



May 11<sup>th</sup>, 2021

Sarah Bontrager  
Housing and Public Services Manager  
City of Elk Grove  
8401 Laguna Palms Way  
Elk Grove, CA 95758

**Reference:**      **Response to Request for Proposal for the Construction, Development and Operation of an Affordable Housing Project. Application for 4% Low Income Housing Tax Credits.**

**Project:**        **Aspen Grove Villas, 8668 Poppy Ridge Road, Elk Grove, CA 95757**

Dear Ms. Bontrager,

In response to the Request for Proposal in reference, I am pleased to submit an application for funding in the amount of One Million Eight Hundred and Seventy Five thousand dollars (\$1,875,000) for the development of an Affordable Housing Development in the Elk Grove community of Sacramento.

The project, *Aspen Grove Villas*, is a hybrid new construction, large-family development located at 8668 Poppy Ridge Road, Elk Grove, CA 95757. The project will consist of two phases. Construction is estimated to commence by June 2022. The development of this first phase will consist of 75 units with 6 one-bedrooms, 48 two-bedrooms, and 21 three-bedrooms in a three-story, walk-up building. Once completed, the project (both phases together) will provide one hundred and twenty-six units of high-quality living environments and desperately needed housing stability to families in the City of Elk Grove.

The Development Sponsor will be **CRP Affordable Housing & Community Development, LLC**. Contact details are as follows:

Paul Salib  
4455 Morena Blvd, Suite 107  
San Diego, CA, 92117  
Telephone: 212-776-1914  
Email: [psalib@crpaffordable.com](mailto:psalib@crpaffordable.com)

I hereby acknowledge the terms and conditions of the Request for Proposal and pledge compliance thereto.

Sincerely,

DocuSigned by:  
  
4B2ABD89EF604C6...

Paul Salib  
Authorized Signatory

## Aspen Grove Villas

### Response to Request for Proposals

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**TAB # 1**  
**Qualifications & Experience**

### 3. Qualifications and Experience

- **CRP Affordable Housing and Community Development: Developer, Project Lead**
  - CRP serves as the development sponsor for the community. CRP is a wholly owned subsidiary of Castellan Holdings LLC (DBA Castellan Real Estate Partners), a fully integrated real estate development firm. CRP's mission is to provide and develop quality housing for tenants while working with local partners to stay on pace with community needs. The team has a deep professional background in all aspects of development. Their experience includes affordable housing and rent restricted/controlled projects. This includes providing housing to at-risk, special needs, senior and other vulnerable populations.
  - [www.crpaffordable.com](http://www.crpaffordable.com)
  - Key Staff:
    - Paul Salib, Chief Executive Officer
      - Mr. Salib is the Chief Executive Officer of CRP Affordable and directs the acquisition and asset management of the firm's holdings.
        - Paul Salib, Chief Executive Officer  
4455 Morena Boulevard  
San Diego, CA 92117  
(212) 776-1914  
psalib@crpaffordable.com
    - Seth Sterneck, Managing Director, Primary Liaison/Contact Person
      - Mr. Sterneck is the Vice President of Development. He is responsible for the financial modeling, due diligence, evaluation and acquisition of potential LIHTC financed development sites.
        - Seth Sterneck, Managing Director  
4455 Morena Boulevard  
San Diego, CA 92117  
(646) 518-7280  
ssterneck@crpaffordable.com
- **Central Valley Coalition for Affordable Housing: Managing General Partner, Nonprofit Partner, Social Services Provider and Coordinator**
  - **9 Projects with CRP**
  - Central Valley Coalition for Affordable Housing (CVCAH) represents the development's Managing General Partner. CVCAH, one of the largest community social services providers in California, will provide on-site supportive services for the population.
  - CVCAH and CRP have developed and designed a community that, together with the supportive services provided by CVCAH, will create a welcoming, quality and sustainable community that will enable residents to live independently in a permanent setting.

- <http://www.centralvalleycoalition.com/>
- Key Staff:
  - Christina Alley, Chief Executive Officer
    - Christina Alley has been with the CVCAH since its creation. The Coalition has completed over 280 projects state-wide providing over 20,000 units of low income housing to California low-income families.
    - Christina Alley  
3351 "M" Street, Suite 100  
Merced, CA 95348  
(209) 388-0782  
chris@centralvalleycoalition.com
- **Hedenkamp Architecture and Planning: Architect, Engineer**
  - **12 Projects with CRP**
  - Principle Architect William Hedenkamp has extensive experience in the design and construction of both small and large-scale multi-family apartment communities. Most current projects have been USGBC LEED Platinum or LEED Gold certified. Projects completed during over forty years of specialized multi-family design experience include both new construction and in-fill development as well as renovation projects.
  - <http://hedenkamp-architecture.com/>
  - Key Staff:
    - William Hedenkamp, Principal Architect  
4455 Morena Boulevard, Suite #114  
San Diego, CA 92117  
(858) 483-4483  
bill@hedenkamp-architecture.com
- **Highland PM: General Contractor**
  - **3 Projects with CRP**
  - Highland, the Project's general contractor, has worked together with private developers, municipal and public agency clients on a variety of public and private projects since 1992 providing real estate, development services, construction and design build services. With extensive affordable housing experience, Highland has worked on a plethora of projects in the City of Chula Vista, County of Riverside, City of Murrieta, Children's Hospital, San Diego State University, Host Marriott, San Diego YMCA, Watt Commercial, and Silvergate Development. Highland has managed many complex projects on a design build and design assist basis with many requiring prevailing wages, minority outreach and section 3 employment rules. Highland has worked with some of the nation's leading affordable housing developers and has experience building all-affordable, affordable mixed-use, and veteran affordable family projects. Their history, expertise and hands-on approach with specifically affordable housing projects will provide a great benefit to the project.
  - <http://www.highland-ca.com/>

- Key Staff:
  - David Gardner, Principal
    - Dave Gardner is a founding Principal of Highland; his background includes 40+ years of general contracting and development experience on complex urban projects and multi-family residential.
    - David Gardner, Principal  
1750 Sixth Avenue  
San Diego, CA 92101  
(619) 498-2900  
[Dave.Gardner@highland-ca.com](mailto:Dave.Gardner@highland-ca.com)
- **Hyder Property Management Professionals: Property Manager**
  - **12 Projects with CRP**
  - Hyder Property Management Professionals LLC is the property manager for the project. For over 45 years, they have excelled at implementing a wide range of federal and state housing programs to create thriving communities. Their commitment and responsiveness to clients, tenants, and staff has led them to serving over 90 properties, 6,000 residential units, and 15,000 residents. Their services include managing day-to-day operations, providing on-site management, monitoring and implementing policy developments and compliance standards, performing budgeting and financial work, risk management, and much more. In addition to the aforementioned services, Hyder Property Management also has years of experience managing the complex needs of affordable housing projects.
  - <https://www.hyderco.com/>
  - Key Staff:
    - Gary DaPrato, Vice President
      - Gary has 32 years of experience in the affordable housing industry dating back to 1987 and is responsible for new business development and contract administration. Gary had 14 years of experience in Program Compliance for subsidized housing projects in California.
        - Gary Da Prato, Vice President  
1649 Capalina Road, Suite 500  
San Marcos, CA 92069-1226  
(760) 591-9737 x 15  
[gdaprato@hyderco.com](mailto:gdaprato@hyderco.com)

**CENTRAL VALLEY COALITION FOR AFFORDABLE HOUSING  
LIST OF PROJECTS:**

<u>Project Name:</u>	<u># of Units</u>	<u>Location:</u>	<u>County</u>
1 Brentwood/Arbor Ridge	178	Brentwood	Contra Costa
2 Bristlecone	30	Mammoth	Mono
3 Cambridge Court/Stockton Invest.	132	Stockton	San Joaquin
4 Carrington Pointe	80	Los Banos	Merced
5 Cedarbrook	70	Hanford	Kings
6 Stockton Meridian (Hampton Square/Phoenix)	186	Stockton	San Joaquin
7 Palm Terrace	80	Auburn	Placer
8 Park Meadows	140	Bakersfield	Kern
9 Sierra Meadows-Senior	100	Merced	Merced
10 The Grove	204	Merced	Merced
11 Watsonville West Bridge/Stonecreek	120	Watsonville	Santa Cruz
12 Coventry Place	140	Clovis	Fresno
13 Westberry Square	100	Lemoore	Kings
14 Chico Parkside Terrace	90	Chico	Butte
15 Entrada	172	San Diego	San Diego
16 Maple Tree	48	Los Angeles	Los Angeles
17 Chesapeake Bay	216	Tracy	San Joaquin
18 Salinas Bay	95	Salinas	Monterey
19 Nantucket Bay	160	Salinas	Monterey
20 Magnolia on Lake	46	Los Angeles	Los Angeles
21 Eastmont Seniors Housing	69	Oakland	Alameda
22 Roosevelt Commons	48	Phoenix, Arizona	Maricopa
23 Hudson Bay	80	Galt	Sacramento
24 Shadowbrook	80	Redding	Shasta
25 *1441 Apple Lane	1	Turlock	Stanislaus
26 *412 Montana	1	Turlock	Stanislaus
27 581 & 583 Columbia Ave	2	Turlock	Stanislaus
28 *1401 & 420 Montana	2	Turlock	Stanislaus
29 *401 N. Broadway	1	Turlock	Stanislaus
30 546 S. Rose	3	Turlock	Stanislaus
31 145 & 147 W. 12th St.	1	Merced	Merced
32 4334 Mathias	1	Merced	Merced
33 143 W. 20th Street	1	Merced	Merced
34 *161 W. 18th Street & 1820 I Street	2	Merced	Merced
35 1130 P Street	4	Merced	Merced

36	20th & H Street	6	Merced	Merced
37	*214 W. 19th Street	1	Merced	Merced
38	2nd & "R" Street	7	Merced	Merced
39	*426 W. 20th Street	1	Merced	Merced
40	*424 M. Street	1	Merced	Merced
41	*504 "R" Street	1	Merced	Merced
42	*2806 Parsons	1	Merced	Merced
43	*3403 M Street	1	Merced	Merced
44	*3437 M Street	1	Merced	Merced
45	2668 N. Highway 59	4	Merced	Merced
46	Childs Ave.	27	Merced	Merced
47	Merced Golden	50	Merced	Merced
48	Crane Terrace	44	Turlock	Stanislaus
49	Oakdale Heritage Oak	50	Oakdale	Stanislaus
50	Evergreen	54	Los Angeles	Los Angeles
51	Perris Isle	189	Moreno Valley	Riverside
52	Kimball Crossing	56	Red Bluff	Tehama
53	Bricker	16	Los Angeles	Los Angeles
54	Gateway Merced	66	Merced	Merced
55	Valle Del Sol - Coalinga	40	Coalinga	Fresno
56	Cherry Tree	104	Turlock	Stanislaus
57	Main Plaza/Brisa Del Mar	105	Chula Vista	San Diego
58	Village at Chowchilla	81	Chowchilla	Madera
59	Nipomo San Luis Bay	120	Nipomo	San Luis
60	Adagio	55	Clearlake	Lake
61	ML Lincoln	57	Mecca	Riverside
62	Sunny View Family	70	Delano	Kern
63	MoVal Bay Family	61	Moreno Valley	Riverside
64	Meridian Apartments	47	Sacramento	Sacramento
65	Mecca/Clinton Family/MCFA	59	Mecca	Riverside
66	Parlier/Bella Vista	47	Parlier	Fresno
0-	La Amistad/Mendota Lozano St.	81	Mendota	Fresno
68	Olympic Village	54	Clearlake	Lake
69	Pixley/Mirage Vista	55	Pixley	Tulare
70	Roosevelt Family/750 Grande	52	Nipomo	San Luis Obispo
71	Pinetop Hills	64	Pinetop, Arizona	Navajo
72	Tivoli Heights	48	Kingman, Arizona	Mohave
73	Tivoli Heights II	48	Kingman, Arizona	Mohave
74	Willcox Townhomes	40	Willcox, Arizona	Cochise
75	Monterey Family Apt.	72	San Jose	Santa Clara
76	Larkspur Village/Ridgecrest Housing Investors	81	Ridgecrest	Kern

77	Fowler Walnut Grove Villa	40	Fowler	Fresno
78	University Gardens	113	Los Angeles	Los Angeles
79	Plaza Grande	92	Salinas	Monterey
80	Green Street	36	Dinuba	Tulare
81	Valencia House-Seniors	47	Woodlake	Tulare
82	Pioneer Street	112	Bakersfield	Kern
83	Desert Oak/Kern 2008 Community Partners	42	Mojave	Kern
84	Hudson Park I & II/Kern 2008 Community Partners	84	Shafter	Kern
85	Orchard Manor I/Tulare 2010 Community Partners	44	Orosi	Tulare
86	Orchard Manor II/Tulare 2010 Community Partners	32	Orosi	Tulare
87	Alta Vista/Tulare 2010 Community Partners	42	Orosi	Tulare
88	Sequoia View/Tulare 2010 Community Partners	42	Orosi	Tulare
89	Conquistador Villa/Huron-Mendota Community Partners	38	Huron	Fresno
90	Midland Manor/Huron-Mendota Community Partners	40	Mendota	Fresno
91	Country Way/Huron-Mendota Community Partners	41	Mendota	Fresno
92	Huron Gardens/Huron-Mendota Community Partners	38	Huron	Fresno
93	Amberwood 1 & II/Hanford Community Partners	87	Hanford	Kings
94	Lincoln Apartments	150	Riverside	Riverside
95	Casa Del Sol	54	Planada	Merced
96	Madera Valley Vista	60	Madera	Madera
97	Chowchilla Gardens	54	Chowchilla	Madera
98	Park Sequoia/San Jose Courtyard /Courtyard Community Partners	81	San Jose	Santa Clara
99	Sunrise Vista	56	Waterford	Stanislaus
100	Red Bluff - Meadow Vista	72	Red Bluff	Tehoma
101	Summercreek/Seasons by the Grove	40	Eureka	Humbolt
102	Courtyards at Arcata	64	Arcata	Humbolt
103	Meadow Senior Village	40	Fortuna	Humbolt
104	Redwood Village	20	Redway	Humbolt
105	Summercreek	64	Ukiah	Mendocino
106	Lake Terrace	60	Clearlake	Lake
107	Farmersville Park Creek	48	Farmersville	Tulare
108	Mammoth Family Lakes/Aspen Village	48	Mammoth	Mono
109	Taylor Park Meadows	42	Taylor, Arizona	Navajo
110	Willow Creek Apartments	24	Willow Creek	Humbolt
111	Vista Ridge Apartments	56	Redbluff	Tehama
112	Gray's Crossing/Henness Flats/Truckee Pacific	92	Truckee	Nevada
113	Courtyards at Arcata II	36	Arcata	Humbolt
114	Fortuna Family Apartments	24	Fortuna	Humbolt
115	Sequoia Village at River's Edge	64	Porterville	Tulare
116	Blue Oak Court Apartments	80	Anderson	Shasta
117	Mammoth II - Jefferies	30	Mammoth	Mono

118	Willow Plaza - Bishop	12	Bishop	Inyo
119	Chico Courtyards	76	Chico	Butte
120	Vineyard	46	Pasco, Washington	Franklin
121	Frishman/Alder Pacific	32	Truckee	Nevada
122	Corning Pacific/Salado Orchard	48	Corning	Tehama
123	Hayward/Majestic	81	Hayward	Alameda
124	Alicante/Huron Pacific	81	Huron	Fresno
125	Hillview Ridge/Oroville Pacific	72	Oroville	Butte
126	Farmersville Gateway Village	48	Farmersville	Tulare
127	Farmersville Gateway Village II	16	Farmersville	Tulare
128	Montgomery Crossing/Lemoore	57	Lemoore	Kings
129	Bakersfield Pacific II	80	Bakersfield	Kern
130	Salinas Pacific- Tresor Apts	81	Salinas	Monterey
131	Riverbank Family	65	Riverbank	Stanislaus
132	Springhill Gardens	121	Grass Valley	Nevada
133	Winters Pacific/Orchard Village	74	Winters	Yolo
134	Hanford Pacific/Tierra vista	49	Hanford	Kings
135	Victorville Pacific/Rodeo Drive	48	Victorville	San Bernadino
136	Gridley Pacific/Washington Court Apt.	57	Gridley	Butte
137	Hillview Ridge II / Oroville Pacific II	57	Oroville	Butte
138	Chico Bidwell/Bidwell Park Apt.	38	Chico	Butte
139	Millbrae/Delores Lia Apt.	27	Millbrae	San Mateo
140	Antelope/Crossings at North Loop	112	Antelope	Sacramento
141	Riverbank Seniors	20	Riverbank	Stanislaus
142	Greenfield/Terracina Oaks	41	Greenfield	Monterey
143	Sonoma Gardens/Santa Rosa Pacific	60	Santa Rosa	Sonoma
144	Colonial House/Oxnard Pacific	44	Oxnard	Ventura
145	Dixon Pacific/Valley Glen	59	Dixon	Solano
146	King City/Creekbridge	32	King City	Monterey
147	South Lake Tahoe/SLT	48	South Lake Tahoe CA	El Dorado
148	Mayfair/San Jose Pacific	93	San Jose	Santa Clara
149	Willows Pacific/Willows Senior	49	Willows	Glenn
150	Richmond Pacific/Harbour View	62	Richmond	Contra Costa
151	Magnolia Place Senior/Greenfield Senior	32	Greenfield	Monterey
152	King Station/King City Pacific	57	King City	Monterey
153	Waterford Gardens/Waterford Court	51	Waterford	Stanislaus
154	Gilroy Pacific / Alexander Station	262	Gilroy	Santa Clara
155	Brawley Pacific / Malan Street Apt.	41	Brawley	Imperial
156	Pittsburg Pacific/Stoneman	230	Pittsburg	Contra Costa
157	Hollister San Juan/Vista de Oro	80	Hollister	San Benito
158	Gilroy Pacific II/ Harvest Park	98	Gilroy	Santa Clara



159	Daly City/Brunswick	206	Daly City	San Mateo
160	Terrace at Nevins/Richmond Nevins/Twenty one & Tw	271	Richmond	Contra Costa
161	Brawley Pacific II/ Malan Street Apt. II	40	Brawley	Imperial
162	Plumas/Yuba City Pacific	15	Yuba City	Sutter
163	Santa Cruz Pacific/Ocean Street	63	Santa Cruz	Santa Cruz
164	Holtville/Fern Crossing	43	Holtville	Imperial
165	San Jose Virginia/Virginia Street Studios	301	San Jose	Santa Clara
166	Gilroy Glen Loma/Glen Loma Ranch Apt.	158	Gilroy	Santa Clara
167	Ukiah Senior Apt./Ukiah Pacific Assoc.	31	Ukiah	Mendocino
168	Sycamore Ridge Family/Willows Family Assoc.	24	Willows	Glenn
169	Willow Family	77	Clovis	Fresno
170	Heritage Village	50	Los Banos	Merced
171	Parkside Village	76	Dinuba	Tulare
172	Green Valley Cameron Park	40	Cameron	El Dorado
173	Sonora Greenwood	48	Sonora	Tuolumne
174	Deerview Park	48	Placerville	El Dorado
175	Fort Bragg Duncan Place	44	Fort Bragg	Mendocino
176	Sutter Creek Sutter Hill	44	Sutter Creek	Amador
177	Citrus Manor	54	Susanville	Lassen
178	Lincoln Golden Village	49	Lincoln	Placer
179	Ione Jose's Place	44	Ione	Amador
180	Gridley Oaks	56	Gridley	Butte
181	Winters Almondwood	39	Winters	Yolo
182	Alta Vista/Mt. Shasta	44	Mount Shasta	Siskiyou
183	Atascadero/California Manor	95	Atascadero	San Luis Obispo
184	Rio Dell	49	Rio Dell	Humbolt
185	Patterson Place	40	Patterson	Stanislaus
186	Riverbank/Riverview Gardens	42	Riverbank	Stanislaus
187	Diamond Place/San Andreas	30	San Andreas	Calaveras
188	Sherwood Manor/Los Molinos	35	Los Molinos	Tehama
189	Gustine Gardens	34	Gustine	Merced
190	Valle Vista/Lincoln Valle Vista	44	Lincoln	Placer
191	Marysville Alberta Gardens	48	Marysville	Yuba
192	Lindsay Delta Vista Manor	40	Lindsay	Tulare
193	Lincoln Parkview	80	Lincoln	Placer
194	Portola Senior	50	Portola	Plumas
195	Sierra Valley Senior/Loyalton Sierra Valley, LP	50	Loyalton	Sierra
196	Quincy Mountain View	46	Quincy	Plumas
197	Kimberly Park	132	Victorville	San Bernadino
198	Villa Paloma	84	San Juan Capistrano	Orange
199	Plaza City	80	National City	San Diego

