $128.

The weighted average adjusted market rents are substantially higher than the average proposed LIHTC rents. For example, the average proposed rents for the one-bedroom units are 49.3 percent less than the adjusted market rents. Based on the adjustment matrices, the rents are achievable as proposed.

TABLE E-2B
NET RENTAL RATE COMPARISON – AVERAGE LIHTC RENTS

Bedroom Type	Weighted Average Adjusted Market Rents	Average Adjusted Price Per Square Foot	Average Proposed Rents*	Percent Difference for Rent
1BR – 1BA	$2,053	$2.68	$1,041	-49.3%
2BR – 1BA	$2,172	$2.06	$1,259	-42.1%
3BR – 2BA	$2,594	$2.08	$1,303	-49.8%

Source: Laurin Associates, October 2024
*Rents are net rents. Utility Allowance: 1BR - $83, 2BR - $105, and 3BR - $128.

18. At the time of market entry in the year 2028, there will be a projected total demand for 2,648 rental units in the Market Area for households with incomes between 30, 50, 60, and 70 percent of AMI. Specifically, there will be a demand for 565 one-bedroom, 1,340 two-bedroom, and 743 three-bedroom units. Given this demand, the 238 proposed units would need to capture 9.0 percent of the income-eligible households in the Market Area.

TABLE E-3
2026 DEMAND SUMMARY – FAMILY HOUSEHOLDS

	1BR	2BR	3BR	TOTAL
30% of AMI	29 @ $580	13 @ $690	24 @ $791	
50% of AMI	35 @ $1,022	17 @ $1,221	26 @ $1,404	
60% of AMI	34 @ $1,243	18 @ $1,486	8 @ $1,710	
70% of AMI	17 @ $1,464	8 @ $1,751	9 @ $2,017	
TOTAL	115	56	67	238*
Theoretical Demand (2028)				
30% of AMI	62	147	82	
50% of AMI	155	367	203	
60% of AMI	158	375	208	
70% of AMI	190	451	250	
TOTAL	**565**	**1,340**	**743**	**2,648**
Capture Rate (2028)				
30% of AMI	46.8%	8.8%	29.3%	
50% of AMI	22.6%	4.6%	12.8%	
60% of AMI	21.5%	4.8%	3.8%	
70% of AMI	8.9%	1.8%	3.6%	
TOTAL	**20.4%**	**4.2%**	**9.0%**	**9.0%**
Penetration Rate (2028)	35.2%	9.6%	19.8%	17.9%

*Rents are net rents. Utility Allowance: 1BR - $83, 2BR - $105, and 3BR - $128.
*Two additional two-bedroom units will be designated for on-site management.

19. Given the demand for affordable multifamily rental units within the Market Area, the presence of waiting lists at the income restricted complexes, Laurin estimates that the subject property can reach full or 95 percent occupancy in approximately five months. Construction of the complex is expected to be completed in 2028.

F. SURVEYED MULTI-FAMILY COMPLEXES

20. Below is a summary of the existing surveyed comparable projects in the Market Area:

Name and Location	Distance from project	Population served	# of units by BR size	Rent by unit size
Laguna Creek Apts. 8760 Center Parkway	<0.25 miles	Family – Market Rate	116 – 1BR 48 – 2BR	$1,989-$2,054 $2,125-$2,479
Terracina Park Meadows 8875 Lewis Stein Road	0.48 miles	Family – LIHTC	24 – 1BR 96 – 2BR 24 – 3BR	$1,105-$1,326 $1,326-$1,700 $1,532-$1,850

Vasari Luxury Apts. Homes 8117 Sheldon Road	0.64 miles	Family – Market Area	140 – 1BR 140 – 2BR 44 – 3BR	$2,199-$2,409 $2,462-$2,847 $2,649-$2,843
Bella Vista Apartments 6810 Di Lusso Drive	0.67 miles	Family – Market Rate	75 – 1BR 90 – 2BR 76 – 3BR	$1,829-$3,148 $2,040-$4,274 $2,661-$6,005
Bow Street Apts. 8740 Auberry Drive	0.94 miles	Family – LIHTC	12 – 1BR 25 – 2BR 13 – 3BR	$663-$1,326 $795-$1,591 $919-$1,839
Village Crossing Family Apts. 9241 Bruceville Road	1.00 miles	Family – LIHTC / Market Rate	40 – 1BR 78 – 2BR 80 – 3BR	$663-$1,700 $795-$1,750 $919-$2,000
Auberry Park 8120 Power Inn Road	1.85 miles	Family – LIHTC	74 – 2BR 36 – 3BR	$1,061 $1,226
Avery Gardens 7015 Elk Grove Boulevard	1.91 miles	Family – LIHTC	24 – 1BR 30 – 2BR 10 – 3BR	$663-$1,326 $795-$1,591 $919-$1,839
Terracina at Elk Grove 9440 W. Stockton Blvd.	1.92 miles	Family -	26 – 1BR 72 – 2BR 62 – 3BR	$773-$1,326 $928-$1,591 $1,072-$1,839
The Ridge Apartments 8151 Civic Center Drive	2.12 miles	Family – LIHTC	60 – 1BR 84 – 2BR 60 – 3BR	$1,105-$1,326 $1,326-$1,591 $1,532-$1,839
The Crossings at Elk Grove 8559-8575 Elk Grove Florin Road	2.43 miles	Family – LIHTC	6 – 1BR 63 – 2BR 40 – 3BR 6 – 4BR	$995-$1,216 $1,187-$1,452 $1,365-$1,672 $1,512-$1,854
Arbor Creek Family 8340 Elk Grove Florin Road	2.68 miles	Family – Affordable	15 – 1BR 54 – 2BR 33 – 3BR	$1,326 $1,591 $1,839
Montego Falls Apartments 9950 Bruceville Road	2.83 miles	Family – LIHTC	36 – 1BR 60 – 2BR 36 – 3BR	$1,105 $1,326 $1,532
Terracina at Vineyard 8861 Vintage Park Drive	3.12 miles	Family – LIHTC	39 – 2BR 24 – 3BR	$1,326-$1,591 $1,532-$1,839
The Gardens at Quail Run 10140 Bruceville Road	3.29 miles	Family – LIHTC	12 – 1BR 59 – 2BR 24 – 3BR 1 – 2BR	$663-$1,326 $795-$1,591 $919-$1,839 Manager's Unit
Agave Apartments 10070 Willard Parkway	3.59 miles	Family – LIHTC	96 – 2BR 80 – 3BR 12 – 4BR	$1,302 $1,498 $1,659
Churchill Downs 8155 Waterman Road	3.85 miles	Family – Affordable / Market Rate	31 – 1BR 109 – 2BR 64 – 3BR	$466-$1,650 $554-$1,870 $603-$2,110

21. Every attempt was made to locate comparables within a one-mile radius of the site. Sources for our search in October 2024 included field and phone surveys, contacting property management companies, and Laurin Associates' historical database.

CERTIFICATION

This Market Study is being prepared at the request of Abode Communities, in order to determine the demand for affordable multifamily and special needs units in the Central Elk Grove Market Area, Elk Grove, California. This Market Study has been conducted in accordance with the 2024 CTCAC market study requirements.

This Market Study is effective as of October 23, 2024, and every attempt was made to obtain the most recent and verifiable data.

I certify that, to the best of my knowledge and beliefs:

- A Laurin Associate surveyed the site and surrounding properties on October 16, 2024.
- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased, professional analyses, opinions, and conclusions. Information and opinions furnished from other sources are considered reliable and we assume no responsibility for the accuracy of such items.
- We have no present or prospective interest in the property that is the subject of this report, and we have no personal interests or bias with respect to the parties involved.
- Our compensation is not contingent upon the reporting of a predetermined value or demand that favors the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event. We assume no responsibility for the business decisions of those who become aware of this report.
- 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 the Standards of Professional Appraisal Practice of the Appraisal Institute for a market evaluation report. The report is not intended to establish a value, and no representations are made to the value of the property.

STEFANIE WILLIAMS
(916) 372-6100

NOTE: The data in this study are proprietary. No use of this information by persons other than those named above is permitted without the expressed written consent of Abode Communities or Laurin Associates, a division of Raney Planning & Management.

ASSUMPTIONS AND LIMITING CONDITIONS

1. Unit demand was based on the household growth trends, income, and the number, type, and availability of existing competitive projects in the Central Elk Grove Market Area of Sacramento County, California.

2. The forecasts, projections, or estimates contained in this study are based on CURRENT MARKET CONDITIONS, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.

3. The information provided by others is believed to be reliable, but no warranty is given for its accuracy.

4. All maps, plot plans, and design material are assumed to be correct and are included in this report to help the reader visualize the property.

5. Possession of this report, or copy thereof, does not carry with it the right of publication.

6. Only preliminary plans and specifications were available for use in the preparation of this report. Any subsequent changes to those plans and specifications may affect the Conclusions and Findings and may require an additional or updated market study.

7. The absorption of this project to 95 percent occupancy is conditional upon a comprehensive marketing plan being implemented by the owners/managers.

8. This market study meets or exceeds the requirements of the Low Income Housing Tax Credit (LIHTC) for such reports. It is assumed that credits are available and the project sponsors will obtain all other governmental approvals necessary to process the project as defined herein. Changes and modifications to the project may result in different conclusions.

9. Special aggregations, estimates and projections of the 2000 and 2010 Census reports are modeled through ESRI.

INTRODUCTION

This market study is being prepared to assist Abode Communities in determining if it is feasible to construct an affordable multifamily housing project under the 2024 program requirements of the California Tax Credit Allocation Committee.

In order to describe market feasibility, Laurin Associates collects, compiles and analyzes data regarding the project area, market area demographics, comparable and competitive projects, and the proposed project. Finally, Laurin Associates performs a qualitative and quantitative demand analysis for the proposed project.

To analyze comparable and competitive projects and market characteristics, Laurin Associates attempted to locate a confident sample of the multifamily units in the Central Elk Grove Market Area. This provides a solid base on which to analyze rental rate, vacancy, and turnover trends in the general area. The concepts of comparability and competitiveness are essential to the feasibility of Sheldon Farms project but are considered separate concepts. For example, it is possible for a project to be considered comparable but not competitive by virtue of the fact that location, size, condition, and amenities are similar or "comparable" but the rental rate is much higher, and not competitive.

To analyze demographics in the Central Elk Grove Market Area, Laurin Associates only uses data specifically collected in the field for a particular project or other accepted data providers, such as the California Department of Finance, US Census Reports and Councils of Government. Special aggregations of 2000 and 2010 Census data are performed and/or data is purchased from ESRI.

This Market Study targets households with very low and low incomes (30, 50, 60, and 70 percent of AMI), in the Central Elk Grove Market Area. The Market Study also theoretically targets only renter households because homeowner households would be less likely to rent and would generally not fall within the required income categories. There are exceptions; but a more conservative estimate of eligible households results in a confident market feasibility study.

The intent of the Market Study is to demonstrate whether or not Sheldon Farms is needed and will rent up within a reasonable amount of time once construction is completed. Some of the supportable premises are the housing market area is experiencing steady growth; rental housing construction has been slow or non-existent; rental housing vacancy is low; the area is experiencing rent increases; there are substantial waiting lists in the area or recent high absorption trends. If these premises are evident, new affordable rental housing most likely can be supported, such as that supported by the California Tax Credit Allocation Committee program.

PROJECT DESCRIPTION I

PROJECT DESCRIPTION

Sheldon Farms is the proposed construction of a 240-unit affordable multifamily housing complex located at 8851 Bruceville Road, Elk Grove, CA 95758, census tract 060670093.39. The complex targets family households with incomes at 30, 50, 60 and 70 percent of AMI. The project sponsor is Abode Communities; the project architect is David Baker Architects. Financing sources include 4 percent tax credits with bonds, HCD AHSC, City of Elk Grove, and CalHFA MIP.

The proposed development consists of two three- and four-story buildings with a unit mix of 115 one-bedroom units with 550 square feet, 56 two-bedroom units with 865 square feet, and 67 three-bedroom units with 1,050 square feet; two additional two-bedroom units will be designated for on-site management. Construction is set to begin in February 2027 with a market entry date of December 2028.

TABLE 1-1
PROPOSED PROJECT SUMMARY

BEDROOM SIZE	# OF UNITS	PROPOSED NET RENT	UTILITY ALLOWANCE	GROSS RENT	UNIT SQUARE FOOTAGE	% OF AREA MEDIAN INCOME	AVERAGE AFFORDABILITY RENT
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	26	$1,404		$1,532		50%	
	8	$1,711		$1,839		60%	
	9	$2,017		$2,145		70%	
2BR – 1BA	2	MANGER UNIT					

Tenants are responsible for the following utilities: general electricity, electric cooking and heating, and cable or satellite.

Unit amenities include central cooling and heating, blinds, coat closet, refrigerator, stove/oven, and disposal. Project amenities include a 1,000 square-foot community building, gym, picnic area, playground, on-site management, 8 laundry rooms, surveillance camera, elevator, and 240 surface parking spaces.

PROJECT SITE

Sheldon Farms will be located on a 5.5-acre flat parcel zoned RD-30, in the central portion of the City. Primary access is from Bruceville Road.

ADJACENT LAND USES:

East: **Single Family Residential**
East of the site is a new development of single-family homes in excellent condition. Further east is a shopping center with a WinnCo Foods.

West: **Apartment Complex / Single Family Residential**
West of the site, across Bruceville Road is a large apartment complex in excellent condition, followed by the Laguna Bypass Channel. Further west is a large single-family neighborhood in good condition.

North: **Commercial Retail / Condominiums**
North of the site across Sheldon Road are condominiums in good condition. To the northwest there is a retail center with a fitness center, theater complex and fast food restaurants.

South: **Open Space**
South of the site is open space with the Laguna Bypass Chanel and the Elk Grove Creek Trail.

EXHIBIT 1-1 – SITE PHOTOGRAPHS

Across Site -- East

From Site – West

Along Site – North

Along Site – South

EXHIBIT 1-2 – NEIGHBORHOOD PHOTOGRAPHS

EXHIBIT 1-3 - SITE AND ADJACENT LAND USES

SERVICES AND FACILITIES

Bus:	The Sacramento Regional Transit has a stop located at Bruceville Road and Center Parkway, <0.25 miles from the site.
Recreation:	Arnold Andreani Park is located at 8894 Dracut Drive, <0.25 miles from the site.
Grocery:	The closest grocery store is WinCo, located at 8142 Sheldon Road, 0.55 miles from the site.
Pharmacy:	The closest pharmacy is Elk Grove Pharmacy, located at 8701 Center Parkway, 0.42 miles from the site.
Schools:	Irene B West Elementary School is located at 8625 Serio Way, 0.59 miles from the site.
Medical:	The nearest medical facility is Elk Grove Urgent Care, located at 9045 Bruceville Road, 0.49 miles from the site.
Police:	The Elk Grove Police Department is located at 8400 Laguna Palms Way, 1.78 miles from the site.
Fire:	The Cosumnes Fire Department Station 76 is located at 8545 Sheldon Road, 1.56 miles from the site

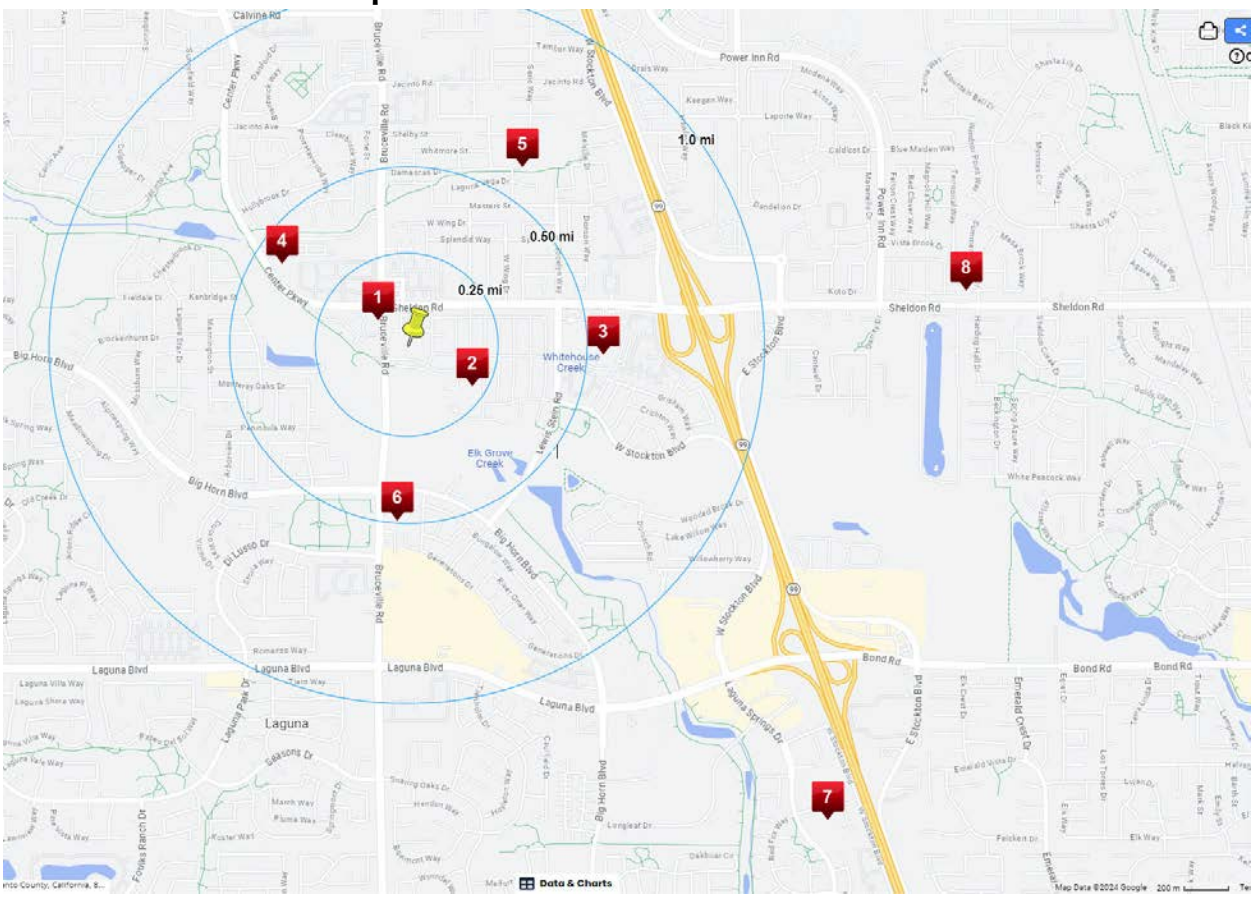
OTHER SERVICES AND FACILITIES

Water:	City of Elk Grove
Sewer:	City of Elk Grove
Electricity:	SMUD
Gas:	PG&E
Telephone:	AT&T

Transportation:

Air:	The nearest commercial airport is Sacramento International Airport.
Bus:	The closest Greyhound Bus Terminal is located at 420 Richards Boulevard, Sacramento.
Amtrak:	The Sacramento Amtrak station is located at 401 I Street.

EXHIBIT 1-4 - LOCATION OF SERVICES AND FACILITIES



#	Service Type	Address	Distance from Site
1	Transit	Bruceville Road and Center Parkway	<0.25 miles
2	Park	8894 Dracut Drive	<0.25 miles
3	Grocery	8142 Sheldon Road	0.55 miles
4	Pharmacy	8701 Center Parkway	0.42 miles
5	School	8625 Serio Way	0.59 miles
6	Medical	9045 Bruceville Road	0.49 miles
7	Police	8400 Laguna Palms Way	1.78 miles
8	Fire	8545 Sheldon Road	1.56 miles

GEOGRAPHIC AND AREA DESCRIPTION II

SACRAMENTO COUNTY

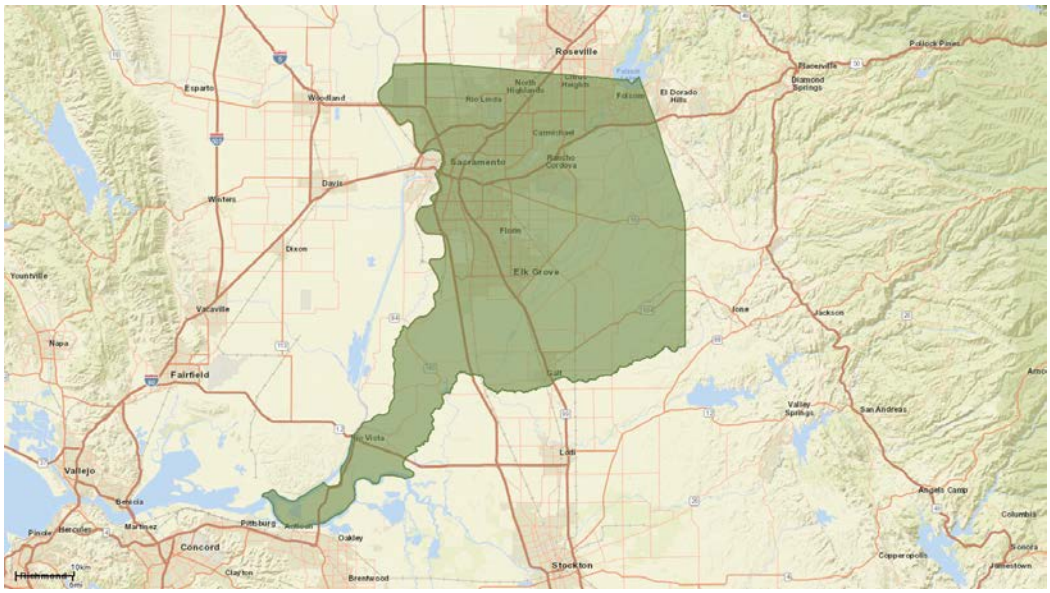
Sacramento County was incorporated in 1850 in response to the needs of a growing population. The County is one of the original 27 counties of California. Its largest city, the City of Sacramento, became the capital of the State of California in 1854. Sacramento also serves as the County seat.

During the Gold Rush era, Sacramento served as a center for commerce and agriculture, as well as a major supply distribution point. The area was a terminus for wagon trains, riverboats, and stagecoaches. Construction of the Central Pacific Railroad began in Sacramento and continued east to join the Union Pacific line in Utah in May 1869, forming the first transcontinental railroad and opening a major transportation route that would link the United States from the east and west. Communications also opened up with the arrival of the Pony Express and introduction of the telegraph.

By the end of World War I, the area housed an airfield and pilot training school. Bi-wing airplanes were being built in northern Sacramento. After the war, many of the planes were converted to civilian use. From that time on, aviation has grown to become a vital part of the region's development. Today the County is home to the Sacramento County Airport System, with includes the Sacramento International Airport.

Several military installations were located in the region during the 1900's. While the bases have closed, two former military locations, Mather and McClellan, have now become active business centers within the County.

EXHIBIT 2-1 – SACRAMENTO COUNTY



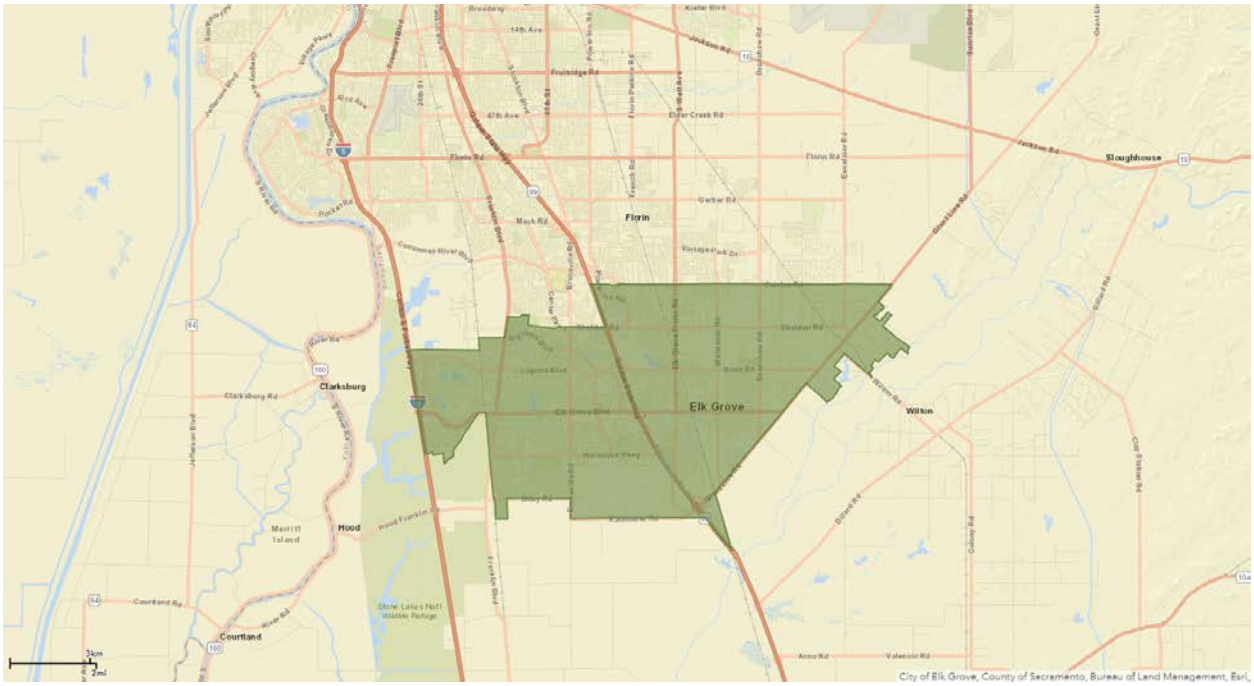
CITY OF ELK GROVE

Elk Grove is a city in Sacramento County, California, located just south of the state capital of Sacramento. In 1850, Elk Grove was established as a hotel and a stop for the stagecoach. It is located about 15 miles south of historic Sutter's Fort and thus became a crossroads for business, entertainment, mail service and agriculture, and acted as home base for gold miners in nearby communities.

In the following decades, Elk Grove remained a small farming community with little urban development. In the late 1980s, suburban development projects began to spring up around the community, specifically in the north near Sacramento. This was meant to serve Sacramento's population as well as San Francisco commuters looking for a community relatively near the San Francisco Bay Area which they could settle in and still commute from. This set off a period of rapid suburban growth.

On July 1, 2000, Elk Grove incorporated as a city. The growth peaked in the years 2004 and 2005 when Elk Grove was declared the fastest growing city in the US. Today, Elk Grove had its start in agriculture, and it is still a big part of the area's economy today, with vineyards, dairy and cattle and row crops; but, now, there is also high technology, professional service, and commercial and retail enterprises. Apple Inc. used to manufacture its iMac line in a factory in Elk Grove as late as 2002. After many of those tasks were offshored, the facility was converted into an AppleCare call center.

EXHIBIT 2-2 - LOCATION OF CITY OF ELK GROVE



The table below illustrates crime indices in the PMA and MSA in comparison to that of the nation. A crime index below 100 is below the national average and anything over 100 is above the nation's average. The total crime index of 87, in the PMA, indicates that crimes in the PMA are, on average, lower than or on par with those in the nation, except for motor vehicle theft. Generally, the crime indices in the PMA are similar to the MSA, which is generally on par with the national averages. Laurin Associates does not anticipate that crime will be a factor in the marketability of the subject property.

TABLE 2-1
2024CRIME RISK INDICES* **

	ELK GROVE MARKET AREA	SACRAMENTO – ROSEVILLE - FOLSOM MSA
TOTAL CRIME*	**87**	**98**
PERSONAL CRIME	**102**	**96**
Murder	74	68
Rape	59	64
Robbery	103	114
Assault	109	97
PROPERTY CRIME	**85**	**99**
Burglary	100	107
Larceny	75	94
Motor Vehicle Theft	124	119

Source: 2024 ESRI
*Unweighted aggregations
**The Crime Index is an indication of the relative risk of a crime occurring and is measured against the overall risk at a national level. Values above 100 indicate the area has an above average risk of occurring compared to the US. Values below 100 indicate the area has a below average risk of occurring compared to the US. The Crime Indexes provides an assessment of the relative risk of seven major crime types: murder, rape, robbery, assault, burglary, larceny, and motor vehicle theft. It is modeled using data from the FBI Uniform Crime Report and demographic data from the U.S. Census and Applied Geographic Solutions (AGS).

CENTRAL ELK GROVE MARKET AREA

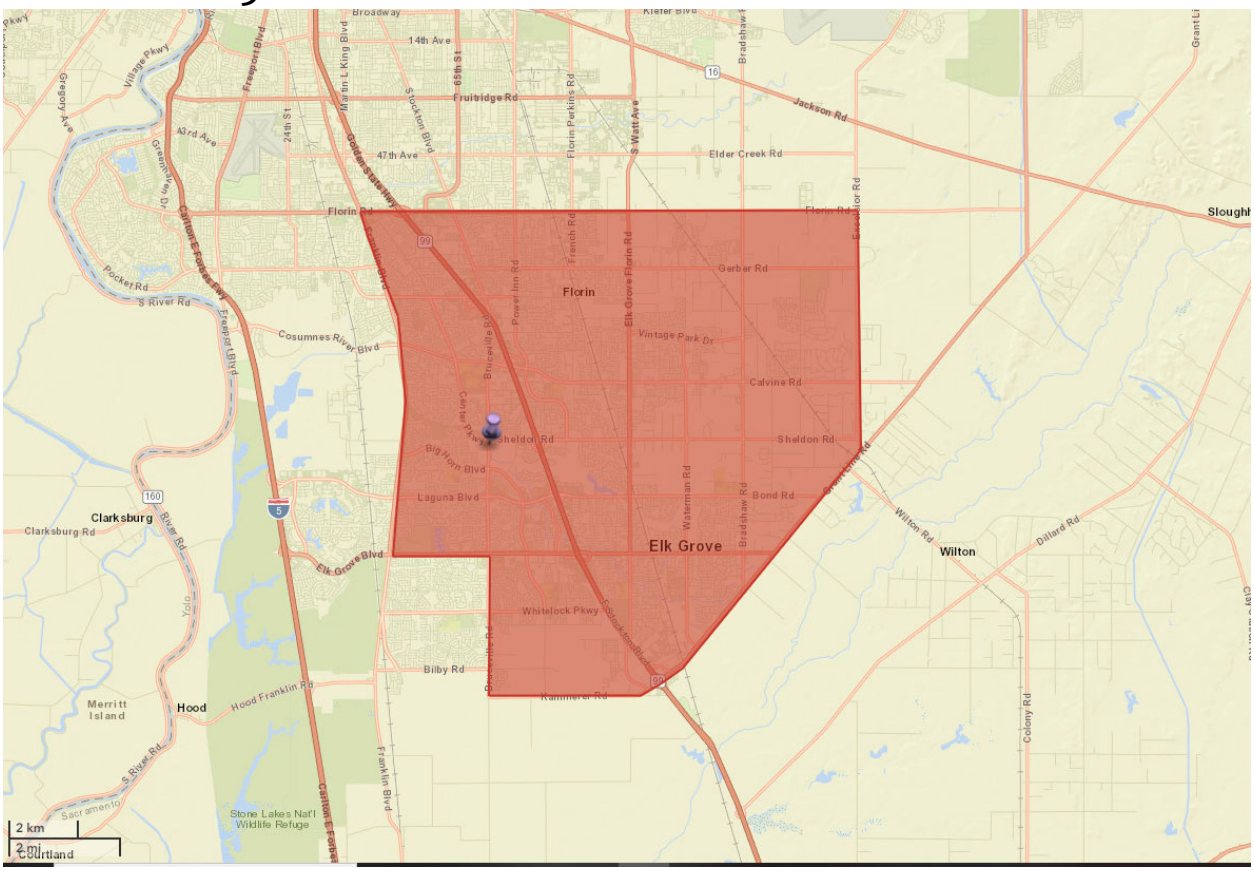
Every attempt is made to determine an accurate and logical Primary Market Area. Laurin Associates consults local planning staff, economic service areas, and geographic boundaries, along with site visits to determine the Primary Market Area.

Included in the Central Elk Grove Market Area for this study is the central portion of the City of Elk Grove, and the southwestern portion of the City of Sacramento. (See Exhibit 2-3). This area contains an estimated population of 264,878 and 80,500 households in 58.43 square miles.

Central Elk Grove Market Area boundaries:

North:	Florin Road
South:	Kammerer Road
East:	Grant Line Road
West:	Franklin Blvd.

EXHIBIT 2-3 – LOCATION OF THE CENTRAL ELK GROVE MARKET AREA



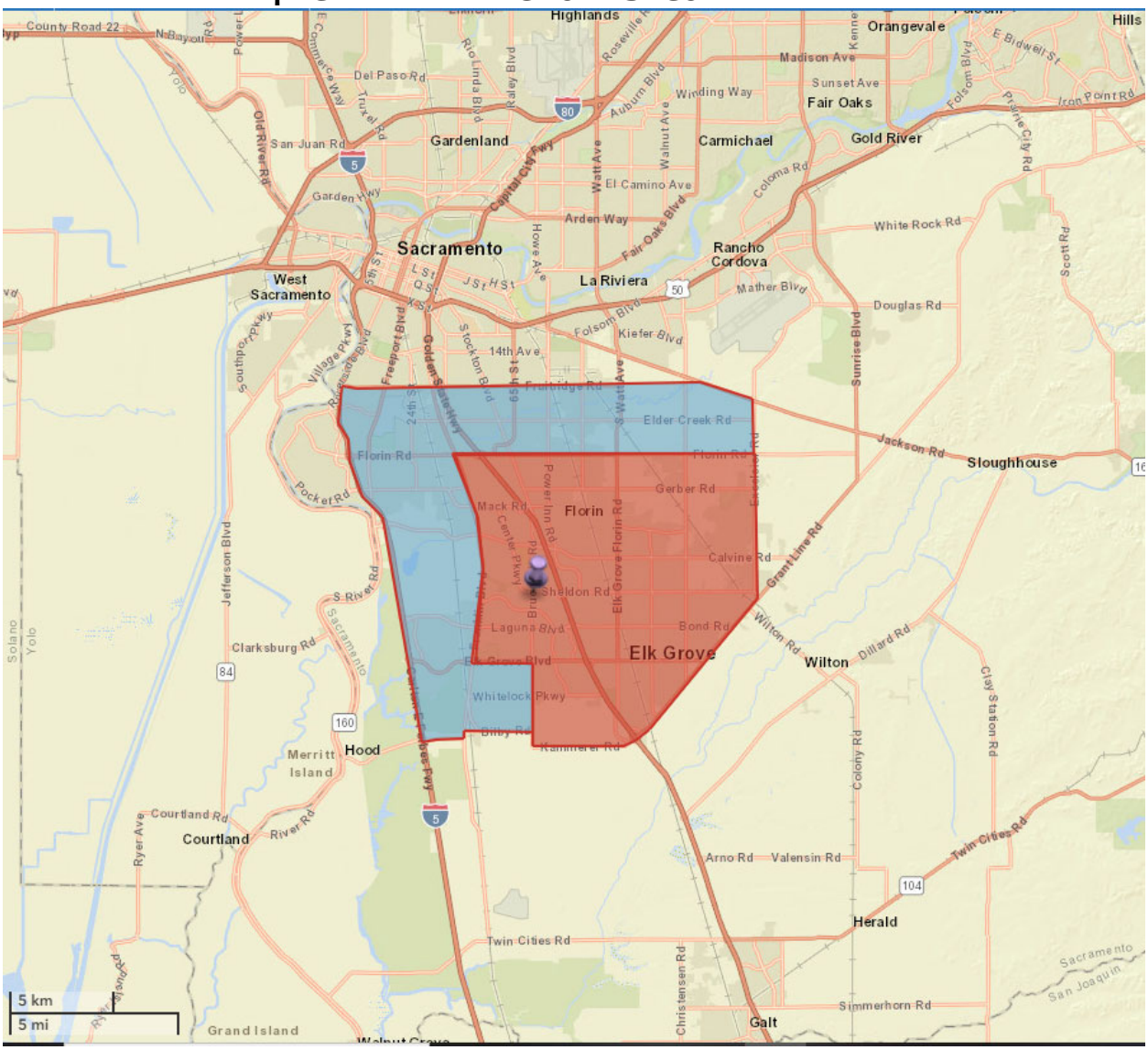
CENTRAL ELK GROVE SECONDARY MARKET AREA

A Secondary Market Area was deemed unnecessary due to the high demand for affordable units in the Central Elk Grove Primary Market Area. However, should a Secondary Market Area be considered the following areas would be most appropriate.

Central Elk Grove Secondary Market Area boundaries:

North:	Fruitridge Road
West:	I-5
South:	Bilby Road
East:	Excelsior Road / Franklin Blvd.

EXHIBIT 2-4 –CENTRAL ELK GROVE SECONDARY MARKET AREA



DEMOGRAPHIC ANALYSIS – GENERAL OCCUPANCY | III

The data contained in this Chapter provides the base for the formulae used in Chapter IV and contains the facts and figures to support the Conclusions and Findings. Every attempt was made to obtain the most recent, verifiable data available. All sources are noted for each table. Primary and source data are readily available and are listed in the works cited attached at the end of this study.

STATISTICAL METHODOLOGY

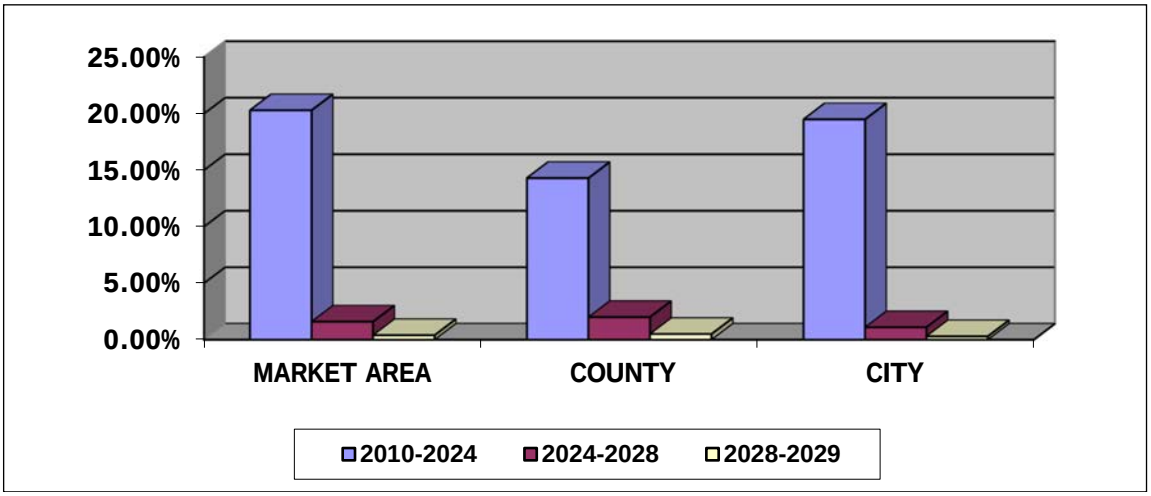
Statistical data used for this report comes from ESRI, the Census Bureau, the California Department of Finance, and the California Employment Development Department.

ESRI is a reputable statistical data resource that uses information garnered from the above sources in order to project population and household trends. The information is scientifically calculated in order to project out future growth as accurately as possible. As with any projections, the further the data is projected the less accurate the calculation. ESRI assimilates updates annually to maintain the most accurate and up to date information.

POPULATION

As illustrated below, the population growth of the Central Elk Grove outpaced the City of Elk Grove and Sacramento County between 2010 to 2024. The County is expected to grow at a slightly faster rate over the next five years.

CHART 3-1
POPULATION GROWTH TRENDS



Source: 2024 ESRI

In 2010, the Central Elk Grove Market Area had a population of 220,271. Over the last fourteen years, the population has increased to 264,878. Over the next four years, it is expected to increase by 1.6 percent to 269,193. By the year 2029, the population of the Market Area is projected to increase to 270,272, an additional 0.4 percent above the 2028 total, as shown in Table 3-1.

The population of the County is projected to steadily increase over the next five years. Since 2010, the population increased by 14.3 percent or 1.0 percent annually, to a current total of 1,622,096. By 2028, the population of the County is projected to be 1,654,351, and by 2029 it will be 1,662,415.

The population of the City of Elk Grove is projected to increase at a slightly slower pace than the Market Area over the next five years. Currently, the population is estimated to be 182,955, projected to increase to 184,967 by 2028 and 185,470 by 2029.

TABLE 3-1
POPULATION TRENDS

Year	Number	Change	% Change	Simple Annual % Change
ELK GROVE MARKET AREA				
2010	220,271			
2024	264,878	44,607	20.3%	1.4%
2028	269,193	4,315	1.6%	0.4%
2029	270,272	1,079	0.4%	0.4%
SACRAMENTO COUNTY				
2010	1,418,788			
2024	1,622,096	203,308	14.3%	1.0%
2028	1,654,351	32,255	2.0%	0.5%
2029	1,662,415	8,064	0.5%	0.5%
CITY OF ELK GROVE				
2010	153,040			
2024	182,955	29,915	19.5%	1.4%
2028	184,967	2,012	1.1%	0.3%
2029	185,470	503	0.3%	0.3%
Source: 2024 ESRI				

Currently, 39.8 percent of the population in the Central Elk Grove Market Area is between the ages of 25 and 54. The population age 0-14 represents the largest age group with 19.5 percent. Though the proportions of most age groups will remain similar over the next five years, the proportion of seniors in the Market Area is expected to increase.

TABLE 3-2
POPULATION BY AGE – CENTRAL ELK GROVE MARKET AREA

Age Group	2024		2028		2029	
	Number	Percent	Number	Percent	Number	Percent
0-14	51,651	19.5%	50,339	18.7%	50,000	18.5%
15-19	19,071	7.2%	17,874	6.6%	17,568	6.5%
20-24	18,277	6.9%	17,282	6.4%	17,027	6.3%
25-34	34,434	13.0%	37,579	14.0%	38,379	14.2%
35-44	37,348	14.1%	37,095	13.8%	37,027	13.7%
45-54	33,640	12.7%	34,188	12.7%	34,325	12.7%
55-64	30,726	11.6%	29,934	11.1%	29,730	11.0%
65-74	23,839	9.0%	25,735	9.6%	26,216	9.7%
75-84	11,655	4.4%	14,429	5.4%	15,135	5.6%
85+	4,238	1.6%	4,738	1.8%	4,865	1.8%
TOTAL	264,878	100.0%	269,193	100.0%	270,272	100.0%
Under 65	225,146	85.0%	224,292	83.3%	224,055	82.9%
Over 65	39,732	15.0%	44,901	16.7%	46,217	17.1%

Source: 2024 ESRI

The population age of the County is similar to the Market Area, with 41.2 percent of the population between the age of 25 and 54, and 0-14 constituting the largest age group with 18.2 percent of the population.

TABLE 3-3
POPULATION BY AGE – SACRAMENTO COUNTY

Age Group	2024		2028		2029	
	Number	Percent	Number	Percent	Number	Percent
0-14	295,221	18.2%	290,504	17.6%	289,260	17.4%
15-19	102,192	6.3%	100,254	6.1%	99,745	6.0%
20-24	107,058	6.6%	106,540	6.4%	106,395	6.4%
25-34	236,826	14.6%	236,241	14.3%	236,063	14.2%
35-44	235,204	14.5%	242,528	14.7%	244,375	14.7%
45-54	196,274	12.1%	205,470	12.4%	207,802	12.5%
55-64	186,541	11.5%	180,986	10.9%	179,541	10.8%
65-74	152,477	9.4%	162,126	9.8%	164,579	9.9%
75-84	79,483	4.9%	95,621	5.8%	99,745	6.0%
85+	30,820	1.9%	34,080	2.1%	34,911	2.1%
TOTAL	1,622,096	100.0%	1,654,351	100.0%	1,662,415	100.0%
Under 65	1,359,316	83.8%	1,362,524	82.4%	1,363,180	82.0%
Over 65	262,780	16.2%	291,828	17.6%	299,235	18.0%

Source: 2024 ESRI

HOUSEHOLDS

Household formation is influenced by a variety of factors: the aging population, young adults leaving home, and divorce are factors that can cause household growth even in relatively static periods of population growth. Table 3-4 summarizes household trends in the Central Elk Grove Market Area, Sacramento County, and the City of Elk Grove.

In 2010, the Central Elk Grove Market Area had a total of 68,039 households. The number increased 18.3 percent to 80,500 households by 2024 and is projected to increase by 0.8 percent by 2028 to 81,174 households and an additional 0.2 percent to 81,343 households by 2029.

In 2010, the number of households in Sacramento County totaled 513,945. The current number of County households is 574,277, projected to increase to 582,031 by 2028, and 583,969 by 2029.

TABLE 3-4
HOUSEHOLDS

Year	Number	Change	% Change	Simple Annual % Change
ELK GROVE MARKET AREA				
2010	68,039			
2024	80,500	12,461	18.3%	1.3%
2028	81,174	674	0.8%	0.2%
2029	81,343	169	0.2%	0.2%
SACRAMENTO COUNTY				
2010	513,945			
2024	574,277	60,332	11.7%	0.8%
2028	582,031	7,754	1.4%	0.3%
2029	583,969	1,938	0.3%	0.3%
CITY OF ELK GROVE				
2010	47,936			
2024	56,468	8,532	17.8%	1.3%
2028	56,630	162	0.3%	0.1%
2029	56,671	41	0.1%	0.1%
Source: 2024 ESRI				

In 2024, in the Central Elk Grove Market Area, the largest proportions of households were two- and four-person households constituting 43.9 percent of the households combined. The County has substantially smaller households with one- and two-person households constituting 56.7 percent of the households.

TABLE 3-5
PERSONS PER HOUSEHOLD

Household Size	ELK GROVE MARKET AREA		SACRAMENTO COUNTY	
	2024		2024	
	Number	Percent	Number	Percent
1 person	14,755	18.3%	148,908	25.9%
2 person	20,335	25.3%	176,811	30.8%
3 person	14,318	17.8%	93,161	16.2%
4 Person	15,003	18.6%	82,993	14.5%
5 Person	8,644	10.7%	41,352	7.2%
6+ Person	7,444	9.2%	31,051	5.4%
Total	80,500	100.0%	574,277	100.0%
Source: 2024 ESRI				

In 2022, in the City of Elk Grove, the largest proportions of renters were two- and four-person households, constituting 53.3 percent of the renter households combined. The County had smaller household sizes with one- and two-person households constituting 62.3 percent of the households.

TABLE 3-6
PERSONS PER RENTER HOUSHOLDS

Household Size	CITY OF ELK GROVE		SACRAMENTO COUNTY	
	2022		2022	
	Number	Percent	Number	Percent
1 person	2,793	18.5%	78,748	33.4%
2 person	4,690	31.1%	68,109	28.9%
3 person	2,094	13.9%	37,272	15.8%
4 Person	3,348	22.2%	25,677	10.9%
5 Person	715	4.7%	15,663	6.6%
6+ Person	1,464	9.7%	10,561	4.5%
Total	15,104	100.0%	236,030	100.0%
Source: 2010-2022 American Community Survey				

Currently, the Central Elk Grove Market Area has 25,670 renter households (31.9 percent). According to ESRI, the proportion of renters is expected to decrease slightly over the next five years. The renter rate in Sacramento County is higher at 42.1 percent.

TABLE 3-7
HOUSING UNITS BY TENURE

	2024		2028		2029	
Occupied Households	Number	Percent	Number	Percent	Number	Percent
ELK GROVE MARKET AREA						
Owner	54,830	68.1%	56,269	69.3%	56,631	69.6%
Renter	**25,670**	**31.9%**	**24,906**	30.7%	**24,712**	**30.4%**
TOTAL	80,500	100.0%	81,174	100.0%	81,343	100.0%
SACRAMENTO COUNTY						
Owner	332,755	57.9%	340,492	58.5%	342,440	58.6%
Renter	**241,522**	**42.1%**	**241,538**	41.5%	**241,529**	**41.4%**
TOTAL	574,277	100.0%	582,031	100.0%	583,969	100.0%
CITY OF ELK GROVE						
Owner	42,183	74.7%	42,991	75.9%	43,193	76.2%
Renter	**14,285**	**25.3%**	**13,640**	24.1%	**13,478**	**23.8%**
TOTAL	56,468	100.0%	56,630	100.0%	56,671	100.0%

Source: 2024 ESRI

In 2024, 23.4 percent of the Central Elk Grove Market Area households are estimated to have incomes below $50,000, while 48.4 percent have incomes greater than $100,000, as shown in Table 3-8. The current median income of $96,275 is expected to increase to $109,139 by 2029.