200	Kearney Palms III	44	Kerman	Fresno
201	Hacienda Heights	69	Kerman	Fresno
202	Palmer Villas Senior	25	Huron	Fresno
203	Palmer Family	56	Huron	Fresno
204	Overland Court Apartments-Seniors	70	Los Banos	Merced
205	Sierra Heights WP	40	Oroville	Butte
206	Gateway Villas WP	61	Kerman	Fresno
207	Watsonville Vista Montana	132	Watsonville	Santa Cruz
208	Columbia Place	43	Los Angeles	Los Angeles
209	Queen Apartments	96	Los Angeles	Los Angeles
210	Sunny View Family II/20th & 18th Ave	70	Delano	Kern
211	Mimmim Town Homes	21	Los Angeles	Los Angeles
212	Mansi Townhomes	21	Los Angeles	Los Angeles
213	My Town Homes	21	Los Angeles	Los Angeles
214	Milan	16	Los Angeles	Los Angeles
215	Meera	21	Los Angeles	Los Angeles
216	Maya	21	Los Angeles	Los Angeles
217	Fillmore Parkview Seniors	50	Fillmore	Ventura
218	Westside Village	40	Newman	Stanislaus
219	Ashwood Village	120	Modesto	Stanislaus
220	Madera Lakewood Terrace	76	Madera	Madera
221	Regency Court Senior	120	Salinas	Monterey
222	Casa Serena	48	Lompoc	Santa Barbara
223	Le Fenetre Apartments/Parkmoor	50	San Jose	Santa Clara
224	Miranda Villa Apartments/Forest Manor	109	San Jose	Santa Clara
225	Plaza Del Sol Senior /Blossom Hill	80	San Jose	Santa Clara
226	Camarillo Courtyards	34	Camarillo	Ventura
227	Oak Park Senior	65	Fresno	Fresno
228	College Manor	32	Rocklin	Placer
229	Beaumont/Mountain View	80	Beaumont	Riverside
230	Coachella/Desert Palms	112	Coachella	Riverside
231	Banning/Westview Terrace	75	Banning	Riverside
232	Hemet/Village Meadows	68	Hemet	Riverside
233	Sycamore Seniors	229	Oxnard	Ventura
234	Alexander Apt./Fullerton/Ventana	95	Fullerton	Orange
235	Crossings at Madera	64	Madera	Madera
236	Crossings at Santa Rosa	49	Santa Rosa	Sonoma
237	Crossings at Elk Grove	116	Elk Grove	Sacramento
238	Stoneridge at Elk Grove	96	Elk Grove	Sacramento
239	Crossings at Morgan Hill	24	Morgan Hill	Santa Clara
240	Horizon at Morgan Hill	49	Morgan Hill	Santa Clara

241	Crossings at Big Bear Lake	42	Big Bear	San Bernadino
242	Crossings at Escondido	44	Escondido	San Deito
243	Crossings on Aston/UHC 00596 Santa Rosa	27	Santa Rosa	Sonoma
244	Crossings on Monterey/UHC 00661 Morgan Hill	39	Morgan Hill	Santa Clara
245	Presidio El Camino Apt.	40	Santa Clara	Santa Clara
246	Turlock Parkside/ Lake Park Apt./Villas at Parkside	104	Turlock	Stanislaus
247	Zettie Miller's Haven	82	Stockton	San Joaquin
248	Casa Blanca/Antioch Riviera	129	Antioch	Contra Costa
249	Delta Pines/Sycamore Woods Apt.	186	Antioch	Contra Costa
250	Cathedral Creekside	185	Cathedral City	Riverside
251	Lotus Landing	218	Sacramento	Sacramento
252	Harbor View - San Diego	59	San Diego	San Diego
253	Southwind Apt.	88	Sacramento	Sacramento
254	Cielo Vista/AT Cielo Vista	112	Indio	Riverside
255	LEDG Vacaville/Vacaville Gables	65	Vacaville	Solano
256	College Park	53	Dinuba	Tulare
257	North Park Apartments II	81	Dinuba	Tulare
258	Mark Twain	106	Oakland	Alameda
259	Lake District	117	Oakland	Alameda
260	King's View Estates	116	Fresno	Fresno
261	Ivy Hill Apt.	116	Walnut Creek	Contra Costa
262	Sequoia Knolls	20	Fresno	Fresno
263	Merced Laurel Glen	128	Merced	Merced
264	Sterling-Berkeley Addison	21	Berkeley	Alameda
265	Sterling-Berkeley Allston	91	Berkeley	Alameda
266	Sterling-Berkeley Haste	100	Berkeley	Alameda
267	Sterling-Berkeley Oxford	56	Berkeley	Alameda
268	Sterling-Berkeley Univeristy Avenue	35	Berkeley	Alameda
269	Del Monte Vista Manor	192	Seaside	Monterey
		17,970		

\* Single Family Home

# CRP AFFORDABLE HOUSING AND COMMUNITY DEVELOPMENT LLC

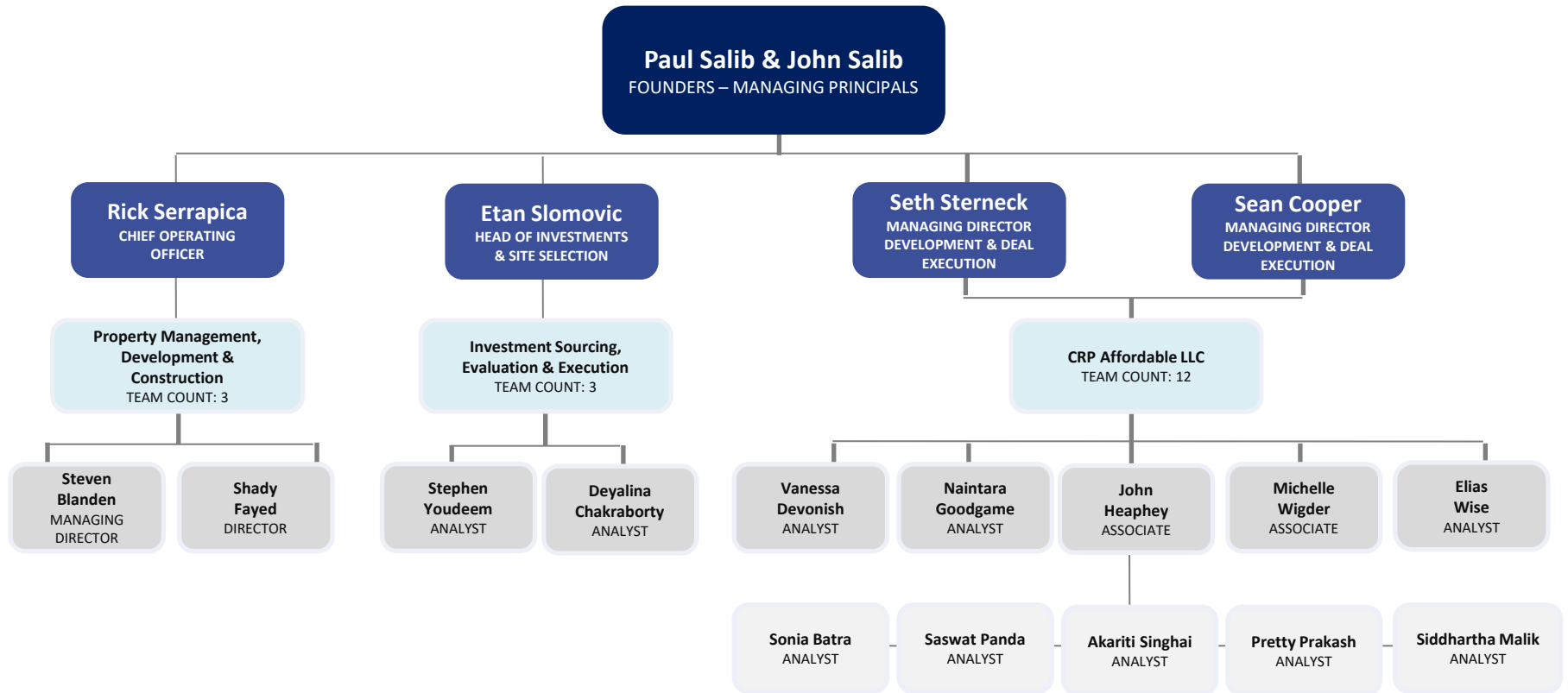


Overview  
April 2021

- CRP Affordable Housing and Community Development LLC (“CRP Affordable”) is a wholly owned subsidiary of Castellan Real Estate Partners LLC (“Castellan”), a fully-integrated real estate development firm.
- Castellan has invested principally in multifamily real estate transactions. The market value of approximately \$1.5 billion.
- Castellan is committed to socially and environmentally successful communities with business lines devoted to real estate development and property management, including affordable housing, rent restricted / government rent controlled, market rate multifamily and workforce housing communities.

- As of April 2021, Castellan has acquired 79 properties in New York, New Jersey, Pennsylvania and California. Castellan has owned, operated, developed and managed 2,351 units including affordable, rent-restricted and rent-controlled units comprised of approximately 2,443,000 square feet.
- The team has a deep professional background in all aspects of development. Our experience includes affordable housing and rent restricted/controlled projects. This includes providing housing to at-risk, special needs, senior and other vulnerable populations.
- With a team of highly skilled professionals, Castellan strives to combine a unique vision with deep market knowledge and a keen ability to execute any multifamily rehabilitation or new construction project including Section 42 low income housing tax credit transactions.

# Organizational Chart: CRP Affordable Housing & Community Development <sup>14</sup>



# Management Expertise

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- Managing Principals have executed approximately \$1.5 billion of transactions.
- A Chief Operating Officer with 40 years of experience who previously served as Head of Construction and Property Management at SL Green Realty.
- A Chief Financial Officer with 17 years of experience as CFO of AIG's Global Real Estate Group.
- Engagements and strategic partnerships with affordable housing industry leaders, grass-roots community organizations and leading community service providers who are driven by enhancing lives on the path to self-sufficiency.



# Development Team

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The team sources transactions through a well established network, including investment sales brokers, bank relationships, industry professionals and other long term connections.

- Potential investments are reviewed based on location, market needs, property metrics and project feasibility.
- Financial modeling and analysis based on due diligence.
- Leverage broad network of financial partners and lenders for project financing.
- Investment committee approval is obtained once due diligence and underwriting is complete.

Full service, in-house property management that has extensive experience in managing rent-controlled properties. Our team has managed more than 30 million square feet of commercial space and 3,000 residential units.

- Cultivate and supervise a network of architects, engineers and contractors working collaboratively to deliver quality solutions in a timely and cost-effective manner.
- Analyze business goals and objectives and develop strategies to reduce costs and increase efficiencies including code compliance, violation reduction, and improvements in tenant satisfaction.
- Responsible for all leasing activities in the portfolio.
- Work closely with the insurance consultants to procure coverage for all exposures in a prudent manner.

- Responsible for accounting for all properties in the Castellan portfolio:
  - Includes tenant inquiries, billing and collection.
  - Accounts payable, production of monthly financial statements and related property reporting.
  - Construction draws and project accounting.
- Bank reconciliations for over 200 bank accounts.
- Corporate activities, such as payroll, cash management and forecasting.
- Production of over 2,500 K-1 statements and full audited financial statements for over 25 entities.

- We identify specific neighborhoods where housing needs are unmet and work towards quality solutions that enhance those neighborhoods and improve lives.
- The wrap-around social services we provide, combined with our relationship with supportive services partners, will transform lives for the better.
- We strive to use innovative designs and sustainable, energy-efficient construction to address community, civic, transportation and environmental concerns.
- We accomplish our goals by providing development services, financial solutions and asset management to our partners, supporting agencies and residents.
- We incorporate a triple bottom line approach to community development by implementing social, environmental and financial best practices into all our projects.

We have demonstrated experience developing housing in a cost efficient, on budget, manner. CRP Affordable's mission is to provide quality communities that are safe, secure and affordable. Our goal is to provide efficient housing to address the following objectives:

- Working families should have access to quality housing.
- Seniors on fixed-incomes shouldn't have to struggle to pay for basic necessities, such as housing.
- Veterans that have honorably served our nation shouldn't worry about having a roof over their heads.
- Homelessness can be addressed by committed stakeholders working together to make our communities better for all of us.
- Young people, who are transitioning out of foster care, should have supportive services and a caring hand to guide them into adulthood.
- All people facing housing challenges, whether they are families in need or individuals fleeing domestic violence, deserve safe and secure options.

- CRP Affordable initially began with 3 projects zoned for multifamily developments units that will target extremely low, very low and low-income families.
- The Fund has expanded into 12 developments to yield hundreds of new LEED and Greenpoint rated affordable housing.
- We will continue to identify and evaluate new developments in areas where our social, environmental and financial approach to housing is most needed.

Property	Location	Type	Financing Status	Units	Project Cost (MM)
Valencia Pointe	San Diego, CA	New Construction	LIHTC Financing Complete	102	\$50.5
Worthington La Luna	Imperial, CA	New Construction	LIHTC Financing Complete	66	\$21.4
St. Stephen's Retirement Center	San Diego, CA	Acquisition / Rehab	Received Tax Credits and Bonds	60	\$17.1
Senator Conness Apartments	Chico, CA	Disaster Relief: New Construction	Received Tax Credits and Bonds	162	\$53.7
Konocti Gardens	Clearlake, CA	Disaster Relief: New Construction	Received Tax Credits and Bonds	102	\$32.9
Redwood Views	Windsor, CA	Disaster Relief: New Construction	Received Tax Credits and Bonds	52	\$22.7
Worthington Del Sol	Imperial, CA	New Construction	Underway	48	\$17.2
Mountain Elk Villas	Elk Grove, CA	New Construction	Underway	174	\$72.6
Aspen Grove Villas	Elk Grove, CA	New Construction	Underway	126	\$50.0
Heber del Sol	Heber, CA	New Construction	Underway	48	\$20.0
Encanto Gateway	San Diego, CA	New Construction	Underway	65	\$27.7
Pico Gramercy Apartments	Los Angeles, CA	Acquisition / Rehab	Underway	49	\$19.2
<b>Total</b>				<b>1,054</b>	<b>\$405.0</b>

# Recent Highlights

## Valencia Pointe

- In September 2020, CRP Affordable successfully closed on financing with Citi Community Capital, Hunt Capital Partners, Monarch Private Capital, and the County of San Diego. Additionally, the Fund partnered with the Metropolitan Area Advisory Committee on Anti-Poverty of San Diego County (“MAAC”), to provide future residents with free on-site services and programs promoting self-sufficiency.
- Demolition of the site promptly began following the closing:

### September 30, 2020: Mobilization



### Valencia Pointe Rendering



## Worthington La Luna Family Apartments

- In November 2020, CRP Affordable successfully closed on its second financing for the \$21 million development affordable housing project in Imperial, California.
- Citi Community Capital, Candeur Group, and Monarch Private Capital provided tax-exempt bond financing, and state and federal LIHTC syndication. Funding was also received from the USDA's Section 514 program.
- The Fund partnered with MAAC to be the managing general partner and will facilitate free on-site services for future residents.
- Construction is now underway on the 1st 66-unit phase of our 114-unit development. Hedenkamp Architecture & Planning is designing the project.





# Owned Properties

Affordable/Senior Housing Properties											
	Address	Location	Building Type	Property Type	CRP's Role	Tax Credit Approved	LIHTC Status	Financing Sources	Stories	Square Footage	Units
1	3025 Sunrise Highway	Islip Terrace, NY	Walk Up	Residential	Owner	N/A	N/A	Bank Loan	4	30,004	26
2	6601 Imperial Avenue	San Diego, CA	Elevator	Land	Owner	Jan-20	Awarded	AHP	4	104,007	65
3	5930 Division Street	San Diego, CA	Elevator	Land	Owner	Mar-20	Awarded	CDLAC TCAC, IHTF	4	104,544	102
4	St Anns Portfolio	Bronx, NY	Walk Up	Residential and Retail	Owner	N/A	N/A	Application Submitted	6	80,349	84
5	603-605 West Worthington Road	Imperial, CA	Elevator	Land	Owner	Jan-20	Awarded	CDLAC TCAC, USDA, AHSC	3	101,964	114
6	1091 Pitzer Road	Heber, CA	Walk Up	Residential	Owner	Jan-20	Awarded	CDLAC TCAC, HEAP, AHP, HUD 811 PBV	3	42,723	48
7	1303 S Gramercy Place	Los Angeles, CA	Elevator	Residential	Owner	N/A	N/A	Application Submitted	3	64,485	49
8	8668 Poppy Ridge Road	Elk Grove, CA	Elevator	Land	Owner	N/A	N/A	Application Submitted	4	251,896	300
9	2 Osborne Terrace	Newark, NJ	Elevator	Residential	Owner	N/A	N/A	Bank Loan	5	57,000	51
<b>Total</b>										<b>836,972</b>	<b>839</b>

## Rent Controlled Properties

	Address	Location	Building Type	Stories	Property Type	CRP's Role	Square Footage	Units
1	64-64 Wetherole Street	Rego Park, NY	Elevator	7	Residential	Owner	10,465	8
2	309 West 111th Street	Harlem, NY	Walk Up	5	Residential	Owner	12,310	16
3	515 West 111th Street	Harlem, NY	Walk Up	6	Residential	Owner	26,210	36
<b>Total</b>							<b>48,985</b>	<b>60</b>

# Development Experience

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- Total square footage: 36,000 square foot, five-story building
- Estimated budget: \$7.5 Million
- Project description: Castellan acquired a vacant, partially completed corner building in East Orange, New Jersey with the intention to renovate the property and stabilize the asset. Castellan redesigned the building's façade and interior unit layout, increasing the unit count from 22 to 28 residential rental units with 35 parking spaces. We have also been approved for a 30-year real estate tax reduction pilot program through the town of East Orange. The program is designed to incentivize market-rate development projects by significantly reducing real estate taxes for the property.



**100 Evergreen Place  
East Orange, NJ**

- Total square footage/units: 57,000 square feet comprised of 9 commercial units and 51 residential units
- Estimated budget: \$8.9 Million
- Details: The entire building was delivered vacant allowing Castellan to make significant renovations to the residential component of the building. The acquisition was financed with LIHTC and 4% tax exempt bonds. We also improved the infrastructure, roofing, façade, masonry and overall foundation of the property.



**2 Osborne Terrace  
Newark, NJ**

## Development Experience

- Total square footage/units: 4,100 square feet of commercial space and 5 residential units comprising 4,340 square feet
- Estimated budget: \$19.4 Million
- Project description: The entire building was delivered vacant allowing Castellan to make significant renovations to the residential component of the building. Castellan built a one story addition to the property, which allowed the installation of a two-bedroom unit, and improved the infrastructure, roofing, façade, masonry and overall foundation of the property.



**4 St. Marks Place  
New York, NY**

# Development Experience

- Total square footage/units: 2,500 commercial square feet plus 4 residential units
- Estimated budget: \$15.1 Million
- Details: The entire building, aside from the fourth floor, was delivered vacant, presenting Castellan with the opportunity to gut-rehab both the commercial and residential spaces. The units in the building were very large, enabling us to add bedrooms to each unit further increasing rental value. We also renovated the building's common areas, façade and roofing.



**125 Rivington Street  
New York, NY**



## Select Executives' Experience

- Total square footage: 110,000 square feet
- Estimated budget: \$41 million
- Developer: Feldman Brothers
- Title: Vice President – Portfolio Manager – NY Portfolio
- Role: Rick Serrapica oversaw the ground-up day-to-day construction process. He led the due diligence process, on site preparation and environmental inspections. Additionally, he oversaw the construction of the building's rough framing. Rick also managed the installation of drywall, interior fixtures and exterior finishes.



**1979 Marcus Avenue  
New Hyde Park, NY**

## Select Executives' Experience

- Project description: Tear down to frame and foundation
- Total square footage/units: 600,000 commercial square feet plus 91 residential units
- Estimated budget: \$167 million
- Developer: SL Green/Moinian Brothers
- Title: Senior Vice President Director of Construction and Property Management
- Role: Rick Serrapica directed the conversion of the top half of the South tower from commercial to residential. He led the due diligence process and on site preparation. Additionally, he managed the interior design and finishing process. Mr. Serrapica was also responsible for directing the unit breakdown of the building.



**17 Battery Place-South Tower  
New York, NY**



# Appendix I: Portfolio

# Valencia Pointe

- 5930 Division Street, San Diego, CA 92114
- 102 units, new construction
- Acquisition Date: 12/27/2018
- Total Project Cost: \$50.5MM
- Population Served: Low to moderate income families

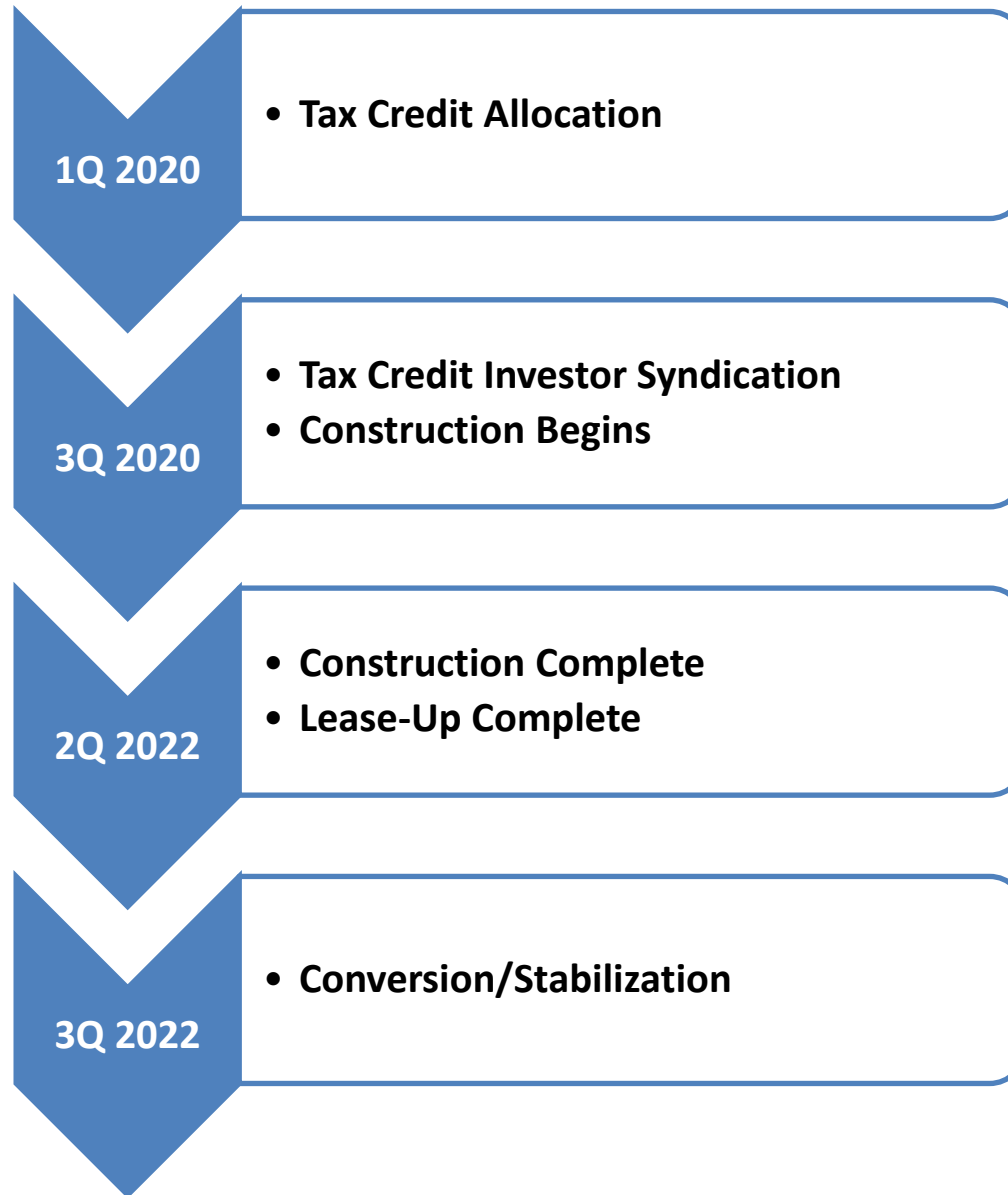


## Recent Developments

- In September 2020, CRP Affordable successfully closed on financing with Citi Community Capital, Hunt Capital Partners, Monarch Private Capital, and the County of San Diego.
- Demolition of the site promptly began following the closing.
- The Fund partnered with the Metropolitan Area Advisory Committee on Anti-Poverty of San Diego County (“MAAC”).
- MAAC will serve the Valencia Pointe community by providing life-changing resident services that promote health, wellness and self-sufficiency. Examples of programs and services offered to residents free of charge:
  - STEP Centers (Striving Towards Economic Prosperity)
  - DUI Education Program
  - Head Start, Early Head Start & State Preschool
  - Senior inter-generational program
  - Food bank partnership

# Valencia Pointe – Project Timing

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# Worthington La Luna Family Apartments

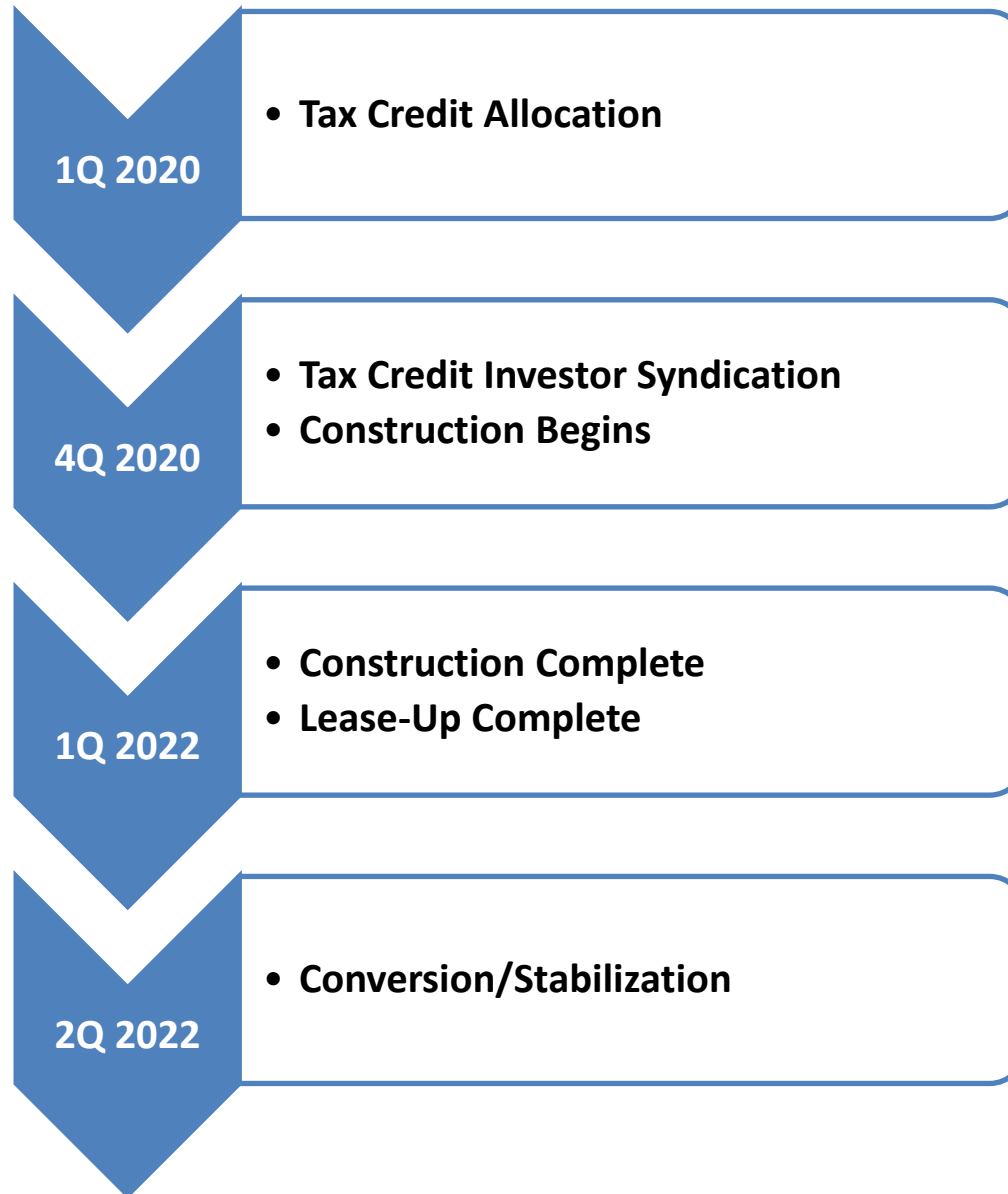
- 605 West Worthington Road, Imperial, CA 92251
- 66 units, new construction
- Acquisition Date: 2/7/2019
- Total Project Cost: \$21.4MM
- Population Served: Large family and farmworkers



## Recent Developments

- In November 2020, CRP Affordable successfully closed on financing with Citi Community Capital, Candeur Group, and Monarch Private Capital.
- Construction is now underway on the 1st 66-unit phase of the 114-unit development.
- The Fund partnered with MAAC to be the managing general partner and will facilitate free on-site services for future residents. MAAC offers programs that address significant barriers to housing stability, allowing individuals and families to work closely with staff to identify housing opportunities that improve their quality of life.
- Examples of programs and services to be offered to Worthington La Luna residents:
  - STEP Centers (Striving Towards Economic Prosperity)
  - DUI Education Program
  - Head Start, Early Head Start & State Preschool
  - Senior inter-generational program
  - Food bank partnership

# Worthington La Luna Family Apartments – Project Timing



# St. Stephen's Retirement Center

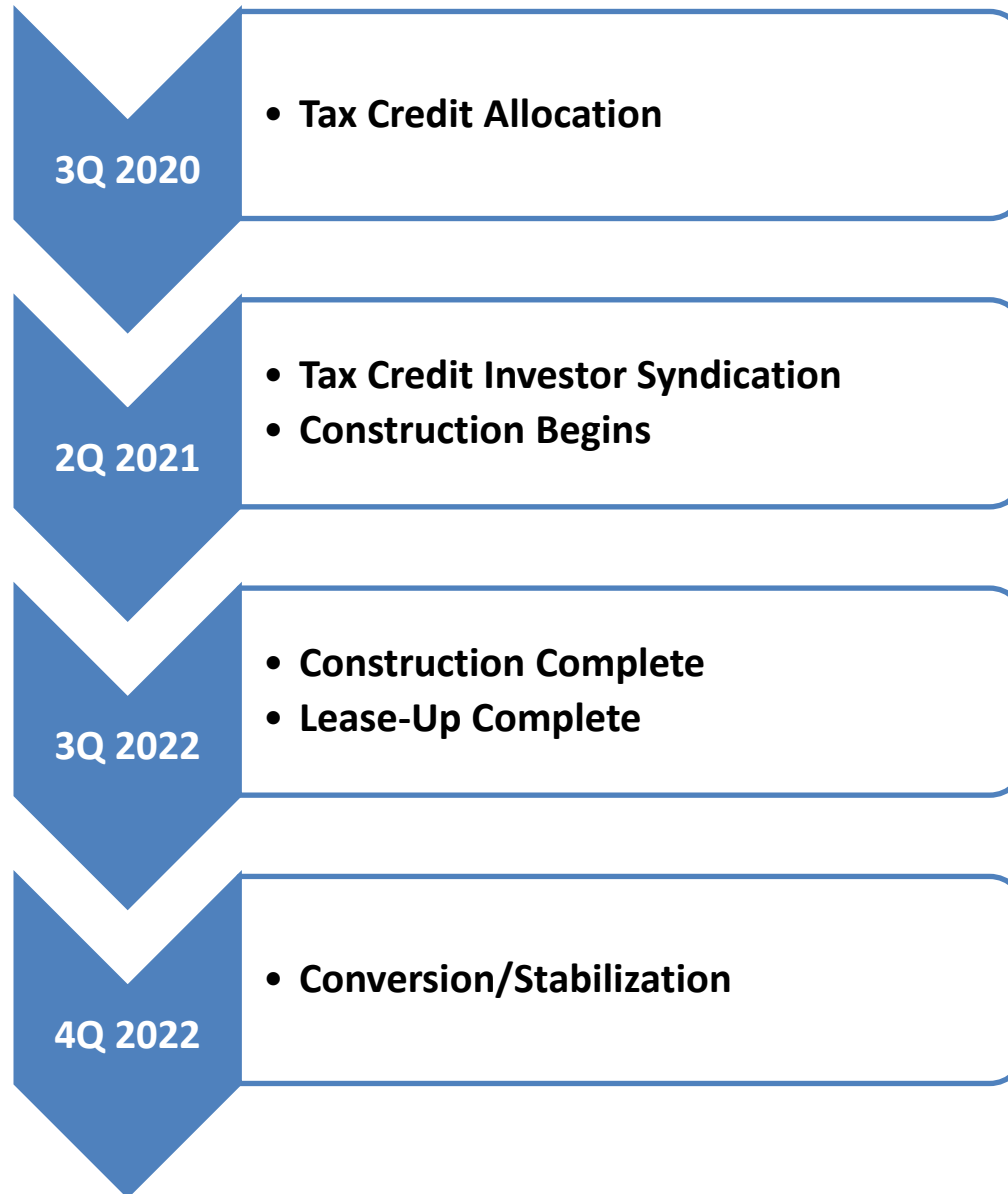
- 5625 Imperial Avenue, San Diego, CA 92114
- 60 units, acquisition/rehab
- Signed Joint Development Agreement on 12/6/2019
- Total Project Cost: \$17.1MM
- Population Served: seniors
- Services Provided:
  - Individualized health and wellness support
  - Instructor-led educational and skill building classes such as: computer training, resume building, nutrition, and financial literacy.



## Current Status:

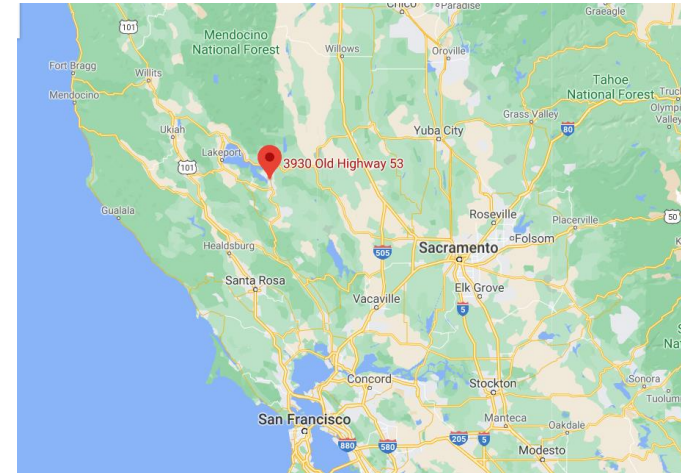
- Secured 4% federal credits and tax-exempt bonds
- Signed Letter of Intent (“LOI”) with investor for tax credits, and signed LOI for financing with Citi Community Capital
- Completed design plans and construction permit is approved
- Working with third-party lenders and tax credit investors to close in 2Q 2021

# St. Stephen's Retirement Center – Project Timing



# Konocti Gardens

- 3930 Old Highway 53, Clearlake, CA
- Disaster Relief: the disaster relief credits were created by federal legislation that allocated additional funding to communities devastated by wild fires in California.
- New Construction: 102 units
- Total Project Cost: \$32.9MM
- Population Served: large family
- Central Valley Coalition for Affordable Housing is one of the largest community social services providers in California, and will provide on-site supportive services for the Konocti Gardens residents.



## Current Status:

- Received 9% federal tax credits
- Signed Letter of Intent (“LOI”) with investor for tax credits, and signed LOI for financing with Citi Community Capital
- Design drawings completed, submitted plans to city design review board
- Working with third-party lenders and tax credit investors to close in 2Q 2021





4Q 2020

- Tax Credit Allocation

2Q 2021

- Tax Credit Investor Syndication
- Construction Begins

4Q 2022

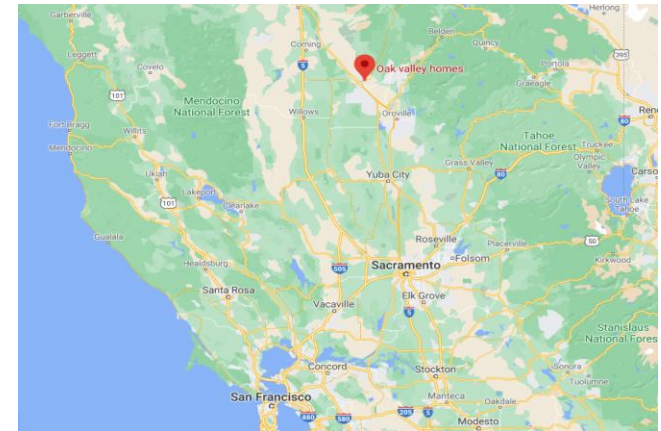
- Construction Complete
- Lease-Up Complete

1Q 2023

- Conversion/Stabilization

# Senator Conness Apartments

- 1 Oak Valley Dev Chico, CA 95928
- Disaster Relief: the disaster relief credits were created by federal legislation that allocated additional funding to communities devastated by wild fires in California.
- New Construction: 162 units
- Total Project Cost: \$53.7MM
- Population Served: large family
- Central Valley Coalition for Affordable Housing is one of the largest community social services providers in California, and will provide on-site supportive services for the future residents of Senator Conness Apartments.