TABLE 3-8
HOUSEHOLDS BY INCOME – CENTRAL ELK GROVE MARKET AREA

Income	2024		2028		2029	
Range	Number	Percent	Number	Percent	Number	Percent
Less Than $15,000	5,313	6.6%	4,773	5.9%	4,637	5.7%
$15,000-$24,999	3,623	4.5%	2,939	3.6%	2,766	3.4%
$25,000-$34,999	3,864	4.8%	3,182	3.9%	3,010	3.7%
$35,000-$49,999	6,038	7.5%	5,114	6.3%	4,881	6.0%
$50,000-$74,999	11,592	14.4%	10,325	12.7%	10,005	12.3%
$75,000-$99,999	11,109	13.8%	10,618	13.1%	10,493	12.9%
$100,000-$149,999	17,630	21.9%	18,492	22.8%	18,709	23.0%
$150,000-$199,999	10,063	12.5%	11,965	14.7%	12,445	15.3%
$200,00+	11,270	14.0%	13,767	17.0%	14,398	17.7%
TOTAL	80,500	100.0%	81,174	100.0%	81,343	100.0%
Median Income	$96,275		$106,566		$109,139	

Source: 2024 ESRI

In 2022, 31.1 percent of the renters in the County of Sacramento had incomes that were less than $35,000 annually, while 56.0 percent earned above $50,000 annually. In the City of Elk Grove 26.2 percent of the renter households earned less than $35,000 annually.

TABLE 3-9
RENTER HOUSEHOLDS BY INCOME - 2022

	SACRAMENTO COUNTY		CITY OF ELK GROVE	
INCOME GROUP	Number	Percent	Number	Percent
Less than $10,000	16,112	6.9%	860	6.0%
$10,000-$19,999	24,742	10.5%	890	6.2%
$20,000-$34,999	32,335	13.7%	2,013	14.0%
$35,000-$49,999	30,272	12.9%	1,147	8.0%
>$50,000	131,731	56.0%	9,476	65.9%
Total	235,192	100.0%	14,386	100.0%
Source: 2022 American Community Survey				

Approximately, 28.5 percent (22,943 households) of the Central Elk Grove Market Area households earn less than 50 percent of the CTCAC designated Sacramento County Area Median Income ($117,900). In addition, 20.0 percent of the households are classified as Low Income (50 to 80 percent of AMI), resulting in 48.5 percent of the households in the Central Elk Grove Market Area earning less than 80 percent of the AMI for Sacramento County.

TABLE 3-10
HOUSEHOLDS BY INCOME GROUPS
CENTRAL ELK GROVE MARKET AREA 2024
2024 CTCAC Area Median Income (AMI) for Sacramento County
(4-person household)**: $117,900**

Income Group	% of County Median	Income Range ($)	% of Market's Households
Very Low Income	Less Than 50%	Less than $58,950	28.5%
Low Income	50% - 80%	$58,951 - $94,320	20.0%
Moderate Income	80% -120%	$94,321 – $141,480	21.3%
Above Moderate	Greater Than 120%	Greater than $141,481	30.2%
Source: 2024 ESRI; 2024 CTCAC Maximum Income Levels			

HOUSING

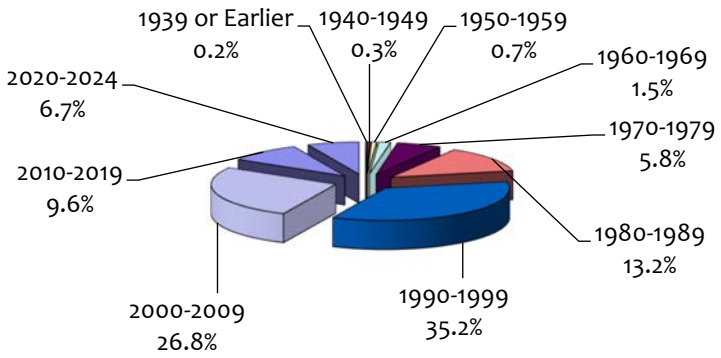
In 2020, 89.9 percent of the total housing units in City of Elk Grove are estimated to be single-family homes, while 9.6 percent are multifamily (two or more units per structure). Between 2020 and 2024, single-family homes increased by 2,391 units (4.7 percent) and 5+ units increased by 359 units (8.1 percent).

TABLE 3-11
HOUSING UNITS BY TYPE
CITY OF ELK GROVE

Housing Units by Type	2020		2024		Change	
	Number	Percent	Number	Percent	Number	Percent
Single Family	50,536	89.9%	52,927	89.7%	2,391	4.7%
2 – 4 Units	948	1.7%	966	1.6%	18	1.9%
5 or more Units	4,450	7.9%	4,809	8.2%	359	8.1%
Mobile Homes or Other	277	0.5%	277	0.5%	0	0.0%
TOTAL	56,211	100.0%	58,979	100.0%	2,768	4.9%
Source: 2024 California Department of Finance						

Generally, housing conditions can be described by the age of the units, exempting diligent maintenance. Since building codes change with time and technology, the older housing units are the most likely to be substandard or in marginal condition. Approximately 2.7 percent of the housing stock in the City of Elk Grove was built before 1970. An additional 35.2 percent was built between 1990 and 1999, while more recently, 16.3 percent of the housing units were built between 2010 and 2024.

CHART 3-2
HOUSING UNITS BY YEAR BUILT – CITY OF ELK GROVE



Source: 2022 American Community Survey; 2024 SOCDS

According to the 2022 American Community Survey, 46.1 percent of the renter households were overpaying, 35 percent or more, for shelter in the City of Elk Grove. Of these households, those earning the least experienced the most rent burden. For example, of those renter households earning $10,000 to $19,999, 97.5 percent were overpaying for shelter, while those earning over $50,000, 27.0 percent were overpaying.

TABLE 3-12
RENTER HOUSEHOLDS OVERPAYING BY INCOME GROUP
CITY OF ELK GROVE - 2022

INCOME GROUP	Number Overpaying	Total in Income Group	Percent
Less than $10,000	553	860	64.3%
$10,000 - $19,999	868	890	97.5%
$20,000 - $34,999	1,727	2,013	85.8%
$35,000 - $49,999	928	1,147	80.9%
$50,000 or more	2,562	9,476	27.0%
Overall Total	**6,638**	**14,386**	**46.1%**
Source: 2022 American Community Survey			

Like the City of Elk Grove, overpayment, 35 percent or more, is most pronounced among the lowest income groups in Sacramento County. For example, of those renter households earning $10,000 to $19,999, 80.0 percent were overpaying, while only 16.3 percent of the households earning above $50,000 were found to be overpaying for shelter. Overall, 43.4 percent of renter households were overpaying, which is 2.7 percent less than the City of Elk Grove.

TABLE 3-13
RENTER HOUSEHOLDS OVERPAYING BY INCOME GROUP
SACRAMENTO COUNTY - 2021

INCOME GROUP	Number Overpaying	Total in Income Group	Percent
Less than $10,000	10,877	16,112	67.5%
$10,000 - $19,999	19,805	24,742	80.0%
$20,000 - $34,999	28,087	32,335	86.9%
$35,000 - $49,999	21,824	30,272	72.1%
$50,000 or more	21,452	131,731	16.3%
Overall Total	**102,045**	**235,192**	**43.4%**
Source: 2022 American Community Survey			

Substandard housing indices, without physical inspection, can generally be judged as overcrowding, units lacking complete plumbing, and units constructed before 1940 without diligent maintenance. In the City of Elk Grove, the percentage of overcrowded units was 3.6 percent in 2022. Approximately 0.6 percent of the housing was built before 1940 and 0.3 percent of the units lacked complete plumbing facilities. In Sacramento County, 5.7 percent of the housing units were overcrowded, and 4.6 percent were built before 1940.

TABLE 3-14
INDICATORS OF SUBSTANDARD HOUSING – 2022

Indicators	Number	Percent
CITY OF ELK GROVE		
Overcrowded	2,000	3.6%
Lacking Complete Plumbing Facilities	160	0.3%
Built 1939 or Earlier	318	0.6%
SACRAMENTO COUNTY		
Overcrowded	32,335	5.7%
Lacking Complete Plumbing Facilities	1,600	0.3%
Built 1939 or Earlier	26,076	4.6%
Source: 2022 American Community Survey		

EMPLOYMENT AND ECONOMICS

According to the 2024 ESRI, services accounted for the largest employment sector in the County of Sacramento and the Central Elk Grove Market Area, constituting 47.3 and 48.2 percent of employed persons, respectively. Public Administration is the second largest in the Central Elk Grove Market Area.

TABLE 3-15
EMPLOYMENT BY INDUSTRY

Major Industries	2024			
	ELK GROVE MARKET AREA		SACRAMENTO COUNTY	
	Number	Percent	Number	Percent
Agriculture / Mining	875	0.8%	6,157	0.8%
Construction	6,946	6.1%	53,221	7.1%
Manufacturing	6,894	6.0%	42,428	5.7%
Wholesale Trade	2,520	2.2%	17,359	2.3%
Retail Trade	12,030	10.5%	81,211	10.9%
Transportation / Utilities	7,886	6.9%	47,622	6.4%
Information	1,588	1.4%	11,093	1.5%
Finance / Insurance / Real Estate	7,120	0.0%	47,288	6.3%
Services	54,082	47.3%	358,860	48.2%
Public Administration	14,331	12.5%	79,906	10.7%
Total	114,272	100.0%	745,145	100.0%

Source: 2024 ESRI

According to the Bureau of Labor Statistics, the City of Elk Grove labor force contained 87,891 persons in August 2024. Much like the population and household growth projections, the employment projections had been steadily increasing over the last 10 years. However, due to shutdowns caused by the COVID-19 pandemic, the unemployment rate increased from a low of 2.8 percent in 2019 to 6.5 percent in 2020, decreasing to 3.2 percent in 2022 and increasing to 4.9 percent in August 2024.

TABLE 3-16
CIVILIAN LABOR FORCE

Year	Civilian Labor Force	Employment	Unemployment	Unemployment Rate
CITY OF ELK GROVE				
2014	76,712	72,975	3,737	4.9%
2015	78,915	75,673	3,242	4.1%
2016	80,378	77,039	3,339	4.2%
2017	81,265	78,533	2,732	3.4%
2018	82,564	79,951	2,613	3.2%
2019	83,229	80,872	2,357	2.8%
2020	82,369	76,986	5,383	6.5%
2021	84,671	81,407	3,264	3.9%
2022	85,466	82,749	2,717	3.2%
2023	86,458	83,064	3,394	3.9%
2024*	87,861	83,578	4,283	4.9%
SACRAMENTO COUNTY				
2014	674,921	632,204	42,717	6.3%
2015	687,542	650,756	36,786	5.4%
2016	692,048	657,153	34,895	5.0%
2017	696,442	668,765	27,677	4.0%
2018	708,008	681,318	26,690	3.8%
2019	710,658	686,618	24,040	3.4%
2020	707,353	647,245	60,108	8.5%
2021	718,504	684,418	34,086	4.7%
2022	722,449	695,701	26,748	3.7%
2023	732,765	698,344	34,421	4.7%
2024*	742,335	702,668	39,667	5.3%

Source: Bureau of Labor Statistics

*Information as of August 2024

Approximately 30.6 percent of the Central Elk Grove Market Area residents travel less than 20 minutes to work; however, 28.6 percent travel more than 35 minutes.

TABLE 3-17
TRAVEL TIME TO WORK – CENTRAL ELK GROVE MARKET AREA

Travel Time	Percent
Less than 5 minutes	1.4%
5-9 minutes	6.1%
10-19 minutes	23.1%
20-34 minutes	40.8%
35-59 minutes	19.3%
More than one hour	9.3%
Source: 2024 ESRI	

In the County of Sacramento, the major employers are primarily in the fields of government and medical services.

TABLE 3-18
MAJOR EMPLOYERS – SACRAMENTO COUNTY

Employer Name	Location	Industry	# of Employees
Aerojet Rocketdyne Inc	Rancho Cordova	Aerospace Industries (mfrs)	1,000-4,999
Agreeya Solutions	Folsom	Information Technology Services	1,000-4,999
AMPAC FINE CHEMICALS LLC	Rancho Cordova	Electronic Equipment & Supplies-Mfrs	1,000-4,999
Apple Distribution Ctr	**Elk Grove**	**Distribution Centers (whls)**	**1,000-4,999**
California Department-Crrctns	Sacramento	Insurance Agents Brokers & Service	1,000-4,999
California State Univ Scrmnt	Sacramento	Schools-Universities & Colleges Academic	1,000-4,999
Corrections Department	Sacramento	State Govt-Correctional Institutions	1,000-4,999
Dept of Transportation In Ca	Sacramento	Government Offices-State	1,000-4,999
Disabled American Veterans	Sacramento	Veterans' & Military Organizations	10,000+
Employment Development Dept	Sacramento	Government Offices-State	1,000-4,999
Environmental Protection Agcy	Sacramento	State Government-Environmental Programs	1,000-4,999
Intel Corp	Folsom	Semiconductor Devices (mfrs)	1,000-4,999
Kaiser Permanente South	Sacramento	Hospitals	1,000-4,999
L A Care Health Plan	Sacramento	Health Plans	5,000-9,999
Mercy General Hospital	Sacramento	Hospitals	1,000-4,999
Mercy San Juan Medical Ctr	Carmichael	Hospitals	1,000-4,999
Sacramento Bee	Sacramento	Newspaper (publisher/Mfrs)	1,000-4,999
Sacramento Municipal Utility	Sacramento	Electric Contractors	1,000-4,999
Sacramento Municipal Utility	Sacramento	Utility Contractors	1,000-4,999
Securitas Security Svc USA	Sacramento	Security Guard & Patrol Service	1,000-4,999
State Compensation Ins Fund	Sacramento	Insurance	1,000-4,999
Summit Funding Inc	Sacramento	Real Estate Loans	1,000-4,999
Sutter Medical Ctr-Sacramento	Sacramento	Hospitals	1,000-4,999
Villara Building Systems	Mcclellan	Building Contractors	1,000-4,999
Water Resource Dept	Sacramento	Government Offices-State	1,000-4,999
Source: California Employment Development Department, 2024			

Wages in the Metro Division range from $17.66 for Food Preparation and Serving Related occupations to $63.06 per hour for Legal occupations.

TABLE 3-19
WAGES BY OCCUPATION – SACRAMENTO—ROSEVILLE—ARDEN-ARCADE MSA

OCC Code	Occupational Title	Mean Hourly Wage
110000	Management Occupations	$61.95
130000	Business and Financial Operations Occupations	$40.22
150000	Computer and Mathematical Occupations	$50.81
170000	Architecture and Engineering Occupations	$53.28
190000	Life, Physical, and Social Science Occupations	$44.23
210000	Community and Social Services Occupations	$32.22
230000	Legal Occupations	$63.06
250000	Education, Training, Library Occupations	$34.99
270000	Arts, Design, Entertainment, Sports, and Media	$34.06
290000	Healthcare Practitioners & Technical Occupations	$59.87
310000	Healthcare Support Occupations	$18.63
330000	Protective Services Occupations	$34.65
350000	Food Preparation and Serving Related Occupations	$17.66
370000	Building, Grounds, and Maintenance Occupations	$20.18
390000	Personal Care and Service Occupations	$19.32
410000	Sales & Related Occupations	$23.24
430000	Office & Administrative Support Occupations	$24.38
450000	Farming, Fishing, and Forestry Occupations	$18.11
470000	Construction and Extraction Occupations	$32.54
490000	Installation, Maintenance, and Repair Occupations	$29.43
510000	Production Occupations	$23.27
530000	Transportation and Materials Moving Occupations	$21.70
Source: California Employment Development Department 2024		

CONCLUSIONS, METHODOLOGY AND CAPTURE RATE – CTCAC DEMAND CALCULATION

IV

CONCLUSIONS- FAMILY HOUSEHOLDS

At the time of market entry in the year 2028, there will be a projected total demand for 2,648 rental units in the Market Area for households with incomes between 30, 50, 60, and 70 percent of AMI. Specifically, there will be a demand for 565 one-bedroom, 1,340 two-bedroom, and 743 three-bedroom units. Given this demand, the 238 proposed units at the project would need to capture 9.0 percent of the income-eligible households in the Market Area.

TABLE 4-1
2028 DEMAND SUMMARY – FAMILY HOUSEHOLDS

	1BR	2BR	3BR	TOTAL
30% of AMI	29 @ $580	13 @ $690	24 @ $791	
50% of AMI	35 @ $1,022	17 @ $1,221	26 @ $1,404	
60% of AMI	34 @ $1,243	18 @ $1,486	8 @ $1,710	
70% of AMI	17 @ $1,464	8 @ $1,751	9 @ $2,017	
TOTAL	115	56	67	238*
Theoretical Demand (2028)				
30% of AMI	62	147	82	
50% of AMI	155	367	203	
60% of AMI	158	375	208	
70% of AMI	190	451	250	
TOTAL	**565**	**1,340**	**743**	**2,648**
Capture Rate (2028)				
30% of AMI	46.8%	8.8%	29.3%	
50% of AMI	22.6%	4.6%	12.8%	
60% of AMI	21.5%	4.8%	3.8%	
70% of AMI	8.9%	1.8%	3.6%	
TOTAL	**20.4%**	**4.2%**	**9.0%**	**9.0%**
Penetration Rate (2028)	35.2%	9.6%	19.8%	17.9%

*Rents are net rents. Utility Allowance: 1BR - $83, 2BR - $105, and 3BR - $128.
*Two additional two-bedroom units will be designated for on-site management.

METHODOLOGY FOR FAMILY HOUSEHOLDS

The following demand formula is based upon the requirements established by the California Tax Credit Allocation Committee. This formula does not account for all competitive units nor households that are currently unsuitably housed and may not reflect the total demand found within the Market Area.

Demand is established using an analysis of the total number of households in the Market Area, the percentage of renter households, the percentage of income eligible households, unit type, and turnover.

FACTORS

1. Total Households year of Market Entry (2028) (See Table 3-4): **81,174** total households

2. Renter Rate (2028) (See Table 3-7): **30.7%**

3 Income Eligibility: Based on the unit size, project rents, and 2024 rent levels established by the California Tax Credit Allocation Committee, the following income eligibility range was used to determine the percentage of households with the appropriate income for the subject property; overlapping incomes have been accounted for to avoid overstating demand. This range does not reflect the likely changes to the maximum rents and incomes that will occur over the next two years.

   LIHTC:
   - 30 percent of AMI ($22,731 - $41,040) = **3.8%**
   - 50 percent of AMI ($37,885 - $75,240) = **9.5%**
   - 60 percent of AMI ($45,462 - $82,080) = **9.7%**
   - 70 percent of AMI ($53,040 - $95,760) = **11.6%**

4. Unit Type: The unit type refers to the ideal proportion of each apartment unit type in the proposed project (i.e., bedrooms per unit) that conforms to renter household size statistics for the Market Area. Depending upon the mix of units being proposed, it is necessary in the context of the market study to determine the approximate number of households that might be appropriate for each bedroom size. Because there is no Census table to refer to, the demand calculation was prepared using the minimum occupancy requirements required under UMR 8305 (b). The following percentages then are applied to Table 3-5 in Chapter III, Persons Per Households:

   - One-Bedroom = **18.8%**
   - Two-Bedroom = **44.5%**
   - Three-Bedroom = **24.7%**

5. Turnover: Turnover rate represents the percentage of households likely to move during a given year. Factors that affect turnover include market choice, the vacancies available, cost of housing, and the overall condition of housing stock. For the purposes of this study, the turnover rate is calculated to be **35.0** percent based upon the rates reported by apartment managers in the Market Area survey performed by Laurin Associates in October 2024 (see Chapter 5).

DEMAND FORMULA
Total Households x Renter Rate x Income Eligibility x Unit Type x Turnover Rate = Theoretical Net Demand

One-Bedroom Units

- 30 percent of AMI
  81,174 x 30.7% x 3.8% x 18.8% x 35.0% = 62

- 50 percent of AMI
  81,174 x 30.7% x 9.5% x 18.8% x 35.0% = 155

- 60 percent of AMI
  81,174 x 30.7% x 9.7% x 18.8% x 35.0% = 158

- 70 percent of AMI
  81,174 x 30.7% x 11.6% x 18.8% x 35.0% = 190

  TOTAL THEORETICAL ONE-BEDROOM DEMAND = 565

Two-Bedroom Units

- 30 percent of AMI
  81,174 x 30.7% x 3.8% x 44.5% x 35.0% = 147

- 50 percent of AMI
  81,174 x 30.7% x 9.5% x 44.5% x 35.0% = 367

- 60 percent of AMI
  81,174 x 30.7% x 9.7% x 44.5% x 35.0% = 375

- 70 percent of AMI
  81,174 x 30.7% x 11.6% x 44.5% x 35.0% = 451

  TOTAL THEORETICAL TWO-BEDROOM DEMAND = 1,340

Three-Bedroom Units

- 30 percent of AMI
  81,174 x 30.7% x 3.8% x 24.7% x 35.0% = 82

- 50 percent of AMI
  81,174 x 30.7% x 9.5% x 24.7% x 35.0% = 203

- 60 percent of AMI
  81,174 x 30.7% x 9.7% x 24.7% x 35.0% = 208

- 70 percent of AMI
  81,174 x 30.7% x 11.6% x 24.7% x 35.0% = 250

  TOTAL THEORETICAL THREE-BEDROOM DEMAND = 743

TOTAL THEORTICAL DEMAND = 2,648 units

CAPTURE RATE

Given the total theoretical demand for 2,648 general LIHTC rental units and the 238 proposed units in the proposed subject of this report, the complex would need to capture 9.0 percent of the eligible households in the Market Area.

238 proposed units ÷ 2,648 total theoretical demand = 9.0 percent capture rate

One-Bedroom

115 proposed units ÷ 565 theoretical demand = 20.4 percent capture rate

30% of AMI
29 proposed units ÷ 62 theoretical demand = 46.8 percent capture rate

50% of AMI
35 proposed units ÷ 155 theoretical demand = 22.6 percent capture rate

60% of AMI
34 proposed units ÷ 158 theoretical demand = 21.5 percent capture rate

70% of AMI
17 proposed units ÷ 190 theoretical demand = 8.9 percent capture rate

Two-Bedroom

56 proposed units ÷ 1,340 theoretical demand = 4.2 percent capture rate

30% of AMI
13 proposed units ÷ 147 theoretical demand = 8.8 percent capture rate

50% of AMI
17 proposed units ÷ 367 theoretical demand = 4.6 percent capture rate

60% of AMI
18 proposed units ÷ 375 theoretical demand = 4.8 percent capture rate

70% of AMI
8 proposed units ÷ 451 theoretical demand = 1.8 percent capture rate

Three-Bedroom

67 proposed units ÷ 743 theoretical demand = 9.0 percent capture rate

30% of AMI
24 proposed units ÷ 62 theoretical demand = 29.3 percent capture rate

50% of AMI
26 proposed units ÷ 155 theoretical demand = 12.8 percent capture rate

60% of AMI
8 proposed units ÷ 158 theoretical demand = 3.8 percent capture rate

70% of AMI
9 proposed units ÷ 190 theoretical demand = 3.6 percent capture rate

PENETRATION RATE – MARKET AREA

Penetration rate is calculated using the number of vacant units per bedroom size in the proposed project, the number of competitive pending or proposed units that will enter the market before or the same year as the current project, plus the current number of units vacant in current competitive projects. According to the CTCAC database, there is one affordable project currently under construction in the Market Area. Once completed, The Pardes, will have 84 1BR, 72 2BR, and 80 3BR units. There were zero vacancies in the affordable comparables.

The penetration rate for the subject property, including the planned or proposed, is 17.9 percent. Even with the currently planned project the demand for the subject property is sufficient.

(Proposed Units + Pending Units + Vacant Competitive Units) ÷ Theoretical Demand = Penetration Rate

Total Overall Penetration Rate
(238 + 236 + 0) ÷ 2,648 = 17.9 percent overall penetration rate

One-Bedroom
(115 + 84 + 0) ÷ 565 theoretical demand = 35.2 percent penetration rate

Two-Bedroom
(56 + 72 + 0) ÷ 1,340 theoretical demand = 9.6 percent penetration rate

Three-Bedroom
(67 + 80 + 0) ÷ 743 theoretical demand= 19.8 percent penetration rate

ABSORPTION RATE

Given the demand for affordable multifamily rental units within the Market Area, the presence of waiting lists at the income restricted complexes, Laurin estimates that the subject property can reach full or 95 percent occupancy in approximately five months. Construction of the complex is expected to be completed in 2028.

TABLE 4-2
ABSORPTION RATE

Estimated # of Units Leased Per Month	Stage of Project	Number of Units Leased	Percent Units Leased
60	First Month	60	25%
47	Second Month	107	45%
36	Third Month	143	60%
47	Fourth Month	190	80%
48	Fifth Month	238	100%

PROPORTION OF HOUSEHOLDS PER BEDROOM TYPE
Studio = 25% of **1-person households**
One-Bedroom = 75% of **1-person households** + 20% of **2-person households**
Two-Bedroom = 80% of **2-person households** + all **3 person households** + 35% of **4-person households**
Three-Bedroom = 65% of **4-person households** + all **5-person households +** 20% of **6+ person households**
Four-Bedroom = 60% of **6-person+7 person households**

Household Size	ELK GROVE MARKET AREA		SACRAMENTO COUNTY	
	2024		2024	
	Number	Percent	Number	Percent
1 person	14,755	18.3%	148,908	25.9%
2 person	20,335	25.3%	176,811	30.8%
3 person	14,318	17.8%	93,161	16.2%
4 Person	15,003	18.6%	82,993	14.5%
5 Person	8,644	10.7%	41,352	7.2%
6+ Person	7,444	9.2%	31,051	5.4%
Total	80,500	100.0%	574,277	100.0%
Source: 2024 ESRI				

One-Bedroom = 13.7% + 5.1% = **18.8%**
Two-Bedroom = 20.2% + 17.8% + 6.5% = **44.5%**
Three-Bedroom = 12.1% + 10.7% + 1.9% = **24.7%**
Four-Bedroom = 7.4%

COMPETITIVE ANALYSIS V

SURVEY METHODOLOGY

Every attempt was made to locate comparables within a one-mile radius of the site. Sources for our search in October 2024 included field and phone surveys, contacting property management companies, and Laurin Associates' historical database.

During our October 2024 survey a Laurin Associates employee made a physical inspection of each comparable property and spoke with management. For more information on each comparable, including condition, management name, and unit information, please see the summary comparable forms on pages 5-14 to 5-33.

COMPETITIVE OFFERINGS

The field survey attempted to ascertain a sample of the properties most representative of the Central Elk Grove Market Area. A total of 2565 apartments were surveyed in 17 properties.

TABLE 5-1
FIELD STUDY SUMMARY – CENTRAL ELK GROVE MARKET AREA

NUMBER OF UNITS	MARKET	RENT RESTRICTED	TOTAL	PERCENT
Studio	0	0	0	0.0%
1BR	356	277	633	24.7%
2BR	356	868	1224	47.7%
3BR	159	531	690	26.9%
4BR	0	18	18	0.7%
5BR	0	0	0	0.0%
TOTALS	871	1694	2,565	100.0%
Source: Laurin Associates, October 2024				

The Housing Choice Voucher waiting list for the Sacramento County Housing Authority is currently closed for new applicants.

VACANCY

According to the October 2024 survey, the overall vacancy rate for multifamily housing is 0.9 percent in the Central Elk Grove Market Area. The overall vacancy rate for income-restricted complexes is 0.0 percent. Most complexes reported few if any vacancies and the affordable complexes reported wait lists.

TABLE 5-2
VACANCY RATE –CENTRAL ELK GROVE MARKET AREA - 2024

BEDROOM SIZE	MARKET	% OF TOTAL	RESTRICTED	% OF TOTAL	TOTAL	% OF TOTAL
Studio	0	0.0%	0	0.0%	0	0.0%
1BR	7	2.0%	0	0.0%	7	1.1%
2BR	7	2.0%	0	0.0%	7	0.6%
3BR	8	5.0%	0	0.0%	8	1.2%
4BR	0	0.0%	0	0.0%	0	0.0%
5BR	0	0.0%	0	0.0%	0	0.0%
TOTAL	**22**	2.5%	0	0.0%	22	0.9%
Source: Laurin Associates, October 2024						

The proposed rents were found to be substantially less than the average non-adjusted market rents for all unit sizes. For example, the highest proposed two-bedroom rents are 28.6 percent, or $702 less than the weighted average market rents.

TABLE 5-3
NET RENTAL RATE COMPARISON – NON-ADJUSTED RENTS

BEDROOM TYPE	WEIGHTED AVERAGE MARKET RENTS	HIGHEST RESTRICTED LIHTC RENTS*	DIFFERENCE	PERCENT DIFFERENCE
Studio				
1BR	$2,220	$1,464	-$756	-34.1%
2BR	$2,453	$1,751	-$702	-28.6%
3BR	$2,967	$2,017	-$950	-32.0%
4BR				
Source: Laurin Associates, October 2024				
*Rents are net rents. Utility Allowance: 1BR - $83, 2BR - $105, and 3BR - $128.				

According to the 2022 American Community Survey, there is a majority of two- and three-bedroom rental units, while there appears to be a scarcity of studio and one-bedroom rentals.

TABLE 5-4
RENTAL HOUSING UNITS – CITY OF ELK GROVE - 2022

BEDROOM TYPE	RENTAL OCCUPIED HOUSING UNITS	
	NUMBER	PERCENT
Studio	448	3.0%
One Bedroom	908	6.0%
Two Bedroom	5,029	33.3%
Three Bedroom	4,609	30.5%
Four or More Bedrooms	4,110	27.2%
TOTAL	15,104	100.0%
Source: 2022 American Community Survey		

The number of residential permits issued annually since 2014 has varied. Multifamily permits represent only 4.5 percent of the total building permits issued since 2014.

TABLE 5-5
RESIDENTIAL BUILDING PERMITS ISSUED –
CITY OF ELK GROVE – 2014-2024

Year	Single-Family Permits	Multifamily Permits	Total Permits Issued
2014	571	0	571
2015	665	0	665
2016	455	0	455
2017	402	0	402
2018	693	0	693
2019	764	0	764
2020	760	0	760
2021	563	0	563
2022	581	0	581
2023	821	328	1,149
2024*	653	0	653
TOTAL	6,928	328	7,256
*Information as of August 2024 Source: SOCDS Building Permit Database			

RENT COMPARABILITY MATRIX

RENT ADJUSTMENT TABLE FOR MULTIFAMILY PROJECTS		
Characteristics	Adjustment	Comment
	Base BR	
Stories/Type		Apts = $0, TH = $15, Duplex - $25, SF = $50
Elevator (Yes/No)	$10	
# of Bedrooms	$100	Adjust for difference in number of rooms
# of Bathrooms		Adjust for difference in number of baths
Unit Size Adjustment	Varies	Adjustments are made based on the Rent Per Square Foot of the subject property
Age (Built or Renovated)		$3 per year difference
Tenant Paid Utilities		
Electricity	From U.A.	Use amount from the utility allowance schedule
Heat	From U.A.	Use amount from the utility allowance schedule
Hot Water	From U.A.	Use amount from the utility allowance schedule
Cooking	From U.A.	Use amount from the utility allowance schedule
Water	From U.A.	Use amount from the utility allowance schedule
Sewer	From U.A.	Use amount from the utility allowance schedule
Trash	From U.A.	Use amount from the utility allowance schedule
Unit Amenities		
Central Air/Cool	$15-$25	Depending on location
Blinds	$5	
Carpet	$5	
Ceiling Fan	$5	
Skylight / Vaulted Ceilings	$5	
Storage Closet	$5	
Coat Closet	$5	
Walk-In Closet	$5	
Fireplace	$5	
Patio/Balcony	$5	
Appliances		
Refrigerator	$25	
Stove/Oven	$25	
Dishwasher	$15	
Disposal	$5	
Microwave	$5	
Washer/Dryer	$25	
Washer/Dryer Hook-Ups	$10	
Parking / Transportation		
Surface Parking	$0	
Carport	$5	
Underground Parking	$15	
Detached Garage	$20	
Attached Garage	$25	
Tuck-Under Parking	$15	
Parking Garage	$15	
Project Amenities		
Clubhouse / Community Room	$5	
Swimming Pool	$5	
Spa / Jacuzzi	$5	
Exercise Room	$5	
Picnic Area	$5	
Tot Lot / Playground	$5	
Tennis Court	$5	
Basketball Court	$5	
Volleyball Court	$5	
On-Site Manager	$5	
Laundry Room	$5	
Computer Room	$5	
Business Center	$5	
Car Wash Area	$5	

Security		
Gated	$5	
Courtesy Patrol	$5	
Surveillance Cameras	$5	

The weighted average adjusted market rents are substantially higher than the highest proposed LIHTC rents. For example, the highest proposed LIHTC rents for the two-bedroom units are 19.37 percent less than the adjusted market rents. Based on the adjustment matrices, the rents are achievable as proposed.

TABLE 5-6
NET RENTAL RATE COMPARISON – HIGHEST LIHTC RENTS

Bedroom Type	Weighted Average Adjusted Market Rents	Average Adjusted Price Per Square Foot	Highest Restricted Rents*/Price Per Square Foot	Percent Difference for Rent	Percent Difference for Price Per Square Foot
1BR – 1BA	$2,053	$2.68	$1,464 / $2.58	-28.67%	-0.63%
2BR – 1BA	$2,172	$2.06	$1,751 / $2.02	-19.37%	-1.67%
3BR – 2BA	$2,594	$2.08	$2,017 / $1.92	-22.25%	-7.72%
Source: Laurin Associates, October 2024 *Rents are net rents. Utility Allowance: 1BR - $83, 2BR - $105, and 3BR - $128.					

The weighted average adjusted market rents are substantially higher than the average proposed LIHTC rents. For example, the average proposed rents for the one-bedroom units are 49.3 percent less than the adjusted market rents. Based on the adjustment matrices, the rents are achievable as proposed.

TABLE 5-7
NET RENTAL RATE COMPARISON – AVERAGE LIHTC RENTS

Bedroom Type	Weighted Average Adjusted Market Rents	Average Adjusted Price Per Square Foot	Average Proposed Rents*	Percent Difference for Rent
1BR – 1BA	$2,053	$2.68	$1,041	-49.3%
2BR – 1BA	$2,172	$2.06	$1,259	-42.1%
3BR – 2BA	$2,594	$2.08	$1,303	-49.8%
Source: Laurin Associates, October 2024 *Rents are net rents. Utility Allowance: 1BR - $83, 2BR - $105, and 3BR - $128.				

TABLE 5-8
RENT COMPARABILITY MATRIX – MARKET RATE ONE-BEDROOM UNITS

Enter Data in Blue or Blank Fields	SHELDON FARMS	LAGUNA CREEK APTS. COMP #1		VASARI LUXURY APT HOMES COMP #3		BELLA VISTA APTS. COMP #4			
	8851 BRUCEVILLE ROAD	8760 CENTER PARKWAY		8117 SHELDON ROAD		6810 DI LUSSO DRIVE			
Date of Market Study: 10/16/2024	ELK GROVE	ELK GROVE		ELK GROVE		ELK GROVE			
Prepared By: LAURIN ASSOCIATES	Use Subject's Highest Rent	279-333-3028		916-794-5483		916-385-0374		Totals & Weighted	
Analysis Using Highest Rents for Subject	Characteristic	Char	Adj	Char	Adj	Char	Adj	Averages	Differential
("M"arket, "L"ow Income)	L	M		M		M			
Distance in Miles from Subject		<0.25		0.64		0.67			
Number of Units		56		35		37		128	
Vacancy Rate		9%		2%		6%			
Waiting List ("Y"es or "N"o)		N		N		N			
Turnover Rate		35%		35%		35%			
Unit Size in SF	550	852		719		681		766.20313	
Aggregate Size in SF		47712		25165		25197		98,074	
Base Rent	$1,464	$1,989		$2,199		$1,829		$2,000	-26.81%
Aggregate Rent		$111,384		$76,965		$67,673		$256,022	
Value Ratio ($/SF)	$2.66	$2.33		$3.06		$2.69		$2.61	1.97%
# of stories	3 & 4	3		2		3			
Elevator ("Y"es or "N"o)	Y	N		N		N			
# of Bedrooms	1	1		1		1			
# of Bathrooms	1	1	$0	1	$0	1	$0		
Unit Size Adjustment	550	-302	-$80	-169	-$45	-131	-$35		
Rent Concessions									
Age (built or last renovated)	2028	2004	$72	2017	$33	1999	$87	$1,941	
Utilities Paid by Tenant									
Electricity	X	X	$0	X	$0	X	$0		
Heat ("G"as or "E"lectric)	E	E	$0	E	$0	E	$0		
Hot Water (G or E)	E	E	$0	E	$0	E	$0		
Cooking (G or E)	E	E	$0	E	$0	E	$0		
TV ("C"able or "S"atellite)	C	C	$0	C	$0	C	$0		
Water	0	X	$42	X	$42	X	$42		
Sewer	0	X	$18	X	$18	X	$18		
Trash	0	X	$40	X	$40	X	$40		
Unit Amenities									
Central Heat/Cool	X	X	$0	X	$0	X	$0		
Blinds	X	X	$0	X	$0	X	$0		
Carpet	0	0	$0	0	$0	X	$0		
Ceiling Fan	0	0	$0	0	$0	X	-$5		
Skylight	0	0	$0	0	$0	0	$0		
Storage Closet	0	X	-$5	X	-$5	0	$0		
Coat Closet	X	0	$5	0	$5	X	$0		
Walk-In Closet	0	X	-$5	X	-$5	X	-$5		
Fireplace	0	0	$0	0	$0	0	$0		
Patio/Balcony	0	X	-$5	X	-$5	X	-$5		
Appliances									
Refrigerator	X	X	$0	X	$0	X	$0		
Stove/Oven	X	X	$0	X	$0	X	$0		
Dishwasher	0	X	-$5	X	-$5	X	-$5		
Garbage Disposal	X	X	$0	X	$0	X	$0		
Microwave	0	X	-$5	X	-$5	X	-$5		
Washer/Dryer	0	X	-$10	X	-$10	X	-$10		
Washer/Dryer Hook-ups	0	0	$0	0	$0	0	$0		
Parking/Transportation									
Surface Parking	X	X	$0	X	$0	X	$0		
Carport	0	X	-$5	X	-$5	X	-$5		
Underground Parking	0	0	$0	0	$0	0	$0		
Detached Garage	0	0	$0	0	$0	0	$0		
Attached Garage	0	0	$0	0	$0	0	$0		
Tuck-under Garage	0	0	$0	0	$0	0	$0		
Parking Garage	0	0	$0	0	$0	0	$0		
Project Amenities									
Clubhouse/Community Room	X	X	$0	X	$0	X	$0		
Swimming Pool	0	X	-$5	X	-$5	X	-$5		
Spa/Jacuzzi	0	X	-$5	X	-$5	X	-$5		
Exercise Room	X	X	$0	X	$0	X	$0		
Picnic Area	X	X	$0	X	$0	X	$0		
Tot Lot/Playground	X	X	$0	X	$0	X	$0		
Tennis Court	0	0	$0	0	$0	0	$0		
Basketball Court	0	0	$0	0	$0	0	$0		
Volleyball Court	0	0	$0	0	$0	0	$0		
On Site Manager	X	X	$0	X	$0	X	$0		
Laundry Room	X	0	$5	0	$5	0	$5		
Computer Room	0	0	$0	0	$0	X	-$10		
Business Center	0	X	-$5	X	-$5	X	-$5		
Car Wash Area	0	0	$0	0	$0	0	$0		
Security			0		0		0		
Gated	0	X	-$5	X	-$5	X	-$5		
Courtesy Patrol	0	X	-$5	X	-$5	X	-$5		
Surveillance Camera	X	0	$5	0	$5	X	$0		
Adjusted Rent	$1,464		$2,031		$2,237		$1,911	$2,053	-28.67%
Aggregate Adjusted Rent			$113,714		$78,296		$70,712	$262,722	
Adjusted Value Ratio ($/SF)	$2.66		$2.38		$3.11		$2.81	$2.68	-0.63%
*Adjusted Rent/Base Rent			102%		102%		104%		

TABLE 5-9
RENT COMPARABILITY MATRIX – MARKET RATE TWO-BEDROOM UNITS

Enter Data in Blue or Blank Fields	SHELDON FARMS	LAGUNA CREEK APTS. COMP #1		TERRACINA PARK MEADOWS COMP #2		VASARI LUXURY APT HOMES COMP #3			
	8851 BRUCEVILLE ROAD	8760 CENTER PARKWAY		8875 LEWIS STEIN ROAD		8117 SHELDON ROAD			
Date of Market Study: 10/16/2024	ELK GROVE	ELK GROVE		ELK GROVE		ELK GROVE			
Prepared By: LAURIN ASSOCIATES		279-333-3028		916-681-7401		916-794-5483			
Analysis Using Highest Rents for Subject	Use Subject's Highest Rent Characteristic	Char	Adj	Char	Adj	Char	Adj	Totals & Weighted Averages	Differential
("M"arket, "L"ow Income)	L	M		M		M			
Distance in Miles from Subject		<0.25		0.48		0.64			
Number of Units		24		20		35		79	
Vacancy Rate		9%		0%		2%			
Waiting List ("Y"es or "N"o)		N		N		N			
Turnover Rate		35%		35%		35%			
Unit Size in SF	865	1107		1127		978		1054.9114	
Aggregate Size in SF		26568		22540		34230		83,338	
Base Rent	$1,751	$2,125		$1,700		$2,462		$2,167	-19.19%
Aggregate Rent		$51,000		$34,000		$86,170		$171,170	
Value Ratio ($/SF)	$2.02	$1.92		$1.51		$2.52		$2.05	-1.44%
# of stories	3 & 4	2		2		2			
Elevator ("Y"es or "N"o)	Y	N		N		N			
# of Bedrooms	2	2		2		2			
# of Bathrooms	1	2	-$20	2	-$20	2	-$20		
Unit Size Adjustment	865	-242	-$49	-262	-$53	-113	-$23		
Rent Concessions									
Age (built or last renovated)	2028	2004	$72	2003	$75	2017	$33	$1,995	
Utilities Paid by Tenant									
Electricity	X	X	$0	X	$0	X	$0		
Heat ("G"as or "E"lectric)	E	E	$0	E	$0	E	$0		
Hot Water (G or E)	E	E	$0	E	$0	E	$0		
Cooking (G or E)	E	E	$0	E	$0	E	$0		
TV ("C"able or "S"atellite)	C	C	$0	C	$0	C	$0		
Water	0	X	$0	0	$0	X	$44		
Sewer	0	X	$0	0	$0	X	$18		
Trash	0	X	$0	0	$0	X	$40		
Unit Amenities									
Central Heat/Cool	X	X	$0	X	$0	X	$0		
Blinds	X	X	$0	X	$0	X	$0		
Carpet	0	0	$0	X	-$5	0	$0		
Ceiling Fan	0	0	$0	0	$0	0	$0		
Skylight	0	0	$0	0	$0	0	$0		
Storage Closet	0	X	-$5	X	-$5	X	-$5		
Coat Closet	X	0	$5	0	$5	0	$5		
Walk-In Closet	0	X	-$5	X	-$5	X	-$5		
Fireplace	0	0	$0	0	$0	0	$0		
Patio/Balcony	0	X	-$5	X	-$5	X	-$5		
Appliances									
Refrigerator	X	X	$0	X	$0	X	$0		
Stove/Oven	X	X	$0	X	$0	X	$0		
Dishwasher	0	X	-$5	X	-$5	X	-$5		
Garbage Disposal	X	X	$0	X	$0	X	$0		
Microwave	0	X	-$5	0	$0	X	-$5		
Washer/Dryer	0	X	-$10	0	$0	X	-$10		
Washer/Dryer Hook-ups	0	0	$0	0	$0	0	$0		
Parking/Transportation									
Surface Parking	X	X	$0	X	$0	X	$0		
Carport	0	X	-$5	X	-$5	X	-$5		
Underground Parking	0	0	$0	0	$0	0	$0		
Detached Garage	0	0	$0	0	$0	0	$0		
Attached Garage	0	0	$0	0	$0	0	$0		
Tuck-under Garage	0	0	$0	0	$0	0	$0		
Parking Garage	0	0	$0	0	$0	0	$0		
Project Amenities									
Clubhouse/Community Room	X	X	$0	0	$5	X	$0		
Swimming Pool	0	X	-$5	0	$0	X	-$5		
Spa/Jacuzzi	0	X	-$5	0	$0	X	-$5		
Exercise Room	X	X	$0	0	$5	X	$0		
Picnic Area	X	X	$0	0	$5	X	$0		
Tot Lot/Playground	X	X	$0	0	$5	X	$0		
Tennis Court	0	0	$0	0	$0	0	$0		
Basketball Court	0	0	$0	0	$0	0	$0		
Volleyball Court	0	0	$0	0	$0	0	$0		
On Site Manager	X	X	$0	X	$0	X	$0		
Laundry Room	X	0	$5	X	$0	0	$5		
Computer Room	0	0	$0	0	$0	0	$0		
Business Center	0	X	-$5	0	$0	X	-$5		
Car Wash Area	0	0	$0	0	$0	0	$0		
Security			0		0		0		
Gated	0	X	-$5	0	$0	X	-$5		
Courtesy Patrol	0	X	-$5	0	$0	X	-$5		
Surveillance Camera	X	0	$5	0	$5	0	$5		
Adjusted Rent	$1,751		$2,078		$1,702		$2,504	$2,172	-19.37%
Aggregate Adjusted Rent			$49,872		$34,039		$87,644	$171,556	
Adjusted Value Ratio ($/SF)	$2.02		$1.88		$1.51		$2.56	$2.06	-1.67%
*Adjusted Rent/Base Rent			98%		100%		102%		

TABLE 5-10
RENT COMPARABILITY MATRIX – MARKET RATE THREE-BEDROOM UNITS

Enter Data in Blue or Blank Fields	SHELDON FARMS	TERRACINA PARK MEADOWS COMP #2		VASARI LUXURY APT HOMES COMP #3		BELLA VISTA APTS. COMP #4			
	8851 BRUCEVILLE ROAD	8875 LEWIS STEIN ROAD		8117 SHELDON ROAD		6810 DI LUSSO DRIVE			
Date of Market Study: 10/16/2024	ELK GROVE	ELK GROVE		ELK GROVE		ELK GROVE			
Prepared By: LAURIN ASSOCIATES		916-681-7401		916-794-5483		916-385-0374			
Analysis Using Highest Rents for Subject	Use Subject's Highest Rent Characteristic	Char	Adj	Char	Adj	Char	Adj	Totals & Weighted Averages	Differential
("M"arket, "L"ow Income)	L	M		M		M			
Distance in Miles from Subject		0.48		0.64		0.67			
Number of Units		7		22		38		67	
Vacancy Rate		0%		2%		6%			
Waiting List ("Y"es or "N"o)		N		N		N			
Turnover Rate		35%		35%		35%			
Unit Size in SF	1050	1145		1303		1232		1246.2239	
Aggregate Size in SF		8015		28666		46816		83,497	
Base Rent	$2,017	$1,850		$2,649		$2,661		$2,572	-21.59%
Aggregate Rent		$12,950		$58,278		$101,118		$172,346	
Value Ratio ($/SF)	$1.92	$1.62		$2.03		$2.16		$2.06	-6.94%
# of stories	3 & 4	2		2		3			
Elevator ("Y"es or "N"o)	Y	N		N		N			
# of Bedrooms	2	2		2		2			
# of Bathrooms	1	2	-$20	2	-$20	2	-$20		
Unit Size Adjustment	1050	-95	-$18	-253	-$49	-182	-$35		
Rent Concessions									
Age (built or last renovated)	2028	2003	$75	2017	$33	1999	$87	$1,941	
Utilities Paid by Tenant									
Electricity	X	X	$0	X	$0	X	$0		
Heat ("G"as or "E"lectric)	E	E	$0	E	$0	E	$0		
Hot Water (G or E)	E	E	$0	E	$0	E	$0		
Cooking (G or E)	E	E	$0	E	$0	E	$0		
TV ("C"able or "S"atellite)	C	C	$0	C	$0	C	$0		
Water	0	0	$0	X	$47	X	$47		
Sewer	0	0	$0	X	$18	X	$18		
Trash	0	0	$0	X	$40	X	$40		
Unit Amenities									
Central Heat/Cool	X	X	$0	X	$0	X	$0		
Blinds	X	X	$0	X	$0	X	$0		
Carpet	0	X	-$5	0	$0	X	-$5		
Ceiling Fan	0	0	$0	0	$0	X	-$5		
Skylight	0	0	$0	0	$0	0	$0		
Storage Closet	0	X	-$5	X	-$5	0	$0		
Coat Closet	X	0	$5	0	$5	X	$0		
Walk-In Closet	0	X	-$5	X	-$5	X	-$5		
Fireplace	0	0	$0	0	$0	0	$0		
Patio/Balcony	0	X	-$5	X	-$5	X	-$5		
Appliances									
Refrigerator	X	X	$0	X	$0	X	$0		
Stove/Oven	X	X	$0	X	$0	X	$0		
Dishwasher	0	X	-$15	X	-$15	X	-$15		
Garbage Disposal	X	X	$0	X	$0	X	$0		
Microwave	0	0	$0	X	-$5	X	-$5		
Washer/Dryer	0	0	$0	X	-$25	X	-$25		
Washer/Dryer Hook-ups	0	0	$0	0	$0	0	$0		
Parking/Transportation									
Surface Parking	X	X	$0	X	$0	X	$0		
Carport	0	X	-$5	X	-$5	X	-$5		
Underground Parking	0	0	$0	0	$0	0	$0		
Detached Garage	0	0	$0	0	$0	0	$0		
Attached Garage	0	0	$0	0	$0	0	$0		
Tuck-under Garage	0	0	$0	0	$0	0	$0		
Parking Garage	0	0	$0	0	$0	0	$0		
Project Amenities									
Clubhouse/Community Room	X	0	$5	X	$0	X	$0		
Swimming Pool	0	0	$0	X	-$5	X	-$5		
Spa/Jacuzzi	0	0	$0	X	-$5	X	-$5		
Exercise Room	X	0	$5	X	$0	X	$0		
Picnic Area	X	0	$5	X	$0	X	$0		
Tot Lot/Playground	X	0	$5	X	$0	X	$0		
Tennis Court	0	0	$0	0	$0	0	$0		
Basketball Court	0	0	$0	0	$0	0	$0		
Volleyball Court	0	0	$0	0	$0	0	$0		
On Site Manager	X	X	$0	X	$0	X	$0		
Laundry Room	X	X	$0	0	$5	0	$5		
Computer Room	0	0	$0	0	$0	X	-$10		
Business Center	0	0	$0	X	-$5	X	-$5		
Car Wash Area	0	0	$0	0	$0	0	$0		
Security			0		0		0		
Gated	0	0	$0	X	-$5	X	-$5		
Courtesy Patrol	0	0	$0	X	-$5	X	-$5		
Surveillance Camera	X	0	$5	0	$5	X	$0		
Adjusted Rent	$2,017		$1,877		$2,643		$2,698	$2,594	-22.25%
Aggregate Adjusted Rent			$13,137		$58,155		$102,525	$173,818	
Adjusted Value Ratio ($/SF)	$1.92		$1.64		$2.03		$2.19	$2.08	-7.72%
*Adjusted Rent/Base Rent			101%		100%		101%		