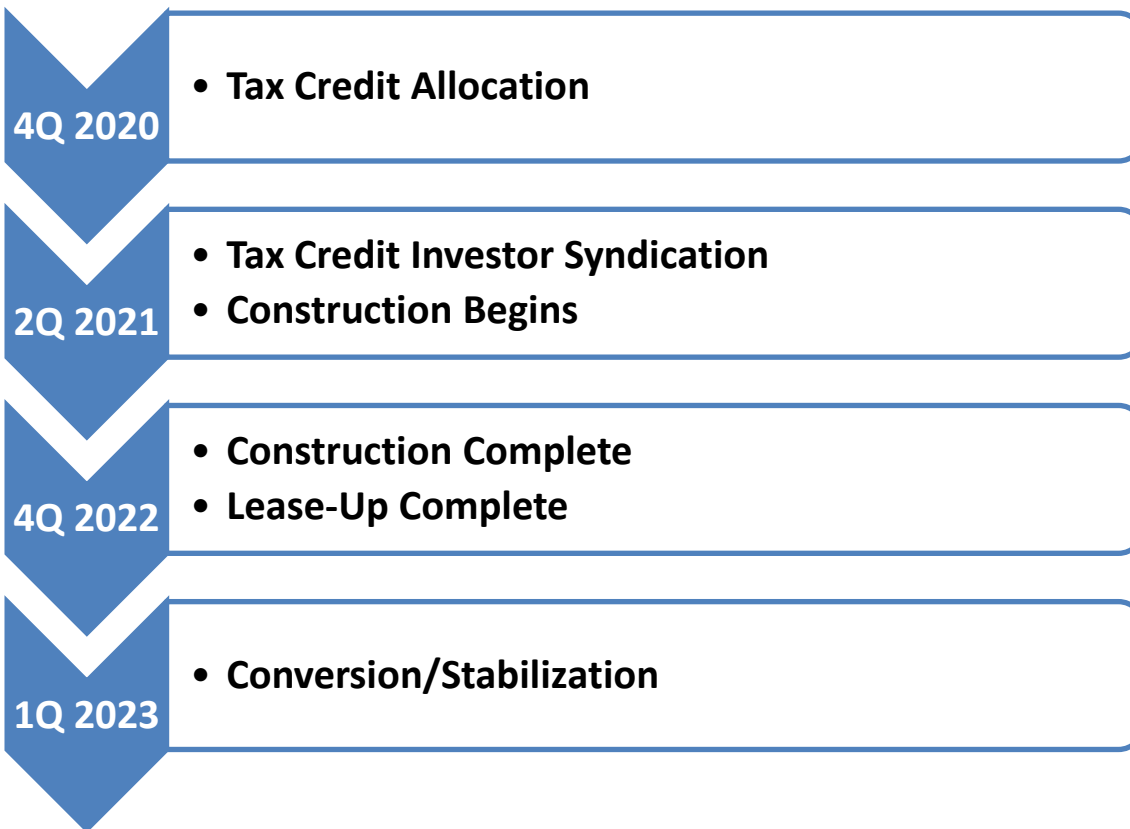


## Current Status:

- Received 9% federal tax credits
- Signed Letter of Intent (“LOI”) with investor for tax credits, and signed LOI for financing with Citi Community Capital
- Design drawings complete, submitting plans to city design review board
- Working with third-party lenders to close in 2Q 2021

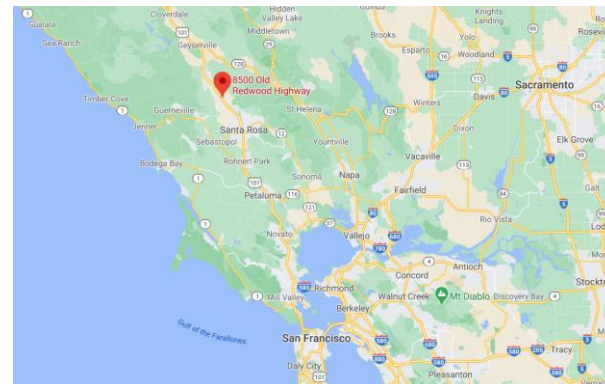


# Senator Conness Apartments – Project Timing



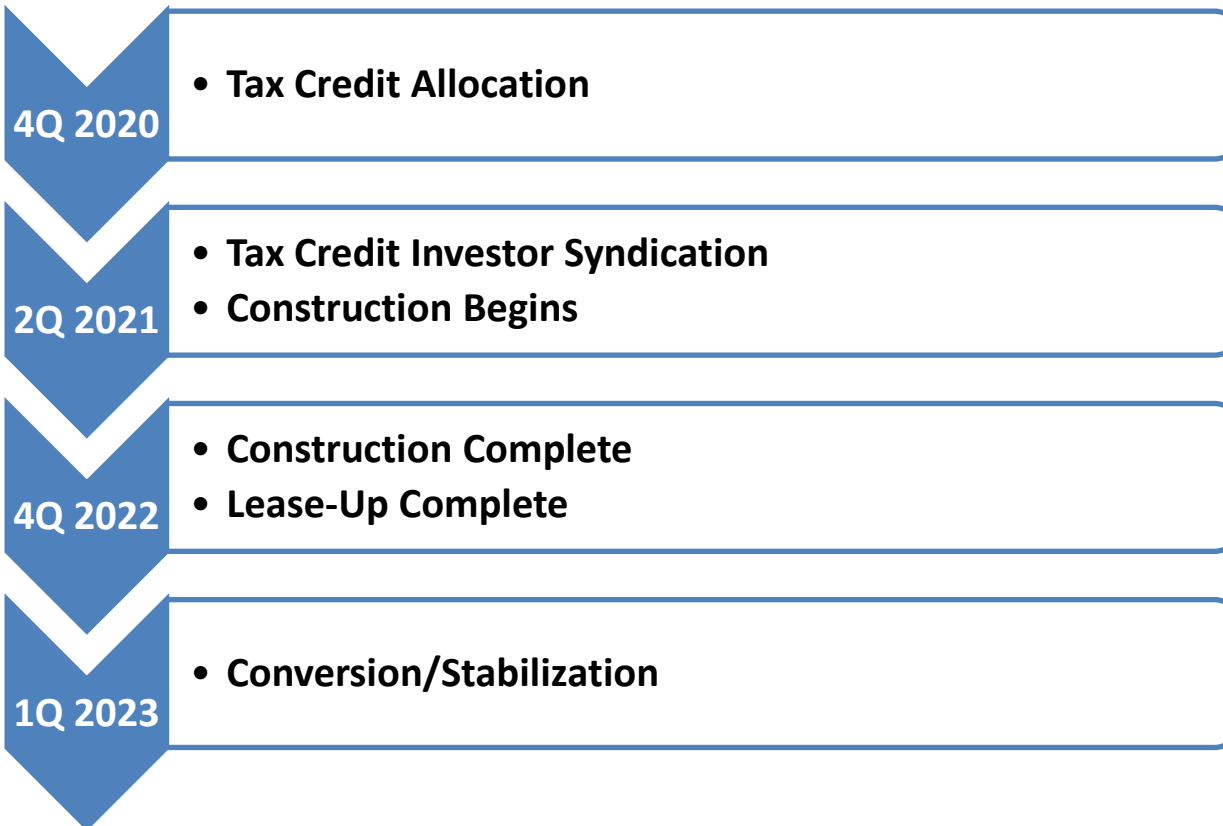
# Redwood Views

- 8490 & 8500 Old Redwood Highway, Windsor, CA 95492
- Disaster Relief: the disaster relief credits were created by federal legislation that allocated additional funding to communities devastated by wild fires in California.
- New Construction: 52 units
- Total Project Cost: \$22.7MM
- Population Served: large family
- Central Valley Coalition for Affordable Housing is one of the largest community social services providers in California, and will provide on-site supportive services for the future residents of Redwood Views.



## Current Status:

- Received 9% federal tax credits
- Signed LOI with investor for tax credits and signed LOI for mortgage financing with Citi Community Capital
- Design drawings completed, submitted plans to city design review board
- Working with third-party lenders to close by 2Q 2021



# Worthington Del Sol Family Apartments

- 603 West Worthington Road, Imperial, CA 92251
- 48 units, new construction
- Acquisition Date: 2/7/2019
- Total Project Cost: \$17.15MM
- Population Served: large family
- The project will achieve a 100% net PV solar offset through the implementation of a solar array system that will be constructed on-site.



## Current Status:

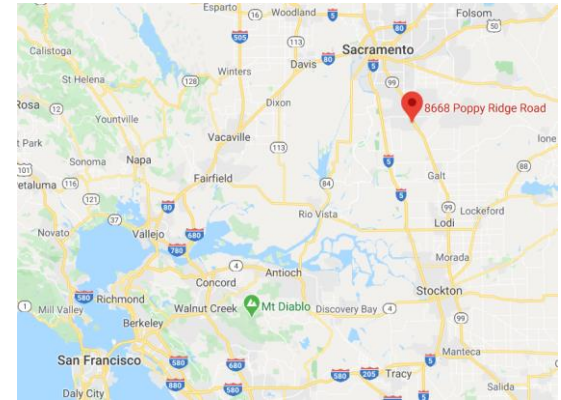
- Secured AHSC funding
- Plans complete and building permit is ready
- Re-submitting application for tax credit and bond financing





# Mountain Elk Villas & Aspen Grove Villas

- 300 units, new construction, split into two phases:
- Acquisition Date: 9/15/2020
- Total Project Cost: \$72.6MM (phase I)
- Population Served: large family
- Aspen Grove Villas will achieve a 100% net PV solar offset through the implementation of a solar array system that will be constructed on-site.

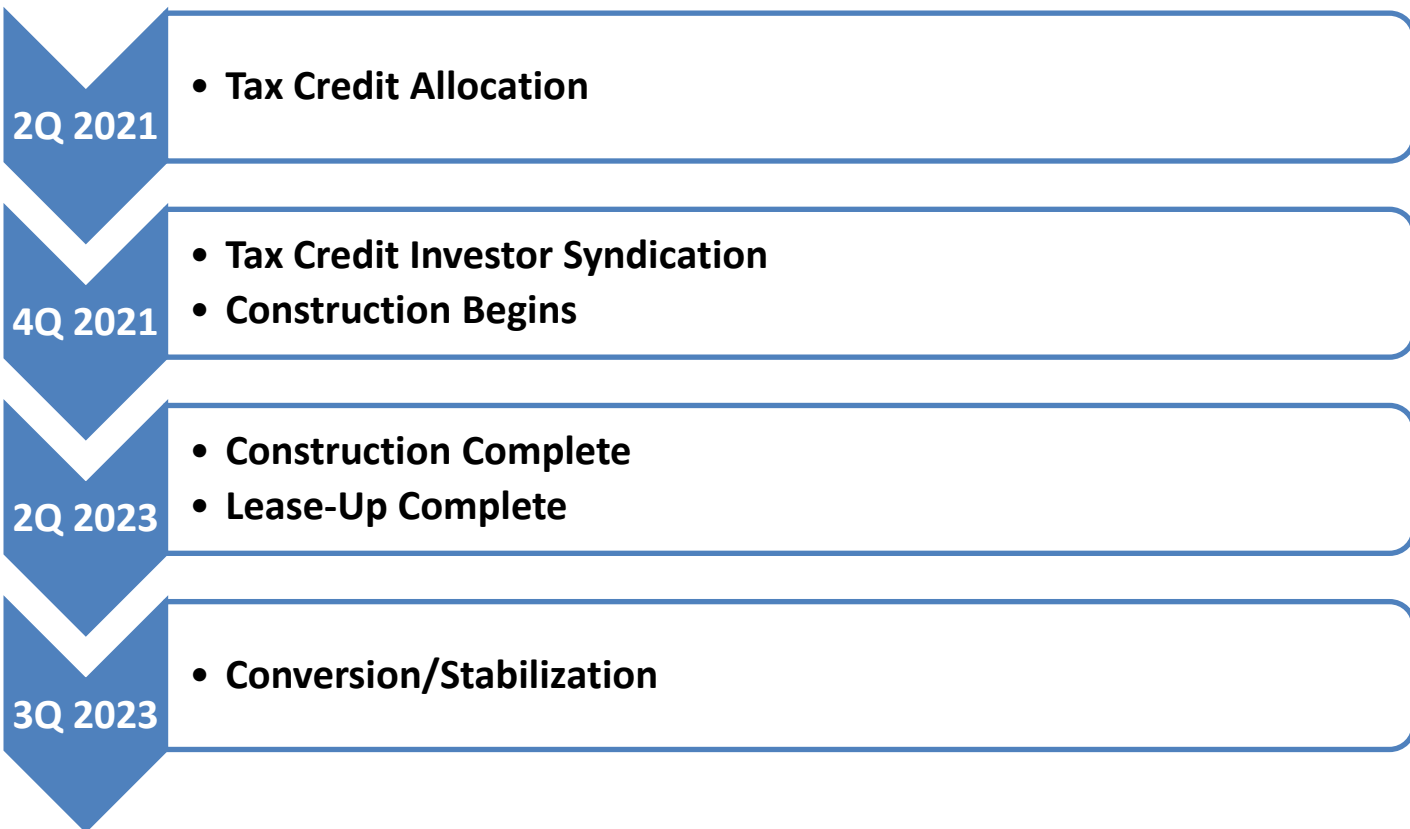


## Current Status:

- Design drawings completed, submitted for design review from the city of Elk Grove
- Working to submit financing application in May 2021



# Mountain Elk Villas – Project Timing





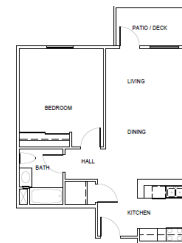
# Heber del Sol Family Apartments

- 1091 Pitzer Road, Heber, CA 92249
- 48 units, new construction
- Acquisition Date: 3/14/2020
- Total Project Cost: \$20.0MM
- Population Served: large family
- Property Management staff and supportive services providers will collaborate to help every resident to reach their potential, become self-sufficient, and maintain housing stability.

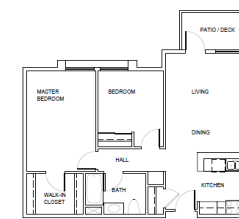


## Current Status:

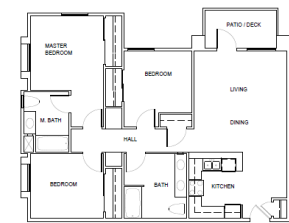
- Plans complete and building is permit ready
- Secured HUD 811 Project Based Vouchers
- Working to secure necessary financing



**UNIT A**  
12 ONE BEDROOM  
715 S.F.



**UNIT B**  
24 TWO BEDROOM  
802 S.F.



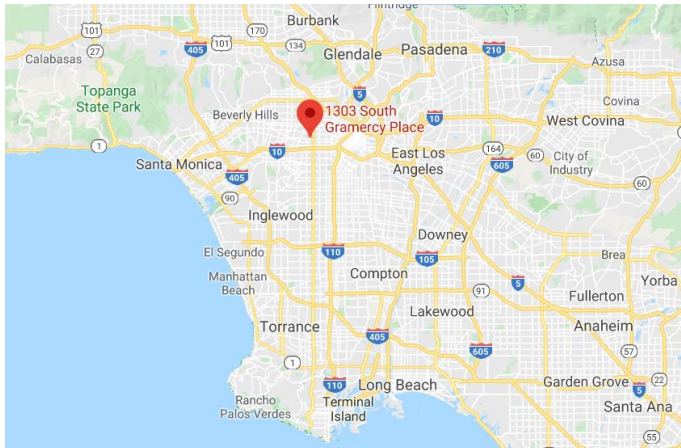
**UNIT C**  
12 THREE BEDROOM  
1,109 S.F.

# Pico Gramercy

- 1303 South Gramercy Place, Los Angeles, CA 90019
- 49 units, acquisition/rehab
- Acquisition Date: 4/16/2020
- Total Project Cost: \$19.2MM
- Population Served: large family

## Next Steps:

- Submit for building permits and apply for tax credit and bond financing



## Appendix II: Biographies

## Paul A. Salib

Mr. Salib is the Chief Executive Officer of CRP Affordable and directs the acquisition and asset management of the firm's holdings.

Previously, Mr. Salib was a Senior Vice President at Red Stone Partners, where he was involved in the acquisition and financing of over \$1 billion in commercial real estate transactions. Mr. Salib was primarily responsible for performing valuation analysis, due diligence and transaction execution.

Mr. Salib received a Bachelor's degree from Syracuse University and his Master's degree in Real Estate Finance and Investment from New York University. Mr. Salib is also an Adjunct Professor at NYU's Schack Real Estate Institute and has served on the Board of Directors of New York State Association for Affordable Housing (NYSFAFH). He is a member of the San Diego Housing Commission.

## John B. Salib

Mr. Salib is President of CRP Affordable and is responsible for overseeing all aspects of the firm's investments and operations.

Mr. Salib began his career at Salomon Smith Barney in New York, where he focused on fixed income finance, real estate acquisition finance and mortgage securitization. Mr. Salib was a member of transaction teams that originated and / or securitized approximately \$3 billion of debt financing for a variety of commercial and residential real estate clients.

Mr. Salib was subsequently a member of the Salomon Smith Barney team in Tokyo, where he was primarily responsible for performing valuation analysis and due diligence on potential acquisition/financing candidates. Mr. Salib is also a founder of Landmark Advisors LLC, a value oriented alternative investment management firm.

Mr. Salib received a Bachelor's degree from Colgate University and a Masters of Business Administration from Columbia Business School.

# Management Biographies

## Rick Serrapica

Mr. Serrapica is Chief Operating Officer and brings more than 30 years of experience developing and managing various asset classes, including multifamily, commercial, retail and industrial properties.

Prior to joining Castellan, Mr. Serrapica was a Partner at Broadway Partners, a real estate owner/operator, with the overall responsibility of managing a national portfolio comprised of twenty-eight assets. Prior to Broadway, Mr. Serrapica was Regional Director of Construction and Property Management at Shorenstein Realty Services, one of the country's largest real estate owner/operators. Prior thereto, he was Senior Vice President as well as Director of Construction and Property Management for SL Green Realty Corp. He has held similar positions at the Swig, Weiler and Arnow Management Co., Cross and Brown and Chase Manhattan Bank.

Mr. Serrapica received a Bachelor of Science and a Master of Business Administration from Long Island University. He is a Registered Property Administrator and a Certified EPA Project Designer.

## Joel Hammer

As Chief Financial Officer, Mr. Hammer is responsible for leading and directing the company's Finance and Accounting functions.

Mr. Hammer has more than 25 years of experience in leading the financial, accounting, operational and administrative aspects of real estate investment companies. In addition, he has significant involvement in IPOs, merger, acquisition and disposition transactions.

Mr. Hammer spent the early part of his career at KPMG, specializing in private and publicly registered companies in a broad range of industries, including real estate and emerging businesses. Subsequently, Mr. Hammer spent 17 years as the Chief Financial Officer at AIG's Global Real estate group, playing a significant role in the group's expansion from startup to a company whose global portfolio had more than \$25 billion of assets under management, with upward of 53 million square feet in more than 50 countries.

Mr. Hammer is also an adjunct professor at Baruch College. Mr. Hammer, a CPA, graduated *magna cum laude* from the State University of New York with a Bachelor's degree in accounting.

## Etan Slomovic

Etan Slomovic is a Principal and Managing Director of Investments. In this position, he leads the team's efforts to acquire value-add multifamily and retail properties in New York City and the surrounding areas, with a particular focus on assets and locations that have substantial growth potential. To date, he has closed approximately 250 transactions in aggregate of over \$1.5B and currently oversees a team responsible for sourcing, underwriting, and executing investment opportunities.

Before joining Castellan, Slomovic worked at Antheus Capital, a real estate private equity firm that has invested in over \$1B of real estate across the United States. In that role, he evaluated and acquired multifamily, mixed-use, and developmental properties.

Mr. Slomovic is a Professor at NYU's Schack Real Estate Institute. He teaches Real Estate Financial Modeling and Finance and Investment Analysis. Mr. Slomovic graduated summa cum laude with a Bachelor of Arts from Yeshiva University.

## Seth Sterneck

Mr. Sterneck is the Managing Director of Development. He is responsible for the financial modeling, due diligence, evaluation and acquisition of potential LIHTC-financed development sites. Further, Mr. Sterneck works directly with local subject matter experts to determine, finalize and carry out the financing, business, and building plans for each project.

Mr. Sterneck graduated with a Bachelor's degree from Northwestern University.

# Team Member Biographies

## Michelle Wigder

Michelle Wigder is an Associate for CRP Affordable Housing Development. Ms. Wigder works on projects including but not limited to acquisition, construction and rehabilitation of affordable rental housing. Michelle runs a team that is constantly working on the ideal financial structuring of the LIHTC deals to expand the supply of affordable housing around the world.

Ms. Wigder graduated summa cum laude with a Bachelor's degree from Yeshiva University's Sy Syms School of Business and became a licensed Certified Public Accountant while working for Deloitte Tax LLP. Prior to starting at our firm, Ms. Wigder completed her Master's degree at NYU's Schack Institute of Real Estate with a concentration in investing and finance.

## John Heaphey

Mr. Heaphey is an Associate for CRP Affordable Housing Development and has experience in affordable housing development and real estate brokerage. Mr. Heaphey works to evaluate and secure potential funding opportunities including LIHTC, Tax-Exempt Bonds, and various state, city, and county sources for potential investments in multifamily rehabilitation or new construction projects. Mr. Heaphey works closely with lenders, investors, and nonprofit partners from the initial stages of project planning through the closing process for each development.

Mr. Heaphey has prior affordable housing development experience working in Anchorage, AK, as well as real estate brokerage experience in New York. He earned his B.A. in Mathematical Economics from Colgate University.

# Team Member Biographies

## Naintara Goodgame

Ms. Goodgame is an Analyst for CRP Affordable Housing Development. Ms. Goodgame supports the business by coordinating activity between acquisition, pre-development, financing, and construction efforts. She focuses on CRP's pursuit of LIHTC and other affordable housing funding sources. Previously, Ms. Goodgame was a Relationship Manager and licensed Financial Advisor at Merrill Lynch and Hightower Financial.

She graduated with a B.A. from Barnard College of Columbia University. Later, she received her Master's in Real Estate Development, with a concentration in Business Development from New York University. Ms. Goodgame also worked at NYU's REIT Center as a Graduate Research Student researching NYC affordable housing's use of modular construction to provide safe and equitable housing. In her spare time, Ms. Goodgame serves as the Secretary of Columbia University's Black Alumni Council.

## Elias Wise

Mr. Wise is an Analyst for CRP Affordable Housing Development. He supports the business by coordinating activity between acquisition, pre-development, financing, and construction efforts. Mr. Wise focuses on CRP's pursuit of LIHTC and other affordable housing funding sources. Mr. Wise has a strong record in such realms and feels strongly about creating opportunities to build affordable, safe, and beautiful homes for Americans in need. Mr. Wise is passionate about issues relating to housing, urban planning, design, and social welfare.

Previously, Mr. Wise served as an associate for Savills, where he focused on tenant representation. He earned his B.A. in History and Philosophy from Colgate University.



CENTRAL VALLEY COALITION FOR AFFORDABLE HOUSING  
 OPERATING BUDGET  
 October 1, 2020 - September 30, 2021

	<u>INCOME</u>	<u>EXPENSES</u>
Partnership Mgmt Fees	1,632,500.00	
Startup Fees	198,500.00	
Mgmt Fees	50,000.00	
Misc. Income	14,500.00	
Grants	500,000.00	
Developer Fees	205,000.00	
Reimb. of Prof. Services	55,000.00	
Cash Flow	60,000.00	
Consultant Fees	60,000.00	
FSS Consulting	75,000.00	
Revenue Interest	3,125.00	
Social Services	950,000.00	
Office space		105,000.00
Development expenses		1,050,000.00
Association fees		20,890.00
Tax Expense		3,000.00
Audit Expense		85,000.00
Project Cost		61,500.00
Permit, Fees & License		5,000.00
Travel Expense - services		52,125.00
Vehicle Maintenance		24,500.00
Misc. Admin		12,000.00
Contract Mainenance		31,500.00
Communications		29,502.00
Officer computer / supplies		32,650.00
Postage		9,250.00
Copier		4,145.00
Storage Space Rent		9,000.00
Electricity		23,555.00
Gas - office		2,750.00
Sundries - meetings		26,500.00
Security Services		1,200.00
Social Services & Supplies		63,125.00
Membership Dues & Fees		2,700.00
Donations		2,100.00
Conference Expenses		3,785.00
General Maintenance		3,240.00
Bond Insurance		125.00
Auto Insurance		28,605.00
Office Insurance/Business		7,500.00
Retirement Expense		124,582.00
Payroll		1,325,001.00
Employee benefits		287,362.00
TOTAL	3,803,625.00	3,437,192.00

**CENTRAL VALLEY COALITION FOR AFFORDABLE HOUSING  
LIST OF PROJECTS:**

<u>Project Name:</u>	<u># of Units</u>	<u>Location:</u>	<u>County</u>
1 Brentwood/Arbor Ridge	178	Brentwood	Contra Costa
2 Bristlecone	30	Mammoth	Mono
3 Cambridge Court/Stockton Invest.	132	Stockton	San Joaquin
4 Carrington Pointe	80	Los Banos	Merced
5 Cedarbrook	70	Hanford	Kings
6 Stockton Meridian (Hampton Square/Phoenix)	186	Stockton	San Joaquin
7 Palm Terrace	80	Auburn	Placer
8 Park Meadows	140	Bakersfield	Kern
9 Sierra Meadows-Senior	100	Merced	Merced
10 The Grove	204	Merced	Merced
11 Watsonville West Bridge/Stonecreek	120	Watsonville	Santa Cruz
12 Coventry Place	140	Clovis	Fresno
13 Westberry Square	100	Lemoore	Kings
14 Chico Parkside Terrace	90	Chico	Butte
15 Entrada	172	San Diego	San Diego
16 Maple Tree	48	Los Angeles	Los Angeles
17 Chesapeake Bay	216	Tracy	San Joaquin
18 Salinas Bay	95	Salinas	Monterey
19 Nantucket Bay	160	Salinas	Monterey
20 Magnolia on Lake	46	Los Angeles	Los Angeles
21 Eastmont Seniors Housing	69	Oakland	Alameda
22 Roosevelt Commons	48	Phoenix, Arizona	Maricopa
23 Hudson Bay	80	Galt	Sacramento
24 Shadowbrook	80	Redding	Shasta
25 *1441 Apple Lane	1	Turlock	Stanislaus
26 *412 Montana	1	Turlock	Stanislaus
27 581 & 583 Columbia Ave	2	Turlock	Stanislaus
28 *1401 & 420 Montana	2	Turlock	Stanislaus
29 *401 N. Broadway	1	Turlock	Stanislaus
30 546 S. Rose	3	Turlock	Stanislaus
31 145 & 147 W. 12th St.	1	Merced	Merced
32 4334 Mathias	1	Merced	Merced
33 143 W. 20th Street	1	Merced	Merced
34 *161 W. 18th Street & 1820 I Street	2	Merced	Merced
35 1130 P Street	4	Merced	Merced

36	20th & H Street	6	Merced	Merced
37	*214 W. 19th Street	1	Merced	Merced
38	2nd & "R" Street	7	Merced	Merced
39	*426 W. 20th Street	1	Merced	Merced
40	*424 M. Street	1	Merced	Merced
41	*504 "R" Street	1	Merced	Merced
42	*2806 Parsons	1	Merced	Merced
43	*3403 M Street	1	Merced	Merced
44	*3437 M Street	1	Merced	Merced
45	2668 N. Highway 59	4	Merced	Merced
46	Childs Ave.	27	Merced	Merced
47	Merced Golden	50	Merced	Merced
48	Crane Terrace	44	Turlock	Stanislaus
49	Oakdale Heritage Oak	50	Oakdale	Stanislaus
50	Evergreen	54	Los Angeles	Los Angeles
51	Perris Isle	189	Moreno Valley	Riverside
52	Kimball Crossing	56	Red Bluff	Tehama
53	Bricker	16	Los Angeles	Los Angeles
54	Gateway Merced	66	Merced	Merced
55	Valle Del Sol - Coalinga	40	Coalinga	Fresno
56	Cherry Tree	104	Turlock	Stanislaus
57	Main Plaza/Brisa Del Mar	105	Chula Vista	San Diego
58	Village at Chowchilla	81	Chowchilla	Madera
59	Nipomo San Luis Bay	120	Nipomo	San Luis
60	Adagio	55	Clearlake	Lake
61	ML Lincoln	57	Mecca	Riverside
62	Sunny View Family	70	Delano	Kern
63	MoVal Bay Family	61	Moreno Valley	Riverside
64	Meridian Apartments	47	Sacramento	Sacramento
65	Mecca/Clinton Family/MCFA	59	Mecca	Riverside
66	Parlier/Bella Vista	47	Parlier	Fresno
0-	La Amistad/Mendota Lozano St.	81	Mendota	Fresno
68	Olympic Village	54	Clearlake	Lake
69	Pixley/Mirage Vista	55	Pixley	Tulare
70	Roosevelt Family/750 Grande	52	Nipomo	San Luis Obispo
71	Pinetop Hills	64	Pinetop, Arizona	Navajo
72	Tivoli Heights	48	Kingman, Arizona	Mohave
73	Tivoli Heights II	48	Kingman, Arizona	Mohave
74	Willcox Townhomes	40	Willcox, Arizona	Cochise
75	Monterey Family Apt.	72	San Jose	Santa Clara
76	Larkspur Village/Ridgecrest Housing Investors	81	Ridgecrest	Kern

77	Fowler Walnut Grove Villa	40	Fowler	Fresno
78	University Gardens	113	Los Angeles	Los Angeles
79	Plaza Grande	92	Salinas	Monterey
80	Green Street	36	Dinuba	Tulare
81	Valencia House-Seniors	47	Woodlake	Tulare
82	Pioneer Street	112	Bakersfield	Kern
83	Desert Oak/Kern 2008 Community Partners	42	Mojave	Kern
84	Hudson Park I & II/Kern 2008 Community Partners	84	Shafter	Kern
85	Orchard Manor I/Tulare 2010 Community Partners	44	Orosi	Tulare
86	Orchard Manor II/Tulare 2010 Community Partners	32	Orosi	Tulare
87	Alta Vista/Tulare 2010 Community Partners	42	Orosi	Tulare
88	Sequoia View/Tulare 2010 Community Partners	42	Orosi	Tulare
89	Conquistador Villa/Huron-Mendota Community Partners	38	Huron	Fresno
90	Midland Manor/Huron-Mendota Community Partners	40	Mendota	Fresno
91	Country Way/Huron-Mendota Community Partners	41	Mendota	Fresno
92	Huron Gardens/Huron-Mendota Community Partners	38	Huron	Fresno
93	Amberwood 1 & II/Hanford Community Partners	87	Hanford	Kings
94	Lincoln Apartments	150	Riverside	Riverside
95	Casa Del Sol	54	Planada	Merced
96	Madera Valley Vista	60	Madera	Madera
97	Chowchilla Gardens	54	Chowchilla	Madera
98	Park Sequoia/San Jose Courtyard /Courtyard Community Partners	81	San Jose	Santa Clara
99	Sunrise Vista	56	Waterford	Stanislaus
100	Red Bluff - Meadow Vista	72	Red Bluff	Tehoma
101	Summercreek/Seasons by the Grove	40	Eureka	Humbolt
102	Courtyards at Arcata	64	Arcata	Humbolt
103	Meadow Senior Village	40	Fortuna	Humbolt
104	Redwood Village	20	Redway	Humbolt
105	Summercreek	64	Ukiah	Mendocino
106	Lake Terrace	60	Clearlake	Lake
107	Farmersville Park Creek	48	Farmersville	Tulare
108	Mammoth Family Lakes/Aspen Village	48	Mammoth	Mono
109	Taylor Park Meadows	42	Taylor, Arizona	Navajo
110	Willow Creek Apartments	24	Willow Creek	Humbolt
111	Vista Ridge Apartments	56	Redbluff	Tehama
112	Gray's Crossing/Henness Flats/Truckee Pacific	92	Truckee	Nevada
113	Courtyards at Arcata II	36	Arcata	Humbolt
114	Fortuna Family Apartments	24	Fortuna	Humbolt
115	Sequoia Village at River's Edge	64	Porterville	Tulare
116	Blue Oak Court Apartments	80	Anderson	Shasta
117	Mammoth II - Jefferies	30	Mammoth	Mono

118	Willow Plaza - Bishop	12	Bishop	Inyo
119	Chico Courtyards	76	Chico	Butte
120	Vineyard	46	Pasco, Washington	Franklin
121	Frishman/Alder Pacific	32	Truckee	Nevada
122	Corning Pacific/Salado Orchard	48	Corning	Tehama
123	Hayward/Majestic	81	Hayward	Alameda
124	Alicante/Huron Pacific	81	Huron	Fresno
125	Hillview Ridge/Oroville Pacific	72	Oroville	Butte
126	Farmersville Gateway Village	48	Farmersville	Tulare
127	Farmersville Gateway Village II	16	Farmersville	Tulare
128	Montgomery Crossing/Lemoore	57	Lemoore	Kings
129	Bakersfield Pacific II	80	Bakersfield	Kern
130	Salinas Pacific- Tresor Apts	81	Salinas	Monterey
131	Riverbank Family	65	Riverbank	Stanislaus
132	Springhill Gardens	121	Grass Valley	Nevada
133	Winters Pacific/Orchard Village	74	Winters	Yolo
134	Hanford Pacific/Tierra vista	49	Hanford	Kings
135	Victorville Pacific/Rodeo Drive	48	Victorville	San Bernadino
136	Gridley Pacific/Washington Court Apt.	57	Gridley	Butte
137	Hillview Ridge II / Oroville Pacific II	57	Oroville	Butte
138	Chico Bidwell/Bidwell Park Apt.	38	Chico	Butte
139	Millbrae/Delores Lia Apt.	27	Millbrae	San Mateo
140	Antelope/Crossings at North Loop	112	Antelope	Sacramento
141	Riverbank Seniors	20	Riverbank	Stanislaus
142	Greenfield/Terracina Oaks	41	Greenfield	Monterey
143	Sonoma Gardens/Santa Rosa Pacific	60	Santa Rosa	Sonoma
144	Colonial House/Oxnard Pacific	44	Oxnard	Ventura
145	Dixon Pacific/Valley Glen	59	Dixon	Solano
146	King City/Creekbridge	32	King City	Monterey
147	South Lake Tahoe/SLT	48	South Lake Tahoe CA	El Dorado
148	Mayfair/San Jose Pacific	93	San Jose	Santa Clara
149	Willows Pacific/Willows Senior	49	Willows	Glenn
150	Richmond Pacific/Harbour View	62	Richmond	Contra Costa
151	Magnolia Place Senior/Greenfield Senior	32	Greenfield	Monterey
152	King Station/King City Pacific	57	King City	Monterey
153	Waterford Gardens/Waterford Court	51	Waterford	Stanislaus
154	Gilroy Pacific / Alexander Station	262	Gilroy	Santa Clara
155	Brawley Pacific / Malan Street Apt.	41	Brawley	Imperial
156	Pittsburg Pacific/Stoneman	230	Pittsburg	Contra Costa
157	Hollister San Juan/Vista de Oro	80	Hollister	San Benito
158	Gilroy Pacific II/ Harvest Park	98	Gilroy	Santa Clara

159	Daly City/Brunswick	206	Daly City	San Mateo
160	Terrace at Nevins/Richmond Nevins/Twenty one & Tw	271	Richmond	Contra Costa
161	Brawley Pacific II/ Malan Street Apt. II	40	Brawley	Imperial
162	Plumas/Yuba City Pacific	15	Yuba City	Sutter
163	Santa Cruz Pacific/Ocean Street	63	Santa Cruz	Santa Cruz
164	Holtville/Fern Crossing	43	Holtville	Imperial
165	San Jose Virginia/Virginia Street Studios	301	San Jose	Santa Clara
166	Gilroy Glen Loma/Glen Loma Ranch Apt.	158	Gilroy	Santa Clara
167	Ukiah Senior Apt./Ukiah Pacific Assoc.	31	Ukiah	Mendocino
168	Sycamore Ridge Family/Willows Family Assoc.	24	Willows	Glenn
169	Willow Family	77	Clovis	Fresno
170	Heritage Village	50	Los Banos	Merced
171	Parkside Village	76	Dinuba	Tulare
172	Green Valley Cameron Park	40	Cameron	El Dorado
173	Sonora Greenwood	48	Sonora	Tuolumne
174	Deerview Park	48	Placerville	El Dorado
175	Fort Bragg Duncan Place	44	Fort Bragg	Mendocino
176	Sutter Creek Sutter Hill	44	Sutter Creek	Amador
177	Citrus Manor	54	Susanville	Lassen
178	Lincoln Golden Village	49	Lincoln	Placer
179	Ione Jose's Place	44	Ione	Amador
180	Gridley Oaks	56	Gridley	Butte
181	Winters Almondwood	39	Winters	Yolo
182	Alta Vista/Mt. Shasta	44	Mount Shasta	Siskiyou
183	Atascadero/California Manor	95	Atascadero	San Luis Obispo
184	Rio Dell	49	Rio Dell	Humbolt
185	Patterson Place	40	Patterson	Stanislaus
186	Riverbank/Riverview Gardens	42	Riverbank	Stanislaus
187	Diamond Place/San Andreas	30	San Andreas	Calaveras
188	Sherwood Manor/Los Molinos	35	Los Molinos	Tehama
189	Gustine Gardens	34	Gustine	Merced
190	Valle Vista/Lincoln Valle Vista	44	Lincoln	Placer
191	Marysville Alberta Gardens	48	Marysville	Yuba
192	Lindsay Delta Vista Manor	40	Lindsay	Tulare
193	Lincoln Parkview	80	Lincoln	Placer
194	Portola Senior	50	Portola	Plumas
195	Sierra Valley Senior/Loyalton Sierra Valley, LP	50	Loyalton	Sierra
196	Quincy Mountain View	46	Quincy	Plumas
197	Kimberly Park	132	Victorville	San Bernadino
198	Villa Paloma	84	San Juan Capistrano	Orange
199	Plaza City	80	National City	San Diego

200	Kearney Palms III	44	Kerman	Fresno
201	Hacienda Heights	69	Kerman	Fresno
202	Palmer Villas Senior	25	Huron	Fresno
203	Palmer Family	56	Huron	Fresno
204	Overland Court Apartments-Seniors	70	Los Banos	Merced
205	Sierra Heights WP	40	Oroville	Butte
206	Gateway Villas WP	61	Kerman	Fresno
207	Watsonville Vista Montana	132	Watsonville	Santa Cruz
208	Columbia Place	43	Los Angeles	Los Angeles
209	Queen Apartments	96	Los Angeles	Los Angeles
210	Sunny View Family II/20th & 18th Ave	70	Delano	Kern
211	Mimmim Town Homes	21	Los Angeles	Los Angeles
212	Mansi Townhomes	21	Los Angeles	Los Angeles
213	My Town Homes	21	Los Angeles	Los Angeles
214	Milan	16	Los Angeles	Los Angeles
215	Meera	21	Los Angeles	Los Angeles
216	Maya	21	Los Angeles	Los Angeles
217	Fillmore Parkview Seniors	50	Fillmore	Ventura
218	Westside Village	40	Newman	Stanislaus
219	Ashwood Village	120	Modesto	Stanislaus
220	Madera Lakewood Terrace	76	Madera	Madera
221	Regency Court Senior	120	Salinas	Monterey
222	Casa Serena	48	Lompoc	Santa Barbara
223	Le Fenetre Apartments/Parkmoor	50	San Jose	Santa Clara
224	Miranda Villa Apartments/Forest Manor	109	San Jose	Santa Clara
225	Plaza Del Sol Senior /Blossom Hill	80	San Jose	Santa Clara
226	Camarillo Courtyards	34	Camarillo	Ventura
227	Oak Park Senior	65	Fresno	Fresno
228	College Manor	32	Rocklin	Placer
229	Beaumont/Mountain View	80	Beaumont	Riverside
230	Coachella/Desert Palms	112	Coachella	Riverside
231	Banning/Westview Terrace	75	Banning	Riverside
232	Hemet/Village Meadows	68	Hemet	Riverside
233	Sycamore Seniors	229	Oxnard	Ventura
234	Alexander Apt./Fullerton/Ventana	95	Fullerton	Orange
235	Crossings at Madera	64	Madera	Madera
236	Crossings at Santa Rosa	49	Santa Rosa	Sonoma
237	Crossings at Elk Grove	116	Elk Grove	Sacramento
238	Stoneridge at Elk Grove	96	Elk Grove	Sacramento
239	Crossings at Morgan Hill	24	Morgan Hill	Santa Clara
240	Horizon at Morgan Hill	49	Morgan Hill	Santa Clara

241	Crossings at Big Bear Lake	42	Big Bear	San Bernadino
242	Crossings at Escondido	44	Escondido	San Deito
243	Crossings on Aston/UHC 00596 Santa Rosa	27	Santa Rosa	Sonoma
244	Crossings on Monterey/UHC 00661 Morgan Hill	39	Morgan Hill	Santa Clara
245	Presidio El Camino Apt.	40	Santa Clara	Santa Clara
246	Turlock Parkside/ Lake Park Apt./Villas at Parkside	104	Turlock	Stanislaus
247	Zettie Miller's Haven	82	Stockton	San Joaquin
248	Casa Blanca/Antioch Riviera	129	Antioch	Contra Costa
249	Delta Pines/Sycamore Woods Apt.	186	Antioch	Contra Costa
250	Cathedral Creekside	185	Cathedral City	Riverside
251	Lotus Landing	218	Sacramento	Sacramento
252	Harbor View - San Diego	59	San Diego	San Diego
253	Southwind Apt.	88	Sacramento	Sacramento
254	Cielo Vista/AT Cielo Vista	112	Indio	Riverside
255	LEDG Vacaville/Vacaville Gables	65	Vacaville	Solano
256	College Park	53	Dinuba	Tulare
257	North Park Apartments II	81	Dinuba	Tulare
258	Mark Twain	106	Oakland	Alameda
259	Lake District	117	Oakland	Alameda
260	King's View Estates	116	Fresno	Fresno
261	Ivy Hill Apt.	116	Walnut Creek	Contra Costa
262	Sequoia Knolls	20	Fresno	Fresno
263	Merced Laurel Glen	128	Merced	Merced
264	Sterling-Berkeley Addison	21	Berkeley	Alameda
265	Sterling-Berkeley Allston	91	Berkeley	Alameda
266	Sterling-Berkeley Haste	100	Berkeley	Alameda
267	Sterling-Berkeley Oxford	56	Berkeley	Alameda
268	Sterling-Berkeley Univeristy Avenue	35	Berkeley	Alameda
269	Del Monte Vista Manor	192	Seaside	Monterey
		17,970		

\* Single Family Home



## **HISTORY OF THE CENTRAL VALLEY COALITION FOR AFFORDABLE HOUSING**

The Central Valley Coalition for Affordable Housing was established in 1989, by the Housing Authority of the County of Merced. The Director of the Housing Authority believed there was a need for more affordable housing within Merced County, but as a Housing Authority, the agency was unable to produce new housing. The Federal Government had, for all practical purposes, removed itself from the development of affordable, low income housing, creating the opportunity for a local non-governmental organization to collaboratively put together funding programs from within the community to meet local housing needs.