TABLE 5-11
RENT COMPARABILITY MATRIX – AFFORDABLE ONE BEDROOM UNITS

Enter Data in Blue or Blank Fields	SHELDON FARMS	TERRACINA PARK MEADOWS COMP #2		BOW STREET APTS. COMP #5		VILLAGE CROSSING FAMILY APTS. COMP #6			
	8851 BRUCEVILLE ROAD	8875 LEWIS STEIN ROAD		8740 AUBERRY DRIVE		9241 BRUCEVILLE ROAD			
Date of Market Study:	ELK GROVE	ELK GROVE		ELK GROVE		ELK GROVE			
10/16/2024		916-681-7401		916-647-3163		916-683-8076			
Prepared By:	Use Subject's Highest Rent							Totals & Weighted	
LAURIN ASSOCIATES	Characteristic	Char	Adj	Char	Adj	Char	Adj	Averages	Differential
("M"arket, "L"ow Income)	L	L		L		L			
Distance in Miles from Subject		0.48		0.94		1.00			
Number of Units		24		12		37		73	
Vacancy Rate		0%		0%		0%			
Waiting List ("Y"es or "N"o)		Y		Y		Y			
Turnover Rate		35%		35%		35%			
Unit Size in SF	550	703		500		704		670.13699	
Aggregate Size in SF		16872		6000		26048		48920	
Base Rent	$1,464	$1,326		$1,326		$1,326		$1,326	10.41%
Aggregate Rent		$31,824		$15,912		$49,062		$96,798	
Value Ratio ($/SF)	$2.66	$1.89		$2.65		$1.88		$1.98	34.52%
# of stories	3 & 4	2		3		2			
Elevator ("Y"es or "N"o)	Y	N		N		N			
# of Bedrooms	1	1		1		1			
# of Bathrooms	1	1		1		1			
Unit Size Adjustment	550	703		500		704			
Rent Concessions									
Age (built or last renovated)	2028	2003		2019		2001			
Utilities Paid by Tenant									
Electricity	X	X		X		X			
Heat ("G"as or "E"lectric)	E	E		E		E			
Hot Water (G or E)	E	E		E		E			
Cooking (G or E)	E	E		E		E			
TV ("C"able or "S"atellite)	C	C		C		C			
Water	0	0		0		0			
Sewer	0	0		0		0			
Trash	0	0		0		0			
Unit Amenities									
Central Heat/Cool	X	X		X		X			
Blinds	X	X		0		X			
Carpet	0	X		0		X			
Ceiling Fan	0	0		0		0			
Skylight	0	0		0		0			
Storage Closet	0	X		X		0			
Coat Closet	X	0		0		0			
Walk-In Closet	0	X		0		X			
Fireplace	0	0		0		0			
Patio/Balcony	0	X		X		X			
Appliances									
Refrigerator	X	X		X		X			
Stove/Oven	X	X		X		X			
Dishwasher	0	X		X		X			
Garbage Disposal	X	X		X		X			
Microwave	0	0		0		0			
Washer/Dryer	0	0		0		X			
Washer/Dryer Hook-ups	0	0		X		0			
Parking/Transportation									
Surface Parking	X	X		X		X			
Carport	0	X		0		X			
Underground Parking	0	0		0		0			
Detached Garage	0	0		0		X			
Attached Garage	0	0		0		0			
Tuck-under Garage	0	0		0		0			
Parking Garage	0	0		0		0			
Project Amenities									
Clubhouse/Community Room	X	0		X		X			
Swimming Pool	0	0		X		X			
Spa/Jacuzzi	0	0		0		X			
Exercise Room	X	0		X		0			
Picnic Area	X	0		X		X			
Tot Lot/Playground	X	0		X		X			
Tennis Court	0	0		0		0			
Basketball Court	0	0		0		X			
Volleyball Court	0	0		0		X			
On Site Manager	X	X		X		X			
Laundry Room	X	X		X		0			
Computer Room	0	0		X		X			
Business Center	0	0		0		X			
Car Wash Area	0	0		0		0			
Security									
Gated	0	0		0		0			
Courtesy Patrol	0	0		0		0			
Surveillance Camera	X	0		0		0			
Adjusted Rent	$1,464		$1,326		$1,326		$1,326	$1,326	10.41%
Aggregate Adjusted Rent			$31,824		$15,912		$49,062	$96,798	
Adjusted Value Ratio ($/SF)	$2.66		$1.89		$2.65		$1.88	$1.98	34.52%
Adjusted Rent/Base Rent			100%		100%		100%		

TABLE 5-12
RENT COMPARABILITY MATRIX – AFFORDABLE TWO-BEDROOM UNITS

Enter Data in Blue or Blank Fields	SHELDON FARMS	TERRACINA PARK MEADOWS COMP #2		BOW STREET APTS. COMP #5		VILLAGE CROSSING FAMILY APTS. COMP #6			
	8851 BRUCEVILLE ROAD	8875 LEWIS STEIN ROAD		8740 AUBERRY DRIVE		9241 BRUCEVILLE ROAD			
Date of Market Study:	ELK GROVE	ELK GROVE		ELK GROVE		ELK GROVE			
10/16/2024		916-681-7401		916-647-3163		916-683-8076			
Prepared By:	Use Subject's Highest Rent							Totals & Weighted	
LAURIN ASSOCIATES	Characteristic	Char	Adj	Char	Adj	Char	Adj	Averages	Differential
("M"arket, "L"ow Income)	L	L		L		L			
Distance in Miles from Subject		0.48		0.94		1.00			
Number of Units		76		25		48		149	
Vacancy Rate		0%		0%		0%			
Waiting List ("Y"es or "N"o)		Y		Y		Y			
Turnover Rate		35%		35%		35%			
Unit Size in SF	865	885		700		1039		903.57047	
Aggregate Size in SF		67260		17500		49872		134632	
Base Rent	$1,751	$1,591		$1,591		$1,650		$1,610	8.76%
Aggregate Rent		$120,916		$39,775		$79,200		$239,891	
Value Ratio ($/SF)	$2.02	$1.80		$2.27		$1.59		$1.78	13.61%
# of stories	3 & 4	2		3		2			
Elevator ("Y"es or "N"o)	Y	N		N		N			
# of Bedrooms	2	2		2		2			
# of Bathrooms	1	1		1		1			
Unit Size Adjustment	865	885		700		1039			
Rent Concessions									
Age (built or last renovated)	2028	2003		2019		2001			
Utilities Paid by Tenant									
Electricity	X	X		X		X			
Heat ("G"as or "E"lectric)	E	E		E		E			
Hot Water (G or E)	E	E		E		E			
Cooking (G or E)	E	E		E		E			
TV ("C"able or "S"atellite)	C	C		C		C			
Water	0	0		0		0			
Sewer	0	0		0		0			
Trash	0	0		0		0			
Unit Amenities									
Central Heat/Cool	X	X		X		X			
Blinds	X	X		0		X			
Carpet	0	X		0		X			
Ceiling Fan	0	0		0		0			
Skylight	0	0		0		0			
Storage Closet	0	X		X		0			
Coat Closet	X	0		0		0			
Walk-In Closet	0	X		0		X			
Fireplace	0	0		0		0			
Patio/Balcony	0	X		X		X			
Appliances									
Refrigerator	X	X		X		X			
Stove/Oven	X	X		X		X			
Dishwasher	0	X		X		X			
Garbage Disposal	X	X		X		X			
Microwave	0	0		0		0			
Washer/Dryer	0	0		0		X			
Washer/Dryer Hook-ups	0	0		X		0			
Parking/Transportation									
Surface Parking	X	X		X		X			
Carport	0	X		0		X			
Underground Parking	0	0		0		0			
Detached Garage	0	0		0		X			
Attached Garage	0	0		0		0			
Tuck-under Garage	0	0		0		0			
Parking Garage	0	0		0		0			
Project Amenities									
Clubhouse/Community Room	X	0		X		X			
Swimming Pool	0	0		X		X			
Spa/Jacuzzi	0	0		0		X			
Exercise Room	X	0		X		0			
Picnic Area	X	0		X		X			
Tot Lot/Playground	X	0		X		X			
Tennis Court	0	0		0		0			
Basketball Court	0	0		0		X			
Volleyball Court	0	0		0		X			
On Site Manager	X	X		X		X			
Laundry Room	X	X		X		0			
Computer Room	0	0		X		X			
Business Center	0	0		0		X			
Car Wash Area	0	0		0		0			
Security									
Gated	0	0		0		0			
Courtesy Patrol	0	0		0		0			
Surveillance Camera	X	0		0		0			
Adjusted Rent	$1,751		$1,591		$1,591		$1,650	$1,610	8.76%
Aggregate Adjusted Rent			$120,916		$39,775		$79,200	$239,891	
Adjusted Value Ratio ($/SF)	$2.02		$1.80		$2.27		$1.59	$1.78	13.61%
Adjusted Rent/Base Rent			100%		100%		100%		

TABLE 5-13
RENT COMPARABILITY MATRIX – AFFORDABLE THREE-BEDROOM UNITS

Enter Data in Blue or Blank Fields	SHELDON FARMS	TERRACINA PARK MEADOWS COMP #2		BOW STREET APTS. COMP #5		VILLAGE CROSSING FAMILY APTS. COMP #6			
	8851 BRUCEVILLE ROAD	8875 LEWIS STEIN ROAD		8740 AUBERRY DRIVE		9241 BRUCEVILLE ROAD			
Date of Market Study:	ELK GROVE	ELK GROVE		ELK GROVE		ELK GROVE			
10/16/2024		916-681-7401		916-647-3163		916-683-8076			
Prepared By:	Use Subject's Highest Rent							Totals & Weighted	
LAURIN ASSOCIATES	Characteristic	Char	Adj	Char	Adj	Char	Adj	Averages	Differential
("M"arket, "L"ow Income)	L	L		L		L			
Distance in Miles from Subject		0.48		0.94		1.00			
Number of Units		17		13		44		74	
Vacancy Rate		0%		0%		0%			
Waiting List ("Y"es or "N"o)		Y		Y		Y			
Turnover Rate		35%		35%		35%			
Unit Size in SF	1050	1135		950		1182		1130.4459	
Aggregate Size in SF		19295		12350		52008		83653	
Base Rent	$2,017	$1,839		$1,839		$1,839		$1,839	9.68%
Aggregate Rent		$31,263		$23,907		$80,916		$136,086	
Value Ratio ($/SF)	$1.92	$1.62		$1.94		$1.56		$1.63	18.08%
# of stories	3 & 4	2		3		2			
Elevator ("Y"es or "N"o)	Y	N		N		N			
# of Bedrooms	3	3		3		3			
# of Bathrooms	2	2		2		2			
Unit Size Adjustment	1050	1135		950		1182			
Rent Concessions									
Age (built or last renovated)	2028	2003		2019		2001			
Utilities Paid by Tenant									
Electricity	X	X		X		X			
Heat ("G"as or "E"lectric)	E	E		E		E			
Hot Water (G or E)	E	E		E		E			
Cooking (G or E)	E	E		E		E			
TV ("C"able or "S"atellite)	C	C		C		C			
Water	0	0		0		0			
Sewer	0	0		0		0			
Trash	0	0		0		0			
Unit Amenities									
Central Heat/Cool	X	X		X		X			
Blinds	X	X		0		X			
Carpet	0	X		0		X			
Ceiling Fan	0	0		0		0			
Skylight	0	0		0		0			
Storage Closet	0	X		X		0			
Coat Closet	X	0		0		0			
Walk-In Closet	0	X		0		X			
Fireplace	0	0		0		0			
Patio/Balcony	0	X		X		X			
Appliances									
Refrigerator	X	X		X		X			
Stove/Oven	X	X		X		X			
Dishwasher	0	X		X		X			
Garbage Disposal	X	X		X		X			
Microwave	0	0		0		0			
Washer/Dryer	0	0		0		X			
Washer/Dryer Hook-ups	0	0		X		0			
Parking/Transportation									
Surface Parking	X	X		X		X			
Carport	0	X		0		X			
Underground Parking	0	0		0		0			
Detached Garage	0	0		0		X			
Attached Garage	0	0		0		0			
Tuck-under Garage	0	0		0		0			
Parking Garage	0	0		0		0			
Project Amenities									
Clubhouse/Community Room	X	0		X		X			
Swimming Pool	0	0		X		X			
Spa/Jacuzzi	0	0		0		X			
Exercise Room	X	0		X		0			
Picnic Area	X	0		X		X			
Tot Lot/Playground	X	0		X		X			
Tennis Court	0	0		0		0			
Basketball Court	0	0		0		X			
Volleyball Court	0	0		0		X			
On Site Manager	X	X		X		X			
Laundry Room	X	X		X		0			
Computer Room	0	0		X		X			
Business Center	0	0		0		X			
Car Wash Area	0	0		0		0			
Security									
Gated	0	0		0		0			
Courtesy Patrol	0	0		0		0			
Surveillance Camera	X	0		0		0			
Adjusted Rent	$2,017		$1,839		$1,839		$1,839	$1,839	9.68%
Aggregate Adjusted Rent			$31,263		$23,907		$80,916	$136,086	
Adjusted Value Ratio ($/SF)	$1.92		$1.62		$1.94		$1.56	$1.63	18.08%
Adjusted Rent/Base Rent			100%		100%		100%		

TURNOVER

According to the Laurin Associates October 2024 multifamily survey, the average turnover rate was 35.0 percent.

PENDING OR PROPOSED PROJECTS

According to the TCAC database there are no funded projects currently being planned or under construction in the Central Elk Grove Primary Market Area.

Given the low vacancies at other income restricted complexes, and the presence of waiting lists, the proposed complex will have a positive impact on the Market Area.

SURVEY OF MULTIFAMILY UNITS

The following pages contain photographs and descriptions of multifamily units located in the Central Elk Grove Market Area. Every attempt was made to find comparable units within one-mile of the subject property. See Exhibit 5-1.

TABLE 5-14
LOCATION OF SURVEYED COMPLEXES
UNITS WITHIN A ONE-MILE RADIUS

BEDROOM SIZE	MARKET	RESTRICTED	TOTAL
Studio	0	0	0
1BR	347	73	420
2BR	327	149	476
3BR	147	74	221
4BR	0	0	0
5BR	0	0	0
TOTAL	821	296	1117
Source: Laurin Associates, October 2024			

UNITS BETWEEN ONE AND TWO MILES

BEDROOM SIZE	MARKET	RESTRICTED	TOTAL
Studio	0	0	0
1BR	0	50	50
2BR	0	176	176
3BR	0	108	108
4BR	0	0	0
5BR	0	0	0
TOTAL	0	334	334
Source: Laurin Associates, October 2024			

UNITS BEYOND A TWO-MILE RADIUS

BEDROOM SIZE	MARKET	RESTRICTED	TOTAL
Studio	0	0	0
1BR	9	154	163
2BR	29	543	572
3BR	12	349	361
4BR	0	18	18
5BR	0	0	0
TOTAL	50	1064	1114
Source: Laurin Associates, October 2024			

Complexes located within one mile of the subject:

- **LIHTC / Market Rate** ~ Terracina Park Meadows, 8875 Lewis Stein Road, Elk Grove.
- **Market Rate** ~ Vasari Luxury Apt Homes, 8117 Sheldon Road, Elk Grove.
- **Market Rate** ~ Bella Vista Apts., 6810 Di Lusso Drive, Elk Grove.
- **LIHTC** ~ Bow Street, 8740 Auberry Drive, Elk Grove.
- **LIHTC / Market Rate** ~ Village Crossing Family Apts., 9241 Bruceville Road, Elk Grove.

Existing Affordable Complexes, with Wait List Detail:

Project Name	Tenant Type	Wait List	Vacancy Rate
Terracina Park Meadows – LIHTC	Family	1 year	0.0%
Bow Street – LIHTC	Family	1-2 years	0.0%
Village Crossing Family Apts. – LIHTC	Family	3 years	0.0%
Auberry Park – LIHTC	Family	1 year	0.0%
Avery Gardens – LIHTC	Family	4-5 years	0.0%
Terracina at Elk Grove – LIHTC	Family	Closed	0.0%
The Ridge Apts. – LIHTC	Family	Closed	0.0%
Crossings at Elk Grove – LIHTC	Family	Yes	0.0%
Arbor Creek Family – Affordable	Family	Yes	0.0%
Montego Falls Apts. – LIHTC	Family	Closed	0.0%
Terracina at Vineyard – LIHTC	Family	Yes	0.0%
The Garden at Quail Run – LIHTC	Family	1-2 years	0.0%
Agave Apartments – LIHTC	Family	Yes	0.0%
Churchill Downs – Affordable	Family	N/A	0.0%

SUBJECT PROPERTY (See Location on Exhibit 5-1) **FAMILY - LIHTC**

NAME	**Sheldon Farms**	**DATE**	October 16, 2024
ADDRESS	8851 Bruceville Road	**TOTAL UNITS**	240
CITY	Elk Grove	**CONDITION**	New Construction
BLDG STYLE	3 & 4 Stories	**YEAR BUILT**	2028

BR/BA	# UNITS	RENT	SQ. FT.	RENT/SF	VACANT
1BR – 1BA	115	$580-$1,464	550	$1.05-$2.66	NEW CONSTRUCTION
2BR – 1BA	56	$690-$1,751	865	$0.80-$2.02	
3BR – 2BA	67	$791-$2,017	1,050	$0.75-$1.92	
2BR – 1BA	2	MGR			

UNIT AMENITIES				PROJECT AMENITIES				TENANT PAYS	
Central Air/Heat	X	Refrigerator	X	Community Rm.	X	On-Site Mgr.	X	Electricity	X
Blinds	X	Stove/Oven	X	Pool		Laundry Rm.	X	Heat (E)	X
Carpet		Dishwasher		Spa		Computer Rm.		Cooking (E)	X
Ceiling Fan		Garbage Disposal	X	Gym	X	Business Cntr		TV (C/S)	X
Skylight		Microwave		Picnic Area	X	Car Wash Area		Water	
Storage Closet		Washer/Dryer		Playground	X			Sewer	
Coat Closet	X	W/D Hook-ups		Tennis Ct.		Gated		Trash	
Walk-In Closet		Parking: Surface	X	Basketball		Courtesy Patrol			
Fireplace				Volleyball		Security Camera	X		
Patio/Balcony						Elevator	X		

Remarks: *Rents are net rents. Utility Allowance: 1BR - $83, 2BR - $105, and 3BR - $128.

RENT COMP. NO. 1 (See Location on Exhibit 5-1) **FAMILY – MARKET RATE**

NAME	**Laguna Creek Apts.**	**DATE**	October 16, 2024
ADDRESS	8760 Center Parkway	**TOTAL UNITS**	160
CITY	Elk Grove, CA	**CONDITION**	Very Good
MANAGER	MGMT TEAM	**YEAR BUILT**	2004
TELEPHONE	279-333-3028	**BLDG. STYLE**	2 stories

Distance From Site: <0.25 miles

BR/BA	# UNITS	RENT	SQ. FT.	RENT/SF	VACANT
1BR – 1BA	56	$1,989	852	$2.33	2
1BR – 1BA	56	$2,054	894	$2.29	1
2BR – 2BA	24	$2,125	1,107	$1.91	4
2BR – 2BA	24	$2,479	1,150	$2.15	4

UNIT AMENITIES				PROJECT AMENITIES				TENANT PAYS	
Central Air/Heat	X	Refrigerator	X	Community Rm.	X	On-Site Mgr.	X	Electricity	X
Blinds	X	Stove/Oven	X	Pool	X	Laundry Rm.		Heat (E)	X
Carpet		Dishwasher	X	Spa	X	Computer Rm.		Cooking (E)	X
Ceiling Fan		Garbage Disposal	X	Gym	X	Business Cntr	X	TV (C/S)	X
Skylight		Microwave	X	Picnic Area	X	Car Wash Area		Water	X
Storage Closet	X	Washer/Dryer	X	Playground	X			Sewer	X
Coat Closet		W/D Hook-ups		Tennis Ct.		Gated	X	Trash	X
Walk-In Closet	X	Parking: Carport	X	Basketball		Courtesy Patrol	X		
Fireplace				Volleyball		Security Camera			
Patio/Balcony	X					Elevator			

Remarks: They do not use a waitlist. Turnover is about 3-4 units per month.

RENT COMP. NO. 2 (See Location on Exhibit 5-1) **FAMILY – LIHTC / MARKET RATE**

NAME	**Terracina Park Meadows**	**DATE**	October 16, 2024
ADDRESS	8875 Lewis Stein Road	**TOTAL UNITS**	144
CITY	Elk Grove, CA	**CONDITION**	Very Good
MANAGER	Irma	**YEAR BUILT**	2003
TELEPHONE	916-681-7401	**BLDG. STYLE**	2 story

Distance From Site: 0.48 miles

BR/BA	# UNITS		RENT			SQ. FT.	RENT/SF			VACANT
	AFF	MKT	50%	60%	MKT		50%	60%	MKT	
1BR—1BA	24		$1,105	$1,326		703	$1.57	$1.88		0
2BR—2BA	76		$1,326	$1,591		885	$1.49	$1.79		0
2BR—2BA		20			$1,700	1,127			$1.51	0
3BR—2BA	17		$1,532	$1,839		1,135	1.35	$1.62		0
3BR—2BA		7			$1,850	1,145			$1.62	0

UNIT AMENITIES				PROJECT AMENITIES				TENANT PAYS	
Central Air/Heat	X	Refrigerator	X	Community Rm.		On-Site Mgr.	X	Electricity	X
Blinds	X	Stove/Oven	X	Pool		Laundry Rm.	X	Heat (E/G)	X
Carpet	X	Dishwasher	X	Spa		Computer Rm.		Cooking (E/G)	X
Ceiling Fan		Garbage Disposal	X	Gym		Business Cntr		TV (C/S)	X
Skylight		Microwave		Picnic Area		Car Wash Area		Water	
Storage Closet	X	Washer/Dryer		Playground				Sewer	
Coat Closet		W/D Hook-ups		Tennis Ct.		Gated		Trash	
Walk-In Closet	X			Basketball		Courtesy Patrol			
Fireplace		Parking: Carport		Volleyball		Security Camera			
Patio/Balcony	X					Elevator			

Remarks: The waitlist is reported as 1 year long. Turnover is reported as 6-8 units per year.

RENT COMP. NO. 3 (See Location on Exhibit 5-1) **FAMILY – MARKET RATE**

NAME	**Vasari Luxury Apt Homes**	**DATE**	October 16, 2024
ADDRESS	8117 Sheldon Road	**TOTAL UNITS**	324
CITY	Elk Grove, CA	**CONDITION**	Very Good
MANAGER	Victoria/Jennifer FPI	**YEAR BUILT**	2017
TELEPHONE	916-794-5483	**BLDG. STYLE**	2 stories

Distance From Site: 0.64 miles

BR/BA	# UNITS	RENT	SQ. FT.	RENT/SF	VACANT
1BR – 1BA	35	$2,199	719	$3.06	1
1BR – 1BA	70	$2,267-$2,409	736	$3.08-$3.27	1
1BR – 1BA	35	$2,343	719	$3.26	0
2BR – 2BA	35	$2,462	978	$2.52	0
2BR – 2BA	35	$2,566	978	$2.62	0
2BR – 2BA	70	$2,619 - $2,847	1,096-1,142	$2.39 - $2.52	1
3BR – 2BA	22	$2,649	1,303	$2.03	4
3BR – 2BA	22	$2,843	1,303	$2.17	1

UNIT AMENITIES				PROJECT AMENITIES				TENANT PAYS	
Central Air/Heat	X	Refrigerator	X	Community Rm.	X	On-Site Mgr.	X	Electricity	X
Blinds	X	Stove/Oven	X	Pool	X	Laundry Rm.		Heat (E)	X
Carpet		Dishwasher	X	Spa	X	Computer Rm.		Cooking (E)	X
Ceiling Fan		Garbage Disposal	X	Gym	X	Business Cntr	X	TV (C/S)	X
Skylight		Microwave	X	Picnic Area	X	Car Wash Area		Water	X
Storage Closet	X	Washer/Dryer	X	Playground	X			Sewer	X
Coat Closet		W/D Hook-ups		Tennis Ct.		Gated	X	Trash	X
Walk-In Closet	X	Parking: Carport	X	Basketball		Courtesy Patrol	X		
Fireplace				Volleyball		Security Camera			
Patio/Balcony	X					Elevator			

Remarks: They do not use a waitlist. Turnover is about 3-4 units per month.

RENT COMP. NO. 4 (See Location on Exhibit 5-1) **FAMILY – MARKET RATE**

NAME	**Bella Vista Apartments**	**DATE**	October 16, 2024
ADDRESS	6810 Di Lusso Drive	**TOTAL UNITS**	241
CITY	Elk Grove, CA	**CONDITION**	Good
MANAGER	Michelle	**YEAR BUILT**	1999
TELEPHONE	916-385-0374	**BLDG. STYLE**	3 story

Distance From Site: 0.67 miles

BR/BA	# UNITS	RENT	SQ. FT.	RENT/SF	VACANT
1BR – 1BA	37	$1,829	681	$2.69	4
1BR – 1BA	38	$3,148	681	$4.62	1
2BR – 2BA	45	$2,040	1,067	$1.91	4
2BR – 2BA	45	$2,297-$4,274	1,067	$2.15-$4.01	2
3BR – 2BA	38	$2,661	1,232	$2.16	3
3BR – 2BA	38	$2,486-$6,005	1,232	$2.02-$4.87	0

UNIT AMENITIES				PROJECT AMENITIES				TENANT PAYS	
Central Air/Heat	X	Refrigerator	X	Community Rm.	X	On-Site Mgr.	X	Electricity	X
Blinds	X	Stove/Oven	X	Pool	X	Laundry Rm.		Heat (E/G)	X
Carpet	X	Dishwasher	X	Spa	X	Computer Rm.	X	Cooking (E/G)	X
Ceiling Fan	X	Garbage Disposal	X	Gym	X	Business Cntr	X	TV (C/S)	X
Skylight		Microwave	X	Picnic Area	X	Car Wash Area		Water	X
Storage Closet		Washer/Dryer	X	Playground	X			Sewer	X
Coat Closet	X	W/D Hook-ups		Tennis Ct.		Gated	X	Trash	X
Walk-In Closet	X	Parking: Carport	X	Basketball		Courtesy Patrol	X		
Fireplace				Volleyball		Security Camera	X		
Patio/Balcony	X					Elevator			

Remarks: They do not use a waitlist. The turnover is about 1-3 units per month.

RENT COMP. NO. 5 (See Location on Exhibit 5-1) **FAMILY - LIHTC**

NAME	**Bow Street Apts.**	**DATE**	October 16, 2024
ADDRESS	8740 Auberry Drive	**TOTAL UNITS**	50
CITY	Elk Grove, CA	**CONDITION**	Excellent
MANAGER	Cynthia	**YEAR BUILT**	2019
TELEPHONE	916-647-3163	**BLDG. STYLE**	3 Stories

Distance From Site: 0.94 miles

0

BR/BA	# UNITS	RENT	SQ. FT.*	RENT/SF	VACANT
1BR – 1BA	12	$663-$1,326	500	$1.32-$2.65	0
2BR – 1BA	25	$795-$1,591	700	$1.13-$2.27	0
3BR – 2BA	13	$919-$1,839	950	$0.96-$1.93	0

UNIT AMENITIES				PROJECT AMENITIES				TENANT PAYS	
Central Air/Heat	X	Refrigerator	X	Community Rm.	X	On-Site Mgr.	X	Electricity	X
Blinds		Stove/Oven	X	Pool	X	Laundry Rm.	X	Heat (E/G)	X
Carpet		Dishwasher	X	Spa		Computer Rm.	X	Cooking (E/G)	X
Ceiling Fan		Garbage Disposal	X	Gym	X	Business Cntr		TV (C/S)	X
Skylight		Microwave		Picnic Area	X	Car Wash Area		Water	
Storage Closet	X	Washer/Dryer		Playground	X			Sewer	
Coat Closet		W/D Hook-ups	X	Tennis Ct.		Gated		Trash	
Walk-In Closet		Parking: Surface	X	Basketball		Courtesy Patrol			
Fireplace				Volleyball		Security Camera			
Patio/Balcony	X					Elevator			

Remarks: Rent is based on 30%, 45%, 50%, and 60%. They do use a waitlist that is 1-2 years long. Turnover rate is low. (*)Management gave estimates.

RENT COMP. NO. 6 (See Location on Exhibit 5-1) **FAMILY – LIHTC/MARKET RATE**

NAME	**Village Crossing Family Apts.**	**DATE**	October 16, 2024
ADDRESS	9241 Bruceville Road	**TOTAL UNITS**	198
CITY	Elk Grove, CA	**CONDITION**	Good
MANAGER	Katy	**YEAR BUILT**	2001
TELEPHONE	916-683-8076	**BLDG. STYLE**	2 story

Distance From Site: 1.00 miles

BR/BA	# UNITS		RENT			SQ. FT.	RENT/SF			VACANT
	AFF	MKT	30%	60%	MKT		30%	60%	MKT	
1BR—1BA	37	20	$663	$1,326	$1,700	704	$0.94	$1.88	$2.41	0
2BR—2BA	48	29	$795	$1,650	$1,750	1,039	$0.76	$1.53	$1.78	0
3BR—2BA	44	20	$919	$1,839	$2,000	1,182	$0.78	$1.55	$1.69	0

UNIT AMENITIES				PROJECT AMENITIES				TENANT PAYS	
Central Air/Heat	X	Refrigerator	X	Community Rm.	X	On-Site Mgr.	X	Electricity	X
Blinds	X	Stove/Oven	X	Pool	X	Laundry Rm.		Heat (E/G)	X
Carpet	X	Dishwasher	X	Spa	X	Computer Rm.	X	Cooking (E/G)	X
Ceiling Fan		Garbage Disposal	X	Gym		Business Cntr	X	TV (C/S)	X
Skylight		Microwave		Picnic Area	X	Car Wash Area		Water	
Storage Closet		Washer/Dryer	X	Playground	X			Sewer	
Coat Closet		W/D Hook-ups		Tennis Ct.		Gated		Trash	
Walk-In Closet	X			Basketball	X	Courtesy Patrol			
Fireplace		Parking: Carport, Garage		Volleyball	X	Security Camera			
Patio/Balcony	X					Elevator			

Remarks: Estimated market rate units at property. Waitlist is about 3 years long. Turnover is about 4 - 5 units annually.

RENT COMP. NO. 7 (See Location on Exhibit 5-1) **FAMILY – LIHTC**

NAME	**Auberry Park**	**DATE**	October 16, 2024
ADDRESS	8120 Power Inn Road	**TOTAL UNITS**	110
CITY	Sacramento, CA	**CONDITION**	Good
MANAGER	Lisa	**YEAR BUILT**	1999
TELEPHONE	916-681-5944	**BLDG. STYLE**	2 Stories

Distance From Site: 1.85 miles

BR/BA	# UNITS	RENT	SQ. FT.	RENT/SF	VACANT
2BR – 1BA	74	$1,061	860	$1.23	0
3BR – 2BA	36	$1,226	1,040	$1.17	0

UNIT AMENITIES				PROJECT AMENITIES				TENANT PAYS	
Central Air/Heat	X	Refrigerator	X	Community Rm.	X	On-Site Mgr.	X	Electricity	X
Blinds		Stove/Oven	X	Pool	X	Laundry Rm.	X	Heat (G)	X
Carpet		Dishwasher	X	Spa		Computer Rm.		Cooking (G)	X
Ceiling Fan		Garbage Disposal		Gym		Business Cntr		TV (C/S)	X
Skylight		Microwave		Picnic Area	X	Car Wash Area		Water	
Storage Closet		Washer/Dryer		Playground				Sewer	
Coat Closet		W/D Hook-ups		Tennis Ct.		Gated		Trash	
Walk-In Closet		Parking:		Basketball	X	Courtesy Patrol			
Fireplace				Volleyball		Security Camera			
Patio/Balcony	X					Elevator			

Remarks: They do use a waitlist that is about 1+ years long and are currently accepting applications. Rent is based on 40% AMI.

RENT COMP. NO. 8 (See Location on Exhibit 5-1) **FAMILY - LIHTC**

NAME	**Avery Gardens**	**DATE**	October 16, 2024
ADDRESS	7015 Elk Grove Boulevard	**TOTAL UNITS**	64
CITY	Elk Grove, CA	**CONDITION**	Very Good
MANAGER	Lori	**YEAR BUILT**	2015
TELEPHONE	916-236-3470	**BLDG. STYLE**	3 story

Distance From Site: 1.91 miles

BR/BA	# UNITS	RENT		SQ. FT.	RENT/SF		VACANT
		30%	60%		30%	60%	
1BR—1BA	24	$663	$1,326	666	$0.99	$1.99	0
2BR—1BA	30	$795	$1,591	906	$0.88	$1.75	0
3BR—2BA	10	$919	$1,839	1,207	$0.76	$1.52	0

UNIT AMENITIES				PROJECT AMENITIES				TENANT PAYS	
Central Air/Heat	X	Refrigerator	X	Community Rm.	X	On-Site Mgr.	X	Electricity	X
Blinds	X	Stove/Oven	X	Pool	X	Laundry Rm.	X	Heat (G)	X
Carpet		Dishwasher	X	Spa		Computer Rm.		Cooking (E)	X
Ceiling Fan		Garbage Disposal	X	Gym	x	Business Cntr		TV (C/S)	X
Skylight		Microwave		Picnic Area	X	Car Wash Area		Water	
Storage Closet		Washer/Dryer		Playground	X			Sewer	
Coat Closet		W/D Hook-ups		Tennis Ct.		Gated	X	Trash	
Walk-In Closet		Parking: Carport	X	Basketball		Courtesy Patrol			
Fireplace				Volleyball		Security Camera			
Patio/Balcony	X					Elevator			

Remarks: They do use a waitlist, reported waitlist as 4-5 years long. Turnover reported as ~1 unit every 6 months.

RENT COMP. NO. 9 (See Location on Exhibit 5-1) **FAMILY – LIHTC**

NAME	**Terracina at Elk Grove**	**DATE**	October 16, 2024
ADDRESS	9440 W. Stockton Boulevard	**TOTAL UNITS**	124
CITY	Elk Grove, CA	**CONDITION**	Very Good
MANAGER	Tiffany	**YEAR BUILT**	1991
TELEPHONE	916-684-9222	**BLDG. STYLE**	2 story

Distance From Site: 1.92 miles

BR/BA	# UNITS	RENT	SQ. FT.	RENT/SF	VACANT
1BR—1BA	26	$773-$1,326	598	$1.29-$2.21	0
2BR—1BA	72	$928-$1,591	729	$1.27-$2.18	0
3BR—2BA	62	$1,072-$1,839	986	$1.08-$1.86	0

UNIT AMENITIES				PROJECT AMENITIES				TENANT PAYS	
Central Air/Heat	X	Refrigerator	X	Community Rm.	X	On-Site Mgr.	X	Electricity	X
Blinds	X	Stove/Oven	X	Pool	X	Laundry Rm.	X	Heat (E/G)	X
Carpet	X	Dishwasher	X	Spa		Computer Rm.		Cooking (E/G)	X
Ceiling Fan		Garbage Disposal	X	Gym		Business Cntr	X	TV (C/S)	X
Skylight		Microwave	X	Picnic Area	X	Car Wash Area		Water	
Storage Closet		Washer/Dryer		Playground	X			Sewer	
Coat Closet	X	W/D Hook-ups		Tennis Ct.		Gated		Trash	
Walk-In Closet		Parking: Carport	X	Basketball		Courtesy Patrol			
Fireplace				Volleyball		Security Camera			
Patio/Balcony						Elevator			

Remarks: They do use a waitlist, which is currently closed. Turnover was reported as low. 1BR- 35% and 60%, 2BR – 35%, 55% and 60%, 3BR – 35% and 60%.

RENT COMP. NO. 10 (See Location on Exhibit 5-1) **FAMILY - LIHTC**

NAME	**The Ridge Apartments**	**DATE**	October 16, 2024
ADDRESS	8151 Civic Center Drive	**TOTAL UNITS**	204
CITY	Elk Grove, CA	**CONDITION**	Excellent
MANAGER	Murah	**YEAR BUILT**	2012
TELEPHONE	916-681-7401	**BLDG. STYLE**	2 story

Distance From Site: 2.12 miles

BR/BA	# UNITS	RENT	SQ. FT.	RENT/SF	VACANT
1BR—1BA	60	$1,105-$1,326	678	$1.62-$1.95	0
2BR—2BA	84	$1,326-$1,591	963	$1.37-$1.65	0
3BR—2BA	60	$1,532-$1,839	1,239	$1.23-$1.48	0

UNIT AMENITIES				PROJECT AMENITIES				TENANT PAYS	
Central Air/Heat	X	Refrigerator	X	Community Rm.	X	On-Site Mgr.	X	Electricity	X
Blinds	X	Stove/Oven	X	Pool	X	Laundry Rm.	X	Heat (G)	X
Carpet	X	Dishwasher	X	Spa		Computer Rm.		Cooking (E)	X
Ceiling Fan		Garbage Disposal	X	Gym	X	Business Cntr	X	TV (C/S)	X
Skylight		Microwave		Picnic Area		Car Wash Area		Water	
Storage Closet		Washer/Dryer		Playground	X			Sewer	
Coat Closet	X	W/D Hook-ups	X	Tennis Ct.		Gated		Trash	
Walk-In Closet	X	Parking: Carport/Garage	x	Basketball		Courtesy Patrol	X		
Fireplace				Volleyball		Security Camera			
Patio/Balcony	X					Elevator			

Remarks: Waitlist is currently closed. Turnover is reported to be low. Rent is based on 50%-60% AMI.

RENT COMP. NO. 11 (See Location on Exhibit 5-1) **FAMILY -LIHTC**

NAME	**The Crossings at Elk Grove**	**DATE**	October 16, 2024
ADDRESS	8559-8575 Elk Grove Florin Road	**TOTAL UNITS**	82
CITY	Elk Grove	**CONDITION**	Excellent
MANAGER	MGMT TEAM	**YEAR BUILT**	2007
TELEPHONE	916-525-2926	**BLDG. STYLE**	2 Stories

Distance From Site: 2.43 miles

BR/BA	# UNITS	RENT	SQ. FT.	RENT/SF	VACANT
1BR – 1BA	6	$995-$1,216	695	$1.43-$1.75	0
2BR – 1BA	63	$1,187-$1,452	979	$1.21-$1.48	0
3BR – 2BA	40	$1,365-$1,672	1,115	$1.22-$1.49	0
4BR – 2BA	6	$1,512-$1,854	1,322	$1.14-$1.40	0
2BR – 1BA	1	MGR			

UNIT AMENITIES				PROJECT AMENITIES				TENANT PAYS	
Central Air/Heat	X	Refrigerator	X	Community Rm.	X	On-Site Mgr.	X	Electricity	X
Blinds	X	Stove/Oven	X	Pool	X	Laundry Rm.	X	Heat (E)	X
Carpet	X	Dishwasher	X	Spa		Computer Rm.	X	Cooking (E)	X
Ceiling Fan		Garbage Disposal	X	Gym		Business Cntr		TV (C/S)	X
Skylight		Microwave		Picnic Area		Car Wash Area		Water	
Storage Closet		Washer/Dryer		Playground	X			Sewer	
Coat Closet	X	W/D Hook-ups		Tennis Ct.		Gated	X	Trash	
Walk-In Closet		Parking: Surface; Carports	X	Basketball		Courtesy Patrol			
Fireplace				Volleyball		Security Camera			
Patio/Balcony	X					Elevator			

Remarks:

RENT COMP. NO. 12 (See Location on Exhibit 5-1) **FAMILY - AFFORDABLE**

NAME	**Arbor Creek Family**	**DATE**	October 16, 2024
ADDRESS	8340 Elk Grove Florin Road	**TOTAL UNITS**	102
CITY	Elk Grove, CA	**CONDITION**	Excellent
MANAGER	USA Properties	**YEAR BUILT**	2013
TELEPHONE	916-405-6655	**BLDG. STYLE**	2 Stories

Distance From Site: 2.68 miles

BR/BA	# UNITS	RENT	SQ. FT.	RENT/SF	VACANT
1BR – 1BA	15	$1,326	672	$1.97	0
2BR – 2BA	54	$1,591	892	$1.78	0
3BR – 2BA	33	$1,839	1,058	$1.74	0

UNIT AMENITIES				PROJECT AMENITIES				TENANT PAYS	
Central Air/Heat	X	Refrigerator	X	Community Rm.	X	On-Site Mgr.	X	Electricity	X
Blinds	X	Stove/Oven	X	Pool		Laundry Rm.	X	Heat (E)	X
Carpet	X	Dishwasher	X	Spa		Computer Rm.	X	Cooking (E)	X
Ceiling Fan	X	Garbage Disposal	X	Gym		Business Cntr		TV (C/S)	X
Skylight		Microwave	X	Picnic Area	X	Car Wash Area		Water	
Storage Closet		Washer/Dryer		Playground	X			Sewer	
Coat Closet		W/D Hook-ups		Tennis Ct.		Gated		Trash	
Walk-In Closet		Parking: Surface, Carport	X	Basketball		Courtesy Patrol			
Fireplace				Volleyball		Security Camera			
Patio/Balcony	X					Elevator			

Remarks: Rents are 60% of AMI.

RENT COMP. NO. 13 (See Location on Exhibit 5-1) **FAMILY - LIHTC**

NAME	**Montego Falls Apartments**	**DATE**	October 16, 2024
ADDRESS	9950 Bruceville Road	**TOTAL UNITS**	132
CITY	Elk Grove, CA	**CONDITION**	Excellent
MANAGER	Angelic	**YEAR BUILT**	2008
TELEPHONE	916-683-3200	**BLDG. STYLE**	2-3 Story

Distance From Site: 2.83 miles

BR/BA	# UNITS	RENT	SQ. FT.	RENT/SF	VACANT
1BR – 1BA	36	$1,105	678	$1.63	0
2BR – 2BA	60	$1,326	963	$1.37	0
3BR – 2BA	36	$1,532	1,231-1,304	$1.17-$1.24	0

UNIT AMENITIES				PROJECT AMENITIES				TENANT PAYS	
Central Air/Heat	X	Refrigerator	X	Community Rm.	X	On-Site Mgr.	X	Electricity	X
Blinds	X	Stove/Oven	X	Pool		Laundry Rm.		Heat (E/G)	X
Carpet		Dishwasher	X	Spa		Computer Rm.	X	Cooking (E/G)	X
Ceiling Fan		Garbage Disposal	X	Gym		Business Cntr		TV (C/S)	X
Skylight		Microwave		Picnic Area		Car Wash Area		Water	
Storage Closet		Washer/Dryer	X	Playground	X			Sewer	
Coat Closet		W/D Hook-ups	X	Tennis Ct.		Gated		Trash	
Walk-In Closet	X	Parking: Carport, Detached Garage	X	Basketball		Courtesy Patrol			
Fireplace				Volleyball		Security Camera			
Patio/Balcony	X					Elevator			

Remarks: Waitlist is closed. The turnover rate was reported as low.

RENT COMP. NO. 14 (See Location on Exhibit 5-1) **FAMILY - LIHTC**

NAME	**Terracina at Vineyard**	**DATE**	October 16, 2024
ADDRESS	8861 Vintage Park Drive	**TOTAL UNITS**	63
CITY	Elk Grove, CA	**CONDITION**	Very Good
MANAGER	Robin	**YEAR BUILT**	1995
TELEPHONE	916-682-0449	**BLDG. STYLE**	2 Stories

Distance From Site: 3.12 miles

BR/BA	# UNITS	RENT	SQ. FT.	RENT/SF	VACANT
2BR – 1BA	39	$1,326-$1,591	729	$1.82-$2.18	0
3BR – 2BA	24	$1,532-$1,839	983	$1.55-$1.87	0

UNIT AMENITIES				PROJECT AMENITIES				TENANT PAYS	
Central Air/Heat	X	Refrigerator	X	Community Rm.		On-Site Mgr.	X	Electricity	X
Blinds	X	Stove/Oven	X	Pool	X	Laundry Rm.		Heat (E/G)	X
Carpet		Dishwasher	X	Spa		Computer Rm.		Cooking (E/G)	X
Ceiling Fan	X	Garbage Disposal	X	Gym		Business Cntr		TV (C/S)	X
Skylight		Microwave		Picnic Area	X	Car Wash Area		Water	
Storage Closet	X	Washer/Dryer		Playground				Sewer	
Coat Closet		W/D Hook-ups		Tennis Ct.		Gated		Trash	
Walk-In Closet		Parking: Surface, Carport, Detached Garage		Basketball	X	Courtesy Patrol	X		
Fireplace				Volleyball		Security Camera			
Patio/Balcony	X					Elevator			

Remarks: They do use a waitlist. Rent is based on 50%-60% AMI

RENT COMP. NO. 15 (See Location on Exhibit 5-1) **FAMILY - LIHTC**

NAME	**The Garden at Quail Run**	**DATE**	October 16, 2024
ADDRESS	10140 Bruceville Road	**TOTAL UNITS**	96
CITY	Elk Grove, CA	**CONDITION**	Excellent
MANAGER	MGMT TEAM	**YEAR BUILT**	2021
TELEPHONE	916-683-3200	**BLDG. STYLE**	3 Story

Distance From Site: 3.29 miles

BR/BA	# UNITS	RENT	SQ. FT.	RENT/SF	VACANT
1BR – 1BA	12	$663-$1,326	550	$1.20-$2.41	0
2BR – 1BA	59	$795-$1,591	850	$0.93-$1.87	0
3BR – 2BA	24	$919-$1,839	950	$0.97-$1.93	0
2BR – 1BA	1	MANAGER'S UNIT			

UNIT AMENITIES				PROJECT AMENITIES				TENANT PAYS	
Central Air/Heat	X	Refrigerator	X	Community Rm.	X	On-Site Mgr.	X	Electricity	X
Blinds	X	Stove/Oven	X	Pool	X	Laundry Rm.	X	Heat (E/G)	X
Carpet		Dishwasher	X	Spa		Computer Rm.	X	Cooking (E/G)	X
Ceiling Fan		Garbage Disposal	X	Gym	X	Business Cntr		TV (C/S)	X
Skylight		Microwave		Picnic Area	X	Car Wash Area		Water	
Storage Closet		Washer/Dryer		Playground	X			Sewer	
Coat Closet		W/D Hook-ups	X	Tennis Ct.		Gated		Trash	
Walk-In Closet		Parking: Covered/Surface	X	Basketball		Courtesy Patrol			
Fireplace				Volleyball		Security Camera			
Patio/Balcony	X					Elevator			

Remarks: Rent is based on 30%-60% AMI. They do use a waitlist that is about 1-2 years long. Turnover rate was reported as 1-3 units per year. They use a lottery system to choose applicants.