The Coalition is committed to making safe, decent, affordable housing available to people that could not otherwise afford it. The Coalition is dedicated to providing service-enriched affordable housing for low-income families, the elderly and the handicapped. We work to combat community deterioration and to lessen the burdens on government. Our vision is for all people to enjoy quality affordable housing regardless of age, income, national origin, color, sex, or religion, and for all persons to have access to necessary services in order to maintain a self-sufficient and independent lifestyle.

### **Original Projects**

The Coalition's first development was a 27 unit project consisting of three and four bedroom duplexes located in the City of Merced. After reviewing several alternatives, the Coalition decided to contract with the Affordable Housing Development Corporation (AHDC) for financial services. A package was developed utilizing property the Coalition received from the City of Merced. That project remains the first tax credit project developed by the Coalition. At that time, the Coalition also entered into an agreement with the City of Merced to rehabilitate and manage a 7-unit project consisting of one studio and 6 two-bedroom units. The Coalition completed rehabilitation work and took over ownership of these units which are still fully occupied with low-income families. With completion of these projects, the Coalition was on its way to developing affordable housing and collaborating with local agencies to bring its and their goals to reality.

### **CHDO Funding**

The Coalition received Community Housing Development Organization (CHDO) status with our local Participating Jurisdiction, the City of Merced, which agreed to work with the Coalition in meeting its goal of developing affordable housing. Our first CHDO monies were used to purchase a Victorian house which was moved, rehabilitated and is remains occupied today by a low-income family.

Since its first year as the City's CHDO, the Coalition has received set-aside funds for fiscal years 95/96, 96/97, 97/98, 98/99, 99/00, 00/01, 01/02, 02/03, 03/04, 04/05, 05/06, 06/07, 07/08, 08/09, 09/10, 10/11, 11/12, 12/13, 13/14, 14/15, 16/17, 17/18 and 19/20. We work closely with the City of Merced to clean up blight and develop affordable housing that meets everyone's goals.

In a similar fashion, the Coalition has worked with the City of Turlock purchasing, developing, and/or rehabilitating single family homes throughout the City for use as affordable rentals. The Coalition has served as the City of Turlock's CHDO and received its 00/01, 01/02, 02/03, 03/04, 04/05, 05/06, 06/07, 07/08, 11/12, 12/13 & 14/15 CHDO set-aside of HOME funds. These funds have been used for a number of projects including a new construction 44-unit Senior Complex and assisting the City with a mixed use project that included a 104-unit component.

### **Homeownership Program**

The Coalition's partnerships with the cities of Merced and Turlock go beyond just providing new affordable housing to area residents. One of the Coalition's goals is to help low-income families become homeowners. The Coalition works with tenants during a five year period hoping to empower them to make sound financial choices which inevitably lead to home ownership. During this five year period tenants attend homeownership classes, credit counseling, budgeting, home maintenance, housekeeping and money management classes geared to assist them in better financial planning, spending, and saving, again with the ultimate goal of responsible home ownership.

### **Area Multi-Family/Senior Projects**

**1995** - The Coalition purchased a 50-unit Section 8 project-based senior apartment complex, Merced Golden. This project used HUD funding and maintains full occupancy status.

**1995** - The Coalition was awarded HOME funds from the 1995 Notice of Funding Availability (NOFA) for a 60 unit multi-family complex in Planada. This site is completed and maintains full occupancy status.

**1996** - The Coalition successfully negotiated an agreement with the City of Merced and AHDC for the development of a 100-unit senior citizens' complex, Sierra Meadows. Located in close proximity to the Senior Citizens' Center in Merced the complex is now managed by another company and maintains full occupancy status.

**1997** – The Coalition successfully applied and received HOME funds for a project in Hanford which is completed and maintains full occupancy status.

**2002** - The Coalition successfully applied and received HOME funds for a project in Farmersville which is completed and maintains full occupancy status.

**2003** – The Coalition received 2003 HOME funds for a second phase to Green Street Townhomes in Dinuba. This project is completed and maintains full occupancy status.

**2003** - The Coalition began construction on a 204-unit Affordable Housing Development in the City of Merced known as The Grove. The Coalition worked with the City to see this project become a reality. Financing included HOME and Section 108 funds from the City of Merced and the project was completed in 2004. Today the complex is near rental capacity and provides project-based rents to tenants.

**2005** – The Coalition began construction on a 44-unit affordable housing senior complex in the City of Turlock known as Crane Terrace Apartments. Central Valley Coalition for Affordable Housing worked closely with the City of Turlock to ensure the City’s vision came to life. This project was funded with Redevelopment Agency funds, HOME funds and tax credits.

**2006** – The Coalition completed development of a 30-unit complex located in Mammoth, California which remains fully occupied. Funding included HOME funds from the Town of Mammoth and tax credits from the California Tax Credit Allocation Committee.

**2013** – The Coalition completed development of a 66-unit multi-family complex, Gateway Terrace, in Merced. A project-based voucher complex this facility is fully occupied. Funding from the City of Merced consisted of HOME funds and CHDO funds. In addition there are tax credits, and funding from the Mental Health Department of the County of Merced.

A list of our tax credit projects will be provided upon request for a complete overview of units completed by the Coalition throughout California.

To date the Coalition has completed over 280 projects state-wide providing over 20,000 units of low income housing to California low-income families.

### **Social Services**

The Coalition has grown through the years and with that growth has come additional servicing opportunities for low-income families. One of these opportunities is providing life skill classes and after-school programs for our residents. These programs grew out of a grant opportunity from HUD which allowed the Coalition and Housing Authority of the City of Merced to create life skill classes for families. Classes are geared to help residents become self-sufficient, enhance their job skills, and provide resources in the areas of health, wellness, and nutrition. Youth classes offer tutoring, behavior, health, and educational lesson plans.

### **Summary**

The Coalition is dedicated to the original intent of the organization, in that we are working diligently to increase the inventory of decent, safe and affordable housing to persons and families of low and moderate income throughout the valley, who could not

otherwise afford it. We are willing to work with anyone or any agency that will help us with this goal and, so far, we have been successful.

Christina Alley, Chief Executive Officer, has been with the Coalition since its creation. She assisted in drafting the non-profit corporation documents as well as developing many programs for the agency. She has had the honor of seeing the corporation grow and meet its objectives through the years.

The Coalition receives legal assistance from Robert Haden of the Law Firm Robert Haden Professional Corporation, located at 2241 "N" Street, Merced, CA 95340.

## LIST OF PROJECTS

	<b><u>Project Name:</u></b>	<b><u># of Units</u></b>	<b><u>Location:</u></b>	<b><u>County</u></b>
1	Brentwood/Arbor Ridge	178	Brentwood	Contra Costa
2	Bristlecone	30	Mammoth	Mono
3	Cambridge Court/Stockton Invest.	132	Stockton	San Joaquin
4	Carrington Pointe	80	Los Banos	Merced
5	Cedarbrook	70	Hanford	Kings
6	Stockton Meridian (Hampton Square/Phoenix)	186	Stockton	San Joaquin
7	Palm Terrace	80	Auburn	Placer
8	Park Meadows	140	Bakersfield	Kern
9	Sierra Meadows-Senior	100	Merced	Merced
10	The Grove	204	Merced	Merced
11	Watsonville West Bridge/Stonecreek	120	Watsonville	Santa Cruz
12	Coventry Place	140	Clovis	Fresno
13	Westberry Square	100	Lemoore	Kings
14	Chico Parkside Terrace	90	Chico	Butte
15	Entrada	172	San Diego	San Diego
16	Maple Tree	48	Los Angeles	Los Angeles
17	Chesapeake Bay	216	Tracy	San Joaquin
18	Salinas Bay	95	Salinas	Monterey

19	Nantucket Bay	160	Salinas	Monterey
20	Magnolia on Lake	46	Los Angeles	Los Angeles
21	Eastmont Seniors Housing	69	Oakland	Alameda
22	Roosevelt Commons	48	Phoenix, Arizona	Maricopa
23	Hudson Bay	80	Galt	Sacramento
24	Shadowbrook	80	Redding	Shasta
25	*1441 Apple Lane	1	Turlock	Stanislaus
26	*412 Montana	1	Turlock	Stanislaus
27	581 & 583 Columbia Ave	2	Turlock	Stanislaus
28	*1401 & 420 Montana	2	Turlock	Stanislaus
29	*401 N. Broadway	1	Turlock	Stanislaus
30	546 S. Rose	3	Turlock	Stanislaus
31	145 & 147 W. 12th St.	1	Merced	Merced
32	4334 Mathias	1	Merced	Merced
33	143 W. 20th Street	1	Merced	Merced
34	*161 W. 18th Street & 1820 I Street	2	Merced	Merced
35	1130 P Street	4	Merced	Merced
36	20th & H Street	6	Merced	Merced
37	*214 W. 19th Street	1	Merced	Merced
38	2nd & "R" Street	7	Merced	Merced
39	*426 W. 20th Street	1	Merced	Merced
40	*424 M. Street	1	Merced	Merced
41	*504 "R" Street	1	Merced	Merced
42	*2806 Parsons	1	Merced	Merced
43	*3403 M Street	1	Merced	Merced
44	*3437 M Street	1	Merced	Merced
45	2668 N. Highway 59	4	Merced	Merced
46	Childs Ave.	27	Merced	Merced
47	Merced Golden	50	Merced	Merced
48	Crane Terrace	44	Turlock	Stanislaus
49	Oakdale Heritage Oak	50	Oakdale	Stanislaus

50	Evergreen	54	Los Angeles	Los Angeles
51	Perris Isle	189	Moreno Valley	Riverside
52	Kimball Crossing	56	Red Bluff	Tehama
53	Bricker	16	Los Angeles	Los Angeles
54	Gateway Merced	66	Merced	Merced
55	Valle Del Sol - Coalinga	40	Coalinga	Fresno
56	Cherry Tree	104	Turlock	Stanislaus
57	Main Plaza/Brisa Del Mar	105	Chula Vista	San Diego
58	Village at Chowchilla	81	Chowchilla	Madera
59	Nipomo San Luis Bay	120	Nipomo	San Luis
60	Adagio	55	Clearlake	Lake
61	ML Lincoln	57	Mecca	Riverside
62	Sunny View Family	70	Delano	Kern
63	MoVal Bay Family	61	Moreno Valley	Riverside
64	Meridian Apartments	47	Sacramento	Sacramento
65	Mecca/Clinton Family/MCFA	59	Mecca	Riverside
66	Parlier/Bella Vista	47	Parlier	Fresno
0-	La Amistad/Mendota Lozano St.	81	Mendota	Fresno
68	Olympic Village	54	Clearlake	Lake
69	Pixley/Mirage Vista	55	Pixley	Tulare
70	Roosevelt Family/750 Grande	52	Nipomo	San Luis Obispo
71	Pinetop Hills	64	Pinetop, Arizona	Navajo
72	Tivoli Heights	48	Kingman, Arizona	Mohave
73	Tivoli Heights II	48	Kingman, Arizona	Mohave
74	Willcox Townhomes	40	Willcox, Arizona	Cochise
75	Monterey Family Apt.	72	San Jose	Santa Clara
76	Larkspur Village/Ridgecrest Housing Investors	81	Ridgecrest	Kern
77	Fowler Walnut Grove Villa	40	Fowler	Fresno
78	University Gardens	113	Los Angeles	Los Angeles
79	Plaza Grande	92	Salinas	Monterey
80	Green Street	36	Dinuba	Tulare

81	Valencia House-Seniors	47	Woodlake	Tulare
82	Pioneer Street	112	Bakersfield	Kern
83	Desert Oak/Kern 2008 Community Partners	42	Mojave	Kern
84	Hudson Park I & II/Kern 2008 Community Partners	84	Shafter	Kern
85	Orchard Manor I/Tulare 2010 Community Partners	44	Orosi	Tulare
86	Orchard Manor II/Tulare 2010 Community Partners	32	Orosi	Tulare
87	Alta Vista/Tulare 2010 Community Partners	42	Orosi	Tulare
88	Sequoia View/Tulare 2010 Community Partners	42	Orosi	Tulare
89	Conquistador Villa/Huron-Mendota Community Partners	38	Huron	Fresno
90	Midland Manor/Huron-Mendota Community Partners	40	Mendota	Fresno
91	Country Way/Huron-Mendota Community Partners	41	Mendota	Fresno
92	Huron Gardens/Huron-Mendota Community Partners	38	Huron	Fresno
93	Amberwood 1 & II/Hanford Community Partners	87	Hanford	Kings
94	Lincoln Apartments	150	Riverside	Riverside
95	Casa Del Sol	54	Planada	Merced
96	Madera Valley Vista	60	Madera	Madera
97	Chowchilla Gardens	54	Chowchilla	Madera
98	Park Sequoia/San Jose Courtyard /Courtyard Community Partners	81	San Jose	Santa Clara
99	Sunrise Vista	56	Waterford	Stanislaus
100	Red Bluff - Meadow Vista	72	Red Bluff	Tehoma
101	Summercreek/Seasons by the Grove	40	Eureka	Humbolt
102	Courtyards at Arcata	64	Arcata	Humbolt
103	Meadow Senior Village	40	Fortuna	Humbolt
104	Redwood Village	20	Redway	Humbolt
105	Summercreek	64	Ukiah	Mendicino
106	Lake Terrace	60	Clearlake	Lake
107	Farmersville Park Creek	48	Farmersville	Tulare

108	Mammoth Family Lakes/Aspen Village	48	Mammoth	Mono
109	Taylor Park Meadows	42	Taylor, Arizona	Navajo
110	Willow Creek Apartments	24	Willow Creek	Humbolt
111	Vista Ridge Apartments	56	Redbluff	Tehama
112	Gray's Crossing/Henness Flats/Truckee Pacific	92	Truckee	Nevada
113	Courtyards at Arcata II	36	Arcata	Humbolt
114	Fortuna Family Apartments	24	Fortuna	Humbolt
115	Sequoia Village at River's Edge	64	Porterville	Tulare
116	Blue Oak Court Apartments	80	Anderson	Shasta
117	Mammoth II - Jefferies	30	Mammoth	Mono
118	Willow Plaza - Bishop	12	Bishop	Inyo
119	Chico Courtyards	76	Chico	Butte
120	Vineyard	46	Pasco, Washington	Franklin
121	Frishman/Alder Pacific	32	Truckee	Nevada
122	Corning Pacific/Salado Orchard	48	Corning	Tehama
123	Hayward/Majestic	81	Hayward	Alameda
124	Alicante/Huron Pacific	81	Huron	Fresno
125	Hillview Ridge/Oroville Pacific	72	Oroville	Butte
126	Farmersville Gateway Village	48	Farmersville	Tulare
127	Farmersville Gateway Village II	16	Farmersville	Tulare
128	Montgomery Crossing/Lemoore	57	Lemoore	Kings
129	Bakersfield Pacific II	80	Bakersfield	Kern
130	Salinas Pacific- Tresor Apts	81	Salinas	Monterey
131	Riverbank Family	65	Riverbank	Stanislaus
132	Springhill Gardens	121	Grass Valley	Nevada
133	Winters Pacific/Orchard Village	74	Winters	Yolo
134	Hanford Pacific/Tierra vista	49	Hanford	Kings
135	Victorville Pacific/Rodeo Drive	48	Victorville	San Bernadino
136	Gridley Pacific/Washington Court Apt.	57	Gridley	Butte
137	Hillview Ridge II / Oroville Pacific II	57	Oroville	Butte



138	Chico Bidwell/Bidwell Park Apt.	38	Chico	Butte
139	Millbrae/Delores Lia Apt.	27	Millbrae	San Mateo
140	Antelope/Crossings at North Loop	112	Antelope	Sacramento
141	Riverbank Seniors	20	Riverbank	Stanislaus
142	Greenfield/Terracina Oaks	41	Greenfield	Monterey
143	Sonoma Gardens/Santa Rosa Pacific	60	Santa Rosa	Sonoma
144	Colonial House/Oxnard Pacific	44	Oxnard	Ventura
145	Dixon Pacific/Valley Glen	59	Dixon	Solano
146	King City/Creekbridge	32	King City	Monterey
147	South Lake Tahoe/SLT	48	South Lake Tahoe CA	El Dorado
148	Mayfair/San Jose Pacific	93	San Jose	Santa Clara
149	Willows Pacific/Willows Senior	49	Willows	Glenn
150	Richmond Pacific/Harbour View	62	Richmond	Contra Costa
151	Magnolia Place Senior/Greenfield Senior	32	Greenfield	Monterey
152	King Station/King City Pacific	57	King City	Monterey
153	Waterford Gardens/Waterford Court	51	Waterford	Stanislaus
154	Gilroy Pacific / Alexander Station	262	Gilroy	Santa Clara
155	Brawley Pacific / Malan Street Apt.	41	Brawley	Imperial
156	Pittsburg Pacific/Stoneman	230	Pittsburg	Contra Costa
157	Hollister San Juan/Vista de Oro	80	Hollister	San Benito
158	Gilroy Pacific II/ Harvest Park	98	Gilroy	Santa Clara
159	Daly City/Brunswick	206	Daly City	San Mateo
160	Terrace at Nevins/Richmond Nevins/Twenty one & Twenty Three Nevin	271	Richmond	Contra Costa
161	Brawley Pacific II/ Malan Street Apt. II	40	Brawley	Imperial
162	Plumas/Yuba City Pacific	15	Yuba City	Sutter
163	Santa Cruz Pacific/Ocean Street	63	Santa Cruz	Santa Cruz
164	Holtville/Fern Crossing	43	Holtville	Imperial
165	San Jose Virginia/Virginia Street Studios	301	San Jose	Santa Clara

166	Gilroy Glen Loma/Glen Loma Ranch Apt.	158	Gilroy	Santa Clara
167	Ukiah Senior Apt./Ukiah Pacific Assoc.	31	Ukiah	Mendocino
168	Sycamore Ridge Family/Willows Family Assoc.	24	Willows	Glenn
169	Willow Family	77	Clovis	Fresno
170	Heritage Village	50	Los Banos	Merced
171	Parkside Village	76	Dinuba	Tulare
172	Green Valley Cameron Park	40	Cameron	El Dorado
173	Sonora Greenwood	48	Sonora	Tuolumne
174	Deerview Park	48	Placerville	El Dorado
175	Fort Bragg Duncan Place	44	Fort Bragg	Mendocino
176	Sutter Creek Sutter Hill	44	Sutter Creek	Amador
177	Citrus Manor	54	Susanville	Lassen
178	Lincoln Golden Village	49	Lincoln	Placer
179	Ione Jose's Place	44	Ione	Amador
180	Gridley Oaks	56	Gridley	Butte
181	Winters Almondwood	39	Winters	Yolo
182	Alta Vista/Mt. Shasta	44	Mount Shasta	Siskiyou
183	Atascadero/California Manor	95	Atascadero	San Luis Obispo
184	Rio Dell	49	Rio Dell	Humbolt
185	Patterson Place	40	Patterson	Stanislaus
186	Riverbank/Riverview Gardens	42	Riverbank	Stanislaus
187	Diamond Place/San Andreas	30	San Andreas	Calaveras
188	Sherwood Manor/Los Molinos	35	Los Molinos	Tehama
189	Gustine Gardens	34	Gustine	Merced
190	Valle Vista/Lincoln Valle Vista	44	Lincoln	Placer
191	Marysville Alberta Gardens	48	Marysville	Yuba
192	Lindsay Delta Vista Manor	40	Lindsay	Tulare
193	Lincoln Parkview	80	Lincoln	Placer
194	Portola Senior	50	Portola	Plumas
195	Sierra Valley Senior/Loyalton Sierra Valley, LP	50	Loyalton	Sierra

196	Quincy Mountain View	46	Quincy	Plumas
197	Kimberly Park	132	Victorville	San Bernadino
198	Villa Paloma	84	San Juan Capistrano	Orange
199	Plaza City	80	National City	San Diego
200	Kearney Palms III	44	Kerman	Fresno
201	Hacienda Heights	69	Kerman	Fresno
202	Palmer Villas Senior	25	Huron	Fresno
203	Palmer Family	56	Huron	Fresno
204	Overland Court Apartments-Seniors	70	Los Banos	Merced
205	Sierra Heights WP	40	Oroville	Butte
206	Gateway Villas WP	61	Kerman	Fresno
207	Watsonville Vista Montana	132	Watsonville	Santa Cruz
208	Columbia Place	43	Los Angeles	Los Angeles
209	Queen Apartments	96	Los Angeles	Los Angeles
210	Sunny View Family II/20th & 18th Ave	70	Delano	Kern
211	Mimmim Town Homes	21	Los Angeles	Los Angeles
212	Mansi Townhomes	21	Los Angeles	Los Angeles
213	My Town Homes	21	Los Angeles	Los Angeles
214	Milan	16	Los Angeles	Los Angeles
215	Meera	21	Los Angeles	Los Angeles
216	Maya	21	Los Angeles	Los Angeles
217	Fillmore Parkview Seniors	50	Fillmore	Ventura
218	Westside Village	40	Newman	Stanislaus
219	Ashwood Village	120	Modesto	Stanislaus
220	Madera Lakewood Terrace	76	Madera	Madera
221	Regency Court Senior	120	Salinas	Monterey
222	Casa Serena	48	Lompoc	Santa Barbara
223	Le Fenetre Apartments/Parkmoor	50	San Jose	Santa Clara
224	Miranda Villa Apartments/Forest Manor	109	San Jose	Santa Clara
225	Plaza Del Sol Senior /Blossom Hill	80	San Jose	Santa Clara
226	Camarillo Courtyards	34	Camarillo	Ventura

227	Oak Park Senior	65	Fresno	Fresno
228	College Manor	32	Rocklin	Placer
229	Beaumont/Mountain View	80	Beaumont	Riverside
230	Coachella/Desert Palms	112	Coachella	Riverside
231	Banning/Westview Terrace	75	Banning	Riverside
232	Hemet/Village Meadows	68	Hemet	Riverside
233	Sycamore Seniors	229	Oxnard	Ventura
234	Alexander Apt./Fullerton/Ventana	95	Fullerton	Orange
235	Crossings at Madera	64	Madera	Madera
236	Crossings at Santa Rosa	49	Santa Rosa	Sonoma
237	Crossings at Elk Grove	116	Elk Grove	Sacramento
238	Stoneridge at Elk Grove	96	Elk Grove	Sacramento
239	Crossings at Morgan Hill	24	Morgan Hill	Santa Clara
240	Horizon at Morgan Hill	49	Morgan Hill	Santa Clara
241	Crossings at Big Bear Lake	42	Big Bear	San Bernadino
242	Crossings at Escondido	44	Escondido	San Deito
243	Crossings on Aston/UHC 00596 Santa Rosa	27	Santa Rosa	Sonoma
244	Crossings on Monterey/UHC 00661 Morgan Hill	39	Morgan Hill	Santa Clara
245	Presidio El Camino Aprt.	40	Santa Clara	Santa Clara
246	Turlock Parkside/ Lake Park Apt./Villas at Parkside	104	Turlock	Stanislaus
247	Zettie Miller's Haven	82	Stockton	San Joaquin
248	Casa Blanca/Antioch Riviera	129	Antioch	Contra Costa
249	Delta Pines/Sycamore Woods Apt.	186	Antioch	Contra Costa
250	Cathedral Creekside	185	Cathedral City	Riverside
251	Lotus Landing	218	Sacramento	Sacramento
252	Harbor View - San Diego	59	San Diego	San Diego
253	Southwind Apt.	88	Sacramento	Sacramento
254	Cielo Vista/AT Cielo Vista	112	Indio	Riverside
255	LEDG Vacaville/Vacaville Gables	65	Vacaville	Solano
256	College Park	53	Dinuba	Tulare

257	North Park Apartments II	81	Dinuba	Tulare
258	Mark Twain	106	Oakland	Alameda
259	Lake District	117	Oakland	Alameda
260	King's View Estates	116	Fresno	Fresno
261	Ivy Hill Apt.	116	Walnut Creek	Contra Costa
262	Sequoia Knolls	20	Fresno	Fresno
263	Merced Laurel Glen	128	Merced	Merced
264	Sterling-Berkeley Addison	21	Berkeley	Alameda
265	Sterling-Berkeley Allston	91	Berkeley	Alameda
266	Sterling-Berkeley Haste	100	Berkeley	Alameda
267	Sterling-Berkeley Oxford	56	Berkeley	Alameda
268	Sterling-Berkeley Univeristy Avenue	35	Berkeley	Alameda
269	Del Monte Vista Manor	192	Seaside	Monterey
		17,970		

CENTRAL VALLEY COALITION FOR AFFORDABLE HOUSING  
OPERATING BUDGET  
October 1, 2020 - September 30, 2021

	<u>INCOME</u>	<u>EXPENSES</u>
Partnership Mgmt Fees	1,632,500.00	
Startup Fees	198,500.00	
Mgmt Fees	50,000.00	
Misc. Income	14,500.00	
Grants	500,000.00	
Developer Fees	205,000.00	
Reimb. of Prof. Services	55,000.00	
Cash Flow	60,000.00	
Consultant Fees	60,000.00	
FSS Consulting	75,000.00	
Revenue Interest	3,125.00	
Social Services	950,000.00	
Office space		105,000.00
Development expenses		1,050,000.00
Association fees		20,890.00
Tax Expense		3,000.00
Audit Expense		85,000.00
Project Cost		61,500.00
Permit, Fees & License		5,000.00
Travel Expense - services		52,125.00
Vehicle Maintenance		24,500.00
Misc. Admin		12,000.00
Contract Mainenance		31,500.00
Communications		29,502.00
Officer computer / supplies		32,650.00
Postage		9,250.00
Copier		4,145.00
Storage Space Rent		9,000.00
Electricity		23,555.00
Gas - office		2,750.00
Sundries - meetings		26,500.00
Security Services		1,200.00
Social Services & Supplies		63,125.00
Membership Dues & Fees		2,700.00
Donations		2,100.00
Conference Expenses		3,785.00
General Maintenance		3,240.00
Bond Insurance		125.00
Auto Insurance		28,605.00
Office Insurance/Business		7,500.00
Retirement Expense		124,582.00
Payroll		1,325,001.00
Employee benefits		287,362.00
TOTAL	3,803,625.00	3,437,192.00

**State of California**  
**Secretary of State**



I, BRUCE McPHERSON, Secretary of State of the State of California, hereby certify:

That the attached transcript of 7 page(s) was prepared by and in this office from the record on file, 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 23 2006



BRUCE McPHERSON  
Secretary of State

165587A

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

DEC 13 1989

*March Fong Eu*  
MARCH FONG EU, Secretary of State

ARTICLES OF INCORPORATION  
OF THE MERCED COUNTY COALITION  
FOR AFFORDABLE HOUSING

ONE: The name of this corporation is: Merced County Coalition for Affordable Housing.

TWO: 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 public purposes. Such purposes for which this corporation is organized are exclusively:

(a) The specific and primary purposes are to provide housing for low income families and elderly and handicapped persons who cannot afford decent, safe, and sanitary housing, by constructing rehabilitation, owning, and operating housing units, and the sale or rental of the same to the poor, underprivileged, handicapped and elderly, in conjunction with local, state and federal low income housing programs, and to provide related facilities and services especially designed to meet the physical, social, and psychological needs of said families and persons which will contribute to their health, security, happiness, and usefulness, and to hereby, inter alia, ameliorate the existing housing shortage, provide relief for the poor, distressed and underprivileged, lessen the burdens of government, and combat community deterioration and juvenile delinquency.

(b) An additional purpose shall be to make donations to and dispense charitable contributions through, and otherwise aid and support senior citizens programs and other organizations qualified for exemption.

THREE: The name and address in the State of California of this corporation's initial agent for service of process is Mr. Milt McDowell, Executive Director, Housing Authority of the County of Merced, 405 "U" Street, Merced, 95340.

FOUR:

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

(b) Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activities not permitted to be carried on (1) by a corporation exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code or (2) by a corporation contributions to which are deductible under Section 170 (c) (2) of the Internal Revenue Code.

Page 1 of 4



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

FIVE: The names and addresses of the persons appointed to act as the initial Directors of this corporation are:

Name	Address
Karen Prentiss	2222 M Street Merced, CA 95340
Peter Maki	2135 W. Wardrobe Ave. Merced, CA 95340
Alan Jenkins	405 "U" Street Merced, CA 95340
Jim Welk	1160 W. Olive Ave. Suite A Merced, CA 95340
Norman Herman	405 "U" Street Merced, CA 95340
Betty Dawson	2241 "N" Street Merced, CA 95340
Milt McDowell	405 "U" Street Merced, CA 95340

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

On the dissolution or winding up of the corporation, its assets remaining after payment of, or provision for payment of, all debts and liabilities of this corporation, shall be distributed to the Housing Authority of the County of Merced, California; or, if not in existence at that time, to a nonprofit fund, foundation, or corporation which is organized and operated exclusively for charitable purposes and which has established its tax-exempt status under Section 501(c) (3) of the Internal Revenue Code.

October 31, 1989

Milt McDowell  
Milt McDowell, Director

Alan Jenkins  
Alan Jenkins, Director

Norman Herman  
Norman Herman, Director

Karen Prattiss  
Karen Prattiss, Director

Peter Maki  
Peter Maki, Director

Betty Dawson  
Betty Dawson, Director

Jim Welk  
Jim Welk, Director

We, the above-mentioned initial Directors of this corporation, hereby declare that we are the persons who executed the foregoing Articles of Incorporation, which execution is our act and deed.

Milt McDowell  
Milt McDowell, Director

10/31/89  
Date

Alan Jenkins  
Alan Jenkins, Director

10/31/89  
Date

Norman Herman  
Norman Herman, Director

10/31/89  
Date

Karen Prentiss  
Karen Prentiss, Director

10-31-89  
Date

Peter Maki  
Peter Maki, Director

10/31/89  
Date

Betty Dawson  
Betty Dawson, Director

Oct. 31, 1989  
Date

Jim Welk  
Jim Welk, Director

10/31/89  
Date

A449136

# 1655874

FILED

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

Tony Miller  
AUG 18 1994

Acting Secretary of State

NCTO:

**CERTIFICATE OF AMENDMENT OF ARTICLES OF INCORPORATION**

**OF**

**MERCED COUNTY COALITION FOR AFFORDABLE HOUSING**

Al Jenkins and Mitch Sperling certify that:

- 1. They are the Chairperson of the Board and Secretary, respectively, of Merced County Coalition for Affordable Housing, a California nonprofit corporation.
- 2. The Article ONE of the Articles of Incorporation of this corporation is amended as follows:

ONE: The name of this corporation is: Central Valley Coalition for Affordable Housing.

- 3. This Amendment has been duly approved by the Board of Directors.
- 4. The corporation has no members.
- 5. This Amendment makes no changes in the Articles other than changing the name of the corporation and, therefore, it can be adopted by approval of the Board alone under Section 5812 of the California Corporations Code.

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.

DATED: July 12, 1994

Al Jenkins  
AL JENKINS  
Chairperson of the Board

Mitch Sperling  
MITCH SPERLING  
Secretary

A0607645

1655874

FILED IN

in the office of the Secretary of State  
of the State of California

**CERTIFICATE OF AMENDMENT OF  
ARTICLES OF INCORPORATION OF  
CENTRAL VALLEY COALITION FOR AFFORDABLE HOUSING**

DEC 10 2003

*Kevin Shelley*

KEVIN SHELLEY, Secretary of State

Al Jenkins and Nicholas Benjamin certify that:

1. They are the Chairperson of the Board and the Secretary, respectively, of Central Valley Coalition for Affordable Housing, a California nonprofit, public benefit corporation.
2. The following amendment to the Articles of Incorporation of the Corporation has been approved by the Board of Directors:

Paragraph SIX of the Articles of Incorporation shall be amended to read as follows:

SIX: The property of this Corporation is irrevocably dedicated to charitable or religious purposes and no part of the net income or assets of this organization shall inure to the benefit of any private persons. Upon the liquidation, dissolution, or winding up of the Corporation, after providing for the debts and obligations thereof, the remaining assets will not inure to the benefit of any private person but will be distributed to a nonprofit fund, foundation, or corporation which is organized and operated exclusively for charitable or religious purposes and which has established its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code.

3. The Corporation has no members and, accordingly, this amendment may be approved by the Board alone, pursuant to Corporations Code section 5812(b)(3).
4. This amendment has been duly approved by the Board of Directors.

*Al Jenkins*

Al Jenkins, Chairperson

*Nicholas Benjamin*

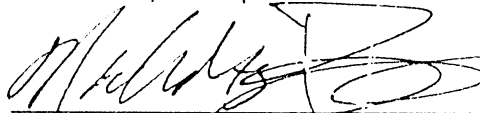
Nicholas Benjamin, Secretary

VERIFICATION

Each of the undersigned declares under penalty of perjury under the laws of the State of California that the statements in the foregoing Certificate are true and correct of his own knowledge, and that this declaration was executed on December 4, 2003, at Merced, California.



Al Jenkins, Chairperson



Nicholas Benjamin, Secretary



## AMENDED AND RESTATED

### BYLAWS

of

## CENTRAL VALLEY COALITION FOR AFFORDABLE HOUSING

A California Nonprofit Public Benefit Corporation

### ARTICLE I. OFFICES

Section 1. Name. The name of this corporation is Central Valley Coalition For Affordable Housing (herein "Corporation").

Section 2. Principal Office. The principal office for the transaction of the activities and affairs of the Corporation is located at 3351 M Street, Suite 100, Merced, in Merced County, California. The Board of Directors (herein the "Board") may change the location of the principal office and amend these Bylaws to reflect such change.

Section 3. Solely for purposes of the HOME Program direct award of funds as administered by the California Department of Housing and Community Development, the corporation is authorized to do business as a Community Housing Development Organization, and receive a direct award of such funds, in the following counties: San Joaquin, Merced, Fresno, Kings, Kern, Mono, Tulare, Madera, Santa Cruz, Shasta, Solano, Stanislaus, San Bernardino, Lake, Sacramento, Los Angeles, Contra Costa, Placer, Monterey, Riverside, San Luis Obispo, Tuolumne, Humboldt, Orange, El Dorado, Santa Clara, Tehama, Imperial, and Mendocino.

The Board may at any time establish branch or subordinate offices at any place where this Corporation is qualified to do business.

### ARTICLE II. PURPOSE

Section 1. Purpose. The primary purpose of the Corporation is to provide housing for low-income families and elderly and handicapped persons who cannot afford decent, safe, and sanitary housing, by constructing, rehabilitation, owning, and operating housing units, and the sale or rental of the same to the poor, underprivileged, handicapped, and elderly, in conjunction with state and federal low-income housing programs, and to provide related facilities and services especially designed to meet the physical, social, and psychological

needs of said families and persons which will contribute to their health, security, happiness, and usefulness, and to hereby, inter alia, ameliorate the existing housing shortage, provide relief for the poor, distressed, and underprivileged, lessen the burdens of government, and combat community deterioration and juvenile delinquency.

An additional purpose of the Corporation shall be to make donations to and dispense charitable contributions through, and otherwise aid and support senior citizen programs and other organizations qualified for exemption.

A further specific purpose of the Corporation shall be to provide housing counseling to families and individuals in the communities served.

Section 2. Dedication of Assets. The Corporation's assets are irrevocably dedicated to public benefit purposes. No part of the net earnings, properties, or assets of the Corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or to any director or officer of the Corporation. On liquidation or dissolution, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of the Corporation shall be distributed to a nonprofit fund, foundation, or corporation that is organized and operated exclusively for charitable purposes and that has established its exempt status under Internal Revenue Code section 501(c)(3).

Section 3. Corporation Without Members. This Corporation shall have no voting members within the meaning of the Nonprofit Corporation Law. The Corporation's Board of Directors may, in its discretion, admit individuals to one or more classes of nonvoting members; the class or classes shall have such rights and obligations as the Board finds appropriate.

### ARTICLE III. DIRECTORS

Section 1. General Powers. Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, and subject to any limitations of the Articles of Incorporation or Bylaws, the Corporation's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board. The Board may delegate the management of the activities of the Corporation to any person or persons, a management company, or committees however composed, provided that the activities and affairs of the Corporation shall be managed, and all corporate powers shall be exercised, under the ultimate direction of the Board.