RENT COMP. NO. 16 (See Location on Exhibit 5-1) **FAMILY – LIHTC**

NAME	**Agave Apartments**	**DATE**	October 16, 2024
ADDRESS	10070 Willard Parkway	**TOTAL UNITS**	188
CITY	Elk Grove, CA	**CONDITION**	Good
MANAGER	Kaila	**YEAR BUILT**	2005 (Rehab. 2021)
TELEPHONE	916-714-2431	**BLDG. STYLE**	3 story

Distance From Site: 3.59 miles

BR/BA	# UNITS	RENT	SQ. FT.	RENT/SF	VACANT
2BR—2BA	96	$1,302	919	$1.42	0
3BR—2BA	80	$1,498	1,078	$1.39	0
4BR—2BA	12	$1,659	1,245	$1.33	0

UNIT AMENITIES				PROJECT AMENITIES				TENANT PAYS	
Central Air/Heat	X	Refrigerator	X	Community Rm.	X	On-Site Mgr.	X	Electricity	X
Blinds	X	Stove/Oven	X	Pool	X	Laundry Rm.		Heat (E)	X
Carpet		Dishwasher	X	Spa		Computer Rm.		Cooking (E)	X
Ceiling Fan		Garbage Disposal	X	Gym	X	Business Cntr	X	TV (C/S)	X
Skylight		Microwave	X	Picnic Area	X	Car Wash Area		Water	
Storage Closet	X	Washer/Dryer	X	Playground				Sewer	
Coat Closet		W/D Hook-ups		Tennis Ct.		Gated		Trash	
Walk-In Closet		Parking: Carport, Garage	X	Basketball		Courtesy Patrol			
Fireplace				Volleyball		Security Camera			
Patio/Balcony	X					Elevator			

Remarks: They do use a waitlist that is about 6 month long. Turnover is about 2-4 units annually.

RENT COMP. NO. 17 (See Location on Exhibit 5-1) FAMILY – AFFORDABLE / MARKET RATE

NAME	**Churchill Downs**	**DATE**	October 16, 2024
ADDRESS	8155 Waterman Road	**TOTAL UNITS**	204 (163 AFF)
CITY	Elk Grove, CA	**CONDITION**	Good
MANAGER	MGMT TEAM – St. Anton	**YEAR BUILT**	2003
TELEPHONE	916-688-7990	**BLDG. STYLE**	2 Stories

Distance From Site: 3.85 miles

BR/BA	# UNITS		RENT		SQ. FT.	RENT/SF	VACANT
	AFF	MR	AFF	MR			
1BR – 1BA	25	6	$466-$1,069	$1,790	703	$0.66-$2.55	0
2BR – 1BA	88	21	$554-$1,279	$2,040	990	$0.56-$2.06	0
3BR – 2BA	52	12	$603-$1,439	$2,200	1,271	$0.47-$1.71	0

UNIT AMENITIES				PROJECT AMENITIES				TENANT PAYS	
Central Air/Heat	X	Refrigerator	X	Community Rm.	X	On-Site Mgr.	X	Electricity	X
Blinds	X	Stove/Oven	X	Pool		Laundry Rm.	X	Heat (E/G)	X
Carpet	X	Dishwasher	X	Spa		Computer Rm.		Cooking (E/G)	X
Ceiling Fan		Garbage Disposal	X	Gym		Business Cntr		TV (C/S)	X
Skylight		Microwave		Picnic Area		Car Wash Area		Water	
Storage Closet	X	Washer/Dryer		Playground	X			Sewer	
Coat Closet		W/D Hook-ups		Tennis Ct.		Gated		Trash	
Walk-In Closet		Parking: Carport	X	Basketball		Courtesy Patrol			
Fireplace				Volleyball		Security Camera			
Patio/Balcony	X					Elevator			

Remarks:

EXHIBIT 5-1 – LOCATION OF SURVEYED UNITS

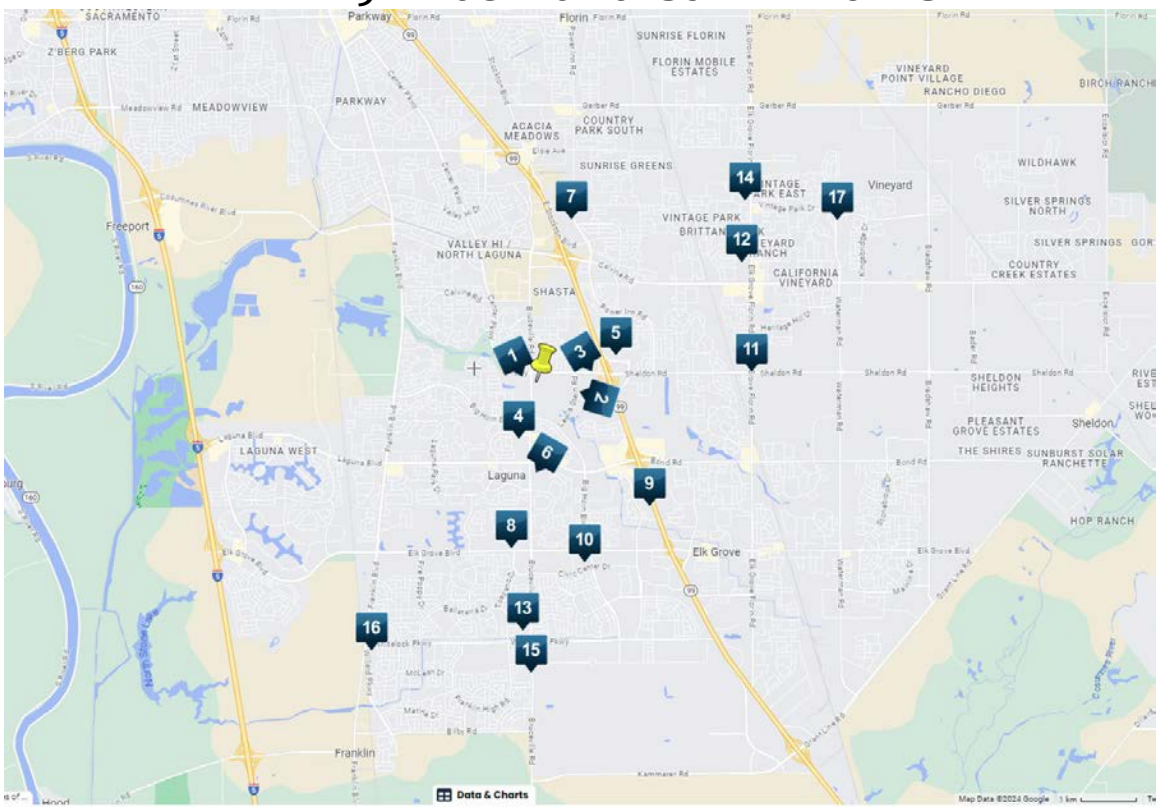
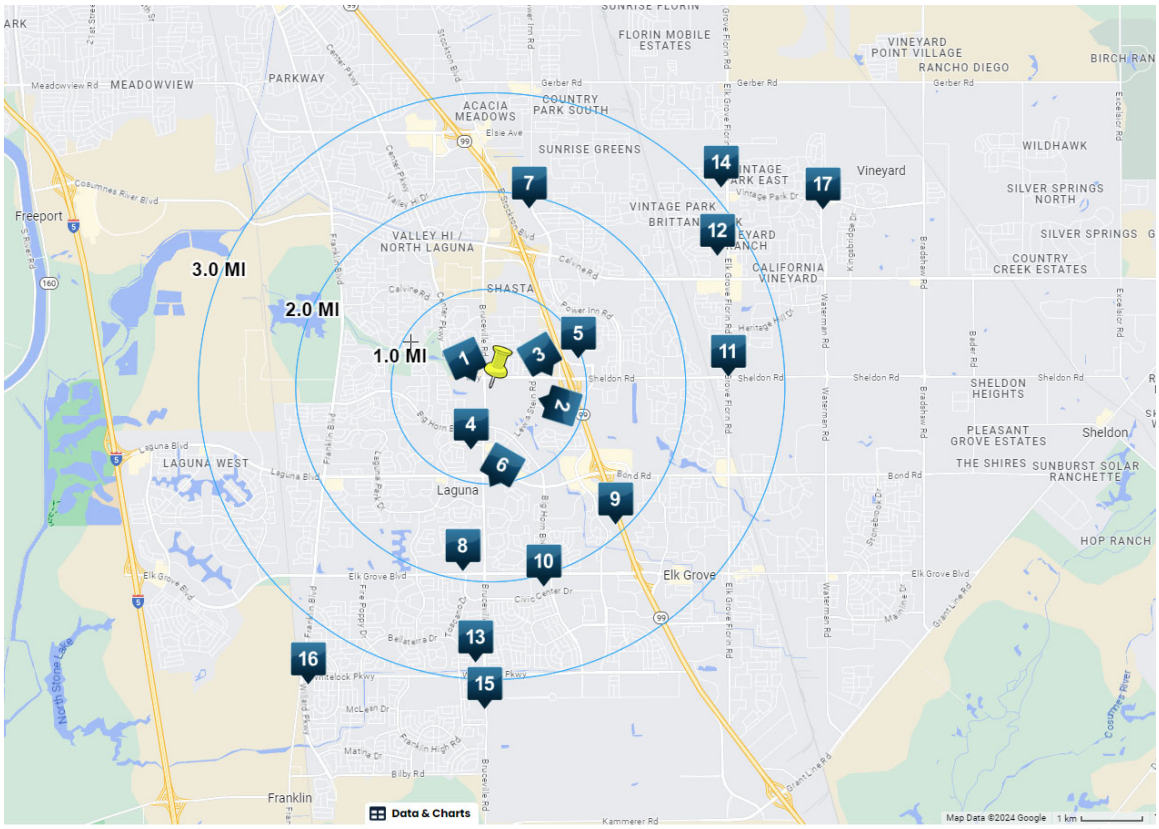


EXHIBIT 5-2 – LOCATION OF SURVEYED UNITS WITHIN A ONE, TWO, AND THREE MILE RING



WORKS CITED

DATA COLLECTION

Data were collected from the following sources:

1. 2000 and 2010 U.S. Census
2. City of Elk Grove / Sacramento County
3. U.S. Bureau of Labor Statistics - Economic Analysis and Information Center
4. U.S. Bureau of Justice Services: Office of Justice Programs
5. 2024 ESRI
6. California Employment Development Department
7. California Department of Finance
8. U.S. Department of Housing and Urban Development
9. California Tax Credit Allocation Committee

FAMILY

Central Elk Grove Market ARrea
Area: 58.43 square miles

Prepared by Esri

Summary	Census 2010	2024	2029
Population	220,271	264,878	270,272
Households	68,039	80,500	81,343
Families	53,372	61,766	62,458
Average Household Size	3.22	3.27	3.30
Owner Occupied Housing Units	45,624	54,830	56,631
Renter Occupied Housing Units	22,415	25,670	24,712
Median Age	32.8	37.4	38.2

	2024		2029	
Households by Income	Number	Percent	Number	Percent
<$15,000	5,303	6.6%	4,599	5.7%
$15,000 - $24,999	3,655	4.5%	2,757	3.4%
$25,000 - $34,999	3,880	4.8%	3,015	3.7%
$35,000 - $49,999	6,001	7.5%	4,855	6.0%
$50,000 - $74,999	11,597	14.4%	10,003	12.3%
$75,000 - $99,999	11,127	13.8%	10,520	12.9%
$100,000 - $149,999	17,660	21.9%	18,749	23.0%
$150,000 - $199,999	10,027	12.5%	12,449	15.3%
$200,000+	11,250	14.0%	14,396	17.7%

Median Household Income	$96,275	$109,139
Average Household Income	$122,648	$143,214
Per Capita Income	$37,226	$43,048

	Census 2010		2024		2029	
Population by Age	Number	Percent	Number	Percent	Number	Percent
0 - 4	16,490	7.5%	15,746	5.9%	15,839	5.9%
5 - 9	17,341	7.9%	17,157	6.5%	16,441	6.1%
10 - 14	19,008	8.6%	18,750	7.1%	17,641	6.5%
15 - 19	19,477	8.8%	19,196	7.2%	17,692	6.5%
20 - 24	15,256	6.9%	18,153	6.9%	17,152	6.3%
25 - 34	28,562	13.0%	34,404	13.0%	38,307	14.2%
35 - 44	30,730	14.0%	37,366	14.1%	37,096	13.7%
45 - 54	31,599	14.3%	33,594	12.7%	34,436	12.7%
55 - 64	22,008	10.0%	30,715	11.6%	29,831	11.0%
65 - 74	11,346	5.2%	23,957	9.0%	26,182	9.7%
75 - 84	6,076	2.8%	11,752	4.4%	15,038	5.6%
85+	2,377	1.1%	4,091	1.5%	4,618	1.7%

Source: American Community Survey (ACS), Esri, U.S. Census

August 26, 2024

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HOUSEHOLDS BY TYPE AND SIZE				
Family Households	60,411	77.5%	1,705	
2-Person	17,214	22.1%	936	
3-Person	13,492	17.3%	936	
4-Person	14,300	18.3%	1,013	
5-Person	8,275	10.6%	771	
6-Person	3,753	4.8%	494	
7+ Person	3,376	4.3%	471	
Nonfamily Households	17,547	22.5%	995	
1-Person	14,289	18.3%	917	
2-Person	2,479	3.2%	409	
3-Person	374	0.5%	154	
4-Person	229	0.3%	113	
5-Person	96	0.1%	71	
6-Person	32	0.0%	37	
7+ Person	48	0.1%	42	
HOUSEHOLDS BY PRESENCE OF PEOPLE UNDER 18 YEARS BY HOUSEHOLD TYPE				
Households with one or more people under 18 years	33,239	42.6%	1,443	
Family households	33,030	42.4%	1,442	
Married-couple family	22,254	28.5%	1,155	
Male householder, no wife present	2,591	3.3%	403	
Female householder, no husband present	8,185	10.5%	908	
Nonfamily households	209	0.3%	87	
Households with no people under 18 years	44,719	57.4%	1,402	
Married-couple family	19,394	24.9%	915	
Other family	7,986	10.2%	729	
Nonfamily households	17,338	22.2%	992	
HOUSEHOLDS BY PRESENCE OF PEOPLE 65 YEARS AND OVER, HOUSEHOLD SIZE AND HOUSEHOLD TYPE				
Households with Pop 65+	23,117	29.7%	999	
1-Person	6,553	8.4%	654	
2+ Person Family	16,029	20.6%	791	
2+ Person Nonfamily	535	0.7%	177	
Households with No Pop 65+	54,841	70.3%	1,691	
1-Person	7,736	9.9%	674	
2+ Person Family	44,382	56.9%	1,605	
2+ Person Nonfamily	2,723	3.5%	420	

Source: American Community Survey (ACS), Esri, U.S. Census

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WORKERS AGE 16+ YEARS BY MEANS OF TRANSPORTATION TO WORK				
Total	110,995	100.0%	3,407	
Drove alone	77,010	69.4%	2,757	
Carpooled	14,319	12.9%	1,109	
Public transportation (excluding taxicab)	1,719	1.5%	342	
Bus or trolley bus	991	0.9%	268	
Light rail, streetcar or trolley	440	0.4%	166	
Subway or elevated	153	0.1%	115	
Long-distance/Commuter Train	115	0.1%	72	
Ferryboat	20	0.0%	23	
Taxicab	134	0.1%	97	
Motorcycle	416	0.4%	182	
Bicycle	431	0.4%	306	
Walked	1,075	1.0%	384	
Other means	1,454	1.3%	367	
Worked at home	14,436	13.0%	1,117	

WORKERS AGE 16+ YEARS (WHO DID NOT WORK FROM HOME) BY TRAVEL TIME TO WORK				
Total	96,559	100.0%	3,135	
Less than 5 minutes	1,340	1.4%	424	
5 to 9 minutes	5,845	6.1%	682	
10 to 14 minutes	8,809	9.1%	824	
15 to 19 minutes	13,484	14.0%	985	
20 to 24 minutes	13,777	14.3%	1,165	
25 to 29 minutes	7,530	7.8%	847	
30 to 34 minutes	18,096	18.7%	1,168	
35 to 39 minutes	3,034	3.1%	432	
40 to 44 minutes	5,013	5.2%	601	
45 to 59 minutes	10,644	11.0%	895	
60 to 89 minutes	5,354	5.5%	679	
90 or more minutes	3,632	3.8%	520	
Average Travel Time to Work (in minutes)	N/A		N/A	

Source: American Community Survey (ACS), Esri, U.S. Census

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CIVILIAN EMPLOYED POPULATION 16+ BY INDUSTRY				
Total	114,271	100%	3,488	
Agriculture, forestry, fishing and hunting	782	0.7%	236	
Mining, quarrying, and oil and gas extraction	93	0.1%	84	
Construction	6,946	6.1%	858	
Manufacturing	6,894	6.0%	717	
Wholesale trade	2,520	2.2%	409	
Retail trade	12,030	10.5%	995	
Transportation and warehousing	6,768	5.9%	800	
Utilities	1,118	1.0%	240	
Information	1,588	1.4%	296	
Finance and insurance	4,496	3.9%	517	
Real estate and rental and leasing	2,624	2.3%	492	
Professional, scientific, and technical services	6,136	5.4%	740	
Management of companies and enterprises	82	0.1%	67	
Administrative and support and waste management services	5,388	4.7%	612	
Educational services	8,423	7.4%	716	
Health care and social assistance	17,512	15.3%	1,141	
Arts, entertainment, and recreation	1,893	1.7%	457	
Accommodation and food services	8,264	7.2%	772	
Other services, except public administration	6,384	5.6%	657	
Public administration	14,331	12.5%	947	

Source: American Community Survey (ACS), Esri, U.S. Census

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FAMILY

Elk Grove City, CA 3
Elk Grove City, CA (0622020)
Geography: Place

Prepared by Esri

Summary	Census 2010	2024	2029
Population	153,040	182,955	185,470
Households	47,936	56,468	56,671
Families	38,592	44,729	44,932
Average Household Size	3.18	3.22	3.26
Owner Occupied Housing Units	35,742	42,183	43,193
Renter Occupied Housing Units	12,194	14,285	13,478
Median Age	34.3	39.1	39.8

	2024		2029	
Households by Income	Number	Percent	Number	Percent
<$15,000	2,607	4.6%	2,250	4.0%
$15,000 - $24,999	1,551	2.7%	1,145	2.0%
$25,000 - $34,999	2,105	3.7%	1,550	2.7%
$35,000 - $49,999	2,611	4.6%	2,009	3.5%
$50,000 - $74,999	6,391	11.3%	5,153	9.1%
$75,000 - $99,999	7,124	12.6%	6,277	11.1%
$100,000 - $149,999	13,222	23.4%	13,012	23.0%
$150,000 - $199,999	9,415	16.7%	10,968	19.4%
$200,000+	11,442	20.3%	14,307	25.2%

Median Household Income	$116,810	$134,161
Average Household Income	$148,160	$171,696
Per Capita Income	$45,737	$52,470

	Census 2010		2024		2029	
Population by Age	Number	Percent	Number	Percent	Number	Percent
0 - 4	11,062	7.2%	9,768	5.3%	9,775	5.3%
5 - 9	12,636	8.3%	11,677	6.4%	10,789	5.8%
10 - 14	13,835	9.0%	13,397	7.3%	12,380	6.7%
15 - 19	13,103	8.6%	13,524	7.4%	12,276	6.6%
20 - 24	8,636	5.6%	12,035	6.6%	10,747	5.8%
25 - 34	18,649	12.2%	21,237	11.6%	24,994	13.5%
35 - 44	24,044	15.7%	25,649	14.0%	24,875	13.4%
45 - 54	23,314	15.2%	25,831	14.1%	25,693	13.9%
55 - 64	15,018	9.8%	22,030	12.0%	21,802	11.8%
65 - 74	7,378	4.8%	16,651	9.1%	18,162	9.8%
75 - 84	3,923	2.6%	8,274	4.5%	10,696	5.8%
85+	1,442	0.9%	2,882	1.6%	3,281	1.8%

Source: American Community Survey (ACS), Esri, U.S. Census

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HOUSEHOLDS BY TYPE AND SIZE			
Family Households	43,952	80.2%	823
2-Person	13,385	24.4%	984
3-Person	10,143	18.5%	779
4-Person	10,798	19.7%	855
5-Person	5,388	9.8%	559
6-Person	2,376	4.3%	327
7+ Person	1,862	3.4%	384
Nonfamily Households	10,861	19.8%	882
1-Person	8,944	16.3%	856
2-Person	1,561	2.8%	271
3-Person	153	0.3%	62
4-Person	146	0.3%	67
5-Person	44	0.1%	38
6-Person	13	0.0%	22
7+ Person	0	0.0%	31
HOUSEHOLDS BY PRESENCE OF PEOPLE UNDER 18 YEARS BY HOUSEHOLD TYPE			
Households with one or more people under 18 years	24,178	44.1%	690
Family households	24,012	43.8%	684
Married-couple family	17,815	32.5%	890
Male householder, no wife present	1,496	2.7%	381
Female householder, no husband present	4,701	8.6%	735
Nonfamily households	166	0.3%	82
Households with no people under 18 years	30,635	55.9%	1,157
Married-couple family	15,572	28.4%	781
Other family	4,368	8.0%	480
Nonfamily households	10,695	19.5%	893
HOUSEHOLDS BY PRESENCE OF PEOPLE 65 YEARS AND OVER, HOUSEHOLD SIZE AND HOUSEHOLD TYPE			
Households with Pop 65+	15,737	28.7%	870
1-Person	3,986	7.3%	588
2+ Person Family	11,353	20.7%	621
2+ Person Nonfamily	398	0.7%	150
Households with No Pop 65+	39,076	71.3%	1,001
1-Person	4,958	9.0%	599
2+ Person Family	32,599	59.5%	890
2+ Person Nonfamily	1,519	2.8%	272

Source: American Community Survey (ACS), Esri, U.S. Census

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WORKERS AGE 16+ YEARS BY MEANS OF TRANSPORTATION TO WORK				
Total	80,702	100.0%	1,820	
Drove alone	56,009	69.4%	1,699	
Carpooled	8,150	10.1%	811	
Public transportation (excluding taxicab)	1,197	1.5%	263	
Bus or trolley bus	720	0.9%	183	
Light rail, streetcar or trolley	276	0.3%	139	
Subway or elevated	22	0.0%	25	
Long-distance/Commuter Train	179	0.2%	95	
Ferryboat	0	0.0%	31	
Taxicab	75	0.1%	73	
Motorcycle	276	0.3%	159	
Bicycle	148	0.2%	80	
Walked	535	0.7%	179	
Other means	845	1.0%	291	
Worked at home	13,467	16.7%	1,140	

WORKERS AGE 16+ YEARS (WHO DID NOT WORK FROM HOME) BY TRAVEL TIME TO WORK				
Total	67,235	100.0%	1,710	
Less than 5 minutes	753	1.1%	235	
5 to 9 minutes	3,672	5.5%	437	
10 to 14 minutes	6,319	9.4%	608	
15 to 19 minutes	8,045	12.0%	759	
20 to 24 minutes	8,019	11.9%	671	
25 to 29 minutes	5,361	8.0%	622	
30 to 34 minutes	12,186	18.1%	783	
35 to 39 minutes	2,689	4.0%	340	
40 to 44 minutes	3,820	5.7%	472	
45 to 59 minutes	8,799	13.1%	913	
60 to 89 minutes	4,183	6.2%	627	
90 or more minutes	3,389	5.0%	484	
Average Travel Time to Work (in minutes)	33.1		1.5	

Source: American Community Survey (ACS), Esri, U.S. Census

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CIVILIAN EMPLOYED POPULATION 16+ BY INDUSTRY				
Total	82,911	100%	1,590	
Agriculture, forestry, fishing and hunting	414	0.5%	116	
Mining, quarrying, and oil and gas extraction	60	0.1%	56	
Construction	3,876	4.7%	466	
Manufacturing	4,575	5.5%	571	
Wholesale trade	1,339	1.6%	234	
Retail trade	7,942	9.6%	744	
Transportation and warehousing	4,494	5.4%	587	
Utilities	1,482	1.8%	397	
Information	1,259	1.5%	260	
Finance and insurance	3,422	4.1%	460	
Real estate and rental and leasing	1,563	1.9%	317	
Professional, scientific, and technical services	5,870	7.1%	665	
Management of companies and enterprises	99	0.1%	76	
Administrative and support and waste management services	2,643	3.2%	411	
Educational services	7,505	9.1%	737	
Health care and social assistance	13,235	16.0%	945	
Arts, entertainment, and recreation	1,543	1.9%	400	
Accommodation and food services	5,085	6.1%	574	
Other services, except public administration	4,738	5.7%	645	
Public administration	11,767	14.2%	866	

Source: American Community Survey (ACS), Esri, U.S. Census

August 26, 2024

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FAMILY

Sacramento County, CA 6
Sacramento County, CA (06067)
Geography: County

Prepared by Esri

Summary	Census 2010	2024	2029
Population	1,418,788	1,622,096	1,662,415
Households	513,945	574,277	583,969
Families	338,982	374,635	380,606
Average Household Size	2.71	2.77	2.79
Owner Occupied Housing Units	295,482	332,755	342,440
Renter Occupied Housing Units	218,463	241,522	241,529
Median Age	34.8	37.8	39.0

	2024		2029	
Households by Income	Number	Percent	Number	Percent
<$15,000	43,899	7.6%	39,670	6.8%
$15,000 - $24,999	28,431	5.0%	21,571	3.7%
$25,000 - $34,999	30,836	5.4%	25,384	4.3%
$35,000 - $49,999	47,787	8.3%	39,678	6.8%
$50,000 - $74,999	86,072	15.0%	77,483	13.3%
$75,000 - $99,999	80,850	14.1%	80,546	13.8%
$100,000 - $149,999	111,565	19.4%	120,036	20.6%
$150,000 - $199,999	65,755	11.5%	80,457	13.8%
$200,000+	79,081	13.8%	99,143	17.0%

Median Household Income	$88,795	$102,070
Average Household Income	$120,811	$139,810
Per Capita Income	$42,910	$49,249

	Census 2010		2024		2029	
Population by Age	Number	Percent	Number	Percent	Number	Percent
0 - 4	101,063	7.1%	94,755	5.8%	95,013	5.7%
5 - 9	98,112	6.9%	99,277	6.1%	95,526	5.7%
10 - 14	99,820	7.0%	102,780	6.3%	100,484	6.0%
15 - 19	105,680	7.4%	102,275	6.3%	99,203	6.0%
20 - 24	101,908	7.2%	107,690	6.6%	106,222	6.4%
25 - 34	206,646	14.6%	236,558	14.6%	235,808	14.2%
35 - 44	190,835	13.5%	235,433	14.5%	243,960	14.7%
45 - 54	200,536	14.1%	196,432	12.1%	207,903	12.5%
55 - 64	155,637	11.0%	185,817	11.5%	179,254	10.8%
65 - 74	83,295	5.9%	151,990	9.4%	164,338	9.9%
75 - 84	52,193	3.7%	79,005	4.9%	100,204	6.0%
85+	23,063	1.6%	30,084	1.9%	34,500	2.1%

Source: American Community Survey (ACS), Esri, U.S. Census

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HOUSEHOLDS BY TYPE AND SIZE				
Family Households	372,584	66.1%	2,501	
2-Person	137,302	24.4%	2,272	
3-Person	85,729	15.2%	2,011	
4-Person	79,373	14.1%	2,024	
5-Person	39,934	7.1%	1,477	
6-Person	17,217	3.1%	1,096	
7+ Person	13,029	2.3%	763	
Nonfamily Households	191,272	33.9%	2,571	
1-Person	146,206	25.9%	2,813	
2-Person	36,301	6.4%	1,495	
3-Person	5,741	1.0%	630	
4-Person	2,114	0.4%	373	
5-Person	668	0.1%	216	
6-Person	101	0.0%	58	
7+ Person	141	0.0%	62	
HOUSEHOLDS BY PRESENCE OF PEOPLE UNDER 18 YEARS BY HOUSEHOLD TYPE				
Households with one or more people under 18 years	189,004	33.5%	2,156	
Family households	187,349	33.2%	2,151	
Married-couple family	122,760	21.8%	2,271	
Male householder, no wife present	19,241	3.4%	1,177	
Female householder, no husband present	45,348	8.0%	1,676	
Nonfamily households	1,655	0.3%	351	
Households with no people under 18 years	374,852	66.5%	2,359	
Married-couple family	136,397	24.2%	2,263	
Other family	48,838	8.7%	1,741	
Nonfamily households	189,617	33.6%	2,543	
HOUSEHOLDS BY PRESENCE OF PEOPLE 65 YEARS AND OVER, HOUSEHOLD SIZE AND HOUSEHOLD TYPE				
Households with Pop 65+	164,543	29.2%	1,303	
1-Person	57,963	10.3%	1,695	
2+ Person Family	99,731	17.7%	1,689	
2+ Person Nonfamily	6,849	1.2%	681	
Households with No Pop 65+	399,313	70.8%	1,751	
1-Person	88,243	15.6%	2,312	
2+ Person Family	272,853	48.4%	2,192	
2+ Person Nonfamily	38,217	6.8%	1,532	

Source: American Community Survey (ACS), Esri, U.S. Census

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WORKERS AGE 16+ YEARS BY MEANS OF TRANSPORTATION TO WORK				
Total	727,094	100.0%	4,679	
Drove alone	508,032	69.9%	4,483	
Carpooled	69,107	9.5%	2,450	
Public transportation (excluding taxicab)	12,250	1.7%	902	
Bus or trolley bus	7,051	1.0%	730	
Light rail, streetcar or trolley	3,252	0.4%	416	
Subway or elevated	916	0.1%	239	
Long-distance/Commuter Train	916	0.1%	225	
Ferryboat	115	0.0%	70	
Taxicab	987	0.1%	326	
Motorcycle	2,078	0.3%	335	
Bicycle	5,443	0.7%	638	
Walked	12,390	1.7%	924	
Other means	8,413	1.2%	864	
Worked at home	108,394	14.9%	3,424	
WORKERS AGE 16+ YEARS (WHO DID NOT WORK FROM HOME) BY TRAVEL TIME TO WORK				
Total	618,700	100.0%	4,473	
Less than 5 minutes	11,178	1.8%	837	
5 to 9 minutes	40,385	6.5%	1,512	
10 to 14 minutes	70,181	11.3%	2,269	
15 to 19 minutes	98,264	15.9%	2,257	
20 to 24 minutes	104,878	17.0%	2,978	
25 to 29 minutes	48,244	7.8%	1,952	
30 to 34 minutes	106,806	17.3%	2,818	
35 to 39 minutes	20,366	3.3%	1,249	
40 to 44 minutes	24,553	4.0%	1,436	
45 to 59 minutes	44,784	7.2%	1,676	
60 to 89 minutes	26,647	4.3%	1,635	
90 or more minutes	22,414	3.6%	1,485	
Average Travel Time to Work (in minutes)	27.8		0.4	

Source: American Community Survey (ACS), Esri, U.S. Census

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CIVILIAN EMPLOYED POPULATION 16+ BY INDUSTRY				
Total	745,145	100%	4,530	
Agriculture, forestry, fishing and hunting	5,753	0.8%	621	
Mining, quarrying, and oil and gas extraction	404	0.1%	190	
Construction	53,221	7.1%	1,876	
Manufacturing	42,428	5.7%	1,685	
Wholesale trade	17,359	2.3%	1,060	
Retail trade	81,211	10.9%	2,323	
Transportation and warehousing	38,694	5.2%	1,551	
Utilities	8,928	1.2%	929	
Information	11,093	1.5%	792	
Finance and insurance	32,165	4.3%	1,423	
Real estate and rental and leasing	15,123	2.0%	969	
Professional, scientific, and technical services	54,092	7.3%	1,968	
Management of companies and enterprises	1,029	0.1%	234	
Administrative and support and waste management services	35,360	4.7%	1,485	
Educational services	59,546	8.0%	1,984	
Health care and social assistance	101,704	13.6%	2,535	
Arts, entertainment, and recreation	15,689	2.1%	987	
Accommodation and food services	54,145	7.3%	2,174	
Other services, except public administration	37,295	5.0%	1,624	
Public administration	79,906	10.7%	2,093	

Source: American Community Survey (ACS), Esri, U.S. Census

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State of California

California Tax Credit Allocation Committee &
California Debt Limit Allocation Committee

Market Study Index

Market Analysts must provide a checklist referencing all components of their market study. This checklist is intended to assist readers on the location and content of issues relevant to the evaluation and analysis of market studies. The page number of each component referenced is noted in the right column. In cases where the item is not relevant, the author has indicated "N/A" or not applicable. Where a conflict with or variation from client standards or client requirements exist, the author has indicated a "V" (variation) with a comment explaining the conflict. More detailed notations or explanations are also acceptable.

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STEFANIE WILLIAMS
Vice President

EDUCATION
B.A., Communications Studies
Emphasis; Interpersonal Communications
California State University, Sacramento, 2002

AFFILIATIONS
National Council of Affordable Housing Market Analysis
Nonprofit Housing Association of Northern California
Southern California Association of Nonprofit Housing
California Council for Affordable Housing

ASSISTANT DIVISION MANAGER
Laurin Associates (2000 – Present)

Ms. Williams is the project manager for all of Laurin Associates market feasibility studies, completing over 60 studies a year. She is a certified market analyst' through her participation in the National Council of Affordable Housing Market Analysts and has extensive experience with the specific requirements of the various funding agencies, including California Department of Housing and Community Development, California Tax Credit Allocation Committee, California Debt Limit Allocation Committee, CalHFA, USDA, and HUD. Additionally, Ms. Williams has substantial experience writing and administering CDBG grant applications, and preparing housing conditions studies and income surveys.

EXPERIENCE

Ms. Williams' recent experience includes Contract Management for market study projects including budget, staff management, and work load management. Ms. Williams has conducted market feasibility research and prepared reports for affordable housing projects throughout California and Arizona. Additionally, she prepares preliminary demand analyses, rent surveys and studies for market rate rental housing.

PROFESSIONAL DEVELOPMENT

National Council of Affordable Housing Market Analysts Conferences
HCD Grant Administration and Application Workshops
Nonprofit Housing Association of Northern California Conferences
Southern California Association of Nonprofit Housing Conferences
California Council for Affordable Housing Conferences
Housing California Conferences
California Coalition for Rural Housing Conferences

Laurin Associates Team

The following is a brief biography for each of the Laurin Associates Division's current staff members. The Laurin Associates Division is proud to have maintained the same key management staff over the years. Division Manager, Jayne Raab, has been with Laurin Associates for over eight years and Assistant Division Manager Stefanie Williams has been with Laurin Associates for more than sixteen years.

Stefanie Williams – Vice President, Raney Planning & Management 2000 – Present

Ms. Williams is the project manager for all of Laurin Associates market feasibility studies, completing over 150 studies a year. She is a certified market analyst through her participation in the National Council of Housing Market Analysts and has extensive experience with the specific requirements of the various funding agencies, including HCD, CTCAC, CDLAC, CalHFA, USDA, and HUD. Ms. Williams has a Bachelor of Arts in Communications Studies from California State University, Sacramento.

Jayne Raab – Division Manager 2008 – Present

Ms. Raab has over 20 years of affordable housing experience. From 1990 – 1997, Ms. Raab was the Development Manager at the California Tax Credit Allocation Committee. Since joining Laurin Associates, she has provided project oversight for all of Laurin's services. Ms. Raab is responsible for writing relocation plans and managing all of Laurin's relocation projects. Ms. Raab has a Master of Business Administration from the University of California, Davis.

Neeta Gill – Senior Associate 2024 – Present

Ms. Gill has over 10 years of property management experience and previously served as an Affordable Housing Specialist for the Sacramento Housing and Redevelopment Agency. Ms. Gill will serve as the Project Manager for future City of Fresno relocation projects and assist the Project Director with managing the relocation process. Since joining Laurin Associates, Ms. Gill has assisted with various temporary and permanent residential relocation projects throughout California. Ms. Gill has an Associate of Science in Business Administration from Heald College. Ms. Gill is a fluent Punjabi speaker.

Leslie Gachuz-Gomez - Housing & Community Development Specialist 2022 – Present

Ms. Gachuz-Gomez assists the Project Managers with monitoring services for Laurin Associates' State and Federal Davis Bacon prevailing wage projects, with the temporary and permanent residential relocation projects throughout California, and with the preparation of market studies. Ms. Gachuz-Gomez has a Bachelor of Business Administration, Finance from the University of San Francisco.

Colin Ries - Housing & Community Development Specialist 2023 – Present

Mr. Ries assists in the preparation of affordable housing market studies through the analysis of proposed projects, adjacent land uses, and local public services. Mr. Ries performs demographic analysis collecting and synthesizing public demographic, employment, economic, and construction statistics. Mr. Ries has a Bachelor of Computational Mathematics and a Bachelor of Philosophy from the University of California, Santa Cruz.

Hallie Colson – Housing & Community Development Specialist 2023 – Present

Ms. Colson provides monitoring services for Laurin Associates' State and Federal Davis Bacon prevailing wage projects, from the pre-construction conference to project completion and the Final Report. Ms. Colson also manages temporary and permanent residential relocation projects throughout California. Ms. Colson has a Bachelor of Science in Biology from California State University, Sacramento.

GLOSSARY OF TERMS:

Absorption Period ~ the actual or expected period required from the time a property is initially offered for purchase or use by its eventual users all portions have been sold or stabilized occupancy has been achieved. Although marketing may begin before the completion of construction, most forecasters consider the absorption period to begin after the completion of construction.

Absorption Rate ~ the average number of units rented each month during the Absorption Period.

Acceptable Rent Burden ~ the rent-to-income ratio used to qualify tenants for both income restricted and non-income restricted rents. The Acceptable Rent Burden varies depending on the requirements of funding sources, government funding sources, target markets and local conditions.

Affordable Housing ~ housing that costs an owner or renter no more than 30 percent (for rental units), to 35 percent (for owner occupied units) of his or her income.

Amenity ~ non-monetary tangible or intangible benefits offered to a tenant, typically on-site recreational facilities or planned programs, services and activities.

Annual Demand ~ the total estimated demand present in the market on any one year for the type of units proposed.

Area Median Income ~ 100% of the gross median family income for a specific Metropolitan Statistical Area, county or non-metropolitan area established annually by HUD.

Assisted Housing ~ housing where the monthly costs of the tenants are subsidized by federal or other programs.

Attached Housing ~ two or more dwelling units connected with party walls (e.g. townhomes or flats).

Basic Rent ~ the minimum monthly rent that tenants who do not have rental assistance pay to lease units developed through the USDA – RD Section 515 Program, the HUD Section 236 Program and HUD Section 223(d)(3) Below Market Interest Rate Program. The basic rent is calculated on the rent required to operate the property, maintain debt services on a subsidized mortgage with a below-market interest rate, and provide a return on equity to the developer in accordance with the regulatory documents governing the Property.

Below Market Interest Rate Program ~ program targeted to renters with income not exceeding 80% of area median income by limiting rents based on BMIR Program requirements and through the provision of an interest reduction contract to subsidize the market interest rate to a below-market rate. Interest rates are typically subsidized to effective rates on one percent or three percent.

Capture Rate ~the percentage of income qualified renter households necessary for a proposed property to capture to achieve stabilized occupancy. Calculated by dividing the total number of units at the property by the total number of income eligible renter households in the market (less existing tax credit units in the market).

Census Tract ~ a small, relatively permanent statistical subdivision delineated by a local committee of census data users for the purpose of presenting data. Census tract boundaries normally follow visible features, but may follow governmental unit boundaries and other non-visible features; they always nest within counties. The are designed to be relatively homogeneous units with respect to population characteristics, economic status, and living conditions at the time of establishment. Census tracts average about 4,000 inhabitants.

Comparable Project ~ a project that is representative of the rental housing choices in the subject's target market and that is similar in construction, size, amenities or age.

Competitive Project ~ a project that is comparable to the subject and that competes at nearly the same rent levels.

Contract Rent ~ the actual monthly rent payable by the tenant, including any rent subsidy paid on behalf of the tenant, to the owner, inclusive of all terms of the lease.

Demand ~ an estimate of the total number of market participants that have both the desire and the ability to obtain the product and / or services offered.

Detached Housing ~ a freestanding dwelling unit, typically single-family, situated on its own lot.

Elderly ~ the age typically regarded as "elderly" is subject to numerous definitions, ie: USDA – 62yrs.; HUD - 65yrs.; LIHTC – 55yrs.

Extremely low income ~ household income below 30 percent of the local area median, as defined by HUD.

Fair Market Rent ~ HUD's estimate of market rent for an apartment in the conventional marketplace.

Feasibility Analysis ~ an analysis undertaken to investigate whether a project will fulfill the objectives of the investor.

Garden Apartments ~ apartments in low-rise buildings (typically two to four stories) that feature low density, ample open-space around buildings, and on-site parking.

Gross Rent ~ the monthly rental cost to a tenant, inclusive of all utilities costs necessary for habitability of the apartment.

High-rise ~ a tall building, usually having more than ten stories in apartment buildings.

Household ~ a household includes all the people who occupy a housing unit as their usual place of residence.

Housing Choice Voucher ~ federal rent subsidy program which issues rent vouchers to eligible households to use in the housing of their choice. The voucher payment subsidizes the difference between the Gross Rent and the tenants contribution of 30% of adjusted income.

Housing Finance Agency ~ state or local agencies responsible for financing housing and administering assisted housing programs.

HUD Section 8 Program ~ program administered by HUD and targeted to low and very low income families who pay the higher of either 30 percent of their adjusted income or 10 percent of their gross income rent. Many HUD Section 8 apartments are reserved for the elderly, and a small portion are specially designed for the mobility impaired.

HUD Section 202 Program ~federal program which provides direct capital assistance (i.e. grant) and operating or rental assistance to finance housing designed for occupancy by elderly households who have income not exceeding 50% of Area Median Income. The Program is limited to housing owned by 501(3) nonprofit organizations or by limited partnerships where the sole general partner is a 501 (C) (3) nonprofit organization.

HUD Section 811 Program ~ federal program which provides direct capital assistance and operating or rental assistance to finance housing designed for occupancy by persons with disabilities who have income not exceeding 50% of Area Median Income. The program is limited to housing owned by 501 (c) (3) nonprofit organization or by limited partnership where the sole general partner is a 501 (c) (3) nonprofit organization.

HUD Section 236 Program ~ federal program which provides interest reduction payments for loans which finance housing targeted to households with income not exceeding 80% of area median income who pay rent equal to the greater of Basic Rent or 30 percent of their adjusted income. All rents are capped at a HUD approved market rent.

Income Band ~ the range of household income from the minimum necessary for affordability to the maximum income a household may earn based upon the restrictions imposed by the market and/or housing program.

Income Limits~ Maximum income by county or metropolitan statistical area (MSA), adjusted for household size and expressed a s a percentage of the Area Median Income for the purpose of establishing an upper limit for eligibility for a specific housing program. Income limits for federal, state, and local rental housing programs typically are established at 30%, 50%, 60%, or 80% of AMI.

Independent Living ~ individual apartments or homes for elderly residents, offering no special services.

Low income ~ as applied to most housing programs, household income below 80 percent of the local area median income, as defined by HUD.

Low rise ~ a building with one to three stories.

Market Area ~ the geographic or locational delineation of the market for a specific category or real estate. i.e., the area in which alternative, similar properties effectively compete with the subject property in the minds of probable, potential purchasers and users.

Market Rent ~ the rental income that a property / apartment unit would most probably command in the open market; indicated by the current rents paid and asked for at comparable properties / apartment units as of the date of the market study.

Market Study ~ a macroeconomic analysis that examines the general market condition of supply, demand, and pricing, or the demographics of demand for a specific area or property type. A market study may also include analyses of construction and absorption trends.

Metropolitan Statistical Area ~ a geographical entity defined by the federal Office of Management and Budget for use by federal statistical agencies, based on the concept of a core area with a large population nucleus, plus adjacent communities having a high degree of economic and social integration with that core. Qualifications of an MSA requires the presence of a city with 50,000 or more inhabitants, or the presence of an Urbanized Area (UA) and a total population of at least 100,000 (75,000 in New England). The county or counties containing the largest city and surrounding densely settled territory are central counties of the MSA. Additional outlying counties qualify to be included in the MSA by meeting a certain other criteria of metropolitan character, such as a specified minimum population density or percentage of the population that is urban.

Mid-rise ~ a building with four to ten stories.

Migration ~ the movement of households from one location or market area to another.

Mixed Income Property ~ an apartment property containing both tax credit units and unrestricted units. Or a Section 42 property containing both public housing and / or deeply skewed AMI units and LIHTC units.

Mobility ~ the ease with which people move from one location to another

Moderate Income ~ persons or households with gross family income between 80 and 120 percent of area median income adjusted for household size.

Multifamily ~ structures that contain more than five housing units.

Net Rent ~ gross rent less utilities costs necessary for habitability of the apartment that are not paid by the landlord and therefore not included in contract rent.

Penetration Rate ~ proportion of age and income qualified households, likely to have an interest in subject property. Typically applies to secondary market area or to secondary target group

Pent-up Demand ~ demand characterizing a market in which there is a scarcity of supply and vacancy rates are below typical levels.

Primary Market Area ~ the most likely geographical area from which a property would draw its support.

Public Housing ~ rental projects that are owned and managed by state and local government agencies and made available to low-and middle income tenants at 30% of their adjusted gross income reduced rates.

Restricted Rent ~ the maximum allowable rent under the restrictions of a specific housing program or subsidy.

Rural Development (RD) Program ~ Federal program which provides low interest loans to finance housing which serves low and moderate-income persons in rural areas who pay 30 percent of their adjusted income on rent, or the basic rent, whichever is higher (but not exceeding the market rent). The Program may include property based rental assistance and interest reduction contracts to write down the interest on the loan to as low as one percent.

Saturation~ The point at which there is no longer demand to support additional units.

Secondary Market Area ~ the portion of a market area that supplies additional support to a project beyond that provided by the primary trade area.

Senior Housing ~ specifically designated for and restricted to, persons who are age eligible which typically reflects the requirements of the restricted program governing the housing 55+, 62+, 65+.

Single-Family Housing ~ a dwelling unit, either attached or detached, designed for use by one household and with direct access to a street. It does not share a heating facilities or other essential building facilities with any other dwelling.

Special Needs Population ~ specific market niche which is typically not catered to in a conventional apartment property. This population should exhibit certain criteria which can be well-defined and are reasonable quantifiable, in order, for example, to asses the need and demand from this source.

Target Income Band ~ the estimated income band from which the subject property will likely draw.

Tenure ~ the distinction between owner-occupied and renter-occupied housing units.

Turnover ~ the percentage of units that becomes vacant due to evictions, move-outs, or other causes over a one-year period.

Unrestricted Units ~ those units at a mixed-income property that are not subject to any income or rent restrictions.

Very low income ~ household income below 50 percent of the local area median, as defined by HUD.

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Integra Realty Resources
Sacramento

Appraisal of Real Property

Sheldon Farms
Vacant Land
8851 Bruceville Rd.
Elk Grove, Sacramento County, California 95758

Prepared For:
Sheldon Farms, L.P. A California Limited Partnership

Date of the Report:
March 3, 2025

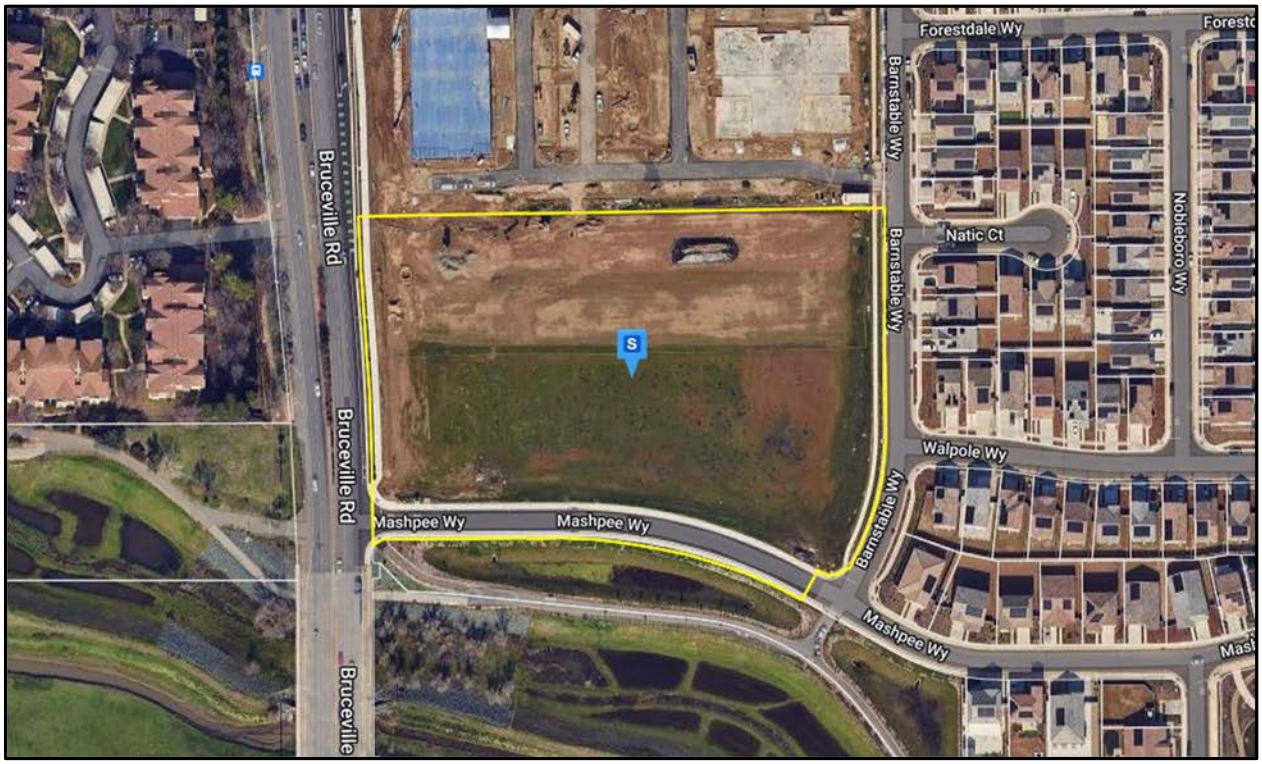
Report Format:
Appraisal Report

IRR - Sacramento
File Number: 193-2025-0100

Subject Photographs

Sheldon Farms
8851 Bruceville Rd.
Elk Grove, California

Aerial Photograph



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March 3, 2025

Maegan Pearson
Associate Vice President, Development
Sheldon Farms, L.P. A California Limited Partnership
1149 S. Hill Street
Los Angeles, CA 90015

SUBJECT: Market Value Appraisal
Sheldon Farms
8851 Bruceville Rd.
Elk Grove, Sacramento County, California 95758
IRR - Sacramento File No. 193-2025-0100

Dear Ms. Pearson:

Integra Realty Resources – Sacramento is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop an opinion of the market value, pertaining to the fee simple interest in the property.

The client and intended user is Sheldon Farms, L.P. A California Limited Partnership. The intended use of the report is for loan underwriting and/or purchase purposes. No other party may use or rely on the information, opinions, and conclusions contained in this report.

The subject is representative of a parcel of vacant multifamily land containing an area of 5.54 acres, or 241,322 square feet. The property is zoned RD-30, High Density Residential, which permits multifamily uses up to 30 units per acre. As of the effective date of value, there are no deed restrictions, regulatory agreements, or entitlements in-place that restrict the property to affordable housing use and our valuation considers the subject as is and as zoned. A more detailed legal and physical description of the subject property is contained within the attached report.

The appraisal conforms to the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute, and applicable state appraisal regulations.

Standards Rule 2-2 (Content of a Real Property Appraisal Report) contained in the Uniform Standards of Professional Appraisal Practice (USPAP) requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report. This report is prepared as an Appraisal Report as defined by USPAP under Standards Rule 2-2(a), and incorporates practical explanation of the data, reasoning, and analysis that were used to develop the opinion of value.

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, the concluded opinions of value are as follows:

Value Conclusion

Value Type & Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value	Fee Simple	February 21, 2025	$3,020,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is 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.

None.

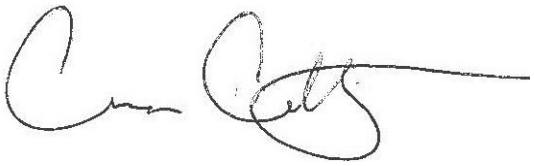
The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

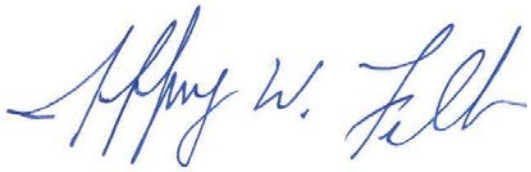
None.

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

Respectfully submitted,

Integra Realty Resources - Sacramento





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A. Appraiser Qualifications
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Executive Summary

Property Name	Sheldon Farms
Address	8851 Bruceville Rd. Elk Grove, Sacramento County, California 95758
Property Type	Land
Owner of Record	City of Elk Grove
Tax ID	116-0012-070
Land Area (Gross)	5.54 acres; 241,322 SF
Land Area (Usable)	5.06 acres; 220,322 SF
Zoning Designation	RD-30, High Density Residential
Highest and Best Use	Multifamily use
Exposure Time; Marketing Period	12-18 months; 12-18 months
Effective Date of the Appraisal	February 21, 2025
Date of the Report	March 3, 2025
Property Interest Appraised	Fee Simple
Sales Comparison Approach	
Number of Sales	6
Range of Sale Dates	Apr 22 to Feb 25
Range of Prices per Unit (Unadjusted)	$17,809 - $27,500
Market Value Conclusion	$3,020,000

The values reported above are subject to the definitions, assumptions, and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than Sheldon Farms, L.P. A California Limited Partnership may use or rely on the information, opinions, and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions, and limiting conditions contained therein.

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is 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.

None.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is 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.

None.

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

Strengths, Weaknesses, Opportunities, Threats (SWOT Analysis)

The analyses presented in this report consider the internal strengths and weaknesses of the subject property, as well as opportunities and external threats.

Strengths/Opportunities

- Multifamily vacancy within a three-mile radius of the subject was reported at 3.8% as of the first quarter of 2025, per Costar Analytics.

Weaknesses/Threats

- There is some macroeconomic uncertainty as interest rates increased significantly in 2022-2023, which could lead to a recession and adversely affect property values.

Identification of the Appraisal Problem

Subject Description

The subject is representative of a parcel of vacant multifamily land containing an area of 5.54 acres, or 241,322 square feet. The property is zoned RD-30, High Density Residential, which permits multifamily uses up to 30 units per acre. As of the effective date of value, there are no deed restrictions, regulatory agreements, or entitlements in-place that restrict the property to affordable housing use and our valuation considers the subject as is and as zoned.

Property Identification	
Property Name	Sheldon Farms
Address	8851 Bruceville Rd. Elk Grove, California 95758
Tax ID	116-0012-070
Owner of Record	City of Elk Grove
Census Tract Number	009616 / 1000

Sale History

A title transfer took place April 19, 2023, from Jen California 18, LLC to City of Elk Grove. No other known sales or transfers of ownership have taken place within a three-year period prior to the effective appraisal date.

Pending Transactions

Based on discussions with the appropriate contacts, the property is not subject to an agreement of sale or an option to buy, nor is it listed for sale, as of the effective appraisal date. However, the client of this report, (doing business as) Abode Communities, submitted a letter of intent to the current owner of the subject property, the city of Elk Grove, dated February 14, 2024. This document expresses the client's interest in purchasing the subject property for "$1,850,000 or such other amount as may be mutually agreed to by the parties" for an exclusive opportunity to pursue future development of the site as affordable housing use. Note, the letter of intent purchase amount is not considered to meet the definition of market value and is not given consideration within this appraisal. The letter of intent is valid for 12 months until replaced by a purchase or conveyance agreement. The letter of intent is included within the Addenda of this report.

Appraisal Purpose

The purpose of the appraisal is to develop the following opinion(s) of value:

- The market value of the fee simple interest in the subject property as of the effective date of the appraisal, February 21, 2025

The date of the report is March 3, 2025. The appraisal is valid only as of the stated effective date or dates.

Value Type Definitions

The definitions of the value types applicable to this assignment are summarized below.

Market Value
The most probable price which 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 U.S. 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. [1]

Appraisal Premise Definitions

The definitions of the appraisal premises applicable to this assignment are specified as follows.

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.[2]

Property Rights Definitions

The property rights appraised which are applicable to this assignment are defined as follows.

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.[3]

Client and Intended User(s)

The client and intended user is Sheldon Farms, L.P. A California Limited Partnership. No other party may use or rely on the information, opinions, and conclusions contained in this report.

[1] Code of Federal Regulations, Title 12, Chapter I, Part 34.42[h]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472
[2] Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022)
[3] Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022)

Intended Use

The intended use of the appraisal is for loan underwriting and/or purchase purposes. The appraisal is not intended for any other use.

Applicable Requirements

This appraisal report conforms to the following requirements and regulations:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute;
- Applicable state appraisal regulations;

Report Format

Standards Rule 2-2 (Content of a Real Property Appraisal Report) contained in the Uniform Standards of Professional Appraisal Practice (USPAP) requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report. This report is prepared as an Appraisal Report as defined by USPAP under Standards Rule 2-2(a), and incorporates practical explanation of the data, reasoning, and analysis used to develop the opinion of value.

Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. We have previously appraised the property that is the subject of this report for the current client one time within the past three years. We have provided no other 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 the agreement to perform this assignment.

Appraiser Competency

No steps were necessary to meet the competency provisions established under USPAP. The assignment participants have appraised several properties similar to the subject in physical, locational, and economic characteristics, and are familiar with market conditions and trends; therefore, appraiser competency provisions are satisfied for this assignment. Appraiser qualifications and state credentials are included in the addenda of this report.

Scope of Work

Introduction

The appraisal development and reporting processes require gathering and analyzing information about the assignment elements necessary to properly identify the appraisal problem. The scope of work decision includes the research and analyses necessary to develop credible assignment results, given the intended use of the appraisal. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed.

To determine the appropriate scope of work for the assignment, the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors were considered. The concluded scope of work is described below.

Research and Analysis

The type and extent of the research and analysis conducted are detailed in individual sections of the report. The steps taken to verify comparable data are disclosed in the addenda of this report. Although effort has been made to confirm the arms-length nature of each sale with a party to the transaction, it is sometimes necessary to rely on secondary verification from sources deemed reliable.

Subject Property Data Sources

The legal and physical features of the subject property, including size of the site and improvements, flood plain data, seismic zone designation, property zoning, existing easements and encumbrances, access and exposure, and condition of the improvements (as applicable) were confirmed and analyzed.

The financial data of the subject including tax and assessment records was analyzed. This information, as well as trends established by confirmed market indicators, is used to forecast future performance of the subject property.

Inspection

Details regarding the property inspection conducted as part of this appraisal assignment are summarized as follows:

Property Inspection

Party	Inspection Type	Inspection Date
Carson Cutting	On-site	February 21, 2025
Jeffrey Fillmore, MAI	None	N/A

Valuation Methodology

Three approaches to value are typically considered when developing a market value opinion for real property. These are the cost approach, the sales comparison approach, and the income capitalization approach. Use of the approaches in this assignment is summarized as follows:

Approaches to Value

Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Not Applicable	Not Utilized

In developing an opinion of value for the subject, only the sales comparison approach is used. This approach is applicable to the subject because there is an active market for similar properties, and sufficient sales data is available for analysis.

The cost approach is not applicable because there are no improvements that contribute value to the property, and the income approach is not applicable because the subject is not likely to generate rental income in its current state.

Economic Analysis

Sacramento MSA Area Analysis

The subject is located in the Sacramento-Roseville-Arden-Arcade, CA Metropolitan Statistical Area, hereinafter called the Sacramento MSA, as defined by the U.S. Office of Management and Budget. The Sacramento MSA is 5,094 square miles in size, and is the 27th most populous metropolitan area in the nation. The Sacramento MSA is comprised of four counties – El Dorado, Placer, Sacramento and Yolo – and spans from the Sacramento River Delta in the west to the Sierra Nevada mountain range in the east. It represents portions of two key regions in California – the Central Valley and the Sierra Nevada mountains. The region's largest city, Sacramento, is the State Capital and the seat of government for Sacramento County. Sacramento is located approximately 385 miles north of Los Angeles, 500 miles south of Oregon, 85 miles northeast of San Francisco, 105 miles west of South Lake Tahoe, and 135 miles southwest of Reno, Nevada.

Population

The Sacramento MSA has an estimated 2025 population of 2,413,840, which represents an average annual 0.1% increase over the 2020 census of 2,397,382. The Sacramento MSA added an average of 3,292 residents per year over the 2020-2025 period, and its growth in population contrasts with the State of California which had a 0.3% average annual decrease in population over this time.

Looking forward, the Sacramento MSA's population is projected to increase at a 0.1% annual rate from 2025-2030, equivalent to the addition of an average of 3,379 residents per year. The Sacramento MSA's growth contrasts with California, which is projected to decline at a 0.1% rate.

Population Trends

	Population			Compound Ann. % Chng	
	2020 Census	2025 Estimate	2030 Projection	2020 - 2025	2025 - 2030
El Dorado County	191,185	188,656	184,002	-0.3%	-0.5%
Placer County	404,739	422,203	431,305	0.8%	0.4%
Sacramento County	1,585,055	1,581,005	1,587,222	-0.1%	0.1%
Yolo County	216,403	221,976	228,205	0.5%	0.6%
Sacramento MSA	2,397,382	2,413,840	2,430,734	0.1%	0.1%
California	39,538,223	38,870,482	38,763,700	-0.3%	-0.1%

Source: Claritas

Employment

Total employment in the Sacramento MSA was estimated at 1,107,600 jobs at year-end 2024. Between year-end 2014 and 2024, employment rose by 204,000 jobs, equivalent to a 22.6% increase over the entire period. There were gains in employment in nine out of the past ten years. The Sacramento MSA's rate of employment growth over the last decade surpassed that of California, which experienced an increase in employment of 14.7% or 2,337,600 jobs over this period.

A comparison of unemployment rates is another way of gauging an area's economic health. Over the past decade, the Sacramento MSA unemployment rate has been consistently lower than that of California, with an average unemployment rate of 5.3% in comparison to a 5.9% rate for California. A lower unemployment rate is a positive indicator.

Recent data shows that the Sacramento MSA unemployment rate is 4.6% in comparison to a 5.2% rate for California, a positive sign that is consistent with the fact that the Sacramento MSA has outperformed California in the rate of job growth over the past two years.

Employment Trends

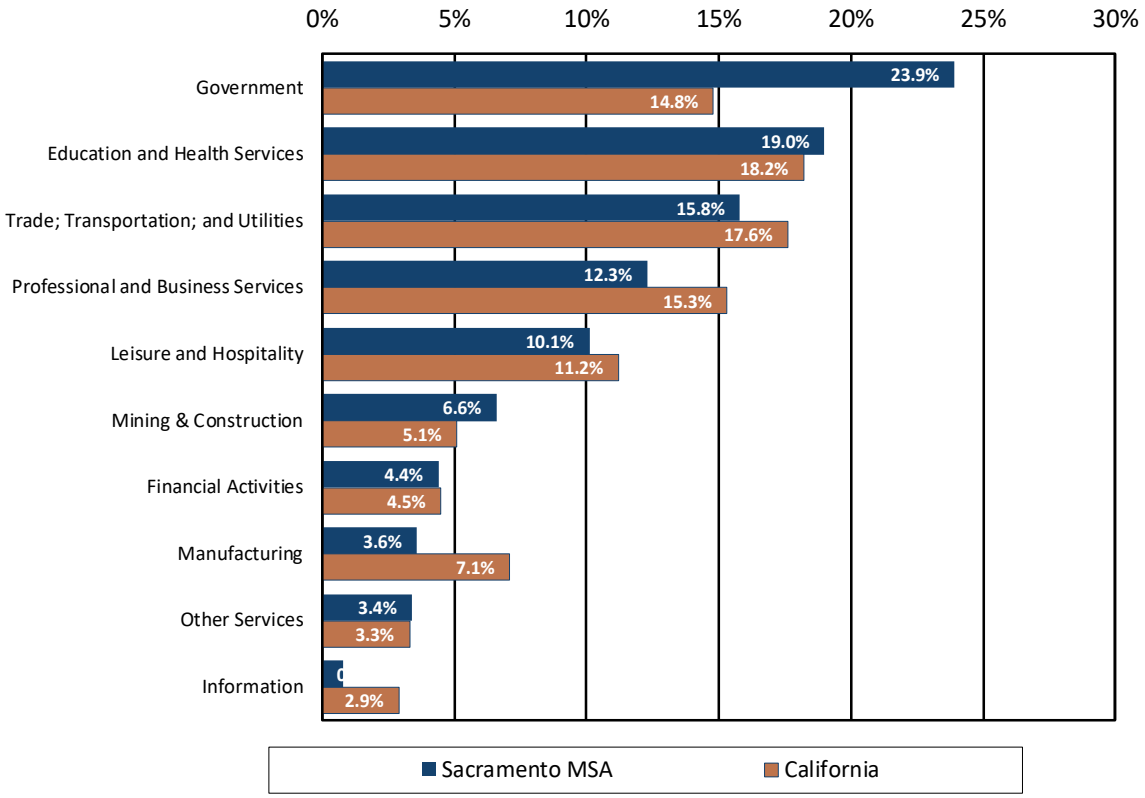
	Total Employment (Year End)				Unemployment Rate (Ann. Avg.)	
Year	Sacramento MSA	% Change	California	% Change	Sacramento MSA	California
2014	903,600		15,938,800		7.2%	7.6%
2015	940,600	4.1%	16,447,500	3.2%	5.9%	6.3%
2016	966,600	2.8%	16,792,700	2.1%	5.3%	5.5%
2017	992,500	2.7%	17,175,900	2.3%	4.6%	4.8%
2018	1,018,500	2.6%	17,488,200	1.8%	3.8%	4.3%
2019	1,035,400	1.7%	17,737,000	1.4%	3.6%	4.1%
2020	982,700	-5.1%	16,263,400	-8.3%	8.9%	10.2%
2021	1,045,100	6.3%	17,507,800	7.7%	6.4%	7.3%
2022	1,071,800	2.6%	17,958,100	2.6%	3.8%	4.3%
2023	1,095,900	2.2%	18,090,600	0.7%	4.3%	4.8%
2024	1,107,600	1.1%	18,276,400	1.0%	4.8%	5.4%
Overall Change 2014-2024	204,000	22.6%	2,337,600	14.7%		
Avg Unemp. Rate 2014-2024					5.3%	5.9%
Unemployment Rate - December 2024					4.6%	5.2%

Source: U.S. Bureau of Labor Statistics and Moody's Analytics. Employment figures are from the Current Employment Survey (CES). Unemployment rates are from the Current Population Survey (CPS). The figures are not seasonally adjusted.

Employment Sectors

The composition of the Sacramento MSA job market is depicted in the following chart, along with that of California. Total employment for both areas is broken down by major employment sector, and the sectors are ranked from largest to smallest based on the percentage of Sacramento MSA jobs in each category.

Employment Sectors - 2024



Source: U.S. Bureau of Labor Statistics and Moody's Analytics

The Sacramento MSA has greater concentrations than California in the following employment sectors:

1. Government, representing 23.9% of Sacramento MSA payroll employment compared to 14.8% for California as a whole. This sector includes employment in local, state, and federal government agencies.
2. Education and Health Services, representing 19.0% of Sacramento MSA payroll employment compared to 18.2% for California as a whole. This sector includes employment in public and private schools, colleges, hospitals, and social service agencies.
3. Mining & Construction, representing 6.6% of Sacramento MSA payroll employment compared to 5.1% for California as a whole. This sector includes construction of buildings, roads, and utility systems, as well as mining, quarrying, and oil and gas extraction.
4. Other Services, representing 3.4% of Sacramento MSA payroll employment compared to 3.3% for California as a whole. This sector includes establishments that do not fall within other defined categories, such as private households, churches, and laundry and dry cleaning establishments.

The Sacramento MSA is underrepresented in the following sectors:

1. Trade; Transportation; and Utilities, representing 15.8% of Sacramento MSA payroll employment compared to 17.6% for California as a whole. This sector includes jobs in retail trade, wholesale trade, trucking, warehousing, and electric, gas, and water utilities.
2. Professional and Business Services, representing 12.3% of Sacramento MSA payroll employment compared to 15.3% for California as a whole. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.
3. Leisure and Hospitality, representing 10.1% of Sacramento MSA payroll employment compared to 11.2% for California as a whole. This sector includes employment in hotels, restaurants, recreation facilities, and arts and cultural institutions.
4. Financial Activities, representing 4.4% of Sacramento MSA payroll employment compared to 4.5% for California as a whole. Banking, insurance, and investment firms are included in this sector, as are real estate owners, managers, and brokers.

Major Employers

Major private-sector employers in the Sacramento MSA are shown in the following table.

Major Employers - Sacramento MSA

	Name	Number of Employees
1	Kaiser Permanente	18,903
2	Sutter Health	17,500
3	Dignity Health (formerly Mercy)	8,356
4	Apple	5,000
5	The Raley's Cos.	4,488
6	Pacific Gas & Electric Co	4,080
7	Safeway	4,005
8	Intel	4,000
9	Blue Shield of California	2,512
10	Thunder Valley Casino Resort	2,508

Source: Sacramento Business Journal, The Book of Lists; The List - Sacramento Area Private Sector Employers, Februrary 2025

Gross Domestic Product

The Sacramento MSA ranks 31 in Gross Domestic Product (GDP) out of the nation's 384 metropolitan statistical areas.

Economic growth, as measured by annual changes in GDP, has been somewhat lower in the Sacramento MSA than California overall during the past decade. The Sacramento MSA has grown at a 2.8% average annual rate while the State of California has grown at a 3.3% rate. However, the Sacramento MSA has recently performed better than California. GDP for the Sacramento MSA rose by 2.2% in 2023 while California's GDP rose by 2.0%.

The Sacramento MSA has a per capita GDP of $63,531, which is 24% less than California's GDP of $83,373. This means that Sacramento MSA industries and employers are adding relatively less value to the economy than their counterparts in California.

Gross Domestic Product

Year	($,000s) Sacramento MSA	% Change	($,000s) California	% Change
2013	116,573,960	–	2,340,335,300	–
2014	119,818,240	2.8%	2,428,675,700	3.8%
2015	124,917,474	4.3%	2,545,979,500	4.8%
2016	127,496,875	2.1%	2,623,711,700	3.1%
2017	131,157,393	2.9%	2,740,550,300	4.5%
2018	136,933,816	4.4%	2,850,970,300	4.0%
2019	141,901,315	3.6%	2,969,609,000	4.2%
2020	138,904,231	-2.1%	2,933,320,200	-1.2%
2021	147,352,494	6.1%	3,154,188,600	7.5%
2022	150,430,279	2.1%	3,184,007,800	0.9%
2023	153,782,657	2.2%	3,248,656,600	2.0%
Compound % Chg (2013-2023)		2.8%		3.3%
GDP Per Capita 2023	$63,531		$83,373	

Source: U.S. Bureau of Economic Analysis and Moody's Analytics; data released December 2024.
The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted "real" GDP stated in 2017 dollars.

Household Income

The Sacramento MSA is less affluent than California. Median household income for the Sacramento MSA is $93,280, which is 1.6% lower than the corresponding figure for California.

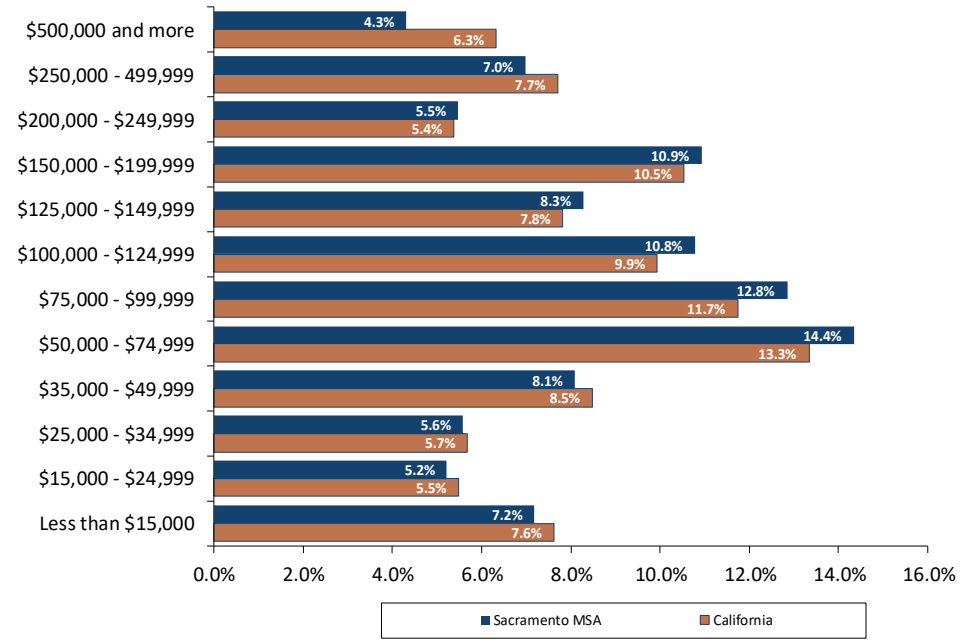
Median Household Income - 2025

	Median
El Dorado County	$112,508
Placer County	$112,036
Sacramento County	$87,659
Yolo County	$85,977
Sacramento MSA	$93,280
California	$94,758
Comparison of Sacramento MSA to California	- 1.6%

Source: Claritas

The following chart shows the distribution of households across twelve income levels. The Sacramento MSA has a greater concentration of households in the middle income levels than California. Specifically, 46% of Sacramento MSA households are between the $50,000 - $150,000 levels in household income as compared to 43% of California households. A lesser concentration of households is apparent in the higher income levels, as 28% of Sacramento MSA households are at the $150,000 or greater levels in household income versus 30% of California households.

Household Income Distribution - 2025

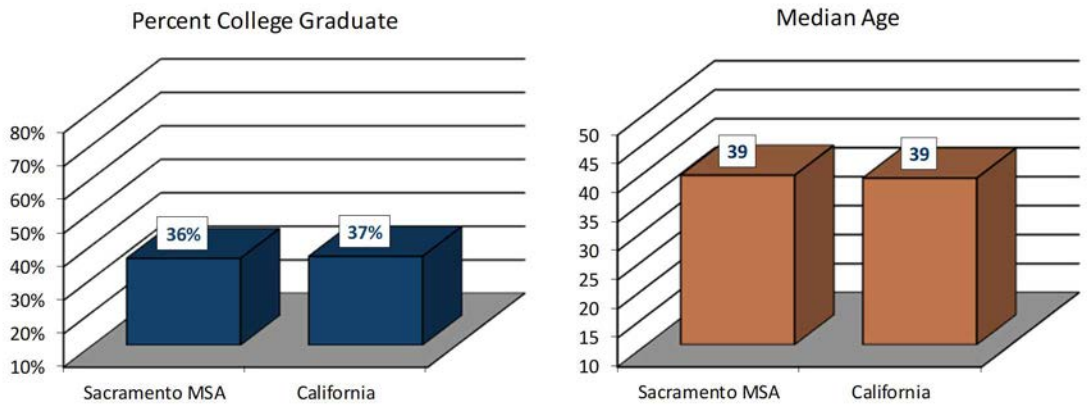


Source: Claritas

Education and Age

Residents of the Sacramento MSA have a slightly lower level of educational attainment than those of California. An estimated 36% of Sacramento MSA residents are college graduates with four-year degrees, versus 37% of California residents. People in the Sacramento MSA are similar in age to their California counterparts. The median age of both the Sacramento MSA and California is 39 years.

Education & Age - 2025



Source: Claritas

Transportation

A significant strategic advantage of the Sacramento MSA is its proximity to large markets and transportation accessibility to them via extensive highway, rail, water and air systems.

The region has over 800 miles of state highways. The hub of freeways in the region makes the area desirable for freight distribution. U.S. Highway 50, Interstate 80, and the Capital City Freeway are the principal routes for commuters living in the densely populated eastern suburbs. Commuters from the north and south of Sacramento travel on Interstate 5 and State Highway 99. State Highways 65 and 70 link Placer County to Yuba and Sutter Counties to the north. Interstate 5 provides a direct route to Redding, Oregon and Washington to the north and Los Angeles to the south. Interstate 80 extends travel to Nevada and Utah to the east and the San Francisco Bay Area to the west. Lake Tahoe and Nevada are accessible to the east on U.S. Highway 50, which originates in Sacramento. State Highway 99 provides access from the upper Sacramento Valley through the San Joaquin Valley to the south.

The main public transit system in the Sacramento area is operated by Sacramento Regional Transit District (SacRT), with additional service provided by other local public and private transit operators. SacRT covers nearly 400 square miles and transports approximately 23 million passengers annually by means of 205 buses, 23 shuttle vans and 97 light rail vehicles. Light Rail began operation in 1987 along a two-pronged route linking Downtown Sacramento with populous suburbs to the east and north; various extensions have been completed in the years since to encompass an expanded service area.

The Sacramento region has access to various railroads. The north-south and east-west main lines of the Union Pacific Railroad intersect in Sacramento; Sacramento also has access to the Burlington Northern Santa Fe Railway as a result of the merger of Union Pacific and Southern Pacific in 1996. Union Pacific's major freight classification facility for Northern California, Nevada and Oregon is located in Roseville (Placer County). Amtrak provides daily passenger service from Sacramento. The Capital Corridor system provides high-speed commuter rail service from Roseville to San Jose.

The region has good water transportation capabilities. The Port of Sacramento is a deep-water port located 79 miles northeast of San Francisco in the city of West Sacramento, serving ocean-going vessels handling a variety of cargo types. The 30-foot depth of the channel, along with extensive rail and truck cargo handling facilities, make the Port highly productive for long distance shipping. The Port is equipped for handling bulk cargo and some agricultural and forest products.

Finally, the region includes several air transport facilities. Most notably, Sacramento International Airport is served by 13 passenger carriers, including American Airlines, Delta, United Airlines, Air Canada, Aeromexico, Alaska Airlines, Frontier, Hawaiian Airlines, Horizon, Jet Blue, Southwest, Spirit and Volaris, and seven cargo carriers. Major expansions of the terminals and parking facilities were completed between 2004 and 2012. In February 2023, the airport announced SMForward – a multi-project plan to expand capacity at the airport. Some of the proposed projects began construction in 2024 and are scheduled to be completed by late 2027.

The Sacramento International Airport serviced 12.05 million passengers (includes total enplaned and deplaned) in 2018 and 13.17 million passengers in 2019. Service declined significantly in 2020 as a result of the pandemic and restrictions on travel, with an estimated 5.58 million passengers. In 2021,

the airport serviced 9.7 million passengers as the economy began to recover, followed by 12.31 million passengers in 2022; 12.98 million passengers in 2023 and 13.64 million passengers in 2024. The region is also served by Sacramento Executive Airport, Lincoln Regional Airport, McClellan Airfield, Mather Airport (the latter two being former Air Force Bases) and several smaller airports and airfields.

Recreation & Culture

The Sacramento region offers innumerable recreational and cultural opportunities. The American River Parkway offers 5,000 acres of recreation area along both sides of the river for 30 miles, with Folsom Lake situated at the eastern end. The Sacramento-San Joaquin Delta has over 1,000 miles of waterways. The rivers and lakes within the Sacramento Area offer boating, fishing and water-skiing opportunities. In addition, numerous parks and golf courses are located throughout the region.

Professional sports teams in the Sacramento metro include the Sacramento Kings, an NBA team which plays out of the Golden 1 Center downtown; the Sacramento Republic FC, a MLS (major league soccer) team which plays out of Heart Health Park within the grounds of Cal Expo, though a new stadium is being planned in the Downtown Railyards District; and the River Cats, a Triple-A minor league baseball team which plays out of Sutter Health Park in West Sacramento.

Cultural attractions in the region include the Old Sacramento Historic District, California State Railroad Museum, Crocker Art Museum, Historic Governor's Mansion, Sutter's Fort State Historic Park and Sacramento Zoo. Sacramento is home to several theaters and performing arts centers offering world-class shows. Annual events in Sacramento include the California State Fair and the Music Circus.

In terms of higher education, the region's largest universities are the University of California Davis and California State University, Sacramento. Six community colleges are located in the region, including Sierra College, American River, Cosumnes River, Folsom Lake, Sacramento City and Woodland Community College. Several private colleges are located in the area, as well as satellite campuses of colleges headquartered elsewhere. The region also contains numerous vocational schools.

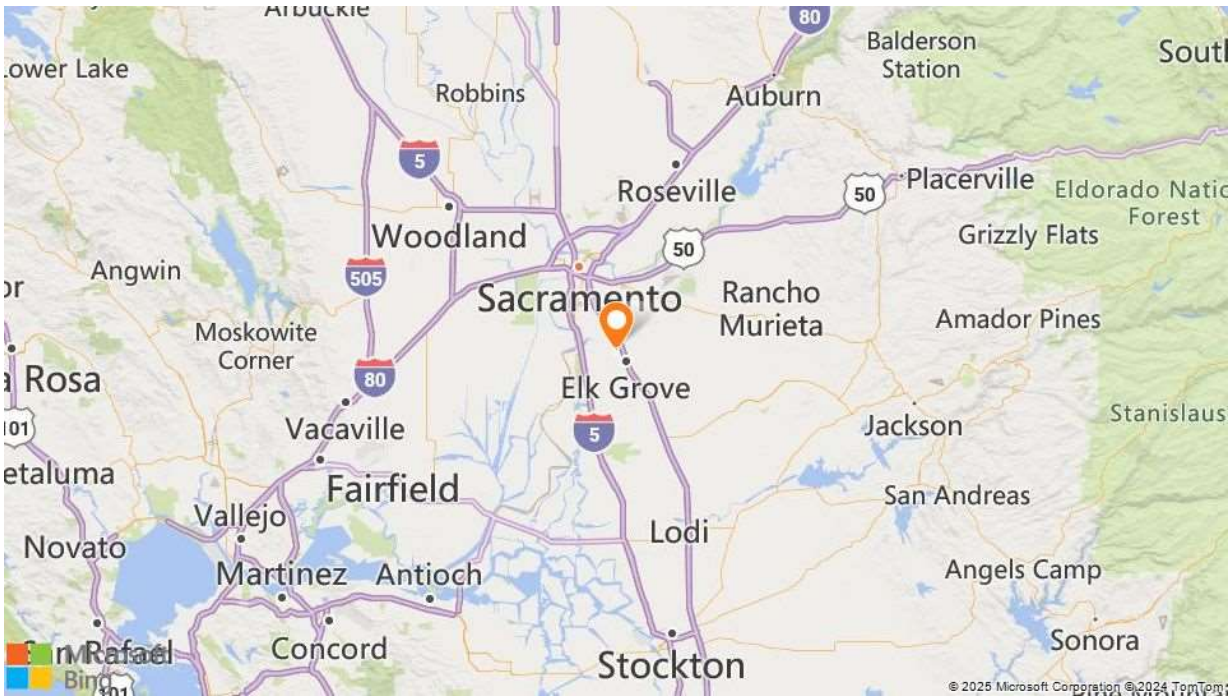
Other recreational and cultural opportunities are available within a short drive of the Sacramento area. To the west are the San Francisco Bay Area, the Napa Valley wine country, the coastal redwood forests, and the beaches of the Pacific Ocean. To the east are Lake Tahoe and the Sierra Nevada Mountains, which are home to more than a dozen snow-skiing resorts. Legalized casino gambling is available in Nevada, as well as several tribal casinos in the Sacramento region.

Conclusion

The Sacramento MSA is the fifth-largest metro area in California. The area's advantages include a diverse economy, mild climate, seismic stability, ample recreational and cultural opportunities, and expansive transportation systems. Further, the region offers greater affordability compared to the Bay Area and Southern California

The Sacramento MSA economy will benefit from a stable to slightly growing population base. The Sacramento MSA experienced growth in the number of jobs and has maintained a consistently lower unemployment rate than California over the past decade. It is anticipated that the Sacramento MSA economy will improve and employment will grow, strengthening the demand for real estate.

Area Map


Lower Lake
Robbins
Auburn
Balderson Station
Roseville
Placerville
Eldorado National Forest
Grizzly Flats
Woodland
Angwin
Sacramento
Rancho Murieta
Amador Pines
Moskowite Corner
Rosa
Elk Grove
Vacaville
Jackson
Stanislaus
Petaluma
Fairfield
San Andreas
Vallejo
Lodi
Novato
Martinez
Antioch
Angels Camp
Concord
Sonora
Stockton
Bing
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Surrounding Area Analysis

Boundaries

The subject property is located in the northern border of the city of Elk Grove, adjacent to the city of Sacramento. The subject's neighborhood can generally be defined as Cosumnes River Boulevard to the north, Laguna Boulevard to the south, Franklin Boulevard to the west, and Elk Grove Florin Road to the east.

Area Overview

The city of Elk Grove is located just south of Sacramento and encompasses 42.2 square miles. Incorporated on July 1, 2000, the city of Elk Grove was named the first city to be incorporated in California during the 21st Century.

Elk Grove is divided into several major areas which include Laguna West, Laguna Creek, Elk Grove Proper, East Elk Grove, and larger sections of the Sheldon and Franklin townships. Elk Grove is traversed by Interstate 5 and State Highway 99--the cornerstones for efficient transportation in the Sacramento region. Elk Grove is in close proximity to Interstate 80 and U.S. Highway 50. In addition to these four major highways, Elk Grove is further served by an international passenger and freight, transcontinental rail and a cargo port-each only minutes away in the neighboring state capital of Sacramento. The Sacramento International Airport is located approximately 26 miles north of Elk Grove off Interstate 5 and provides the major carrier airlines.

The City of Elk Grove provides comprehensive public transit services via e-tran, which transports more than 5,000 riders a day and offers commuter, local fixed route, and local e-van (paratransit) service. Among the top employers within the Elk Grove area are the Elk Grove Unified School District, Apple, Kaiser Permanente, and Methodist Hospital of Sacramento.

Access and Linkages

The subject property is located west of State Highway 99. This freeway is a primary transportation corridor linking the southern portions of the county to the Sacramento Central Business District. Additionally, State Highway 99 connects with the other major regional highways, including U.S. Highway 50, the Capital City Freeway and Interstate 5. To the south, State Highway 99 provides access to Stockton and eventually merges with Interstate 5 near Bakersfield. In a northerly direction, State Highway 99 connects the subject neighborhood with the Sacramento Central Business District and Yuba City and continues toward Chico. Within the subject neighborhood, primary thoroughfares include Consumnes River Boulevard/Calvine Road, Sheldon Road, Big Horn Boulevard, Laguna Boulevard, Elk Grove Boulevard, Franklin Boulevard, Bruceville Road and Elk Grove Florin Road. Many of these roads serve as connector routes between the South Sacramento area and Elk Grove.

Demographics

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.

Surrounding Area Demographics					
2025 Estimates	1-Mile Radius	3-Mile Radius	5-Mile Radius	95758 (Elk Grove, CA)	Sacramento County, CA
Population 2020	21,933	168,010	349,355	64,555	1,585,055
Population 2025	22,247	167,243	350,447	63,813	1,581,005
Population 2030	22,656	168,037	352,677	63,777	1,587,222
Compound % Change 2020-2025	0.3%	-0.1%	0.1%	-0.2%	-0.1%
Compound % Change 2025-2030	0.4%	0.1%	0.1%	0.0%	0.1%
Households 2020	6,929	52,432	105,986	21,773	564,445
Households 2025	7,039	51,913	105,760	21,495	561,017
Households 2030	7,160	52,092	106,211	21,457	562,280
Compound % Change 2020-2025	0.3%	-0.2%	0.0%	-0.3%	-0.1%
Compound % Change 2025-2030	0.3%	0.1%	0.1%	0.0%	0.0%
Median Household Income 2025	$86,934	$94,265	$91,783	$104,437	$87,659
Average Household Size	3.1	3.2	3.3	3.0	2.8
College Graduate %	32%	30%	28%	37%	33%
Median Age	37	38	37	39	38
Owner Occupied %	54%	65%	65%	66%	57%
Renter Occupied %	46%	35%	35%	34%	43%
Median Owner Occupied Housing Value	$554,586	$571,332	$557,256	$611,484	$557,008
Median Year Structure Built	1999	1994	1993	1995	1980
Average Travel Time to Work in Minutes	33	32	31	33	29

Source: Claritas

As shown above, the current population within a 3-mile radius of the subject is 167,243, and the average household size is 3.2. Population in the area has declined since the 2020 census, but the trend is projected to change to growth over the next five years. This is similar to the population of Sacramento County, which is projected to grow at a similar rate, as discussed previously.

Median household income is $94,265, which is higher than the household income for Sacramento County. Residents within a 3-mile radius have a lower level of educational attainment than those of Sacramento County, while median owner-occupied home values are higher.

Land Uses

The Elk Grove area has experienced extensive residential development over the past several years. Several subdivisions are located in the area and are marketing single-family residential homes, with additional projects in the planning process. The subject's immediate vicinity consists primarily of residential and community uses.

Shopping center development in the Elk Grove/Laguna area has been extensive in recent years. To the south of the subject, there are two new, larger retail centers. At the southwest corner of Bruceville Road and Elk Grove Boulevard is Elk Grove Commons. This 242,000 square foot project opened in 2004 and includes several center anchors, including Kohl's, Cost Plus, Home Goods and Trader Joe's. Immediately north of this center, on the northwest corner of Elk Grove Boulevard and Bruceville Road is the Laguna Promenade, a 94,724 square foot shopping center. Existing tenants include Rite Aid, The Nugget Grocery Store, and various inline tenants. Further, on July 13, 2016 City Council approved construction of a 150,000± square foot Costco retail store and a 24-pump fueling station (with

capacity to expand to 30 pumps in the future) at the southeast corner of Bruceville Road and Elk Grove Boulevard. Construction was completed in Summer 2018.

At the southwest corner of Bruceville Road and Whitelock Parkway is a partially completed center known as Laguna Reserve Marketplace. This project consists of several newly constructed pad buildings occupied by tenants such as Starbucks, Bank of America, Round Table Pizza, Fantastic Sams, and Peony Palace, as well as a vacant pad for a future grocery store.

Prominent office development in the city of Elk Grove includes the Laguna East Business Park, located between Elk Grove Boulevard and Laguna Boulevard, along the west side of State Highway 99. In total, the business park includes nine professional office buildings and a Class 'A' style building containing 50,000 square feet of building area. The tenants of the park include City of Elk Grove offices, title companies, physical therapists and general medical centers. Currently, the City of Elk Grove occupies two buildings in the business park, including the City Hall Building. Additional office development includes the California Correctional Health Care Services complex (CCHCS) and the California Northstate University (CNU). CCHCS provides medical, dental and mental health services to the California's inmate population and includes five Class "A" style buildings, the most recent of which was completed in 2017. CNU is located south of Elk Grove Boulevard, adjacent to Interstate 5. It is a two-

story, 100,000 square foot Class “A” style building that houses the University’s School of Medicine and School of Pharmacy. The University graduated its first Elk Grove pharmacy class in May of 2015 and received national accreditation for its College of Medicine in June of 2015.

A new casino was recently constructed on the 64-acre property located along Promenade Parkway and Grant Line Road. This site sat unused for more than a decade. The Boyd Gaming Corporation, along with Wilton Rancheria Tribe, constructed the $500 million Sky River Casino after the property was purchased in December 2020 from Howard Hughes Corporation. The casino opened August 16, 2022 and features 2,000 slot machines, 80 table games, a 12-table poker room, and 17 food and drink options.

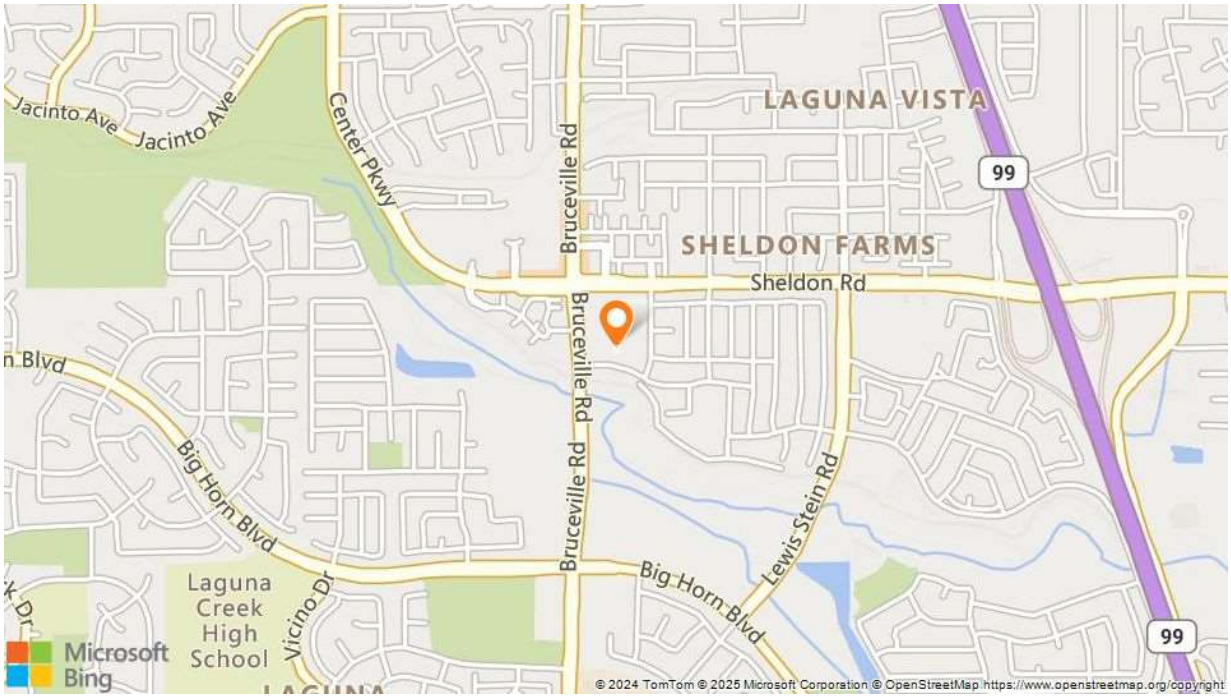
Community Uses

There are several community uses in the neighborhood, such as schools, religious facilities, parks, and recreational and cultural facilities. Shasta Community Park is a 21.2-acre park that includes the 20,000 square foot S.F. Valley Hi/North Laguna Library. The park and library both opened in 2009. The park includes a sports fields and courts, a skate park, jogging trails, children’s playgrounds, and picnic areas. Glenn Underwood Park (also known as Camden Park) is a large regional park located northeast of the subject on Bond Road. Laguna Creek travels through this park, with two adjacent ponds and the Central Valley Fish Hatchery also located within the park. Another regional park, Laguna Community Park, is located at the intersection of Big Horn Boulevard and Bruceville Road. Completed in 2002, this 16-acre park provides Elk Grove residents several lighted softball fields, soccer fields, an aquatic center, a dog park and skate park. Laguna Creek High School is situated west of this park. The neighborhood is served by several public and private schools. The subject is located just south of Cosumnes River College. Three hospitals serve the area including Kaiser Permanente, Methodist Hospital of Sacramento, and Sierra Vista Hospital.

Outlook and Conclusions

In conclusion, the subject property is located in a well-balanced neighborhood that has experienced significant residential and commercial growth in recent years. The subject site benefits from frontage along two thoroughfares in the neighborhood, and enjoys good access to the Highway 99. Overall, the outlook for the subject neighborhood is stable provided high interest rates do not ouch the economy towards a prolonged recession.

Surrounding Area Map



Multifamily Market Analysis

The Sacramento multifamily market saw significant growth during the pandemic due to significant population increase from Bay Area relocations. However, demand slowed considerably in 2022 as in-migration slowed and macroeconomic uncertainty increased. Coupled with significant construction deliveries, the waning demand resulted in negative net absorption, higher vacancies and depressed rental rate growth.

New construction reached record highs in 2022 in response to the strong demand generated by population growth but has since slowed as developers have become cautious due to rising costs and financing challenges. The bulk of new construction is centered around Downtown Sacramento, North Sacramento, and West Sacramento. The largest project, The A.J. in The Railyards, is expected to be completed by Q1 2025.

The overall vacancy rate increased to near historic high levels in 2023 amidst record high deliveries, but conditions improved in 2024, reaching the highest rental demand in two decades, with absorption of 3,400 units. The majority of demand is concentrated in newly built luxury properties, which accounted for nearly 75% of rental activity, leading to a vacancy rate of 6.6%. In contrast, older properties struggled, with minimal net absorption. The market also saw an increase in rent-controlled units, with 1,400 units completed in 2024 and 2,100 more expected by 2025.

Despite strong leasing activity, rent growth remained modest due to increased supply and competition. However, concessions—such as free rent offers—have started to decline, suggesting a tightening market.

The data and statistics in this analysis are based primarily on information published in Colliers' quarterly Market Research Report for the Sacramento Multifamily Market, with additional support from other published research reports.

New Construction

The following chart indicates the number of multifamily building permits issued over the last 14 years in the four-county Sacramento MSA (Sacramento, El Dorado, Placer and Yolo Counties). These figures include for-rent apartments and for-sale condominiums of projects containing at least five units.

Source: U.S. Census SOCDS Building Permits Database

Permit activity for multifamily projects was low during the recovery years of 2010 through 2014, but increased beginning in 2015 as developers responded to improving market conditions. Information from the U.S. Census indicates 2,359 permits were issued year-to-date as of November 2024.

Third party research reports indicate that the year 2018 was the strongest in terms of new construction in the preceding 12 years and activity further intensified in subsequent years. The following information was extracted from research reports for local markets, summarizing total new unit deliveries by year, since 2019.

Sacramento Multifamily Market New Construction Deliveries, By Year

Local Market Research Report	2019	2020	2021	2022	2023	2024	Under Construction
Colliers	1,267	1,474	1,849	2,348	3,158	3,258	3,059
Costar	1,805	1,546	1,154	2,587	3,103	3,374	2,433
Kidder Mathews	1,420	1,297	2,339	2,820	3,977	4,827	4,713

Source: Colliers; Costar; Kidder Mathews

The construction pipeline is at its lowest since the third quarter 2020, with 3,059 units reported under construction; approximately 2,714 units are projected to deliver in 2025. New construction starts have been declining as developers exercise caution in light of cost challenges and to allow new supply to be absorbed. Year-to-date, Colliers reports 828 units started construction in 2024.

A summary of significant apartment construction activity is highlighted in the following table.

Sacramento Multifamily Market - New Construction Activity

Project	Submarket	Number of Units	Status
Recently Completed			
Zeta Luxury Apartments / 3701 E Commerce Way	Natomas	270	Completed Q4 2023
Vivo Living Ranch Cordova / 11260 Point East Dr	Rancho Cordova	158	Completed Q4 2023
805 Riverfront / 805 S Riverfront St	West Sacramento	285	Completed Q4 2023
The Terraces at Stanford Ranch / 6122 Plaza Loop	Rocklin	119	Completed Q1 2024
Maker / 1516 S Street	Central Sacramento	137	Completed Q1 2024
The Hayley / 775 N 6th St	Central Sacramento	260	Completed Q2 2024
Atwell at Folsom Ranch / 14481 Southpointe Dr	Folsom	278	Completed Q2 2024
The Bernice / 1900 3rd Street	Central Sacramento	186	Completed Q2 2024
Broadstone Villas / 2480 E Bidwell St	Folsom	257	Completed Q2 2024
The Eames / 1542 Bartlett Ln	North Sacramento	331	Completed Q3 2024
Verdelle Pointe / 2179 Iron Point Rd	Folsom	253	Completed Q3 2024
Terracina @ Whitney / 801 University Ave	Rocklin	288	Completed Q3 2024
Kinect @ Southport / 2415 Jefferson Blvd	West Sacramento	322	Completed Q4 2024
Park West / 3200 Pleasant Grove Blvd	Roseville	225	Completed Q4 2024
Sutter Green 2.0 / 2450 Natomas Park Dr	Natomas	190	Completed Q4 2024
Under Construction			
Stone Creek Village Apts / 3390 Zinfandel Dr	Rancho Cordova	151	Delivery Q1 2025
The MOSA Apt. Homes / 10149 Bruceville Rd	Elk Grove/Laguna	387	Delivery Q1 2025
Greenhaus Apartments / 1720 Research Park Dr	Davis	160	Delivery Q1 2025
Fiddyment Apts / 2700 N Hayden Pky	Lincoln	330	Delivery Q1 2025
Zinc 1501 / 1501 Expo Pky	North Sacramento	121	Delivery Q1 2025
The Lyla / 9124 Bruceville Rd	Elk Grove/Laguna	294	Delivery Q1 2025
The A.J. at The Railyards / 703 N 7th Street	Central Sacramento	345	Delivery Q2 2025
Grove at Woodlake / 1891 Royal Oaks Dr	North Sacramento	269	Delivery Q2 2025
Medley Apartments / 4170-4190 E Commerce	Natomas	160	Delivery Q3 2025
St. Anton Ascent / 3561 Del Paso Rd	North Sacramento	120	Delivery Q3 2025
Natomas Fountains Apts / 3801 Gateway Park Blvd	Natomas	303	Delivery Q1 2026
Gibson Drive Apts / 572 Gibson Drive	Roseville	261	Delivery Q1 2026

Source: Costar; Colliers; Kidder Mathews

Vacancy

Historically speaking, the regional apartment market has maintained relatively low vacancy. Over the last decade, after peaking in the 7% range in 2009, the region's average vacancy rate steadily declined through 2013 and then remained relatively flat near 4% through 2016. By mid-2017, the vacancy rate decreased to 3.5% and remained in the low to mid-3% range until the third quarter 2020, when it declined to below 3%. Vacancy remained at historic lows through 2021 but began to moderate in 2022. Historical vacancy over the past decade is illustrated in the following chart.

Source: Colliers

As of the fourth quarter 2024, overall vacancy was 4.5%, down 50 basis points from the previous quarter and down 120 basis points year-over-year. While the market maintained strong demand and sustained low vacancy through the pandemic and 2021, conditions began declining in 2022 as a result of macroeconomic factors. The following chart shows the region's average apartment vacancy rate over the past four years.

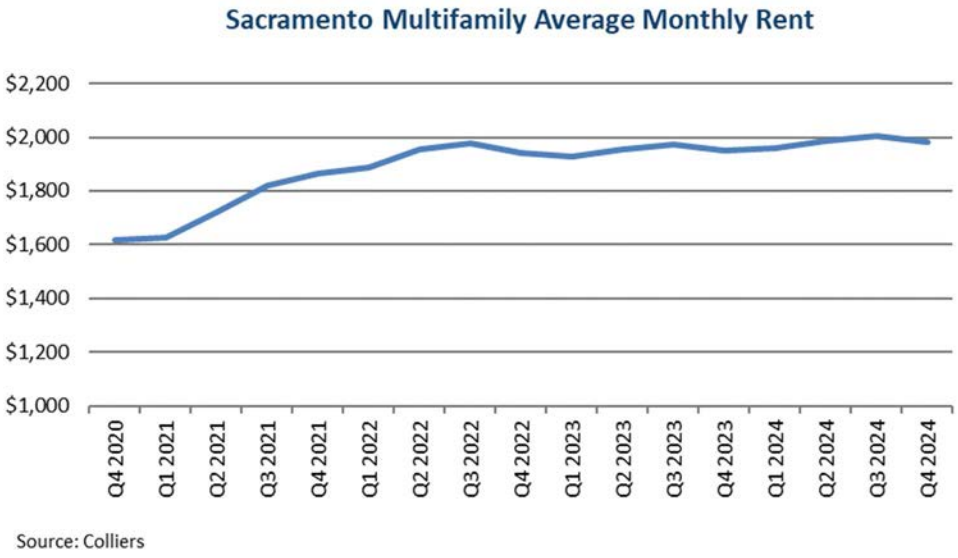
Source: Colliers

Rental Rates

Rental rates rose steadily beginning in 2009 with steeper increases from 2013 to 2017, more moderate growth in 2018 and 2019, and increasing again in 2020 through the first part of 2022. The influx of population into the Sacramento metro during the pandemic and resulting demand for apartment units largely drove this growth. However, as previously noted, year-over-year rental rate growth subsequently moderated as demand declined.

The average monthly rental rate as of the fourth quarter 2024 was reported at $1,982 per unit/month, down from $2,005 per unit/month the previous quarter and up from $1,950 per unit/month a year

ago. The following chart provides a summary of the average monthly apartment rental rates over the past four years.



Source: Colliers

It is noted future rent growth may be impacted by the enactment of rent control laws. On October 8, 2019, Governor Gavin Newsom signed Assembly Bill (AB) 1482, the Tenant Protection Act of 2019, making California the third state to enact a statewide rent control measure impacting residential rental housing. The bill is retroactively effective as of March 15, 2019 and will extend until January 1, 2030. Properties that are affected by this bill include any property containing at least two non-owner-occupied rental units built 15 or more years ago. The bill prohibits an owner of residential real property from, over the course of any 12-month period, increasing the gross rental rate for a dwelling or unit more than 5% plus the percentage change in the cost of living (regional Consumer Price Index from April 1 of the prior year, to April 1 of the current year), or 10%, whichever is lower.

Submarket Data

The following table highlights the average monthly rental rates and vacancy for the Sacramento area submarkets as of the fourth quarter 2024.

Sacramento Multifamily Market Summary

Submarket	Inventory (Units)	Rental Rates Q4 2024	Vacancy Q4 2024
Arden / Arcade	13,891	$1,685	5.8%
Carmichael	9,187	$1,640	4.9%
Central Sacramento	20,154	$2,098	6.8%
Citrus Heights	7,197	$1,760	4.1%
Davis	9,121	$2,355	5.3%
Folsom / Orangevale / Fair Oaks	15,100	$2,133	3.7%
North Sacramento / North Highlands	10,897	$1,922	4.3%
Natomas	14,552	$2,008	4.3%
Rancho Cordova	12,273	$1,809	5.0%
Roseville / Rocklin	18,578	$2,221	4.1%
South Sacramento / Elk Grove	21,145	$1,976	3.4%
Woodland / West Sacramento	9,052	$1,867	4.4%
Sacramento Market Total	161,147	$1,982	4.5%

Source: Colliers Sacramento Multifamily Market Report, Q4 2024

According to the report, the Central Sacramento and Arden/Arcade submarkets recorded the highest average vacancies at 6.8% and 5.8%, respectively, while the lowest were reported in South Sacramento/Elk Grove and Folsom/Orangevale/Fair Oaks at 3.4% and 3.7% respectively. The remaining submarkets each had overall vacancy ranging from 4.1% to 5.3%.

The highest asking rental rate was in Davis at $2,355 per unit / month and the lowest in Carmichael at $1,640 per unit / month. Average rental rates decreased in most submarkets relative to the previous quarter, though three submarkets – Arden/Arcade, Rancho Cordova, and Woodland/West Sacramento - had an increase in rents. Year-over-year, most submarkets showed growth; the highest rent growth was in the Natomas submarket with 3.7% growth and the greatest decline was in the Davis submarket at 2.1%.

The Downtown/Central Sacramento submarket has exhibited steady demand in recent years, fueling new development, both in the form of new construction as well as renovation of existing buildings. Colliers reports 803 units have been delivered in the past year and 1,061 units are under construction in the Central Sacramento market, representing 21% of total market construction.

Sales Activity

Sales activity for apartments in the region was strong for several years prior to the pandemic. Volume totaled $1.87 billion in apartment sales in 2018, marking a historical high, and $1.34 billion in 2019. Though sales activity was impacted in the short-term following the onset of the pandemic, 2020 closed out with $1.18 billion in annual sales volume from 101 transactions, marking the sixth consecutive year of sales volume over $1 billion. The average price per unit was $224,229 and the average capitalization rate was 5.5%.

In 2021, sales volume totaled $1.5 billion with an average price of $217,938 and average capitalization rate of 4.9%. Apartment capitalization rates have generally trended downward over the past decade, stabilizing in the mid 5% range in recent years with additional decline in 2021 and 2022.

Sales volume reported by Colliers in 2022 was $1.9 billion, a record high due to particularly strong sales volume of $882 million in the third quarter, while the fourth quarter had one of the lowest volumes on record with $84 million. The average sale price in the second half of 2022 was $256,322 per unit and average cap rate was 4.67%; the capitalization rate increased 16 basis points in the second half of the year compared to the first.

The market had 14 consecutive quarters of sales over $200 million from mid-2019 through mid-2022, before falling to below $100 million/quarter as a result of higher borrowing costs and rising operating expenses, coupled with declining market fundamentals. Colliers reported sales volume of $335 million in 2023, down 81.5% year-over-year, with an average price of $159,000/unit (37.9% decrease year-over-year) and average cap rate of 5.2%, an increase of 59 basis points.

The year 2024 closed out with total sales volume of $595 million, with an average price of $184,368/unit (up 7.1% year-over-year) and an average capitalization rate of 5.9%, up 60 basis points from the annual average in 2023. The fourth quarter had sales volume of $273.2 million, the highest volume since the third quarter 2022.

Sales activity and pricing are expected to improve as interest rates are anticipated to decline further and market fundamentals are improving. Recent notable sales transactions are summarized below.

Sacramento Area Notable Sales Transactions

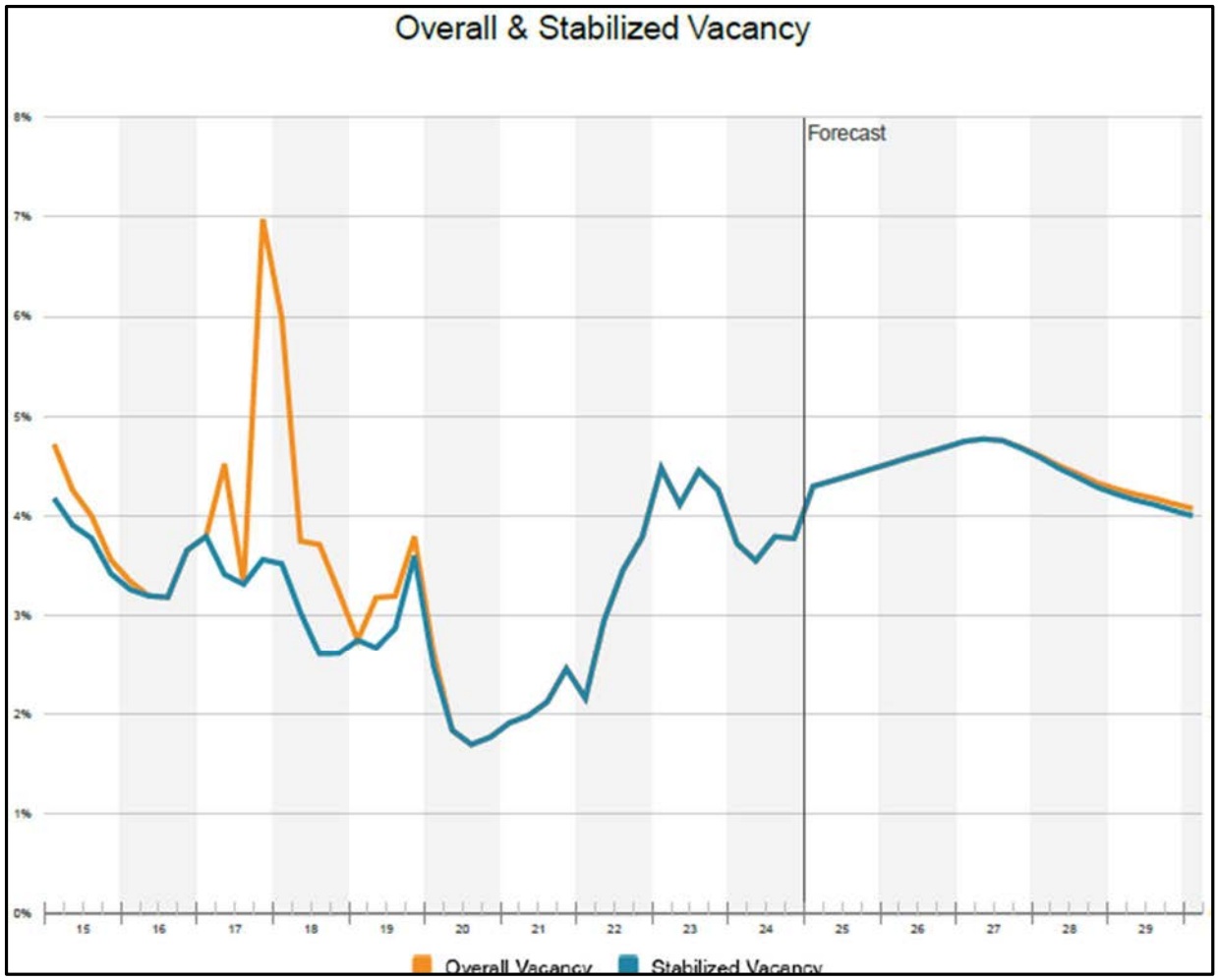
Project	Number of Units	Submarket	Sale Price	Price / Unit
Logan Park / 4215 Palm Ave	661	North Sacramento	$112,500,000	$170,197
The Fairmont / 575 Matmor Rd	192	Woodland	$41,000,000	$213,542
Courtyard Apartments / 5600 Marconi Ave	138	Carmichael	$20,800,000	$150,725
The Trees at Madison / 5101 Hackberry Ln	80	Carmichael	$15,300,000	$191,250
Sterling Pointe Apts / 1805 Anderson Rd	57	Davis	$13,350,000	$234,211
The Fulton / 1400 Fulton Ave	92	Arden / Arcade	$12,500,000	$135,870

Source: Colliers, Kidder Mathews, Costar

Apartment Submarket Analysis

To better understand local market conditions for multifamily properties in the subject's market area, we have utilized CoStar Property Analytics. We surveyed market-rate multifamily residential properties within a three-mile radius of the subject property containing 75 units or more. This query resulted in a total of 40 properties with 7,019 existing units (average of 175 units per project).

According to Costar, the subject's immediate area had a vacancy rate of 3.8% as of the first quarter of 2025. Additionally, asking rents have increased by 3.2% relative to one year prior. The vacancy rate of the surveyed properties was at the highest point in Q4 2017 at 7.0% and the lowest point of 1.7% in Q3 2020. The following chart illustrates the trend for vacancy of the surveyed properties over the past several years.



The submarket exhibited a minimal increase in vacancy during the height of the COVID-19 pandemic, with vacancy around 2.5%. Vacancy has increased overall since 2021 through the most recent quarter of 2024, exhibiting a current vacancy rate at 3.5%. In the near-term, vacancy is expected to slightly increase through the end of 2024. Further, vacancy is projected to stabilize in subsequent years and is expected to remain around 4%.

In addition to the vacancy rate analysis, we also utilized CoStar Property analytics to analyze asking rental rates. The following table summarizes the average asking rates for the surveyed properties since the second quarter of 2023. As shown in the following table, rents have been increasing for all unit types over the past several years, excluding two and three bedroom units as of the most recent quarter.

Average Rent per Unit/Month								
Unit Type	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1 QTD
Studio	$1,299	$1,335	$1,326	$1,294	$1,291	$1,292	$1,317	$1,341
One Bedroom	$1,393	$1,420	$1,391	$1,440	$1,444	$1,467	$1,478	$1,486
Two Bedroom	$1,706	$1,707	$1,737	$1,755	$1,776	$1,794	$1,807	$1,802
Three Bedrooms	$1,653	$1,672	$1,655	$1,664	$1,720	$1,746	$1,775	$1,750
All Bedrooms	$1,582	$1,595	$1,597	$1,624	$1,644	$1,664	$1,679	$1,676

According to conversations with property managers, there continues to be ongoing demand for rental housing in the subject's immediate area. Overall, the submarket vacancy was minimally affected by the COVID-19 pandemic. Based on the current occupancy rates of competing projects and the interest in vacant units reported by competing property representatives, it is expected the subject will continue to compete well with other similar multifamily projects in the area. Based on our familiarity with the Sacramento market area, the Costar average rent figures appear slightly understated, particularly for three bedroom units.

Conclusion

Recovery in the local economy and job gains contributed to sustained strong market fundamentals in 2021 and the first half of 2022, followed by a period of slowdown as net migration declined while the high cost of housing and high inflation further impacted household formation. The moderating conditions provided an opportunity for fundamental demand and supply to better align in a market that has been supply-constrained for many years.

However, significant deliveries in the past few years have placed pressure on occupancy rates and have resulted in longer lease-up times for new projects. In response, new ground breakings are slowing. Vacancy in the near term is expected to remain stable as the market absorbs the recent and near-term deliveries of new supply, with rental rate growth remaining flat to slightly increasing. Steadily strengthening demand, coupled with lower new construction activity, bodes well for the near-term outlook.

Property Analysis

Land Description and Analysis

Land Description	
Land Area (Gross)	5.54 acres; 241,322 SF
Land Area (Usable)	5.06 acres; 220,322 SF
Source of Land Area	Public Records
Primary Street Frontage	Bruceville - 398 feet
Shape	Irregular
Corner	No
Topography	Generally level and at street grade
Drainage	No problems reported or observed
Environmental Hazards	None reported or observed
Ground Stability	No problems reported or observed
Flood Area Panel Number	06067C0316H
Date	August 16, 2012
Zone	X
Description	Outside of 500-year floodplain
Insurance Required?	No
Zoning; Other Regulations	
Zoning Jurisdiction	City of Elk Grove
Zoning Designation	RD-30
Description	High Density Residential
Legally Conforming?	Appears to be legally conforming
Zoning Change Likely?	No
Permitted Uses	Multifamily uses up to 30 units per acre
Minimum Setbacks (Feet)	15
Maximum Building Height	40
Maximum Site Coverage	0.8
Maximum Density	30 units per acre
Minimum open Space	60 square feet per unit
Rent Control	Yes
Other Land Use Regulations	None reported or observed
Utilities	
Service	Provider
Water	City of Elk Grove
Sewer	City of Elk Grove
Electricity	SMUD
Natural Gas	PG&E
Local Phone	Various

We are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance with zoning is required.

Rent Control Regulations

The California Tenant Protection Act (AB 1482) went into effect on January 1, 2020, which caps rent increases statewide for qualifying units at either 5% plus the rate of inflation or 10% of the lowest gross rental rate charged at any time during the 12 months prior to the increase (whichever is lower). Additionally, rent may only be raised once over any 12-month period. The following are exempt from AB 1482:

- Units that can be individually sold if the owner is not a corporation, a real estate investment trust (REIT), or a limited liability corporation (LLC) in which one member is a corporation, and if the tenant has received written notice that the unit is exempt in the form and manner required by the bill. This includes single family homes on their own lot as well as condominiums. However, it does not include multiple single-family homes on the same lot;
- Housing built within the last 15 years, including accessory dwelling units (rolling date, currently buildings constructed 2009 or later are exempt);
- A duplex in which the owner occupies one of the units at the beginning of the other unit's tenancy and the owner continues to occupy one of the units;
- Housing restricted by a deed, regulatory restrictions, or other recorded document limiting the affordability to low or moderate income households;
- Mobile homes;
- Certain dormitories;
- Units that are subject to a local rent control ordinance under the 1995 Costa-Hawkins Rental Housing Act with more restrictive rent increase caps than AB 1482.

As of the effective date, the subject is representative of multifamily land that could be developed with up to 30 units per acre. If developed for multifamily use, the subject is would be exempt from AB 1482's rent control provisions.

Easements, Encroachments and Restrictions

A preliminary title report prepared by Commonwealth Land Title Insurance Company dated June 27, 2024 was provided. The report identifies exceptions to title, which include various utility and access easements that are typical for a property of this type. Such exceptions would not appear to have an adverse effect on value. This valuation assumes no adverse impacts from easements, encroachments or restrictions and further assumes that the subject has clear and marketable title.

Seismic Hazards

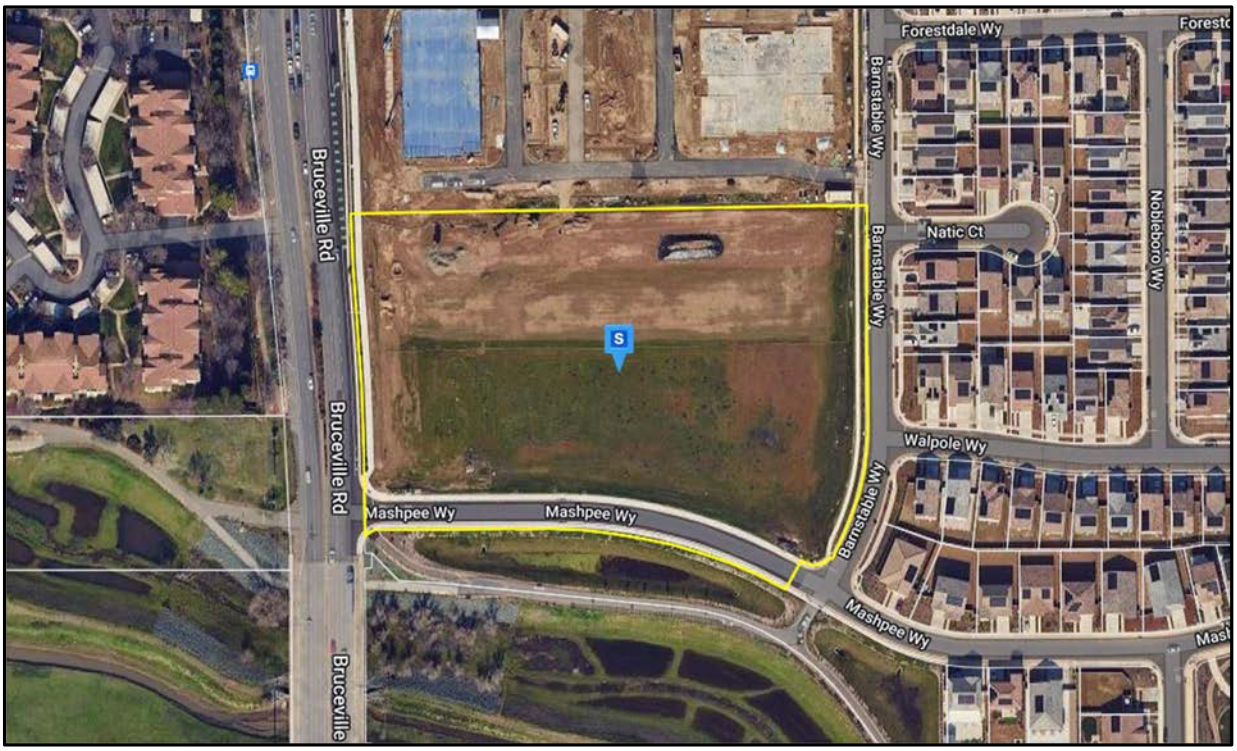
All properties in California are subject to some degree of seismic risk. The Alquist-Priolo Earthquake Fault Zoning Act was enacted by the State of California in 1972 to regulate development near active earthquake faults. The Act required the State Geologist to delineate "Earthquake Fault Zones" (formerly known as "Special Studies Zones") along known active faults in California. Cities and counties affected by the identified zones must limit certain development projects within the zones unless geologic investigations demonstrate that the sites are not threatened by surface displacement from future faulting.

According to information from the California Department of Conservation and the California Geological Survey, the subject is not located within an Alquist-Priolo Special Studies Zone.

Conclusion of Site Analysis

Overall, the physical characteristics and the availability of utilities result in a functional site, suitable for a variety of uses including those permitted by zoning.

Aerial



Note: parcel boundary lines are approximate. Located towards the southern portion of the parcel, the property includes a roadway (Mashpee Way) that encompasses a 21,000 square foot portion of the subject's gross land area. This portion of land area will be considered unusable within our analysis. Please refer to the table below for a description of the subject's land area.

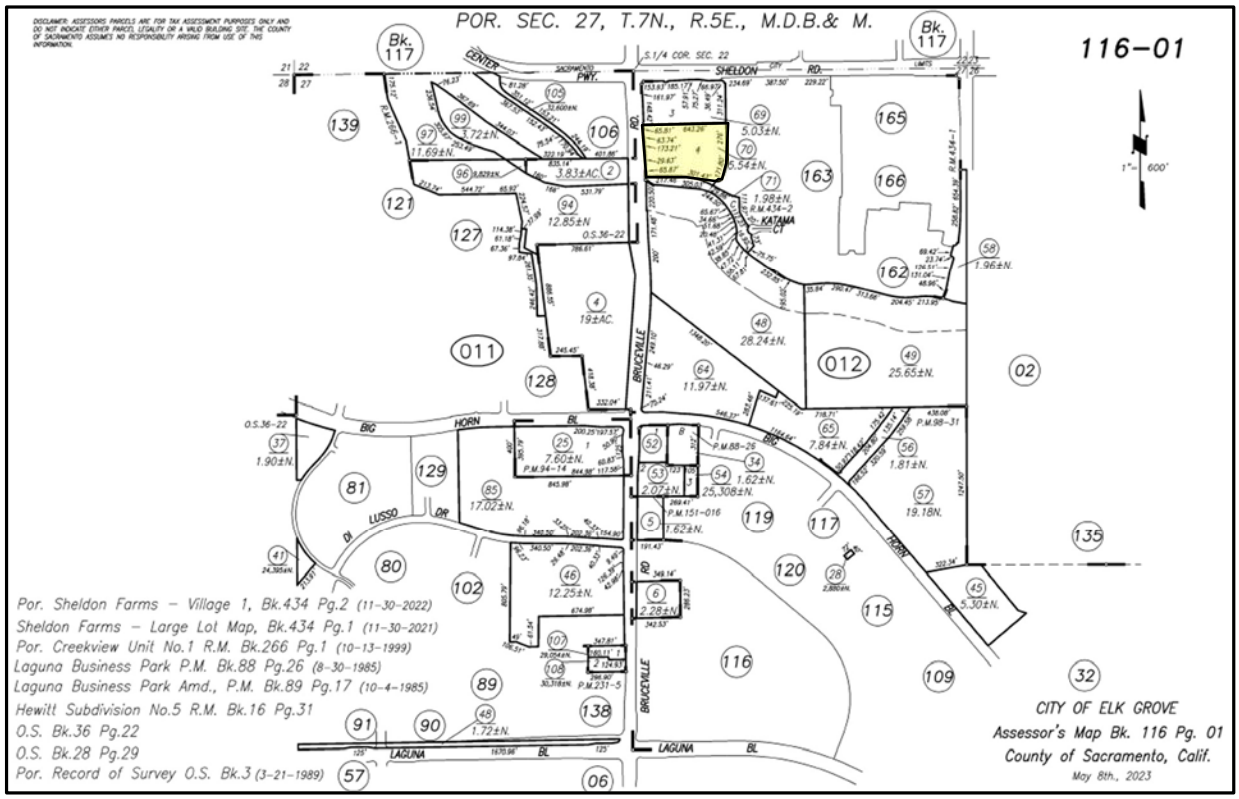
Land Area Summary

Tax ID	SF	Usable SF	Unusable SF	Acres	Usable Acres	Unusable Acres
116-0012-070	241,322	220,322	21,000	5.54	5.06	0.48

Source: Public Records

Based on the usable land area of the subject, this implies the subject could potentially be developed with approximately 151 multifamily units.

Plat Map


POR. SEC. 27, T.7N., R.5E., M.D.B.& M.
116-01
Por. Sheldon Farms – Village 1, Bk.434 Pg.2 (11-30-2022)
Sheldon Farms – Large Lot Map, Bk.434 Pg.1 (11-30-2021)
Por. Creekview Unit No.1 R.M. Bk.266 Pg.1 (10-13-1999)
Laguna Business Park P.M. Bk.88 Pg.26 (8-30-1985)
Laguna Business Park Amd., P.M. Bk.89 Pg.17 (10-4-1985)
Hewitt Subdivision No.5 R.M. Bk.16 Pg.31
O.S. Bk.36 Pg.22
O.S. Bk.28 Pg.29
Por. Record of Survey O.S. Bk.3 (3-21-1989)
CITY OF ELK GROVE
Assessor's Map Bk. 116 Pg. 01
County of Sacramento, Calif.
May 8th., 2023

Southwest corner of subject

South line of subject

Southeast corner of subject

East line of subject

Looking south on Bruceville Road

Looking north on Bruceville Road

Looking east on Mashpee Way

Looking west on Mashpee Way

Looking south on Barnstable Way

Real Estate Taxes

The property tax system in California was amended in 1978 by Article XIII to the State Constitution commonly referred to as Proposition 13. It provides for a limitation on property taxes and for a procedure to establish the current taxable value of real property by reference to a base year value, which is then modified annually to reflect inflation (if any). Annual increases cannot exceed 2% per year.

The base year was set at 1975-76 or any year thereafter in which the property is substantially improved or changes ownership. When either of these two conditions occurs, the property is to be reappraised at market value, which becomes the new base year assessed value. Proposition 13 also limits the maximum tax rate to 1% of the value of the property, exclusive of bonds and direct charges. Bonded indebtedness approved prior to 1978, and any bonds subsequently approved by a two-thirds vote of the district in which the property is located, can be added to the 1% tax rate.

Real estate taxes and assessments for the current tax year are shown in the following table.

Taxes and Assessments - 2024-2025

	Assessed Value			Taxes and Assessments			
					Ad Valorem		
Tax ID	Land	Improvements	Total	Tax Rate	Taxes	Direct Assessments	Total
116-0012-070			$0	1.058200%	$0	$451	$451

Note, the subject site is not assessed as it is owned by the city of Elk Grove. According to the Sacramento County Treasurer Tax Collector's Office, the subject property is encumbered by several direct charges, all of which represent annual charges that cannot be paid off. The subject does not have any special assessment obligations relating to Mello-Roos or Assessment District bonds.

Highest and Best Use

The highest and best use of a property is the reasonably probable use resulting in the highest value, and represents the use of an asset that maximizes its productivity.

Process

Before a property can be valued, an opinion of highest and best use must be developed for the subject site, both as though vacant, and as improved or proposed. By definition, the highest and best use must be:

- Physically possible.
- Legally permissible under the zoning regulations and other restrictions that apply to the site.
- Financially feasible.
- Maximally productive, i.e., capable of producing the highest value from among the permissible, possible, and financially feasible uses.

As Though Vacant

First, the property is evaluated as though vacant, with no improvements.

Physically Possible

The physical characteristics of the site do not appear to impose any unusual restrictions on development. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for multifamily uses.

Legally Permissible

The site is zoned RD-30, High Density Residential. Permitted uses include the multifamily densities in the range of 25.1 to 30.0 units per acre. There are no apparent legal restrictions, such as easements or deed restrictions, effectively limiting the use of the property. Given prevailing land use patterns in the area, only multifamily residential use is given further consideration in determining highest and best use of the site, as though vacant.

Financially Feasible

Based on our analysis of the market, there is currently adequate demand for multifamily residential use in the subject's area, despite rising high interest rates and inflation. It appears that a newly developed multifamily residential use on the site would have a value commensurate with its cost. Therefore, multifamily residential use is considered to be financially feasible.

Maximally Productive

There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than multifamily residential use. Accordingly, multifamily residential use, developed to the normal market density level permitted by zoning, is the maximally productive use of the property.

Conclusion

Development of the site for multifamily residential use is the only use which meets the four tests of highest and best use. Therefore, it is concluded to be the highest and best use of the property as though vacant.

As Improved

No improvements are situated on the subject. Therefore, a highest and best analysis as improved is not applicable.

Most Probable Buyer

Taking into account the size and characteristics of the property, the likely buyer is a developer for a multifamily project.

Valuation

Valuation Methodology

Appraisers usually consider three approaches to estimating the market value of real property. These are the cost approach, sales comparison approach and the income capitalization approach.

The **cost approach** assumes that the informed purchaser would pay no more than the cost of producing a substitute property with the same utility. This approach is particularly applicable when the improvements being appraised are relatively new and represent the highest and best use of the land or when the property has unique or specialized improvements for which there is little or no sales data from comparable properties.

The **sales comparison approach** assumes that an informed purchaser would pay no more for a property than the cost of acquiring another existing property with the same utility. This approach is especially appropriate when an active market provides sufficient reliable data. The sales comparison approach is less reliable in an inactive market or when estimating the value of properties for which no directly comparable sales data is available. The sales comparison approach is often relied upon for owner-user properties.

The **income capitalization approach** reflects the market's perception of a relationship between a property's potential income and its market value. This approach converts the anticipated net income from ownership of a property into a value indication through capitalization. The primary methods are direct capitalization and discounted cash flow analysis, with one or both methods applied, as appropriate. This approach is widely used in appraising income-producing properties.

Reconciliation of the various indications into a conclusion of value is based on an evaluation of the quantity and quality of available data in each approach and the applicability of each approach to the property type.

The methodology employed in this assignment is summarized as follows:

Approaches to Value

Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Not Applicable	Not Utilized

Sales Comparison Approach

The sales comparison approach develops an indication of value by comparing the subject to sales of similar properties. The steps taken to apply this approach are:

- Identify relevant property sales;
- Research, assemble, and verify pertinent data for the most relevant sales;
- Analyze the sales for material differences in comparison to the subject;
- Reconcile the analysis of the sales into a value indication for the subject.

To apply the sales comparison approach, we searched for sale transactions within the following parameters:

- Location: Sacramento County
- Size: 2 to 12 acres
- Use: Multifamily residential uses
- Transaction Date: 2022 and later

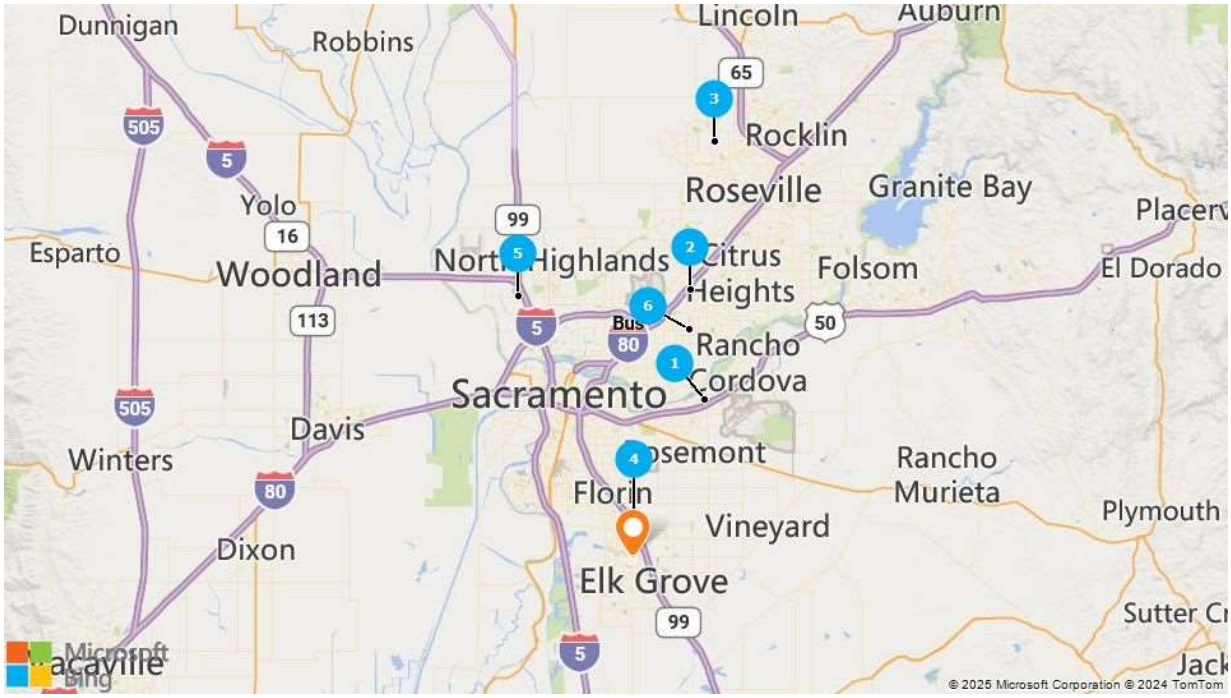
We use price per potential unit as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. The most relevant sales are summarized in the following table.

Due to the limited amount of recent transactions in the subject's immediate area, we expanded our search parameters to include properties throughout similar areas of Sacramento and Placer Counties. The comparable sales analyzed represent the most recent transactions considered reasonably similar to the subject property.

Summary of Comparable Land Sales

No.	Name/Address	Sale Date; Status	Sale Price	SF; Acres	Zoning	$/SF Land	$/Acre
1	9545 Folsom Blvd Sacramento Sacramento County CA	Feb-25 In-Contract	$1,350,000	95,832 2.20	SPA	$14.09	$613,636
	Comments: This is the pending sale of a 2.20-acre portion of land zoned SPA, entitled for 59 multifamily units.						
2	4725 Chippendale Dr Sacramento Sacramento County CA	Nov-24 Closed	$1,200,000	76,230 1.75	LC	$15.74	$685,714
	Comments: This comparable represents the sale of a 1.75-acre portion of land zoned LC. The property was previously entitled for multifamily development but the broker confirmed the intended development use changed and the land is now entitled for a hotel. The broker also noted there are no unusual or non-market conditions related to the sale.						
3	Mourier M31 Apartments Site 9000 Woodcreek Oaks Blvd. Roseville Placer County CA	Jun-23 Closed	$2,200,000	178,596 4.10	CC	$12.32	$536,585
	Comments: Sale of a vacant, fully entitled site proposed for development with 80 multifamily units. Seller acquired development entitlements on May 28, 2020, which included Conditional Use Permit to allow multifamily use in the Community Commercial zone district, Design Review Permit, and a Tree Permit to encroach into a protected zone of a native oak tree.						
4	8373 Bruceville Road 8373 Bruceville Rd. Sacramento Sacramento County CA	Aug-22 Closed	$6,251,000	377,665 8.67	R-3A-PUD R	$16.55	$720,992
	Comments: Sale of a 8.7-acre vacant land site zoned multifamily. The site has full entitlements (completed by seller) for a 351-unit market-rate multifamily project, which is scheduled for construction beginning in mid-to-late 2023.						
5	St. Anton Ascent Site 3561 Del Paso Rd. Sacramento Sacramento County CA	Jun-22 Closed	$3,000,000	189,660 4.35	SC-PUD	$15.82	$689,022
	Comments: Sale of three unentitled vacant parcels located in the North Natomas neighborhood of Sacramento. The site was previously proposed for a future phase of the adjacent Westlake Shopping Center; however, these plans never materialized. Buyer is an entity of St. Anton Communities, which plans to develop the site with 120 affordable housing units designated for workforce housing. Buyer will secure all development entitlements at their own expense. In terms of legal permissibility, the maximum allowable density was 30 units/acre at the time of sale.						
6	3537 Mission Land 3537 Mission Ave. Carmichael Sacramento County CA	Apr-22 Closed	$810,000	69,696 1.60	RD20	$11.62	$506,250
	Comments: This is the sale of an unentitled parcel located in Carmichael zoned for multifamily development. At the time of sale, the property was improved with two single-family homes and associated accessory improvements that were fully depreciated and no longer contributed value to the site. The listing for the transaction indicates the property can be developed with 32 to 36 units.						
	Subject Sheldon Farms Elk Grove, CA			241,322 5.54	RD-30		

Comparable Land Sales Map



Sale 1
9545 Folsom Blvd

Sale 2
4725 Chippendale Dr

Sale 3
Mourier M31 Apartments Site

Sale 4
8373 Bruceville Road

Sale 5
St. Anton Ascent Site

Sale 6
3537 Mission Land

Analysis and Adjustment of Sales

Adjustments are based on a rating of each comparable sale in relation to the subject. The adjustment process is typically applied through either quantitative or qualitative analysis, or a combination of both analyses. Quantitative adjustments are often developed as dollar or percentage amounts, and are most credible when there is sufficient data to perform a paired sales analysis.

While percentage adjustments are presented in the adjustment grid, they are based on qualitative judgment rather than empirical research, as there is not sufficient data to develop a sound quantitative estimate. Although the adjustments appear to be mathematically precise, they are merely intended to illustrate an opinion of typical market activity and perception. With the exception of market conditions, the adjustments are based on a scale, with a minor adjustment in the range of 1-5% and a substantial adjustment considered to be 20% or greater.

The rating of each comparable sale in relation to the subject is the basis for the adjustments. If the comparable is superior to the subject, its sale price is adjusted downward to reflect the subject's relative attributes; if the comparable is inferior, its price is adjusted upward.

Transactional adjustments are applied for property rights conveyed, financing, conditions of sale, expenditures made immediately after purchase, and market conditions. In addition, property adjustments include – but are not limited to – location, access/exposure, size, quality, effective age, economic and legal characteristics, and non-realty components of value. Adjustments are considered for the following factors, in the sequence shown below.

Transactional Adjustments

Real Property Rights Conveyed

The opinion of value in this report is based on a fee simple estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat, as well as non-detrimental easements, community facility districts, and conditions, covenants and restrictions (CC&Rs). All the comparables represent fee simple estate transactions. Therefore, adjustments for property rights are not necessary.

Financing Terms

In analyzing the comparables, it is necessary to adjust for financing terms that differ from market terms. Typically, if the buyer retained third-party financing (other than the seller) for the purpose of purchasing the property, a cash price is presumed and no adjustment is required. However, in instances where the seller provides financing as a debt instrument, a premium may have been paid by the buyer for below-market financing terms, or a discount may have been demanded by the buyer if the financing terms were above market. The premium or discounted price must then be adjusted to a cash equivalent basis. The comparable sales represented cash-to-seller transactions and, therefore, do not require adjustment.

Conditions of Sale

Adverse conditions of sale can account for a significant discrepancy from the sale price actually paid, compared to that of the market. This discrepancy in price is generally attributed to the motivations of the buyer and the seller. Certain conditions of sale are considered non-market and may include the following:

- a seller acting under duress (e.g., eminent domain, foreclosure);
- buyer motivation (e.g., premium paid for assemblage, certain 1031 exchanges);
- a lack of exposure to the open market;
- an unusual tax consideration;
- a sale at legal auction.

Sales 1 is representative of a pending sale and the listing price of the property is used. This sale is adjusted downward to reflect the likelihood the sale price will be below the list price, as actual sale prices are typically negotiated downward. No further adjustments are required for conditions of sale.

Market Conditions

A market conditions adjustment is applied when market conditions at the time of sale differ from market conditions as of the effective date of value. Adjustments can be positive when prices are rising, or negative when markets are challenged by factors such as a deterioration of the economy or adverse changes in supply and/or demand in the market area. Consideration must also be given to when the property was placed under contract, versus when the sale actually closed.

In evaluating market conditions, changes between the comparable sale date and the effective date of this appraisal may warrant adjustment; however, if market conditions have not changed, then no adjustment is required.

Market improved after the shutdowns associated with COVID-19 had been lifted. However, towards the middle of 2022, the market began to slow due to rising interest rates coupled with high inflation. As such, we have adjusted the comparables that transferred in 2022 downward.

Property Adjustments

Location

Factors considered in evaluating location include, but are not limited to, demographics, growth rates, surrounding uses and property values.

Sale 3 is located in the City of Roseville in southwest Placer County. Sale 5 is located in the North Natomas neighborhood of the City of Sacramento. These areas typically generate higher achievable rents compared to the subject's location; therefore, Sales 3 and 5 are adjusted downward for their superior locations. Conversely, Sales 1, 2, and 6 are located in an areas of Sacramento and Carmichael considered inferior to the subject's location and are adjusted slightly upward.

Access/Exposure

Convenience to transportation facilities, ease of site access, and overall visibility of a property can have a direct impact on property value. High visibility, however, may not translate into higher value if it is not accompanied by good access. In general, high visibility and convenient access, including proximity to major linkages, are considered positive amenities when compared to properties with inferior attributes. All of the comparables are similar to the subject. No adjustments are necessary.

Size

Due to economies of scale, the market exhibits an inverse relationship between land area and price per square foot, such that larger sites generally sell for a lower price per square foot than smaller lots, all else being equal. To account for this relationship, applicable adjustments are applied for differences in land area. The comparables that are larger than the subject are adjusted upward, and vice versa.

Sales 1, 2 and 6 are smaller than the subject, and downward adjustments are applied. Conversely, Sale 4 is larger than the subject and requires an upward adjustment.

Shape and Topography

This category accounts for the shape of the site influencing its overall utility and/or development potential, as well as the grade of the land.

Sale 1 is inferior to the subject in regard to the shape of the parcel warranting an upward adjustment.

Zoning

This element of comparison accounts for government regulations that can affect the types and intensities of uses allowable on a site. Moreover, this category includes considerations such as allowable density or floor area ratio, structure height, setbacks, parking requirements, landscaping, and other development standards. The subject has a zoning designation of RD-30 - High Density Residential. All of the comparables are similar to the subject. No adjustments are necessary.

Entitlements

Entitlements consist of the specific level of governmental approvals attained pertaining to development of a site, which can include a bonus density or conditional use permit (CUP) that allows for uses not typically permitted under standard zoning.

Sales 1, 2, 3 and 4 were fully entitled for multifamily development at the times of sale and are adjusted downward for superior entitlements.

Proposed Density

When analyzed on a price per unit basis, sites proposed for multifamily development with lower proposed densities will generally sell for a higher price per unit than sites with higher proposed densities, all else being equal. The subject has can be developed as a multifamily project with a density up to 29.85 dwelling units per acre.

Sales 3 and 6 are proposed for development from 19.51 to 20.0 dwelling units per acre and are adjusted downward for their lower proposed densities. Conversely, Sale 4 is proposed for development of 40.48 units per acre and is adjusted upward.

Existing Improvements

This element of comparison accounts for any demolition costs required to prepare a site for development. As of the effective date of value, the subject was vacant and ready to be developed to its highest and best use.

Sale 6 is a redevelopment site with existing improvements that will require demolition prior to development; therefore, this sale is adjusted upward based on a demolition cost of $15 per square foot of building improvements applied to the size of the existing improvements requiring demolition (approximately 5% adjustment). The remaining sales reflect vacant sites and do not require adjustment.

Adjustments Summary

The sales are compared to the subject and adjusted to account for material differences that affect value. The following table summarizes the adjustments applied to each sale.

Land Sales Adjustment Grid

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6
Address	8851 Bruceville Rd.	9545 Folsom Blvd.	4725 Chippendale Dr.	9000 Woodcreek Oaks Blvd.	8373 Bruceville Rd.	3561 Del Paso Rd.	3537 Mission Ave.
City	Elk Grove	Sacramento	Sacramento	Roseville	Sacramento	Sacramento	Carmichael
County	Sacramento	Sacramento	Sacramento	Placer	Sacramento	Sacramento	Sacramento
Sale Date		Feb-25	Nov-24	Jun-23	Aug-22	Jun-22	Apr-22
Sale Status		In-Contract	Closed	Closed	Closed	Closed	Closed
Sale Price		$1,350,000	$1,200,000	$2,200,000	$6,251,000	$3,000,000	$810,000
Usable Square Feet	220,322	95,832	76,230	178,596	377,665	189,660	69,696
Usable Acres	5.06	2.20	1.75	4.10	8.67	4.35	1.60
Number of Units	151	59	52	80	351	120	32
Units Per Acre	29.85	26.82	29.71	19.51	40.48	27.56	20.00
Zoning Code	RD-30	SPA	LC	CC	R-3A-PUD R	SC-PUD	RD20
Price per Unit		**$22,881**	**$23,077**	**$27,500**	**$17,809**	**$25,000**	**$25,313**
Transactional Adjustments							
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment		–	–	–	–	–	–
Financing Terms			Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller
% Adjustment		–	–	–	–	–	–
Conditions of Sale		Pending Sale	Arm's-length	Arm's-length	Arm's-length	Arm's-length	Arm's-length
% Adjustment		-5%	–	–	–	–	–
Market Conditions	2/21/2025	Feb-25	Nov-24	Jun-23	Aug-22	Jun-22	Apr-22
Annual % Adjustment		–	–	–	-5%	-5%	-5%
Cumulative Adjusted Price		**$21,737**	**$23,077**	**$27,500**	**$16,919**	**$23,750**	**$24,047**
Property Adjustments							
Location		5%	5%	-10%	–	-10%	5%
Access/Exposure		–	–	–	–	–	–
Size		-10%	-15%	–	5%	–	-15%
Shape and Topography		5%	–	–	–	–	–
Zoning		–	–	–	–	–	–
Entitlements		-5%	-5%	-5%	-5%	–	–
Proposed Density		–	–	-5%	10%	–	-5%
Existing Improvements		–	–	–	–	–	5%
Net Property Adjustments ($)		-$1,087	-$3,462	-$5,500	$1,692	-$2,375	-$2,405
Net Property Adjustments (%)		-5%	-15%	-20%	10%	-10%	-10%
Final Adjusted Price		**$20,650**	**$19,615**	**$22,000**	**$18,611**	**$21,375**	**$21,642**

Range of Adjusted Prices	**$18,611 - $22,000**
Average	**$20,649**
Indicated Value	**$20,000**

Value Indication

Prior to adjustment, the sales reflect a range of $17,809 - $27,500 per unit. After adjustment, the range is narrowed to $18,611 - $22,000 per unit, with an average of $20,649 per unit. Comparable 1 is a pending sale and is given guarded reliance. Primary emphasis placed on Comparable 4 for its similar location as the subject, and secondary emphasis is placed on the remaining sales. Based on the preceding discussion and analysis, we arrive at a land value conclusion via the sales comparison approach as follows:

Land Value Conclusion	
Indicated Value per Unit	$20,000
Subject Units	151
Indicated Value	$3,020,000
Rounded	$3,020,000

As secondary support, we use the same sales data but analyzed on a price per usable square foot of land area, as opposed to developable unit. Thus, the sales reflect a range of $11.62 to $16.55 per square foot. After adjustment, the range is narrowed to $11.04 to $14.15 per square foot. When taking our value conclusion of $3,020,000 and dividing this by the subject's 220,322 square feet of usable land area, this equates to $13.71 per square foot. Our value conclusion when analyzed on price per usable square foot is within the adjusted range and is considered reasonable.

Reconciliation and Conclusion of Value

As discussed previously, we use only the sales comparison approach in developing an opinion of value for the subject. The cost and income approaches are not applicable, and are not used.

Based on the preceding valuation analysis and subject to the definitions, assumptions, and limiting conditions expressed in the report, our value opinion follows:

Value Conclusion

Value Type & Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value	Fee Simple	February 21, 2025	$3,020,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is 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.

None.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is 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.

None.

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Based on the concluded market value stated previously, it is our opinion that the probable exposure time is 12-18 months.

Marketing Period

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. We estimate the subject's marketing period at 12-18 months.

Certification

We certify that, to the best of our 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 our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We 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. We have previously appraised the property that is the subject of this report for the current client. We have provided no other 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 the agreement to perform this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our 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 the 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. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as well as applicable state appraisal regulations.
9. 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.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. Carson Cutting made a personal inspection of the property that is the subject of this report. Jeffrey Fillmore, MAI, has not personally inspected the subject.
12. No one provided significant real property appraisal assistance to the person(s) signing this certification.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.

14. As of the date of this report, Jeffrey Fillmore, MAI, has completed the continuing education program for Designated Members of the Appraisal Institute.

Carson Cutting
Certified General Real Estate Appraiser
#3009737

Jeffrey Fillmore, MAI
Certified General Real Estate Appraiser
#AG004481

Assumptions and Limiting Conditions

This appraisal and any other work product related to this engagement are limited by the following standard assumptions, except as otherwise noted in the report:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal and any other work product related to this engagement are subject to the following limiting conditions, except as otherwise noted in the report:

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal

covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.

7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.

8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability; and civil, mechanical, electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.

9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.

10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.

11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.

12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.

13. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.

14. Unless otherwise stated in the report, no consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.

15. The current purchasing power of the dollar is the basis for the values stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.

16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.

17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic

conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.

18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the subject with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.

19. The appraisal report is prepared for the exclusive benefit of you, your subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.

20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property. IRR - Sacramento, Integra Realty Resources, Inc., and their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.

21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.

22. We are not a building or environmental inspector. The Integra Parties do not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.

23. The appraisal report and value conclusions for an appraisal assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.

24. IRR - Sacramento is an independently owned and operated company, which has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and

benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).

25. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.

26. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

27. The appraisal is also subject to the following:

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is 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.

None.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is 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.

None.

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

Addendum A

Appraiser Qualifications

Carson Cutting

Experience

Mr. Cutting is a Certified General Real Estate Appraiser with Integra Realty Resources, a real estate appraisal firm that engages in a wide variety of real estate valuation and consultation assignments. He began his appraisal career in February 2020 with Seevers Jordan Ziegenmeyer in Rocklin, California. Currently, Mr. Cutting is obtaining experience in the valuation and analysis of various types of real estate by working on a wide variety of property types including, but not limited to: multifamily, office, retail, industrial, churches, schools, and vacant land.

Licenses

California, California Certified General Real Estate Appraiser, 3009737, Expires February 2026

Education

Bachelor of Science in Business Administration - Marketing California State University, Sacramento

Appraisal Courses Completed are as follows:

Basic Appraisal Principles
Basic Appraisal Procedures
General Appraiser Market Analysis & Highest and Best Use
(USPAP), Uniform Standards of Professional Appraisal Practice
General Appraiser Report Writing and Case Studies
General Appraiser Site Valuation and Cost Approach
General Appraiser Sales Comparison Approach
General Appraiser Income Approach Part 1
General Appraiser Income Approach Part 2
4 Hour Federal and California Statutory and Regulator Laws

Integra Realty Resources - Sacramento

590 Menlo Drive
Suite 1
Rocklin, CA 95765

T 916.435.3883

irr.com

ccutting@irr.com - 916.226.5492

Business, Consumer Services & Housing Agency

BUREAU OF REAL ESTATE APPRAISERS

REAL ESTATE APPRAISER LICENSE

Carson A. Cutting

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

"Certified General Real Estate Appraiser"

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: 3009737

Effective Date: February 28, 2024
Date Expires: February 27, 2026

Angela Jemmott, Bureau Chief, BREA

3075031

THIS DOCUMENT CONTAINS A TRUE WATERMARK - HOLD UP TO LIGHT TO SEE "CHAIN LINK"

Jeffrey Fillmore, MAI

Integra Realty Resources
San Francisco

555 Meridian Avenue
Suite C
San Jose, CA 95126

T 408-299-0444
F 408-299-0449

irr.com

Experience

Mr. Fillmore is a licensed Certified General real estate appraiser and holds the Appraisal Institute's MAI designation. Jeff began appraising in 1986 after graduating with a B.S. in Business from Brigham Young University. He was a Commercial Appraiser with David J. Morrison, Inc. until 1996 when he became a partner with Morrison-Fillmore and Associates, which in 1998 became The Fillmore Group. His experience includes a broad range of property types including commercial, industrial and residential properties. He has extensive experience in appraising special purpose properties such as hotels, restaurants, commercial laundry facilities, cold storage facilities and government aided senior and affordable housing projects. Jeff also has been engaged as an expert witness and regularly provides appraisal review services for a number of lender-clients. He also served as the Chair of the South Branch of the Northern California Chapter of the Appraisal Institute and the Chair of the Associates' Guidance - General Committee. Mr. Fillmore is currently the Senior Managing Director of Integra Realty Resources – San Francisco and Managing Director of Integra Realty Resources - Sacramento, Orange and Los Angeles.

Licenses

California, Certified General, AG004481, Expires May 2026

Education

Academic:
Brigham Young University, Provo, Utah
Degree: Bachelor of Science in Business Management
Courses Included: Real Estate Financing and Appraisal

Appraisal Courses:
Appraisal Institute - The Appraiser's Complete Review
Appraisal Institute - Understanding Limited Appraisal Seminar
Appraisal Institute - Course 2-2 - Report Writing
Appraisal Institute - Course 2-1 - Case Studies Appraisal Institute - Course 530 - Advanced Sales Comparison & Cost Approach
AIREA - Course 1A2 - Valuation Procedures
AIREA - Course 1B2 - Capitalization (Part B)
AIREA - Course 1B1 - Capitalization (Part A)
AIREA - Course 1A1 - Residential Valuation
AIREA - Standards of Professional Practice
AIREA - Non-Residential Demonstration Report Writing
SREA - Course 101, Residential Property Analysis
SREA - Apartment Valuation Seminar
Brigham Young University, Real Estate Appraisal and Capitalization Techniques and Theory

Past Chair:
South Branch, San Francisco Bay Area Chapter of the Appraisal Institute

jfillmore@irr.com - 408-299-0444

Business, Consumer Services & Housing Agency

BUREAU OF REAL ESTATE APPRAISERS

REAL ESTATE APPRAISER LICENSE

Jeffrey W. Fillmore

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

"Certified General Real Estate Appraiser"

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 004481

Effective Date: May 25, 2024
Date Expires: May 24, 2026

Angela Jemmott, Bureau Chief, BREA

3076321

THIS DOCUMENT CONTAINS A TRUE WATERMARK - HOLD UP TO LIGHT TO SEE "CHAIN LINK"

About IRR

Integra Realty Resources, Inc. (IRR) provides world-class commercial real estate valuation, counseling, and advisory services. Routinely ranked among leading property valuation and consulting firms, we are now the largest independent firm in our industry in the United States, with local offices coast to coast and in the Caribbean.

IRR offices are led by MAI-designated Senior Managing Directors, industry leaders who have over 25 years, on average, of commercial real estate experience in their local markets. This experience, coupled with our understanding of how national trends affect the local markets, empowers our clients with the unique knowledge, access, and historical perspective they need to make the most informed decisions.

Many of the nation's top financial institutions, developers, corporations, law firms, and government agencies rely on our professional real estate opinions to best understand the value, use, and feasibility of real estate in their market.

Local Expertise...Nationally!

irr.com

Addendum B

IRR Quality Assurance Survey

IRR Quality Assurance Survey

We welcome your feedback!

At IRR, providing a quality work product and delivering on time is what we strive to accomplish. Our local offices are determined to meet your expectations. Please reach out to your local office contact so they can resolve any issues.

Integra Quality Control Team

Integra does have a Quality Control Team that responds to escalated concerns related to a specific assignment as well as general concerns that are unrelated to any specific assignment. We also enjoy hearing from you when we exceed expectations! You can communicate with this team by clicking on the link below. If you would like a follow up call, please provide your contact information and a member of this Quality Control Team will call contact you.

Link to the IRR Quality Assurance Survey: quality.irr.com

Addendum C

Comparable Data

Land Sales

Land Sale Profile

Sale No. 1

Location & Property Identification

Property Name:	9545 Folsom Blvd
Sub-Property Type:	Residential, Multifamily Land
Address:	9545 Folsom Blvd.
City/State/Zip:	Sacramento, CA 95827
County:	Sacramento
Market Orientation:	Suburban
IRR Event ID:	3264581

This is the pending sale of a 2.20-acre portion of land zoned SPA, entitled for 59 multifamily units.
Entitled for 59 multifamily units.

Sale Information

Sale Price:	$1,350,000
Effective Sale Price:	$1,350,000
Sale Date:	08/16/2024
Listing Price:	$1,350,000
Sale Status:	In-Contract
$/Acre(Gross):	$613,636
$/Land SF(Gross):	$14.09
$/Unit (Potential):	$22,881 /Potential Unit
Assets Sold:	Real estate only
Property Rights:	Fee Simple

Improvement and Site Data

Legal/Tax/Parcel ID:	075-0040-025, 075-0040-040
Acres(Gross):	2.20
Land-SF(Gross):	95,832
No. of Units (Potential):	59
Shape:	Irregular
Topography:	Level
Vegetation:	Minimal
Zoning Code:	SPA
Flood Plain:	No
Source of Land Info.:	Public Records

Comments

Land Sale Profile

Sale No. 2

Location & Property Identification

Property Name:	4725 Chippendale Dr
Sub-Property Type:	Residential, Multifamily Land
Address:	4725 Chippendale Dr.
City/State/Zip:	Sacramento, CA 95841
County:	Sacramento
Market Orientation:	Suburban
IRR Event ID:	3264666

Sale Information

Sale Price:	$1,200,000
Effective Sale Price:	$1,200,000
Sale Date:	11/26/2024
Sale Status:	Closed
$/Acre(Gross):	$685,714
$/Land SF(Gross):	$15.74
$/Unit (Potential):	$23,077 /Potential Unit
Grantor/Seller:	Epic Real Estate Advisors, Inc
Grantee/Buyer:	Investment Resources Corporation
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Document Type:	Deed

Improvement and Site Data

Legal/Tax/Parcel ID:	228-0151-033
Acres(Gross):	1.75
Land-SF(Gross):	76,230
No. of Units (Potential):	52
Shape:	Irregular
Topography:	Level
Vegetation:	Minimal
Zoning Code:	LC
Flood Plain:	No
Utilities:	Electricity, Water Public, Sewer, Gas
Source of Land Info.:	Public Records

Comments

This comparable represents the sale of a 1.75-acre portion of land zoned LC. The property was previously entitled for multifamily development but the broker confirmed the intended development use changed and the land is now entitled for a hotel. The broker also noted there are no unusual or non-market conditions related to the sale.

Land Sale Profile

Sale No. 3

Location & Property Identification

Property Name:	Mourier M31 Apartments Site
Sub-Property Type:	Residential, Multifamily Land
Address:	9000 Woodcreek Oaks Blvd.
City/State/Zip:	Roseville, CA 95747
County:	Placer
Market Orientation:	Suburban
IRR Event ID:	3056538

Sale Information

Sale Price:	$2,200,000
Effective Sale Price:	$2,200,000
Sale Date:	06/29/2023
Recording Date:	06/30/2023
Sale Status:	Closed
$/Acre(Gross):	$536,585
$/Land SF(Gross):	$12.32
$/Acre(Usable):	$536,585
$/Land SF(Usable):	$12.32
$/Unit (Potential):	$27,500 /Apt. Unit
Grantor/Seller:	Mourier Land Investment Corporation
Grantee/Buyer:	Campus Oaks Apartments 3 LLC
Property Rights:	Fee Simple
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Document Type:	Deed
Recording No.:	2023.34194

Improvement and Site Data

Legal/Tax/Parcel ID:	481-010-008-000
Acres(Usable/Gross):	4.10/4.10
Land-SF(Usable/Gross):	178,596/178,596
Usable/Gross Ratio:	1.00
No. of Units (Potential):	80
Zoning Code:	CC
Zoning Desc.:	Community Commercial
Source of Land Info.:	Public Records

Comments

This is the sale of a vacant, fully entitled site proposed for development of 80 multifamily units. The seller obtained development entitlements on May 28, 2020, which included a Conditional Use Permit to allow multifamily use in the Community Commercial zone district, Design Review Permit, and a Tree Permit to encroach into a protected zone of a native oak tree.

Sale Analysis

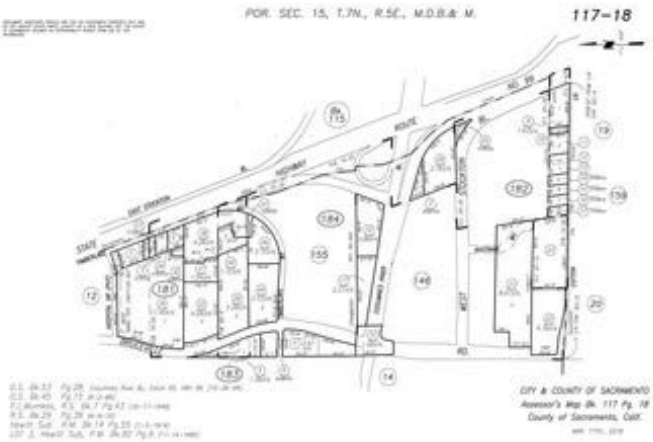
Proposed Use Desc.:	Commercial

Land Sale Profile

Sale No. 4

Location & Property Identification

Property Name:	8373 Bruceville Road
Sub-Property Type:	Residential, Multifamily Land
Address:	8373 Bruceville Rd.
City/State/Zip:	Sacramento, CA 95823
County:	Sacramento
Market Orientation:	Suburban
IRR Event ID:	2983723



Sale Information

Sale Price:	$6,251,000
Effective Sale Price:	$6,251,000
Sale Date:	08/26/2022
Sale Status:	Closed
$/Acre(Gross):	$720,992
$/Land SF(Gross):	$16.55
$/Unit (Potential):	$17,809 /Approved Unit
Grantor/Seller:	Majority Investment Inc
Grantee/Buyer:	Arec Bruceville LLC
Assets Sold:	Real estate only
Property Rights:	Fee Simple
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Document Type:	Deed
Recording No.:	20220829.827

Improvement and Site Data

Legal/Tax/Parcel ID:	117-0182-021
Acres(Gross):	8.67
Land-SF(Gross):	377,665
No. of Units (Potential):	351
Shape:	Rectangular
Topography:	Level
Vegetation:	Minimal
Corner Lot:	No
Zoning Code:	R-3A-PUD R

Zoning Desc.:	Multi-Unit Dwelling Zone
Flood Plain:	No
Source of Land Info.:	Public Records

Comments

Sale of a 8.7-acre vacant land site zoned multifamily. The site has full entitlements (completed by seller) for a 351-unit market-rate multifamily project, which is scheduled for construction beginning in mid-to-late 2023.

Land Sale Profile

Sale No. 5

Location & Property Identification

Property Name:	St. Anton Ascent Site
Sub-Property Type:	Residential, Multifamily Land
Address:	3561 Del Paso Rd.
City/State/Zip:	Sacramento, CA 95835
County:	Sacramento
Market Orientation:	Suburban
IRR Event ID:	2978187

Sale Information

Sale Price:	$3,000,000
Effective Sale Price:	$3,000,000
Sale Date:	06/24/2022
Recording Date:	06/24/2022
Sale Status:	Closed
$/Acre(Gross):	$689,022
$/Land SF(Gross):	$15.82
$/Acre(Usable):	$689,022
$/Land SF(Usable):	$15.82
$/Unit (Potential):	$25,000 /Apt. Unit
Grantor/Seller:	RRJ Cambridge Partners LLC, et al
Grantee/Buyer:	Blue Bronco LLC
Property Rights:	Fee Simple
Exposure Time:	7 (months)
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Document Type:	Deed
Recording No.:	20220624.937

Legal/Tax/Parcel ID:	225-2060-003-0000, 225-2060-004-0000, 225-2060-005-0000
Acres(Usable/Gross):	4.35/4.35
Land-SF(Usable/Gross):	189,660/189,660
Usable/Gross Ratio:	1.00
No. of Units (Potential):	120
Zoning Code:	SC-PUD
Zoning Desc.:	Shopping Center/Planned Unit Development
Source of Land Info.:	Public Records

Comments

Sale of three unentitled vacant parcels located in the North Natomas neighborhood of Sacramento. The site was previously proposed for a future phase of the adjacent Westlake Shopping Center; however, these plans never materialized. Buyer is an entity of St. Anton Communities, which plans to develop the site with 120 affordable housing units designated for workforce housing. Buyer will secure all development entitlements at their own expense. In terms of legal permissibility, the maximum allowable density was 30 units/acre at the time of sale.

Improvement and Site Data

MSA:	Sacramento--Roseville--Arden-Arcade, CA

St. Anton Ascent Site

Land Sale Profile

Sale No. 6

Location & Property Identification

Property Name:	3537 Mission Land
Sub-Property Type:	Residential, Multifamily Land
Address:	3537 Mission Ave.
City/State/Zip:	Carmichael, CA 95608
County:	Sacramento
Market Orientation:	Suburban
IRR Event ID:	2945354

Legal/Tax/Parcel ID:	256-0080-019-0000
Acres(Usable/Gross):	1.60/1.60
Land-SF(Usable/Gross):	69,696/69,696
Usable/Gross Ratio:	1.00
No. of Units (Potential):	32
Zoning Code:	RD20
Zoning Desc.:	Multiple Family Residential
Source of Land Info.:	Public Records

Sale Information

Sale Price:	$810,000
Effective Sale Price:	$810,000
Sale Date:	04/04/2022
Recording Date:	04/08/2022
Sale Status:	Closed
$/Acre(Gross):	$506,250
$/Land SF(Gross):	$11.62
$/Acre(Usable):	$506,250
$/Land SF(Usable):	$11.62
$/Unit (Potential):	$25,313 /Apt. Unit
Grantor/Seller:	Infill Builders
Grantee/Buyer:	SM Mission Family LP
Property Rights:	Fee Simple
Financing:	Cash to seller
Conditions of Sale:	Arm's-length
Document Type:	Deed
Recording No.:	20220408.349

Comments

This is the sale of an unentitled parcel located in Carmichael zoned for multifamily development. At the time of sale, the property was improved with two single-family homes and associated accessory improvements that were fully depreciated and no longer contributed value to the site. The listing for the transaction indicates the property can be developed with 32 to 36 units.

Improvement and Site Data

MSA:	Sacramento--Roseville--Arden -Arcade, CA

Addendum D

Letter of Intent

Phone: 916.683.7111
Fax: 916.691.3168

Web: www.elkgrovecity.org

8401 Laguna Palms Way
Elk Grove, California 95758

CITY OF ELK GROVE
PROUD HERITAGE. BRIGHT FUTURE.

February 14, 2024

Abode Communities
1149 S. Hill Street, Suite 700
Los Angeles, CA 90015
Attn: Holly Benson, President & CEO

LETTER OF INTENT FOR DEVELOPMENT OF 8851 BRUCEVILLE ROAD

The purpose of this Letter of Intent ("LOI") is to express the City of Elk Grove's ("Seller" or "City") interest in selling or conveying the property located at 8851 Bruceville Road in Elk Grove, California, further identified as APN 116-0012-070 ("Site"), to Abode Communities, a California nonprofit public benefit corporation, or such limited partnership as may be created by Abode Communities for this affordable housing project ("Buyer").

Any purchase of the Site is conditional on the finalization of a purchase and sale or conveyance agreement ("Conveyance Agreement") between Buyer and Seller, and final approval of the Conveyance Agreement by the Elk Grove City Council ("City Council") as part of a public agenda. The Buyer shall have no obligation to acquire, and the Seller shall have no obligation to sell or convey, the Site unless and until such Conveyance Agreement has been signed by authorized representatives of each party, setting forth the specific terms and conditions of the conveyance, as approved by City Council. Below are the general terms currently being contemplated by the Seller. The term "shall" is mandatory and the term "may" is permissive.

Seller:	City of Elk Grove, a California municipal corporation
Buyer:	Abode Communities, a California nonprofit public benefit corporation, or such limited partnership as may be created by Abode Communities
Site:	8851 Bruceville Road APN 116-0012-070
Land Consideration:	The consideration for the Site shall be $1.85 million or such other amount as may be mutually agreed to by the parties (the "Land Consideration"). In no event shall the Land Consideration exceed the appraised value of the property as determined by a licensed appraiser commissioned by the Buyer at the time development entitlements are approved, or such other time that is mutually agreed by the Parties. Any agreement shall be in writing.
Term:	This LOI shall be valid for a term of 12 months, or until replaced by a purchase and sale or conveyance agreement, whichever occurs first.
Exclusive Arrangement:	The Seller guarantees that, for such term as this LOI and the subsequent Conveyance Agreement remains valid, the Buyer shall have an exclusive opportunity to pursue development of the Site.

The Project:

This LOI is intended to facilitate the development of an affordable housing development consisting of approximately 240 family units, with rents ranging from 30% to 80% AMI ("Project"). A maximum of two units, with no rent restrictions, shall be developed and operated as manager units. The design of the Project shall integrate an urban character that provides for orientation/activation of the transit corridor along Bruceville Road and integrates with the adjoining residential neighborhood. The Project shall meet one of the exemptions to the Surplus Land Act set forth in Government Code section 54221(f)(1) such that the property is considered "exempt surplus."

Seller's Obligation

Seller shall provide any and all documents, records, or other information in Seller's possession about the property or surrounding context that would normally be provided to inform the development of the Site.

The City shall consider an Affordable Housing Fund loan commitment of no more than $4,050,000 for the Project's costs, excluding the costs of land acquisition. The City may also consider an Affordable Housing Fund loan commitment for the Land Consideration, dependent on the method of conveyance selected. Such commitment shall be considered by the Affordable Housing Committee and City Council following execution of this LOI.

Buyer's Obligations:

The Buyer shall undertake the following actions:

- Undertake a public outreach and engagement process for development of the Site with the community. The specific outreach and engagement plan shall be provided to the City for review and approval within 30 days of the execution of this LOI.
- Prepare all Site development plans, including site plans, architecture plans, utility plans, and other materials required for submission to the City's Development Services Department.
- Complete a loan application for funding through the City's Affordable Housing Fund and obtain a loan commitment from the City.
- Secure design review and any other City entitlements necessary to develop the Project.
- Apply for and secure all necessary Project funding, except for any funds provided by the City.
- Prepare all Site construction plans and approvals, including, but not limited to, civil plans, building plans, and landscape plans.
- Pay all agency processing fees, impact fees, mitigation fees, or other costs associated with design, development/construction, and operation of the Project.

Process:

The Parties agree to the following process and estimated timeline:

- February 2024: Execution of this LOI.
- Winter/Spring 2024: Buyer to undertake public outreach and engagement.
- Winter 2024: Buyer to prepare design drawings and entitlement plans.

- Winter 2024: Execute the Conveyance Agreement in a form satisfactory to both parties. City to declare Site "exempt surplus" at this time.
- Summer 2024: Following execution of the Conveyance Agreement, Buyer to submit entitlement plans to the City for processing.
- Summer 2024: Submit loan application for City affordable housing funding.
- Fall 2024: Consideration of entitlements by appropriate City approval authority.
- Fall 2024: Conduct appraisal.
- Fall 2024: Secure loan commitment from City Affordable Housing Fund.
- 2025 and 2026: Secure Project funding.
- Winter 2026 and Winter 2027: Close Project financing and complete conveyance of Site (the "Closing Date").
- –2027-2029: Construct Project.

Right to Rescind or Revert to the City:

At any time during the term of this LOI, the City reserves the right to terminate the LOI with 30 days' notice. Should the City terminate the LOI without cause, the City shall reimburse reasonable Project expenses incurred by Buyer upon receipt of documentation showing such expenses.
Should the Buyer fail to develop the Project as described herein or perform within the timeframe provided herein or such other schedule as mutually agreed to by the Parties, and such failure continues for a period of 30 days after Seller's written notice of such failure to Buyer, as determined by the City in its reasonable discretion, the City shall have the right to terminate this LOI, and prior to the Closing Date, the Conveyance Agreement. Upon termination for cause, the City shall not be liable for reimbursement of any Project expenses incurred by the Buyer. Should the Site be transferred back to the City, the Buyer shall only be entitled to the purchase funds, less any title fees, taxes, or other reasonable transfer expenses paid by Buyer.

Due Diligence and Right to Entry:

After the execution of this LOI, Buyer shall be provided access to the Site pursuant to a Right of Entry agreement between the Parties to evaluate the suitability of the Site for the Project which may include environmental site assessments, appraisal, ALTA/ASCM survey, and other inspections and reports as Buyer may require.

CEQA Provisions:

With respect to the California Environmental Quality Act (CEQA), this LOI is merely an agreement to enter into good faith negotiations with respect to the proposed Conveyance Agreement according to the terms hereof so that mutually acceptable Conveyance Agreement can be submitted to the City Council for its consideration, all within the times provided herein with all final discretion and approval remaining with the City Council as to any proposed Conveyance Agreement, and all proceedings and decisions in connection therewith, as well as any and all future land use entitlements and approvals with respect to development of the Site (unless such land use approvals are deferred to the Planning Commission). As required by law, the City retains the sole and independent discretion as the lead agency to, among other things, balance the benefits of the Project against any significant

environmental impacts prior to taking final action if such significant impacts cannot otherwise be avoided, and determine to modify or not to proceed with the Project. This LOI does not legally obligate approval of the Project under CEQA, the entitlements and permits for the Project, or that the transaction described by the Conveyance Agreement will exist unless and until the conclusion of all applicable CEQA review processes and/or all other public review and hearing processes, subject to all applicable government approvals.

Until and unless the Conveyance Agreement is signed by Buyer, approved by the City Council and executed by the City, no agreement drafts, actions, deliverables or communications arising from the performance of this LOI shall impose any legally binding obligation on either Party to enter into Conveyance Agreement or be used as evidence of any oral or implied agreement by either Party to enter into any other legally binding document governing development of the Site.

Brokerage Commissions: Seller is acting as their own agent and Seller is not obligated to pay any brokerage commission on behalf of the Buyer.

Form of Agreement: The initial draft of the Conveyance Agreement shall be prepared by the Seller and shall contain such other terms and conditions as are customary and appropriate in transactions of this nature and reviewed and approved by Buyer.

If the proposals set forth above are acceptable to you, please sign and date the enclosed copy of this Letter of Intent indicating that you agree with these terms. This Letter of Intent may be signed in counterpart. Upon our receipt of your signature to this Letter of Intent, and the counter signing of this Letter of Intent by the City, we will proceed with the steps necessary to enter into a Conveyance Agreement.

CITY:

CITY OF ELK GROVE,
a California municipal corporation

By: _____
Jason Behrmann
City Manager
Date: 2/20/24

BUYER:

ABODE COMMUNITIES,
a California nonprofit public benefit corporation

By: _____
Sara Tsay
Senior Vice President, Business Development
Date: 2/6/2024

Approved as to form:

By: _____
Jonathan P. Hobbs
City Attorney

CITY OF ELK GROVE INCORPORATED July 1, 2000 STATE OF CALIFORNIA

Attest:

By: _____
Jason Lindgren
City Clerk

Addendum E

Engagement Letter

Docusign Envelope ID: 0F06A1F9-46AF-438D-8244-DC1FF630DF12

CONSULTANT AGREEMENT

CONSULTANT: Integra Realty Resources

PROJECT: Sheldon Farms **CONTRACT AMOUNT: $ 3,200.00**

THIS AGREEMENT ("Contract") is entered into this **February 18th, 2025** (“Effective Date”) by and between Sheldon Farms, L.P., a California limited partnership ("Client"), and Integra Realty Resources (“Consultant”). The Client and Consultant are sometimes hereinafter referred to singularly as the "Party" or collectively as the "Parties."

R E C I T A L S

A. The Client is involved with the development of that certain residential project located at 8851 Bruceville Road, Elk Grove, CA, 95758, and commonly referred to as **Sheldon Farms**, a **240-unit new construction project** (“Project").

B. In connection with development of the Project as a residential development, the Client and Consultant intend to enter into this Contract whereby Consultant will perform the Services (defined below) more particularly described on Exhibit "A" attached hereto, which Services represent the Consultant's area of expertise, in exchange for compensation, as set forth in Exhibit "B" attached hereto, in accordance with the Project schedule as identified in Exhibit "C" attached hereto, as may be revised pursuant to the terms herein.

NOW, THEREFORE, the Parties hereto, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, agree to the following:

1.0 SCOPE OF SERVICES

1.1 Services. The Consultant shall cause to be completed the Services described in Exhibit "A" attached hereto, including all labor, materials and other items required to complete such services ("Services") for the compensation referenced herein.

1.2 Minor Modifications in Services. The Consultant may be ordered by the Client, without invalidating this Contract, to make changes in the Services. The Consultant, prior to the commencement of such changed or revised Services, shall promptly submit to the Client, written copies of the claim for adjustment to the compensation amount set forth on Exhibit "B" and time of completion (e.g., modification to the Project Schedule in Exhibit "C") for such revised Services. Such claim for adjustment shall be in a manner consistent with the requirements of this Contract. Any change in Services from those described in Exhibit "A" shall be considered additional services and are subject to additional compensation to the Consultant if such revisions in the Services are required due to: (1) the need for such additional services to accommodate services inconsistent with approvals or instructions previously given by the Client, including revisions made necessary by adjustment in the Client's Project or Project budget, (2) the enactment, or revision of codes, zoning or building ordinances, laws or regulations subsequent to the preparation of documents referenced in Exhibit "A" or performance of Services described therein, and (3) the need to provide services not otherwise included in this Contract, or services requested by Client beyond the scope of the Services described herein and listed on Exhibit "A," including, but not limited to, additional Client meetings, consultant review and coordination, and document revisions.

The Consultant agrees that no claim for additional or revised Services shall be valid unless the Consultant obtains written approval from the Client regarding such additional or revised Services. Absolutely no invoices for services outside the scope of Services set forth on Exhibit "A" will be paid unless such written approval has been obtained.

1.2.1 Cost Adjustment. The cost or credit to the Client resulting from changes affecting the Services under this Contract shall be determined in one or more of the following ways:

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A. By mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluations by the Client;

B. By hourly prices stated in this Contract (e.g., Exhibit "B") or subsequently agreed upon by the Parties; or

C. By cost determined in a manner agreed upon by the Parties in a mutually acceptable fixed or percentage fee.

1.3 Correction of Services. The Consultant shall promptly correct all Services identified by the Client as failing to conform to the Contract. The Consultant shall bear all costs of correcting such rejected Services.

1.3.1 Failure to Correct. If Consultant does not proceed with correction of such nonconforming Services within a reasonable time as fixed by written notice from the Client, the Client may terminate this Contract.

1.4.1 Compliance. The Consultant shall comply with all federal, state, and local tax laws, social security acts, unemployment compensation acts, and worker's or workman's compensation acts insofar as applicable to the performance of this Contract.

1.4.2 Failure to Comply. If the Consultant performs any Services knowingly contrary to applicable laws, statutes, ordinances, rules, regulations, or professional standards of Consultant's profession, Consultant shall assume full responsibility therefore and shall bear all costs attributable thereto.

1.5 Instruments of Service. Any drawings, specifications, work product and other instruments of the professional Services prepared by and on behalf of Consultant pursuant to this Contract (the "Instruments of Service") shall, upon the payment of the related fees, be assigned to Client as the sole and exclusive property of Client and Client's assigns, nominees, and successors. If Client should use or allow the use of the Instruments of Service without Consultant's participation for other projects, then Client shall assume all risks attendant in such use and waive any related liability against Consultant, and shall, to the fullest extent allowed by law, release Consultant from and against any and all claims, liability, costs and/or loss related to such use. The foregoing notwithstanding, Consultant may at all times retain possession of any and all Instruments of Service fixed in any electronic medium, and copies of said Instruments of Service provided to Client.

2.0 COMPENSATION

2.1 Amount. Subject to the provisions herein regarding changed or revised Services, the Client shall pay the Consultant, for the performance of the Contract, the compensation amount more particularly specified in Exhibit "B" attached hereto.

2.2 Payment. Payment received by the Consultant shall be used to satisfy the indebtedness owed by the Consultant to any persons performing the Consultant's Services in this Project before it is used in any other manner.

2.2.1 Non-Acceptance. Payment to the Consultant does not constitute or imply acceptance of any portion of Consultant's Services.

2.2.2 Timing. The Consultant shall invoice the Client and compensation shall be earned in accordance with the “Payment Schedule” as attached to this Contract as Exhibit “B”. As long as Consultant is not in default under this Contract (e.g., failure to provide proof of insurance, non-performance of the Services, failure to comply with the Project Schedule or with other provisions of this Contract), invoices are payable within thirty (30) days of receipt and approval by the Client. Unpaid invoices submitted to the Client from the Consultant which are over sixty (60) days old are subject to a service charge of one percent (1%) per month.

2.3 Waivers. If requested by Client, as a prerequisite for payment, the Consultant shall provide, in form satisfactory to the Client, partial lien or claim waivers and affidavits from Consultant and Consultant's suppliers or subcontractors for the completed Consultant's Services. Such waivers may be made conditional upon payment.

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2.4 Final Payment. If requested by Client and before the Client is required to pay Consultant's request for final payment, Consultant shall submit to the Client the following:

2.4.1 Affidavit. An affidavit that all payables, bills, materials, and equipment, and other indebtedness connected with the Consultant's Services for which the Project or the Client might in any way be liable, have been completely paid or otherwise fully satisfied;

2.4.2 Certification. Certification that insurance required by the Contract remains in effect beyond final payment and will not be canceled or allowed to expire without at least thirty (30) days written notice to the Client; and

2.4.3 Other Data. Other data if required by the Client, such as receipts, releases, waivers or liens to the extent and in such form as may be designated by the Client.

2.5 Remedies for Nonpayment. If Client does not pay the Consultant through no fault of the Consultant, within ten (10) days from the date payment should be made as provided in Section 2.2.2 of this Contract, the Consultant may, without prejudice or other available remedies, upon seven (7) additional days written notice to the Client, stop performance of the Services until payment of the amount owing has been received by Consultant.

2.6 Retainer. Consultant shall not require a retainer fee be paid as a precondition to the commencement of services rendered under this contract.

3.0 CLIENT OBLIGATIONS

3.1 Binding Effect. This Contract is binding on the Client.

3.2 Schedule. If necessary, as soon as practical after execution of this Contract, the Client shall provide the Consultant copies of Client's schedule (i.e., an addendum to Exhibit "C"), together with such additional scheduling details as will enable the Consultant to plan and perform the Consultant's Services.

3.3 Communication. The Client shall promptly make available to the Consultant information which affects the Consultant and which becomes available to the Client subsequent to execution of this Contract. The Client shall not give instructions or orders directly to employees of the Consultant, except to persons designated as authorized representatives of the Consultant.

4.0 CONSULTANT OBLIGATIONS/REPRESENTATIONS

4.1 Binding Effect. This Contract is binding on Consultant and Consultant agrees to perform the Services (Exhibit "A") for the amount set forth in Exhibit "B" attached hereto.

4.2 Scope. The Consultant shall furnish all the labor, materials and services as are necessary for the proper performance of the Consultant's Services in strict accordance with and reasonably inferable from this Contract, and shall complete such Services in accordance with the time frame set forth in Exhibit "C" attached hereto.

4.3 Qualifications/Warranties. Consultant warrants and represents to Client that (a) Consultant has the requisite qualifications and skills necessary to perform the Services in a competent and professional manner in accordance with applicable industry standards of Consultant's profession, (b) Consultant currently owns and holds, and at all times during the term of this Contract will own and hold, all licenses required by applicable law with respect to the performance of all or any of the Services, and (c) all Services will be performed with reasonable care, skill and diligence in accordance with generally and currently accepted design professional principles and practices. The foregoing warranties are in addition to any other warranties, either expressed or implied. Consultant's failure to perform the Services in such a manner shall be deemed a material breach of this Contract.

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4.4 Consultant's Assignment of Services. The Consultant expressly acknowledges that the Client has entered into this Contract based upon and in reliance on the particular reputation and expertise of the Consultant. The Consultant shall not assign the whole or any part of the Consultant's Services, or enter into any subconsultant agreements with respect to all or any part of the Consultant's Services, in either case without prior written approval of the Client. The Client may withhold approval of such assignment in Client's sole and absolute discretion. Notwithstanding any approval by the Client of an assignment or subconsultancy agreement, the Consultant shall remain fully liable and responsible for the performance of any Consultant's Services in accordance with this Contract performed by an assignee or subconsultant. The Consultant shall enter into written agreements with any subconsultants and require each subconsultant to acknowledge and agree that all Services must be performed in accordance with Engineer's obligations under this Contract and to provide a breakdown and back-up for all Services and costs. Owner shall have the right, but not the obligation, to review and accept the form and substance of Consultant's contracts with subconsultants. All subconsultants hired by Consultant shall meet all of the insurance requirements set forth in this Contract and their contracts shall not contain any waiver or limitation of liability unless approved by Owner in writing. Each Consultant contract will be assigned if necessary by the Consultant to Owner, provided that the assignment is effective only after termination of this Contract by the Owner and only for those subconsultant contracts that the Owner accepts by notifying the Consultant in writing. ***A copy of each written contract between the Consultant and its subconsultants shall be provided to the Client prior to the commencement of subconsultant services to be provided to the Consultant.***

Notwithstanding anything to the contrary in this Contract, the Client may assign its rights and obligations under this Contract to any entity in which the Client or any of its affiliates is a member, manager, shareholder or partner.

4.5 Project Financing. Consultant hereby acknowledges that Client intends to finance the development of the Project by obtaining an equity investment from one or more investors and loans from one or more lenders. As a condition precedent to making such investments and/or loans, such investors and lenders may require that Consultant execute and deliver (a) reliance letters, permitting such investors and/or lenders to rely on work product produced by the Consultant hereunder (the "Reliance Letters"), and (b) consents to collateral assignments of this Contract by Client as security for such investment and/or loans (the "Consents to Assignment"). Consultant hereby agrees promptly to execute and deliver any and all such Reliance Letters and/or Consents to Assignment upon request of Client. Consultant shall not be entitled to any further compensation in connection with the execution and delivery of any such Reliance Letters and/or Consents to Assignment.

5.0 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

5.1 Commencement. The Consultant's date of commencement shall be the Effective Date of this Contract, as first above written.

5.2 Completion. The Services of the Contract shall be completed not later than the date set forth in Exhibit "C". Time is of the essence for performance of the Services, and Consultant agrees to the performance of its Services in accordance with the Project schedule set forth in Exhibit "C".

5.3 Delays. If the Consultant does not commence the Services in accordance with the Project schedule, or if at any time the Services are not performed in accordance with such schedule, the Consultant agrees, upon two (2) days written notice from the Client, to provide the necessary personnel to complete the designs and to provide such services as necessary so as to expedite the Services. Consultant shall work overtime, at the direction of the Client, without additional costs to the Client, if such overtime work is necessary to cure delinquency in maintaining the Project schedule and such delinquency is due to delays by Consultant.

5.4 Schedule of Work. The Consultant shall be bound by the Project schedule. The Consultant shall provide the Client with any requested scheduling information for the Consultant's work. The Project schedule and all subsequent changes thereto shall be submitted to the Consultant in advance of the required performance. Revisions thereto may occur, in which event, the revised schedule shall be telecopied to Consultant's office as necessary, and, to the extent the revised schedule decreases Consultant's time for

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performance hereunder, shall be subject to Consultant's consent, which consent shall not be unreasonably withheld.

6.0 INSURANCE AND BONDS

6.1 Types and Coverages. Prior to start of the Consultant's Services, the Consultant shall procure and maintain in force during the performance of such work, insurance coverage as set forth on Exhibit "D" attached hereto. Coverages shall be maintained without interruption from date of commencement of the Consultant's Services until the date of final payment, and Consultant shall not terminate any coverage required to be maintained after final payment, unless otherwise approved in writing by Client.

6.1.1 Failure to Issue. In the event the Consultant fails to obtain or maintain any insurance coverage required under this Contract, the Client may purchase such coverage and charge the expense thereof to the Consultant, terminate this Contract, or waive such condition.

6.2 Proof. Certificates of insurance acceptable to the Client shall be filed with the Client prior to commencement of the Consultant's Services. Failure to provide the necessary certificates may result in delay of payment as set forth in Section 2.2.2 hereinabove.

7.0 INDEMNIFICATION

7.1 Indemnification. To the fullest extent permitted by law, Consultant shall indemnify, protect, defend, and hold harmless the Client and its employees, agents, partners, members, successors and assigns from and against any claims, damages, losses, liabilities, costs, actions, causes of action, suits, penalties, fines and expenses, including but not limited to attorneys' and expert fees, arising, in whole or in part, out of or resulting from performance of the Consultant's Services under this Contract, including, without limitation, any of the Consultant's Services performed by any contractors, subcontractors, or materialman retained by Consultant.

7.1.1 Coverage. In claims against any person or entity indemnified under this Contract by employees of the Consultant, the Consultant's subcontractors, anyone directly or indirectly employed by them, or anyone for whose acts they may be liable, the indemnification shall not be limited by a limitation on the amount or type of damages, compensation or benefits payable by or for the Consultant or for the Consultant's sub-subcontractors or other workers or workmen's compensation acts, disability benefit acts or other employee benefit acts.

8.0 TERM OF CONTRACT; TERMINATION

8.1 Term. The term of this Contract is from the Effective Date until completion of the services identified in Exhibit "A", estimated to be March 6, 2025, provided, however, that the term of this Contract may be extended by written amendment executed by authorized representatives of each of the Parties or may be earlier terminated as provided in Section 8.2 or 8.3 below (the "Term").

8.2 Termination For Cause. If the Consultant fails or neglects to carry out the Services in accordance with the Contract or otherwise to perform in accordance with this Contract and fails within two (2) days after receipt of written or oral notice to commence and continue correction of such default or neglect with diligence and promptness, the Client may, after seven (7) days following receipt by the Consultant of a written notice, and without prejudice to any other remedy the Client may have, terminate the Contract and finish the Consultant's Services by whatever method the Client may deem expedient. If the unpaid balance of the compensation owed under this Contract exceeds the expense of finishing the Consultant's Services, such excess shall be paid to the Consultant, but if such expense exceeds such unpaid balance, the Consultant shall pay the difference to the Client.

8.3 Termination For Convenience. This Contract may be terminated by the Client at any time for any reason or for no reason upon ten (10) calendar days' prior written notice to the Consultant. Upon the termination of this Contract by the Client under this Section 8.3, the Client shall pay to the Consultant as payment in full for all labor, work, and services performed hereunder, all materials supplied and expenses

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incurred by the Consultant, the following amount: (a) the unpaid prorated compensation set forth in this Contract for all Services actually performed by the Consultant under this Contract up to the effective date of termination, plus (b) the amount of all reimbursable expenses (i.e., expenses for which the Client has expressly agreed to reimburse the Consultant in this Contract) incurred by the Consultant up to the effective date of termination for which the Client has not previously reimbursed the Consultant. Concurrent with the Consultant's receipt of payment, the Consultant shall sign and deliver to the Client a full lien release, along with true, correct and complete copies of all of Consultant's work product associated with the Services. As used herein, "effective date of termination" means that date which is ten (10) calendar days following Consultant's receipt of the notice of termination, or such later date as may be set forth in the notice of termination.

9.0 ARBITRATION

9.1 Procedures. Except as may otherwise be set forth herein, any controversy or claim between the Client and the Consultant arising out of or related to this Contract, or the breach thereof, may be settled by arbitration, conducted in accordance with the Rules of the American Arbitration Association currently in effect, unless the parties mutually agree otherwise.

9.1.1 Notice. The Client shall give the Consultant prompt written notice of any demand received or made by the Client for arbitration if the dispute involves or relates to the Services, rights or responsibilities of the Consultant. The Client shall consent to inclusion of the Consultant in the arbitration proceeding whether by joinder, consolidation or otherwise, if the Consultant requests in writing to be included within ten (10) days after receipt of the Client's notice.

9.2 Entities Affected. Except by written consent of the person or entity sought to be joined, no arbitration arising out of or relating to the Contract shall include, by consolidation or joinder or in any other manner, any person or entity not a party to this Contract under which such arbitration arises, unless it is shown at the time the demand for arbitration is filed that (1) such person or entity is substantially involved in a common question of fact or law; (2) the presence of such person or entity is required if complete relief is to be accorded in the arbitration; (3) the interest or responsibility of such person or entity in the matter is not insubstantial, and (4) such person or entity is not the Consultant's employee, the Consultant's consultant, or an employee or agent of any of them. This agreement to arbitrate and any other written agreement to arbitrate with an additional person or persons referred to herein shall be specifically enforceable under applicable law in any court having jurisdiction thereof.

9.3 Awards. The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable laws in any court having jurisdiction thereof.

9.4 Remedies. This paragraph shall not be deemed a limitation of rights or remedies which the Consultant may have under federal law, under state mechanics' liens, or under applicable labor or material payment bonds unless such rights or remedies are expressly waived by the Consultant.

9.5 Attorneys' Fees. In the event the Client or Consultant shall, in accordance with the provisions of this contract, commence arbitration, mediation, or other legal proceedings to resolve any controversy, claim or dispute regarding the provisions set forth in this Contract, the prevailing party shall be entitled to recover from the losing party its costs of suit, including reasonable attorneys' fees.

10.0 MISCELLANEOUS PROVISIONS

10.1 Waiver. The failure to enforce any of the provisions set forth in this Contract shall not constitute a waiver of the right to enforce the same thereafter.

10.2 Construction. The paragraph headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction. Whenever the context hereof may so require, the singular shall include the plural, and the masculine shall include the feminine and neuter.

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10.3 Governing Law. The provisions of this Contract shall be governed by the laws of the State of California, and any legal proceedings shall be conducted in the County of Los Angeles.

10.4 Severability. If any provision of this Contract shall be held invalid or unenforceable, the remaining provisions of this Contract shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

10.5 Amendment. Any amendment to this Contract shall not be effective unless approved in writing by the Client and Consultant.

10.6 Notices. Any notice to be given or other document to be delivered by Consultant or Client may be delivered in person or may be deposited in the United States mail, as registered or certified mail, return receipt requested, with postage prepaid or by telecopy or overnight courier, in each case addressed as set forth below each party's signature to this Contract. Client and/or Consultant may, from time to time, by written notice to the other, designate a different address. If any notice or other document is sent by registered or certified mail, as aforesaid, the same shall be deemed served or delivered forty-eight (48) hours after mailing thereof.

10.7 Authorization. The individuals executing this Contract warrant that they have read and understand the provisions of this contract and that they are authorized to bind the parties hereto for which they sign.

10.8 Time. Time is of the essence of this contract.

10.9 Confidentiality. The Consultant agrees to keep confidential, and not to misappropriate, disclose or make available, any and all information concerning the plans, operations or activities of the Client, its parent, affiliates, divisions and subsidiaries which the Consultant may learn or discover from any source whatsoever in the performance of the Services under this Contract, and Consultant shall not use the name of the Client or the Client logo on any division or project of Client or otherwise without the prior written consent of Client, which consent may be withheld in the Client's sole and absolute discretion. Upon termination of this Contract, upon request of the Client, the Consultant shall promptly return to the Client's possession all copies of any writings, drawings or other confidential information which are then in the possession or control of the Consultant. The Consultant further agrees that, upon the request of the Client at any time under this Contract, the Consultant shall promptly return to the Client all such copies of writings, drawings or other confidential information which are then in the possession or control of the Consultant.

10.10 Execution Counterparts. This Contract may be executed in any number of counterparts and each such duplicate counterpart shall constitute an original, any one of which may be introduced in evidence or used for any other purpose without the production of its duplicate counterpart. Moreover, notwithstanding that any of the Parties did not execute the same counterpart, each counterpart shall be deemed for all purposes to be an original, and all such counterparts shall constitute one and the same instrument, binding on all of the Parties hereto. Facsimile transmission and/or validated electronic transmission to one Party of a true copy of a counterpart duly executed by the other Party shall constitute valid delivery of such counterpart.

10.11 Exhibits. The following exhibits are hereby incorporated:

Exhibit "A":	SCOPE OF SERVICES
Exhibit "B":	PAYMENT SCHEDULE
Exhibit "C":	PROJECT SCHEDULE
Exhibit "D":	INSURANCE REQUIREMENTS

10.12 Inconsistencies. To the extent there are any direct conflicts between the terms of this Contract and the terms set forth on Exhibit "A", the terms of this Contract shall control.

Client: Initial MP

Consultant: Initial JE

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In recognition of the obligations stated in this Contract, the Parties have executed this Contract on the date indicated above.

"Client"	"Consultant"
Sheldon Farms, L.P., A California limited partnership	Integra Realty Resources
Signed by: Maegan Pearson 5E71D6AE6D3443A... Client's Signature	Signed by: Jeffrey Fillmore FEE33A0B3E5D... Consultant's Signature
Maegan Pearson Name	Jeffrey Fillmore Name
Associate Vice President, Development Title	Senior Managing Director Title
Address: 1149 S. Hill Street, Suite 700 Los Angeles, CA 90015	Address: 555 Meridian Avenue, Unit C San Jose, CA 95126

Client: Initial MP

Consultant: Initial JF

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EXHIBIT "A"

SCOPE OF SERVICES

Consultant shall provide an appraisal for the Project. Please see Exhibit “A”.

All deliverables provided under this Contract shall be in form and substance reasonably satisfactory to Client.

Client: Initial MP

Consultant: Initial JE

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Integra Realty Resources
San Francisco

555 Meridian Avenue
Suite C
San Jose, CA 95126

T 408.299.0444

www.irr.com

February 14, 2025

Maegan Pearson, AVP, Development
Sheldon Farms, L.P.
8851 Bruceville Road
Elk Grove, California 95758

SUBJECT: Land
8851 Bruceville Road
Elk Grove, Sacramento County, California 95758

Dear Maegan Pearson:

Thank you for considering Integra Realty Resources – San Francisco for your real estate valuation needs. Enclosed is my Agreement for Appraisal Services pertaining to the above referenced property. The total fee for delivery of the completed appraisal report is $3,200.

Please return a signed copy of the attached Agreement to my office at your earliest convenience. The appraisal fee will be due upon completion of the written report. Provided the signed contract is received within 3 business days, we anticipate delivery of the completed report to be within 2 weeks.

Signing this contract indicates that the client has read and approved the attached Standard Assumptions and Limiting Conditions. The completion date is contingent upon inspection of the subject property, receipt of the signed copy of this contract letter, any fee due, and receipt of all items checked below:

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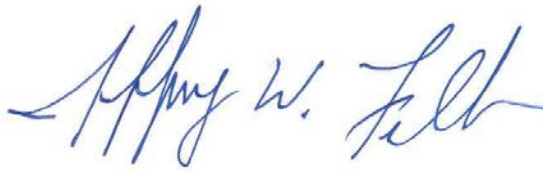
[X]a.	Title Report or Title Insurance Policy (if available)
[ ]b.	3 Years Income and Expense History (if applicable)
[ ]c.	Most Recent Tax Bill
[ ]d.	Rent Roll (if applicable)
[X]e.	Copies of Lease Agreements (if applicable)
[X]f.	Soils and Environmental Reports (if known problems exist)
[X]g.	Future Development Plans and Entitlements
[X]h.	Copies of deed restrictions and/or regulatory agreements
[X]i.	Most Recent Appraisal
[ ]j.	Environmental Impact Report

In accordance with the attached Agreement for Appraisal Services, the scope of this assignment will require IRR – San Francisco to consider all relevant and applicable approaches to value as determined during the course of our research, analysis of the subject property and preparation of the report.

If you have any questions, please do not hesitate to contact me at 408.299.0444, ext. 21 or by e-mail at jfillmore@irr.com.

Respectfully submitted,

Integra Realty Resources - San Francisco



Jeffrey Fillmore, MAI
Certified General Real Estate Appraiser
CA Certificate # AG004481
Telephone: 408.299.0444, ext. 21
Email: jfillmore@irr.com

Attachments

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Agreement for Appraisal Services

The terms of the agreement are outlined as follows:

Date of the Agreement	February 14, 2025
Parties to the Agreement	Integra Realty Resources – San Francisco (also identified as "IRR") and Sheldon Farms, L.P. (the "Client") C/O Maegan Pearson.
Purpose of the Appraisal	To provide an opinion of market value of the fee simple interest in the subject property.
Intended User	The client is Sheldon Farms, L.P. The intended user is Sheldon Farms, L.P. The appraisal is not intended for any other user.
Intended Use	The intended use of the appraisal is for loan underwriting and/or purchase purposes. The appraisal is not intended for any other use.
Effective Date of Value	Date of inspection.
Appraised Property	The subject property is located at 8851 Bruceville Road, Elk Grove, California 95758.
USPAP Compliance	The appraisal will be prepared in conformance with and subject to the *Code of Professional Ethics and Standards of Professional Appraisal Practice* of the Appraisal Institute and the *Uniform Standards of Professional Appraisal Practice* (USPAP) developed by the Appraisal Standards Board of the Appraisal Foundation.
Prior Services	The Ethics Rule of USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. We have performed services for the current client, as an appraiser, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
Scope of Work	In accordance with our correspondence, the scope of this assignment will require IRR – San Francisco to consider all relevant and applicable approaches to value as determined

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	during the course of our research, subject property analysis and preparation of the report. Please note, Federal banking regulations require banks and other lending institutions to engage appraisers where FIRREA compliant appraisals must be used in connection with mortgage loans or other transactions involving federally regulated lending institutions. Given that requirement, this appraisal may not be accepted by a Federally-regulated financial institution.
Appraisal Report Format	The appraisal will be communicated in an Appraisal Report – Summary / Standard format. All work will be performed under the direct supervision of the undersigned, together with other staff members. The appraisal and this letter agreement will be subject to our standard assumptions and limiting conditions a copy of which is attached as Attachment I.
Fee	The total fee for this assignment will be $3,200. It is understood that simple interest of 15% per annum will accrue on any unpaid balance for compensation due, subject to reduction pursuant to any applicable usury law. We shall also be entitled to recover our costs (including attorneys' fees), associated with collecting any amounts owed or otherwise incurred in connection with this assignment. If the assignment is cancelled by either party prior to completion, you agree to pay us for all our expenses and our time to date based upon the percentage of work completed. Upon default, we shall be permitted to file a lien against the subject property for any amounts owed pursuant to this engagement.
Start, Acceptance, and Delivery Dates	Provided the signed contract and retainer (if applicable) are received within 3 business days, we will commence work on the assignment. Additionally, with these conditions met we anticipate delivery of the appraisal report within 2 weeks. This delivery date is contingent on the absence of events outside our control, timely access for inspection of the subject property, as well as our receipt of all requested information necessary to complete the assignment.
Report Copies	A PDF of the appraisal report will be provided.
Inspection Disclosure	Please be advised that we are not experts in the areas of building inspection (including mold), environmental

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	hazards, ADA compliance or wetlands. Therefore, unless we have been provided with appropriate third-party expert reports, the appraisal will assume that there are no environmental, wetlands, or ADA compliance problems. The agreed upon fees for our services assume the absence of such issues inasmuch as additional research and analysis may be required. If an expert is required, you are responsible for their selection, payment and actions.
Litigation Clause	In the event that we receive a subpoena or are called to testify in any litigation, arbitration or administrative hearing of any nature whatsoever or as a result of this engagement or the related report, to which we are not a party, you agree to pay our then current hourly rates for such preparation and presentation of testimony.
Use of Data	You agree that: (i) the data collected by us in this assignment will remain our property; and (ii) with respect to any data provided by you, IRR – San Francisco and its partner companies may utilize, sell and include such data (either in the aggregate or individually), in the Integra database and for use in derivative products. You agree that all data already in the public domain may be utilized on an unrestricted basis. Finally, you agree that we may use commercially available as well as proprietary software programs to perform your assignment (web based and others).
Conflicts of Interest	If we discover during the course of preparing the appraisal there is a conflict of interest with a separate IRR office, we reserve the right to cancel the agreement and withdraw from the assignment without incurring penalties.

If you agree with the terms set forth in this letter and wish us to proceed with the engagement, please sign below and return one copy to us. Thank you for this opportunity to be of service and we look forward to working with you.

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AGREED & ACCEPTED BY:

Integra Realty Resources – San Francisco

Jeffrey Fillmore, MAI
Senior Managing Director

February 14, 2025

AGREED & ACCEPTED BY:

_____
Maegan Pearson, AVP, Development
Sheldon Farms, L.P.
sheldonfarms@abodecommunities.org
213.629.2702

_____
Date

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ATTACHMENT I

STANDARD ASSUMPTIONS & LIMITING CONDITIONS

The appraisal report and any work product related to the engagement will be limited by the following standard assumptions:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The subject property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the subject property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the subject property more or less valuable. Furthermore, there is no asbestos in the subject property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The subject property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

The appraisal report and any work product related to the engagement will be subject to the following limiting conditions, except as otherwise noted in the report:

1. An appraisal is inherently subjective and represents our opinion as to the value of the subject property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the subject property without compensation relative to such additional employment.
6. We have made no survey of the subject property and assume no responsibility in connection with such matters. Any sketch or survey of the subject property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers

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the subject property as described in this report, and the areas and dimensions set forth are assumed to be correct.

7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the subject property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.
9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the subject property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
13. If the subject property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the subject property at the time these leases expire or otherwise terminate.
14. Unless otherwise stated in the report, no consideration has been given to personal property located on the subject property or to the cost of moving or relocating such personal property; only the real property has been considered.
15. The current purchasing power of the dollar is the basis for the value stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic

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conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.

18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the subject property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the subject property with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
19. The appraisal report is prepared for the exclusive benefit of you, your subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property. IRR – San Francisco and/or any of its officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties") shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the subject property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
22. We are not a building or environmental inspector. The Integra Parties do not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
23. The appraisal report and value conclusions for an appraisal assumes the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
24. IRR – San Francisco is an independently owned and operated company, which has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the

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engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).

25. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of the subject property.
26. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

As will be determined during the course of the assignment, additional extraordinary or hypothetical conditions may be required in order to complete the assignment. The appraisal shall also be subject to those assumptions.

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EXHIBIT "B"

PAYMENT SCHEDULE

The total compensation (including, any reasonable costs, expenses or reimbursements) payable by the Client to the Consultant shall not exceed the Contract Amount.

To the extent that the Payment Schedule includes any travel, hotel or other reimbursable expenses, such expenses shall be for actual and reasonable expenses incurred in the performance of the Scope of Services.

The Consultant and the Client agree that the Consultant shall earn its compensation according to the following method:

□ **Lump Sum**: Client shall pay for the services on a lump-sum basis. Consultant shall invoice the Client after all of the services set forth in Exhibit A have been fully performed and all deliverables have been accepted by Client. The total fee is $3,200.00

Client: Initial MP

Consultant: Initial JE

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EXHIBIT "C"

PROJECT SCHEDULE

	DESCRIPTION OF SERVICE AND DELIVERABLE	**DELIVERABLE DATE**
1.	Appraisal Report	2 weeks from the date the contract is signed

Client: Initial MP

Consultant: Initial JF

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EXHIBIT “D”

INSURANCE REQUIREMENTS

Consultant shall procure and maintain, for the Term of this Contract, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of Services hereunder and the results of those Services by the Consultant, its agents, representatives, employees or subcontractors.

A. Minimum Scope of Insurance. Coverage shall be at least as broad as:

1. **Commercial General Liability**: Commercial General Liability insurance including, but not limited to, bodily injury, property damage, personal and advertising injury, products and completed operations in an amount not less than $1,000,000 each occurrence and $2,000,000 annual aggregate. Such liability protection shall name Consultant as the named insured and shall name Client as an additional insured for both operations and completed operations. Additional insured status shall be accomplished by an endorsement, acceptable to Client, to Consultant’s liability policy.

2. **Automobile Liability:** If automobiles are utilized on Client’s property to perform work for Client or to comply with and duties of Consultant under this Contract, Consultant shall provide and maintain Business Automobile liability insurance in an amount not less than $1,000,000 combined single limit, providing protection against allegations of bodily injury and property damage resulting from any vehicle owned or used by Consultant and for anyone with which Consultant subcontracts any work under this Contract.

3. **Workers’ Compensation:** Workers’ Compensation (statutory limit) and Employer’s Liability insurance in an amount not less than $1,000,000 each accident and disease, for all employees of Consultant.

4. **Professional Liability or Errors and Omissions:** Professional liability insurance insuring Consultant against professional errors and omissions for the specific professional services provided under this Contract, in an amount not less than $1,000,000 each occurrence. If such professional liability insurance is provided on a “claims made” policy form, Consultant shall also maintain a policy retroactive date which is not later than the effective date of this Contract and such retroactive date shall be maintained for not less than three years following cessation of all professional services provided under this Contract.

If Consultant maintains higher limits than the minimums shown above, the Client requires and shall be entitled to coverage for the higher limits maintained by Consultant.

B. Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status

The Client, its officers, officials, employees, agents, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts or equipment furnished in connection with such work or operations. Form of additional insured endorsement shall be acceptable to Client.

Client: Initial MP

Consultant: Initial JE

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Primary Coverage

For any claims related to this Contract, the Consultant's insurance coverage shall be primary insurance as respects to the Client, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the Client, its officers, officials, employees, agents, or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

Notice of Cancellation

Each insurance policy required above shall provide an endorsement that they are not subject to cancellation without thirty (30) days' prior written notice to the Client or ten (10) days' prior written notice for non-payment of premium.

Waiver of Subrogation

Consultant hereby waives any rights of subrogation it may possess and any rights which may pass to its insurance underwriters for the payment of any claims. Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the Client has received a waiver of subrogation endorsement from the insurer.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the Client. The Client may require the Consultant to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the Client. Such insurers shall be licensed, or approved by the California Department of Insurance, to provide insurance under California state law.

Verification of Coverage

Consultant shall furnish the Client with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this Contract. All certificates and endorsements are to be received and approved by the Client before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The Client reserves the right to require complete, original copies of all required insurance policies, including endorsements required by these specifications, at any time.

Client: Initial MP

Consultant: Initial JF

IV. SOURCES AND USES BUDGET - SECTION 1: SOURCES AND USES BUDGET					*Permanent Sources*														
	TOTAL PROJECT COST	RES. COST	COM'L. COST	TAX CREDIT EQUITY	1)CalHFA Tax-Exempt Perm Loan	2)City of Elk Grove	3)City of Elk Grove - Accrued Deferred Interest	4)CalHFA MIP	5)AHSC AHD	6)Deferred Developer Fee	7)GP Contribution	8)	9)	10)	11)	12)	SUBTOTAL	30% PVC for New Const/Rehab	30% PVC for Acquisition
LAND COST/ACQUISITION																			
Land Cost or Value	$1,850,000	$1,850,000				$1,850,000											$1,850,000		
Demolition	$0																$0		
Legal	$15,000	$15,000			$15,000												$15,000		
Land Lease Rent Prepayment	$0																$0		
Total Land Cost or Value	$1,865,000	$1,865,000	$0	$0	$15,000	$1,850,000	$0	$0	$0	$0	$0	$0	$0	$0		$0	$1,865,000		
Existing Improvements Value	$0																$0		
Off-Site Improvements	$1,716,000	$1,716,000			$1,716,000												$1,716,000		
Total Acquisition Cost	$1,716,000	$1,716,000	$0	$0	$1,716,000	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$1,716,000		**$0**
Total Land Cost / Acquisition Cost	$3,581,000	$3,581,000	$0	$0	$1,731,000	$1,850,000	$0	$0	$0	$0	$0	$0	$0	$0		$0	$3,581,000		
Predevelopment Interest/Holding Cost	$356,107	$356,107			$356,007						$100						$356,107		$356,107
Assumed, Accrued Interest on Existing Debt (Rehabilitation/Acquisition)	$0																$0		
Excess Purchase Price Over Appraisal	$0																$0		
REHABILITATION																			
Site Work	$0																$0		
Structures	$0																$0		
General Requirements	$0																$0		
Contractor Overhead	$0																$0		
Contractor Profit	$0																$0		
Prevailing Wages	$0																$0		
General Liability Insurance	$0																$0		
Third-party Construction Management	$0																$0		
Other: (Specify)	$0																$0		
Total Rehabilitation Costs	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**	**$0**
Total Relocation Expenses	$0																$0		
NEW CONSTRUCTION																			
Site Work	$7,040,190	$7,040,190			$7,040,190												$7,040,190		$7,040,190
Structures	$57,692,243	$57,692,243		$17,667,285	$974,958	$4,050,000			$35,000,000								$57,692,243		$57,692,243
General Requirements	$5,315,875	$5,315,875		$5,315,875													$5,315,875		$5,315,875
Contractor Overhead	$2,657,937	$2,657,937		$2,657,937													$2,657,937		$2,657,937
Contractor Profit	$0			$0													$0		$0
Prevailing Wages	$0			$0													$0		$0
General Liability Insurance	$996,726	$996,726		$996,726													$996,726		$996,726
Third-party Construction Management	$0			$0													$0		$0
Other: P&P Bond Premium	$664,484	$664,484		$664,484													$664,484		$664,484
Total New Construction Costs	$74,367,455	$74,367,455	$0	$27,302,307	$8,015,148	$4,050,000	$0	$0	$35,000,000	$0	$0	$0	$0	$0	$0	$0	$74,367,455	**$0**	**$74,367,455**
ARCHITECTURAL FEES																			
Design	$2,528,120	$2,528,120						$2,528,120									$2,528,120		$2,528,120
Supervision	$632,030	$632,030						$632,030									$632,030		$632,030
Total Architectural Costs	$3,160,150	$3,160,150	$0	$0	$0	$0	$0	$3,160,150	$0	$0	$0	$0	$0	$0	$0	$0	$3,160,150	**$0**	**$3,160,150**
Total Survey & Engineering	$365,000	$365,000						$365,000									$365,000		$365,000
CONSTRUCTION INTEREST & FEES																			
Construction Loan Interest	$10,989,261	$10,989,261		$10,514,411				$474,850									$10,989,261		$5,366,899
Origination Fee	$760,645	$760,645		$760,645													$760,645		$372,582
Credit Enhancement/Application Fee	$0			$0													$0		
Bond Premium	$0			$0													$0		
Cost of Issuance	$271,784	$271,784		$271,784													$271,784		$22,532
Title & Recording	$202,953	$202,953		$202,953													$202,953		$192,953
Taxes	$44,092	$44,092		$44,092													$44,092		$44,092
Insurance	$985,000	$985,000		$985,000													$985,000		$985,000
Other: Accrued Interest - City Loan	$287,860	$287,860					$287,860										$287,860		$196,427
Total Construction Interest & Fees	**$13,541,595**	**$13,541,595**	**$0**	**$12,778,885**	**$0**	**$0**	**$287,860**	**$474,850**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	$13,541,595	**$0**	**$7,180,485**
PERMANENT FINANCING																			
Loan Origination Fee	$154,845	$154,845			$154,845												$154,845		
Credit Enhancement/Application Fee	$0				$0												$0		
Title & Recording	$15,000	$15,000			$15,000												$15,000		
Taxes	$0				$0												$0		
Insurance	$0				$0												$0		
Other: Lender Fees - CalHFA & Perm Lender Expenses	$51,000	$51,000			$51,000												$51,000		
Total Permanent Financing Costs	$220,845	$220,845	$0	$0	$220,845	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$220,845		

IV. SOURCES AND USES BUDGET - SECTION 1: SOURCES AND USES BUDGET					*Permanent Sources*														
	TOTAL PROJECT COST	**RES. COST**	**COM'L. COST**	**TAX CREDIT EQUITY**	**1)CalHFA Tax-Exempt Perm Loan**	**2)City of Elk Grove**	**3)City of Elk Grove - Accrued Deferred Interest**	**4)CalHFA MIP**	**5)AHSC AHD**	**6)Deferred Developer Fee**	**7)GP Contribution**	**8)**	**9)**	**10)**	**11)**	**12)**	**SUBTOTAL**	**30% PVC for New Const/Rehab**	**30% PVC for Acquisition**
Subtotals Forward	$95,592,152	$95,592,152	$0	$40,081,192	$10,323,000	$5,900,000	$287,860	$4,000,000	$35,000,000	$0	$100	$0	$0	$0	$0	$0	$95,592,152	$0	$85,429,197
LEGAL FEES AND THIRD-PARTY CONSULTING FEES																			
Lender Legal Paid by Applicant	$170,000	$170,000		$170,000													$170,000		$34,288
Financial Consulting, Application Preparation/Review	$125,250	$125,250		$125,250													$125,250		
Entitlement Services, Building Permit Expediting	$35,000	$35,000		$35,000													$35,000		$35,000
Tenant File Review Services	$0			$0													$0		
Owner Legal	$151,067	$151,067		$151,067													$151,067		$70,000
Total Legal and Consulting Costs	$481,317	$481,317	$0	$481,317	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$481,317	**$0**	**$139,288**

IV. SOURCES AND USES BUDGET - SECTION 1: SOURCES AND USES BUDGET					*Permanent Sources*														
	TOTAL PROJECT COST	RES. COST	COM'L. COST	TAX CREDIT EQUITY	1)CalHFA Tax-Exempt Perm Loan	2)City of Elk Grove	3)City of Elk Grove - Accrued Deferred Interest	4)CalHFA MIP	5)AHSC AHD	6)Deferred Developer Fee	7)GP Contribution	8)	9)	10)	11)	12)	SUBTOTAL	30% PVC for New Const/Rehab	30% PVC for Acquisition
RESERVES																			
Rent Reserves	$0																$0		
Capitalized Rent Reserves	$0																$0		
Required Capitalized Replacement Reserve	$0																$0		
3-Month Operating Reserve	$755,679	$755,679		$755,679													$755,679		
Other: (Specify)	$0																$0		
Total Reserve Costs	$755,679	$755,679	$0	$755,679	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$755,679		
CONTINGENCY COSTS																			
Construction Hard Cost Contingency	$7,608,346	$7,608,346		$7,608,346													$7,608,346		$7,608,346
Soft Cost Contingency	$1,216,690	$1,216,690		$1,216,690													$1,216,690		$1,216,690
Total Contingency Costs	$8,825,036	$8,825,036	$0	$8,825,036	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$8,825,036	$0	$8,825,036
OTHER PROJECT COSTS																			
CTCAC App/Allocation/Monitoring Fees	$211,835	$211,835		$211,835													$211,835		
Environmental Audit	$7,500	$7,500		$7,500													$7,500		$7,500
Local Development Impact Fees	$4,423,236	$4,423,236		$4,423,236													$4,423,236		$4,423,236
Permit Processing Fees	$390,435	$390,435		$390,435													$390,435		$390,435
Capital Fees	$0			$0													$0		
Marketing	$123,264	$123,264		$123,264													$123,264		
Furnishings	$50,000	$50,000		$50,000													$50,000		$50,000
Market Study	$12,000	$12,000		$12,000													$12,000		
Accounting/Reimbursables	$40,950	$40,950		$40,950													$40,950		$25,950
Appraisal Costs	$13,000	$13,000		$13,000													$13,000		$13,000
Other: Deputy Inspections	$50,000	$50,000		$50,000													$50,000		$50,000
Other:Utility Connection Fees	$1,800,000	$1,800,000		$1,800,000													$1,800,000		$1,800,000
Other: 3rd Party Construction Management	$183,000	$183,000		$183,000													$183,000		$183,000
Total Other Costs	$7,305,220	$7,305,220	$0	$7,305,220	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$7,305,220	**$0**	$6,943,121
SUBTOTAL PROJECT COST	$112,959,404	$112,959,404	$0	$57,448,444	$10,323,000	$5,900,000	$287,860	$4,000,000	$35,000,000	$0	$100	$0	$0	$0	$0	$0	$112,959,404	$0	$101,336,642
DEVELOPER COSTS																			
Developer Overhead/Profit	$8,000,000	$8,000,000		$2,500,000						$5,500,000							$8,000,000		$8,000,000
Processing Agent Fees	$0																$0		
Broker Fees Paid to a Related Party	$0																$0		
Construction Management by Developer	$0																$0		
Other: (Specify)	$0																$0		
Total Developer Costs	$8,000,000	$8,000,000	$0	$2,500,000	$0	$0	$0	$0	$0	$5,500,000	$0	$0	$0	$0	$0	$0	$8,000,000	**$0**	**$8,000,000**
TOTAL PROJECT COSTS	**$120,959,404**	**$120,959,404**	**$0**	**$59,948,444**	**$10,323,000**	**$5,900,000**	**$287,860**	**$4,000,000**	**$35,000,000**	**$5,500,000**	**$100**	**$0**	**$0**	**$0**	**$0**	**$0**	$120,959,404	**$0**	**$109,336,642**
Note: Syndication Costs shall NOT be included as a project cost.																	**Bridge Loan Expense During Construction:**		
Calculate Maximum Developer Fee using the eligible basis subtotals.																	**Total Eligible Basis:**	**$0**	**$109,336,642**
DOUBLE CHECK AGAINST PERMANENT FINANCING TOTALS:				59,948,444	10,323,000	5,900,000	287,860	4,000,000	35,000,000	5,500,000	100	0	0	0	0	0			

Funding sources and costs should be aligned appropriately. For example, public funding sources for land purchase or construction costs should be shown as paying for these costs.
Do not randomly select funding sources for line item costs if they have a dedicated source of payment.

Required: evidence of land value (see Tab 1). Land value must be included in Total Project Cost and Sources and Uses Budget (includes donated or leased land).
Except for non-competitive projects with donated land, CTCAC will not accept a budget with a nominal land value. Please refer to the CTCAC website for additional information and guidance.

Note: The conditional formatting embedded in this Sources and Uses Budget workbook tests only for mathematical errors, i.e. whether sum total of Sources (Column R) matches Total Project Cost (Column B) and whether each source listed in the Sources and Uses Budget workbook (Row 105) matches that of Permanent Financing in the Application workbook (Row 108).
The conditional formatting does NOT test for any regulatory threshold or feasibility requirements.
Applicants are advised to conduct their own due diligence and not rely upon the conditional formatting in this workbook.

FOR PLACED IN SERVICE APPLICATION SUBMISSIONS:

SYNDICATION (Investor & General Partner)

Organizational Fee	
Bridge Loan Fees/Exp.	
Legal Fees	
Consultant Fees	
Accountant Fees	
Tax Opinion	
Other	
Total Syndication Costs	$0

CERTIFICATION BY OWNER:

As owner(s) of the above-referenced low-income housing project, I certify under penalty of perjury, that the project costs contained herein are, to the best of my knowledge, accurate and actual costs associated with the construction, acquisition and/or rehabilitation of this project and that the sources of funds shown are the only funds received by the Partnership for the development of the project. I authorize the California Tax Credit Allocation Committee to utilize this information to calculate the low-income housing tax credit.

Signature of Owner/General Partner

Date

Printed Name of Signatory

Title of Signatory

IV. SOURCES AND USES BUDGET - SECTION 1: SOURCES AND USES BUDGET					*Permanent Sources*														
	TOTAL PROJECT COST	RES. COST	COM'L. COST	TAX CREDIT EQUITY	1)CalHFA Tax-Exempt Perm Loan	2)City of Elk Grove	3)City of Elk Grove - Accrued Deferred Interest	4)CalHFA MIP	5)AHSC AHD	6)Deferred Developer Fee	7)GP Contribution	8)	9)	10)	11)	12)	SUBTOTAL	30% PVC for New Const/Rehab	30% PVC for Acquisition

CERTIFICATION OF CPA/TAX PROFESSIONAL:

As the tax professional for the above-referenced low-income housing project, I certify under penalty of perjury, that the percentage of aggregate basis financed by tax-exempt bonds is: _____

_____ _____

Signature of Project CPA/Tax Professional Date

Sheldon Farms (single phase)

15-Year Cash Flow

Version: v1.2 Feasibility

Assumptions

Rent Increase: Residential Tenant Rent:	2.50%	Rent Increase - Section 8	2.50%	Perm Loan - % Debt Svc Yr -1	0.0%
Rent Increase: Commercial Rents	2.50%	Rent Increase - NA	2.50%	Perm Loan - % Debt Svc Yr 0	0.0%
Expenses Increase:	3.50%	Rent Increase - Test C	2.50%	Perm Loan - % Debt Svc Yr 1	33.3%
Reserve Increase:	0.00%	Rent Increase - Test D	2.50%	Perm Loan - % Debt Svc Yr 2	100.0%
				Perm Loan - % Debt Svc Yr 3	100.0%

	Credit Period Year:	(1) 2027	0 2028	1 2029	2 2030	3 2031	4 2032	5 2033	6 2034	7 2035	8 2036	9 2037	10 2038	11 2039	12 2040	13 2041	14 2042	15 2043	16 2044	17 2045	18 2046	19 2047	20 2048	21 2049	22 2050	23 2051	24 2052	25 2053	26 2054	27 2055	28 2056	29 2057	30 2058	31 2059
GROSS POTENTIAL INCOME - RESIDENTIAL		0	555,104	3,344,502	3,428,114	3,513,817	3,601,662	3,691,704	3,783,997	3,878,596	3,975,561	4,074,950	4,176,824	4,281,245	4,388,276	4,497,983	4,610,432	4,725,693	4,843,836	4,964,931	5,089,055	5,216,281	5,346,688	5,480,355	5,617,364	5,757,798	5,901,743	6,049,287	6,200,519	6,355,532	6,514,420	6,677,281	6,844,213	7,015,318
Misc. Income		0	2,400	14,460	14,822	15,192	15,572	15,961	16,360	16,769	17,188	17,618	18,059	18,510	18,973	19,447	19,933	20,432	20,942	21,466	22,003	22,553	23,116	23,694	24,287	24,894	25,516	26,154	26,808	27,478	28,165	28,869	29,591	30,331
Vacancy Loss - Residential	5.0%	0	(27,875)	(167,948)	(172,147)	(176,450)	(180,862)	(185,383)	(190,018)	(194,768)	(199,637)	(204,628)	(209,744)	(214,988)	(220,362)	(225,871)	(231,518)	(237,306)	(243,239)	(249,320)	(255,553)	(261,942)	(268,490)	(275,202)	(282,083)	(289,135)	(296,363)	(303,772)	(311,366)	(319,151)	(327,129)	(335,308)	(343,690)	(352,282)
GROSS EFFECTIVE INCOME		0	529,629	3,191,014	3,270,789	3,352,559	3,436,373	3,522,282	3,610,339	3,700,597	3,793,112	3,887,940	3,985,139	4,084,767	4,186,886	4,291,558	4,398,847	4,508,819	4,621,539	4,737,078	4,855,504	4,976,892	5,101,314	5,228,847	5,359,568	5,493,558	5,630,897	5,771,669	5,915,961	6,063,860	6,215,456	6,370,843	6,530,114	6,693,367
Operating Expenses w/ Standard Inflator	3.5%	0	311,571	1,880,333	1,946,145	2,014,260	2,084,759	2,157,725	2,233,246	2,311,409	2,392,309	2,476,039	2,562,701	2,652,395	2,745,229	2,841,312	2,940,758	3,043,685	3,150,214	3,260,471	3,374,588	3,492,698	3,614,943	3,741,466	3,872,417	4,007,952	4,148,230	4,293,418	4,443,688	4,599,217	4,760,189	4,926,796	5,099,234	5,277,707
TOTAL EXPENSES		0	311,571	1,880,333	1,946,145	2,014,260	2,084,759	2,157,725	2,233,246	2,311,409	2,392,309	2,476,039	2,562,701	2,652,395	2,745,229	2,841,312	2,940,758	3,043,685	3,150,214	3,260,471	3,374,588	3,492,698	3,614,943	3,741,466	3,872,417	4,007,952	4,148,230	4,293,418	4,443,688	4,599,217	4,760,189	4,926,796	5,099,234	5,277,707
NET OPERATING INCOME		0	218,057	1,310,681	1,324,644	1,338,299	1,351,614	1,364,556	1,377,093	1,389,188	1,400,804	1,411,901	1,422,438	1,432,372	1,441,657	1,450,246	1,458,089	1,465,134	1,471,325	1,476,606	1,480,917	1,484,194	1,486,372	1,487,382	1,487,151	1,485,606	1,482,667	1,478,251	1,472,273	1,464,643	1,455,267	1,444,047	1,430,880	1,415,660
REPLACEMENT RESERVE	120,000	0	20,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
Mandatory Annual Soft Loan Payments		0	0	49,000	147,000	147,000	147,000	147,000	147,000	147,000	147,000	147,000	147,000	147,000	147,000	147,000	147,000	147,000	147,000	147,000	147,000	147,000	147,000	147,000	147,000	147,000	147,000	147,000	147,000	147,000	147,000	147,000	147,000	147,000
NET REMAINING INCOME		0	198,057	1,141,681	1,057,644	1,071,299	1,084,614	1,097,556	1,110,093	1,122,188	1,133,804	1,144,901	1,155,438	1,165,372	1,174,657	1,183,246	1,191,089	1,198,134	1,204,325	1,209,606	1,213,917	1,217,194	1,219,372	1,220,382	1,220,151	1,218,606	1,215,667	1,211,251	1,205,273	1,197,643	1,188,267	1,177,047	1,163,880	1,148,660
PERM LOAN - TRANCHE A	CalHFA Tax-Exempt Perm Loan																																	
Principal Balance (Ending)	10,323,000	0	0	10,300,443	10,205,803	10,103,689	9,993,511	9,874,632	9,746,365	9,607,969	9,458,643	9,297,524	9,123,682	8,936,111	8,733,727	8,515,360	8,279,748	8,025,530	7,751,236	7,455,280	7,135,952	6,791,405	6,419,650	6,018,536	5,585,745	5,118,776	4,614,929	4,071,293	3,484,724	2,851,833	2,168,961	1,432,162	637,175	0
Annual Issuer Fee	7,500 0.050%	0	0	0	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Series A Bond P&I	876,787	0	0	219,197	876,787	876,787	876,787	876,787	876,787	876,787	876,787	876,787	876,787	876,787	876,787	876,787	876,787	876,787	876,787	876,787	876,787	876,787	876,787	876,787	876,787	876,787	876,787	876,787	876,787	876,787	876,787	876,787	657,590	
Interest Payment		0	0	196,639	782,147	774,673	766,609	757,908	748,520	738,390	727,461	715,668	702,944	689,215	674,403	658,420	641,175	622,568	602,492	580,831	557,458	532,240	505,031	475,673	443,996	409,817	372,940	333,150	290,218	243,895	193,915	139,987	81,800	20,415
Principal Payment		0	0	22,557	94,640	102,114	110,178	118,879	128,267	138,397	149,326	161,119	173,842	187,571	202,384	218,367	235,612	254,218	274,294	295,956	319,328	344,546	371,756	401,114	432,791	466,969	503,847	543,636	586,569	632,891	682,872	736,800	794,986	637,175
TOTAL SERIES A DEBT SERVICE		0	0	219,197	886,287	886,287	886,287	886,287	886,287	886,287	886,287	886,287	886,287	886,287	886,287	886,287	886,287	886,287	886,287	886,287	886,287	886,287	886,287	886,287	886,287	886,287	886,287	886,287	886,287	886,287	886,287	886,287	886,287	667,090
NET CASH FLOW		0	198,057	922,484	171,358	185,012	198,327	211,270	223,807	235,901	247,517	258,614	269,151	279,085	288,370	296,960	304,803	311,847	318,039	323,320	327,630	330,907	333,085	334,095	333,865	332,319	329,380	324,964	318,987	311,357	301,980	290,760	277,593	481,570
CASH FLOW (RESERVED)/RELEASED FOR CONVERSION		0	(198,057)	198,057	0	0	0	0	0																									
Remaining Net Cash Flow		0	0	1,120,541	171,358	185,012	198,327	211,270	223,807	235,901	247,517	258,614	269,151	279,085	288,370	296,960	304,803	311,847	318,039	323,320	327,630	330,907	333,085	334,095	333,865	332,319	329,380	324,964	318,987	311,357	301,980	290,760	277,593	481,570
Debt Service Coverage Ratio (All Debt)		N/A	N/A	1.15	1.17	1.18	1.19	1.20	1.22	1.23	1.24	1.25	1.26	1.27	1.28	1.29	1.29	1.30	1.31	1.31	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.31	1.31	1.30	1.29	1.28	1.27	1.59
Debt Service Coverage Ratio (Excluding Subordinate Debt)		N/A	N/A	1.15	1.19	1.21	1.22	1.24	1.22	1.23	1.24	1.25	1.26	1.27	1.28	1.29	1.29	1.30	1.31	1.31	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.31	1.31	1.30	1.29	1.28	1.27	1.59
Expense Coverage Ratio (No Debt)		N/A	1.60	1.56	1.48	1.47	1.46	1.45	1.44	1.44	1.43	1.42	1.41	1.40	1.39	1.38	1.37	1.36	1.35	1.34	1.33	1.32	1.31	1.30	1.29	1.29	1.28	1.27	1.26	1.25	1.24	1.23	1.22	1.21
TCAC NET CASH FLOW TESTS:																																		
Percent Gross Revenue		N/A	35.53%	9.31%	4.98%	5.24%	5.48%	5.70%	5.89%	6.06%	6.20%	6.32%	6.42%	6.49%	6.54%	6.57%	6.58%	6.57%	6.54%	6.48%														
25% Debt Service Test		N/A	N/A	28.35%	16.07%	16.07%	33.42%	34.67%	35.89%	37.06%	38.18%	39.25%	40.27%	41.24%	42.13%	42.97%	43.72%	44.41%	45.01%	45.52%														
Alternative:																																		
Year 15 Test - Greater of: (a) 2% Gross Income OR (b) lesser of $25,000 or $500/unit																		94,922																
DISTRIBUTION OF CASH FLOW																																		
LP Asset Mgt. Fee	*Annual Amt:* 7,500 *Inflator:* 3.00%	0	0	2,500	7,725	7,957	8,195	8,441	8,695	8,955	9,224	9,501	9,786	10,079	10,382	10,693	11,014	11,344	11,685	12,035	12,396	12,768	13,151	13,546	13,952	14,371	14,802	15,246	15,703	16,174	16,660	17,159	17,674	18,204
Priority Deferred Dev Fee	*Annual Amt:* 0	0	0	1,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DDF Note Interest Rate: 0.00%																																		
GP Partnership Mgt. Fee	*Annual Amt:* 25,000 *Inflator:* 3.00%	0	0	8,333	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669	32,619	33,598	34,606	35,644	36,713	37,815	38,949	40,118	41,321	42,561	43,838	45,153	46,507	47,903	49,340	50,820	52,344	53,915	55,532	57,198	58,914	60,682
Residual Receipts Loans	*Total %* 50.00%																																	
City	13.14%	0	0	7,208	9,059	9,890	10,697	11,477	12,229	12,949	13,636	14,286	14,898	15,467	15,991	16,466	16,890	17,259	17,569	17,816	17,996	18,106	18,140	18,094	17,963	17,742	17,427	17,010	16,487	15,852	15,097	14,218	13,206	26,457
CalHFA MIP	8.91%	0	0	4,887	6,142	6,705	7,252	7,781	8,291	8,779	9,245	9,686	10,100	10,486	10,841	11,164	11,451	11,701	11,911	12,079	12,201	12,275	12,298	12,267	12,178	12,029	11,815	11,532	11,178	10,747	10,236	9,639	8,953	17,937
AHSC AHD	77.95%	0	0	42,759	53,740	58,671	63,457	68,087	72,545	76,819	80,892	84,750	88,375	91,751	94,860	97,681	100,196	102,384	104,222	105,689	106,759	107,408	107,610	107,337	106,561	105,252	103,378	100,907	97,805	94,035	89,561	84,344	78,343	156,948
Non-Priority Deferred Dev Fee	*Annual Amt:* 0	0	0	54,854	68,941	75,267	81,407	87,345	93,065	98,547	103,773	108,722	113,373	117,704	121,691	125,311	128,538	131,344	133,702	135,583	136,956	137,789	138,048	137,698	136,703	135,023	132,619	129,449	125,469	120,634	114,894	108,201	100,503	201,342
DDF Note Interest Rate: 0.00%																																		
General Partner	90.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Limited Partner	10.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

PROJECT DATA:

TOTAL UNITS: 240

PARKING	**240 SPACES**
Surface Lot:	**205 Spaces**
Mashpee Road:	**35 parallel spaces**
ADA Stalls:	**12 Stalls required**

1 SITE V7
1" = 60'-0"

David Baker Architects | Abode

Sheldon Farms

CONCEPT SITE PLAN

22339
scale: 1" = 60'-0"
date: 2024-08-19

SK17

Project Timeline – AHSC Single Phase

Milestone		Estimated Date
Site Control		
	Execute LOI	February 2024
	LOI Extension	February 2025
	Execute Conveyance Agreement	July 2025
Entitlements		
	Submit Application	October 2024
	Approval	August 2025
Financing		
	City Loan Application	October 2024
	City Loan Approval	March 2025
	AHSC Application	May 2026
	AHSC Award	December 2026
	MIP Application	February 2027
	MIP Award	April 2027
	CDLAC/TCAC Application	May 2027
	CDLAC/TCAC Award	July 2027
Construction		
	Construction Start	January 2028
	Construction Completion	November 2029
Lease-Up		
	Pre-leasing begins	May 2029
	Move-ins begin	November 2029
	100% Occupancy	March 2030

Project Timeline – AHSC Two-Phase

Milestone		Estimated Date
Site Control		
	Execute LOI	February 2024
	LOI Extension	February 2025
	Execute Conveyance Agreement	July 2025
Entitlements		
	Submit Application	October 2024
	Approval	August 2025
Financing		
	City Loan Application	October 2024
	City Loan Approval	March 2025
Phase 1		
	AHSC Application – Phase 1	May 2026
	AHSC Award – Phase 1	December 2026
	MIP Application – Phase 1	February 2027
	MIP Award – Phase 1	April 2027
	CDLAC/TCAC Application– Phase 1	May 2027
	CDLAC/TCAC Award – Phase 1	July 2027
Phase 2		
	AHSC Application – Phase 2	May 2027
	AHSC Award – Phase 2	December 2027
	MIP Application – Phase 2	February 2028
	MIP Award – Phase 2	April 2028
	CDLAC/TCAC Application– Phase 2	May 2028
	CDLAC/TCAC Award – Phase 2	July 2028
Construction		
Phase 1		
	Construction Start	January 2028
	Construction Completion	November 2029
Phase 2		
	Construction Start	January 2029
	Construction Completion	November 2030
Lease-Up		
Phase 1		
	Pre-leasing begins	May 2029
	Move-ins begin	November 2029
	100% Occupancy	March 2030
Phase 2		
	Pre-leasing begins	May 2030
	Move-ins begin	November 2030
	100% Occupancy	March 2031

Project Timeline – MHP/IIG Two-Phase

Milestone		Estimated Date
Site Control		
	Execute LOI	February 2024
	LOI Extension	February 2025
	Execute Conveyance Agreement	July 2025
Entitlements		
	Submit Application	October 2024
	Approval	August 2025
Financing		
	City Loan Application	October 2024
	City Loan Approval	March 2025
Phase 1		
	SuperNOFA Application – Phase 1	April 2025
	SuperNOFA Award – Phase 1	August 2025
	CDLAC/TCAC Application– Phase 1	September 2025
	CDLAC/TCAC Award – Phase 1	November 2025
Phase 2		
	SuperNOFA Application – Phase 2	April 2026
	SuperNOFA Award – Phase 2	August 2026
	CDLAC/TCAC Application– Phase 2	September 2026
	CDLAC/TCAC Award – Phase 2	November 2026
Construction		
Phase 1		
	Construction Start	May 2026
	Construction Completion	March 2028
Phase 2		
	Construction Start	May 2027
	Construction Completion	March 2029
Lease-Up		
Phase 1		
	Pre-leasing begins	September 2027
	Move-ins begin	March 2028
	100% Occupancy	July 2028
Phase 2		
	Pre-leasing begins	September 2028
	Move-ins begin	March 2029
	100% Occupancy	July 2029

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 5/24/2024

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

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

PRODUCER
Arthur J. Gallagher Risk Management Services, LLC
500 N. Brand Boulevard
Suite 100
Glendale CA 91203

License#: 0D69293
ABODCOM-02

CONTACT NAME:
PHONE (A/C, No, Ext): **FAX (A/C, No):**
E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Berkley Assurance Company	39462
INSURER B : Richmond National Insurance Company	17103
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
Sheldon Farms, LP
Abode Communities
1149 S. Hill Street, Suite 700
Los Angeles, CA 90015

COVERAGES **CERTIFICATE NUMBER:** 1755889825 **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	X **COMMERCIAL GENERAL LIABILITY** CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY [ ] PRO-JECT [X] LOC OTHER:	X		ESG03388780	1/31/2024	1/31/2025	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG Deductible	$ 1,000,000 $ 1,000,000 $ 20,000 $ 1,000,000 $ 3,000,000 $ 3,000,000 $ 100,000
A	**AUTOMOBILE LIABILITY** ANY AUTO OWNED AUTOS ONLY SCHEDULED AUTOS X HIRED AUTOS ONLY X NON-OWNED AUTOS ONLY			ESG03388780	1/31/2024	1/31/2025	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 1,000,000 $ $ $
B	X **UMBRELLA LIAB** X OCCUR **EXCESS LIAB** CLAIMS-MADE DED X RETENTION $ 10,000			RN-7-0503692	1/31/2024	1/31/2025	EACH OCCURRENCE AGGREGATE	$ 10,000,000 $ 10,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? [ ] **(Mandatory in NH)** If yes, describe under DESCRIPTION OF OPERATIONS below	N / A					PER STATUTE [ ] OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ $ $

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Certificate holder is named as an additional insured where required by written contract.
- A/I Endorsement #CG2026
- Notice of cancellation per policy provisions

RE: Sheldon Farms, LP

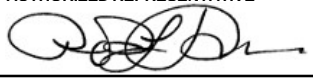
CERTIFICATE HOLDER

The City of Elk Grove, its officers, officials, employees, agents and volunteers
8401 Laguna Palms Way
Attn: Real Estate Manager
Elk Grove CA 95758

CANCELLATION

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

AUTHORIZED REPRESENTATIVE



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