Section 2. Specific Powers. Without prejudice to the general powers set forth in Section 1 of this article of these Bylaws, but subject to the same limitations, the Board shall have the power to:



- (a) Select and remove all officers, agents, and employees of the Corporation, prescribe powers and duties for them as may not be inconsistent with the law, the Articles of Incorporation, or these Bylaws, and fix their compensation.
- (b) Conduct, manage, and control the affairs and activities of the Corporation and to make such rules and regulations therefor not inconsistent with the law, the Articles of Incorporation, or these Bylaws, as they may deem best.
- (c) Adopt, make, and use a corporate seal and to alter the form of such seal from time to time as they may deem best.
- (d) Borrow money and incur indebtedness for the purposes of the Corporation, and to cause to be executed and delivered therefor, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecation, or other evidence of debt, and securities therefor.
- (e) Carry on a business at a profit and apply any profit that results from the business activity to any activity in which it may lawfully engage without endangering the Corporation's non-profit tax-exempt status.
- (f) Enter into limited partnerships and other contracts with private individuals or private or governmental corporations, agencies, organizations, and institutions.
- (g) Act as manager, limited partner, or general partner of any such partnership, venture, or association.
- (h) Provide technical assistance with respect to the planning, financing, acquisition, rehabilitation, maintenance, or management of low-income or very low-income housing.
- (i) Make loans or grants, including grants of interest in housing and related facilities to nonprofit corporations, limited dividend corporations, or other entities for low-income or very low-income housing.
- (j) Undertake any appropriate activities to help preserve California's housing for low and very low-income households.

- (k) Hire staff, or hire or accept the voluntary services, of consultants, experts, or advisory boards to aid the Corporation in carrying out the purposes of this section.
- (l) Engage in any other activities as may be necessary to carry out the purposes of this section.
- (m) Any other powers which may be granted or authorized by law.

Section 3. Number of Directors. The authorized number of Directors shall be seven (7).

Section 4. Selection of Directors, Qualifications, and Term of Office. All Directors shall be committed to working to preserve and expand the supply of low- and moderate-income housing. The qualifications for Directors are as follows:

- (a) At least one-third (1/3) of the Board of Directors shall be residents of low-income neighborhoods, shall be low-income community residents, or shall be elected representatives of low-income neighborhood organizations.
- (b) No more than one-third (1/3) of the Board of Directors may be public officials, or employees, or members of a public entity, board, or agency, or appointed by a public entity, board, or agency. Furthermore, such Directors may not participate in the appointment of the remaining two-thirds (2/3) of the Board members.

These qualifications do not apply to the appointment of any Ex Officio Directors, as provided for in Section 10 of this Article.

Section 5. Restriction on Interested Persons. No person serving on the Board may be an "interested person." An interested person is (a) any person compensated by the Corporation for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director as Director; and (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of such person. However, any violation of this section shall not affect the validity or enforceability of transactions entered into by the Corporation.

Section 6. Term. Each Director shall serve for a term of four (4) years. All Directors shall hold office until their respective successors are selected and qualified by majority vote of the Board. The Chairperson of the Board or, if none,

the President shall appoint a committee to nominate qualified candidates for the Board at least sixty (60) days before the date of the expiration of the term for which a Director is sought. The nominating committee shall make its report by the date designated by the Board, and the Secretary shall forward to each Director a list of all candidates nominated by the committee. The Board shall designate a successor Director(s) at least thirty (30) days prior to the expiration of the Director's term that is being filled.

Any reduction of the authorized number of Directors shall not result in any Director being removed before his or her term of office expires.

Section 7. Vacancies. A vacancy in a Director position shall be filled by the remaining Board of Directors, subject to the qualifications and restrictions set forth in Section 4 of this Article. A vacancy or vacancies on the Board shall occur in the event of: (a) the death, removal, or resignation of any Director; (b) the declaration by resolution of the Board of a vacancy in the office of a Director who has been convicted of a felony, declared of unsound mind by a court order, or found by final order or judgment of any court to have breached a duty under California Nonprofit Public Benefit Corporation Law, Chapter 2, Article 3; or (c) an increase of the authorized number of Directors.

Vacancies on the Board may be filled by approval of the Board or, if the number of Directors then in office is less than a quorum, by: (1) the unanimous written consent of the Directors then in office, (2) the affirmative vote of the majority of the Directors then in office at a meeting held according to notice or waivers of notice complying with Corporations Code section 5211, or (3) a sole remaining Director.

Section 8. Resignation of Directors. Any Director may resign by giving written notice to the Chairman of the Board, if any, or to the President or the Secretary of the Board. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If a Director's resignation is effective at a later time, the Board may elect a successor to take office as of the date when the resignation becomes effective.

Section 9. Removal of Directors. Any director may be removed, with or without cause, by the vote of the majority of the Directors then in office at a special meeting called for that purpose. Any vacancy caused by the removal of a Director shall be filled as provided in Section 7.

Any Director who does not attend three successive Board meetings will automatically be removed from the Board without Board resolution unless: (a) the Director requests a leave of absence for a limited period of time, and the leave is approved by the Directors at a regular or special meeting (if such leave is

granted, the number of Board members will be reduced by one in determining whether a quorum is or is not present); (b) the Director suffers from an illness or disability that prevents him or her from attending meetings and the Board by resolution waives the automatic removal procedure of this subsection; or (c) the Board, by resolution of the majority of the Board members, agrees that a Director who has missed three meetings may be reinstated.

Section 10. Ex Officio Directors. If the Board so desires, it may appoint two (2) persons as Ex Officio Directors, who shall serve from time to time at the pleasure of the Board. One of these two Ex Officio Directors shall be the Executive Director of the Housing Authority of Merced County and the other shall be any person whom the Board designates. Ex Officio Director(s) will not have any voting rights and will not serve for any specific term, but will serve at the pleasure and upon direction of the Board. The qualifications of Directors, as set forth in Section 4 of this Article III of these Bylaws, are not applicable to any Ex Officio Director.

Section 11. Place of Meetings. Meetings of the Board shall be held at any place within or outside the State of California that has been designated from time to time by the Board. In the absence of such designation, regular meetings shall be held at the principal office of the Corporation.

Section 12. Regular Meetings. Regular meetings of the Board shall be held without notice on such dates and at such times as may be fixed by the Board.

Section 13. Special Meetings. Special meetings of the Board for any purpose may be called at any time by the Chairperson of the Board, if any, the President or any Vice-President, the Secretary, or any two Directors.

Notice of the time and place of special meetings shall be given to each Director by: (a) personal delivery or written notice; (b) first-class mail, postage prepaid; (c) telephone, including a voice messaging system or other system or technology designed to record and communicate messages, either directly to the Director or to a person at the Director's office who would reasonably be expected to communicate that notice promptly to the Director; (d) facsimile; (e) electronic mail; or (f) other electronic means. All such notices shall be given or sent to the Director's address or telephone number as shown on the Corporation's records.

Notices sent by first-class mail shall be deposited in the United States mail at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, or electronic mail shall be delivered, telephoned, or sent, respectively, at least 48 hours before the time set for the meeting.

The notice shall state the time of the meeting and the place, if the place is other than the Corporation's principal office. The notice need not specify the purpose of the meeting.

Section 14. Meetings by Telephone or Other Telecommunications Equipment. Members of the Board may participate in a meeting through use of conference telephone or similar communication equipment, so long as all member participating in such meeting can communicate with and hear one another.

Section 15. Quorum. A majority of the authorized number of Directors then in office, but not less than three (3), shall constitute a quorum for the transaction of any business except adjournment. Every action taken or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be an act of the Board, subject to the more stringent provisions of the California Nonprofit Public Benefit Corporation law, including, without limitation, those provisions relating to: (a) approval of contracts or transactions in which a Director has a direct or indirect material financial interest; (b) approval of certain transactions between corporations having common directorships; (c) creation of and appointments to committees of the Board; and (4) indemnification of Directors. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of some Directors from that meeting, if any action taken or decision made is approved by at least a majority of the required quorum of that meeting and it is approved by at least three (3) Directors.

Section 16. Waiver of Notice. Notice of a meeting need not be given to any Director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any Director who attends the meeting and, before or at the beginning of the meeting, does not protest the lack of notice to him or her.

Section 17. Adjournment. A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than 24 hours. If the original meeting is adjourned for more than 24 hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the Directors who were not present at the time of the adjournment.

Section 18. Action Without a Meeting. Any action that the Board is required or permitted to take may be taken without a meeting if all Board members consent in writing to the action; provided, however, that the consent of any Director who has a material financial interest in a transaction to which the Corporation is a party and who is an "interested director" as defined in Corporations Code section 5233 shall not be required for approval of that transaction. Such action by written consent shall have the same force and effect as any other validly approved action of the Board. All such consents shall be filed with the minutes of the proceedings of the Board.

Section 19. Compensation and Reimbursement. Directors and committee members shall serve without compensation, except that they shall be reimbursed for their actual and reasonable expenses, which are incurred in the performance of their duties consistent with guidelines established from time to time by the Board.

Section 20. Committees of Board of Directors. The Board, by vote of a majority of the Directors then in office, may create one or more committees, each consisting of two or more Directors, to serve at the pleasure of the Board. Appointments to committees of the Board shall be by majority vote of the Directors then in office. The Board may appoint one or more Directors as alternate members of any such committee, who may replace any absent member at any meeting. Any such committee shall have all the authority of the Board, to the extent provided in the Board resolution, except that no committee may:

- (a) Take any final action on any matter that, under the California Nonprofit Public Benefit Corporation Law, also requires approval of the members or approval of a majority of all members;
- (b) Fill vacancies on the Board or any committee of the Board;
- (c) Fix compensation of the Directors for serving on the Board or on any committee;
- (d) Amend or repeal Bylaws or adopt new Bylaws;
- (e) Amend or repeal any resolution of the Board that by its express terms is not so amendable or repealable;
- (f) Create any other committees of the Board or appoint the members of committees of the Board;
- (g) Expend corporate funds to support a nominee for Director if more people have been nominated for Director than can be elected; or

- (h) Approve any contract or transaction to which the Corporation is a party and in which one or more of its Directors has a material financial interest, except as special approval is provided for in Corporations Code section 5233(d)(3).

Meetings and actions of committees of the Board shall be governed by, held, and taken under the provisions of this Article III of these Bylaws concerning meetings and other Board actions. Minutes shall be kept of each meeting of each committee and shall be filed with the corporate records.

Section 21. Rights of Inspection. Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents of every kind and to inspect the physical properties of the Corporation of which such person is a Director.

#### **ARTICLE IV. OFFICERS**

Section 1. Offices Held. The officers of this Corporation shall be a President, a Chief Executive Officer, a Vice-President, a Secretary, and a Treasurer. The Corporation may also have, at the discretion of the Board, a Chief Operations Officer, one or more Assistant Secretaries, one or more Assistant Treasurers, and such other officers as may be elected or appointed in accordance with the provisions of Section 3 of this Article IV. 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. The President and the Vice-President shall be members of the Board.

Section 2. Election of Officers. The officers of this Corporation, and such officers as may be elected or appointed in accordance with the provisions of Section 3 or Section 5 of this Article IV, shall be chosen annually by, and shall serve at the pleasure of, the Board, and shall hold their respective offices until the resignation, removal, or other disqualification from service, or until their respective successors shall be elected or appointed.

Section 3. Subordinate Officers. The Board may elect, and may empower the President to appoint, such other officers as the business of the Corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these Bylaws or as the Board may from time to time determine.

Section 4. Removal and Resignation of Officers. Without prejudice to the rights of any officer under an employment contract, the Board may remove any officer with or without cause. Any officer who was not chosen by the Board may be removed by any other officer on whom the Board confers the power of removal.

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

Section 5. Vacancies. A vacancy in any office because of death, resignation, removal, or disqualification, or any other cause shall be filled in the manner prescribed in these Bylaws for normal appointments to that office, provided, however, that vacancies shall be filled as they occur and need not be filled on an annual basis.

Section 6. Responsibilities of the President. The President shall preside at all meetings of the Board and shall perform such other powers and duties as may from time to time be assigned by the Board.

Section 7. Responsibilities of the Chief Executive Officer. The Chief Executive Officer, subject to the control of the Board, provides general supervision, direction, and control of the business and officers of the Corporation and has the general powers and duties of management usually vested in the office of the Chief Executive Officer of a corporation, and such other powers and duties as may be prescribed by the Board. The Chief Executive Officer, acting alone, shall have the power and authority to negotiate and execute contracts on behalf of the Corporation.

Section 8. Responsibilities of the Vice-President. In the absence or disability of the President, the Vice-President shall perform all the duties of the President and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the President as the Board or the Bylaws may require.

Section 9. Responsibilities of the Secretary. The Secretary shall keep or cause to be kept, at the Corporation's principal office or such other place as the Board may direct, a book of minutes of all meetings, proceedings, and actions of the Board and its committees. The minutes of the meetings shall include the time and place of the meeting; whether the meeting was annual, general, or special, and, if special, how authorized; the notice given; the names of persons present at the Board and committee meetings; and a summary of the proceedings thereof. The Secretary shall keep or cause to be kept, at the principal office in the State of California, a copy of the Articles of Incorporation and the Bylaws, as amended to date.

The Secretary shall give or cause to be given, notice of all meetings of the Board and its committees that these Bylaws require to be given. The Secretary shall keep the corporate seal in safe custody and shall have such other powers and perform such other duties as the Board or the Bylaws may require.



Section 10. Responsibilities of the Treasurer. The Treasurer is the Chief Financial Officer of the Corporation and shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Corporation. The books of account shall at all times be open to inspection by any Director.

The Treasurer shall deposit any monies and other valuables in the name and to the credit of the Corporation with such depositories as is designated by the Board. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board, shall render to the President, Chief Executive Officer, Chief Operations Officer, and the Directors, upon request, an account of all transactions as Treasurer and of the financial condition of the Corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board or as these Bylaws may require.

## ARTICLE V. OTHER PROVISIONS

Section 1. Endorsement of Documents/Contracts. No officer, agent, or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or amount, unless authorized by the Board of Directors.

Section 2. Contract with Directors and Officers. No Director of this Corporation nor any other corporation, firm, association, or other entity in which one or more of this Corporation's Directors have a material financial interest, shall be interested, directly or indirectly, in any contract or transaction with this Corporation.

Section 3. Loans to Directors and Officers. This Corporation shall not lend any money or property to or guarantee the obligation of any Director or officer without the approval of the California Attorney General; provided, however, that the Corporation may advance money to a Director or officer of the Corporation for expenses reasonably anticipated to be incurred in the performance of his or her duties if that Director or officer would be entitled to reimbursement for such expenses by the Corporation.

Section 4. Representation of Shares of Other Corporations. The President and Chief Executive Officer or any other officer(s) authorized by the Board or the President are each authorized to vote, represent, and exercise on behalf of the Corporation all rights incident to and all shares of any other corporation or corporations standing in the name of the Corporation. The authority herein granted may be exercised either by any such officer in person or by any other person authorized to do so by proxy or power of attorney duly executed by said officer.

Section 5. Annual Report. The Board shall cause an annual report to be sent to the Directors no later than 120 days after the close of the Corporation's fiscal year. That report shall contain the following information, in appropriate detail:

- (a) The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year;
- (b) The principal changes in assets and liabilities, including trust funds;
- (c) The Corporation's revenue or receipts, both unrestricted and restricted to particular purposes;
- (d) The Corporation's expenses or disbursements for both general and restricted purposes; and
- (e) A statement of any transaction or indemnification that took place, as required by Corporations Code section 6322.

Section 6. Construction and Definitions. Unless the context otherwise requires, the general provisions, rules, construction, and definitions contained in the General Provisions of the California Nonprofit Public Benefit Corporation Law shall govern the construction of these Bylaws.

Section 7. Amendments. The Articles of Incorporation and/or these Bylaws may be amended or repealed at any regular or special meeting by the approval of not less than five (5) members of the Board of Directors, regardless of the number then in office. At least 15 days' notice of any proposed amendment to the Articles of Incorporation or Bylaws shall be provided by regular mail to each Director prior to any vote for such an amendment.

## **ARTICLE VI. INDEMNIFICATION**

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

Section 2. Approval of Indemnity. On written request to the Board by any person seeking indemnification under Corporations Code section 5238(b) or section 5238(c), the Board shall promptly decide under Corporations Code section 5238(e) whether the applicable standard of conduct set forth in Corporations Code section 5238(b) or section 5238(c) has been met and, if so, the Board shall authorize indemnification.


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

Section 4. Insurance. This Corporation shall have the right and power to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, ex officio directors, employees, and other agents, to cover any liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising from the officer's, director's, employee's, or agent's status as such, whether or not the Corporation would have the power to indemnify the agent against such liability under the provisions of this Article VI; provided, however, that the Corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the Corporation for a violation of Corporations Code section 5233.

Section 5. Nonapplicability to Fiduciaries of Employee Benefit Plans. This Article VI of these Bylaws does not apply to any proceeding against any trustee, investment manager, or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person may also be an agent of the Corporation as defined in Corporations Code section 5238(a). The Corporation shall have the power to indemnify such trustee, investment manager, or other fiduciary to the extent permitted by Corporations Code section 207(f).

DATED: February 17, 2005

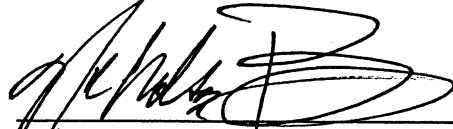
  
 ALAN JENKINS, Chairman

  
 NICHOLAS BENJAMIN, Secretary

**CERTIFICATE OF SECRETARY**

I certify that I am the duly appointed and acting Secretary of Central Valley Coalition for Affordable Housing, a California Nonprofit Public Benefit corporation; that these Bylaws, consisting of 13 pages, are the Bylaws of this Corporation as adopted by the Board of Directors on February 17, 2005; and that these Bylaws have not been amended or modified since that date.

Executed on February 17, 2005, at Merced, California.

A handwritten signature in black ink, appearing to read 'Nicholas Benjamin', written over a horizontal line.

Nicholas Benjamin, Secretary

**CERTIFICATE OF AMENDMENT OF BYLAWS**

of

**CENTRAL VALLEY COALITION  
FOR AFFORDABLE HOUSING**

**A California Nonprofit Public Benefit Corporation**

Alan Jenkins, Chairperson of the Board, and Mitchell C. Sperling, Secretary, certify that:

1. They are the Chairperson of the Board and Secretary, respectively, of Central Valley Coalition for Affordable Housing, a California Nonprofit Public Benefit Corporation.

2. The Bylaws of Central Valley Coalition for Affordable Housing have been amended or restated as follows:

Subparagraph A, Section 3, of Article I, is hereby added and provides as follows:

**ARTICLE I**

Section 3. Solely for purposes of the HOME Program direct award of funds as administered by the California Department of Housing and Community Development, the corporation is authorized to do business as a Community Housing Development Organization, in the following counties: San Joaquin, Merced, Fresno, Kings, Kern, Mono, Tulare, Madera, Santa Cruz, Shasta, and Solano.

Article 3 of the Bylaws is restated as follows:

**ARTICLE III. DIRECTORS**

Section 1. General Powers. Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, and subject to any limitations of the Articles of Incorporation or Bylaws, the Corporation's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board. The Board may delegate the management of the activities of the Corporation to any person or persons, a management company, or committees however composed, provided that the activities and affairs of the Corporation shall be managed, and all corporate powers shall be exercised, under the ultimate direction of the Board.

Section 2. Specific Powers. Without prejudice to the general powers set forth in Section 1 of this article of these Bylaws, but subject to the same limitations, the Board shall have the power to:

- (a) Select and remove all officers, agents, and employees of the Corporation, prescribe powers and duties for them as may not be inconsistent with the law, the Articles of Incorporation, or these Bylaws, and fix their compensation.
- (b) Conduct, manage, and control the affairs and activities of the Corporation and to make such rules and regulations therefor not inconsistent with the law, the Articles of Incorporation, or these Bylaws, as they may deem best.
- (c) Adopt, make, and use a corporate seal and to alter the form of such seal from time to time as they may deem best.
- (d) Borrow money and incur indebtedness for the purposes of the Corporation, and to cause to be executed and delivered therefor, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecation, or other evidence of debt, and securities therefor.
- (e) Carry on a business at a profit and apply any profit that results from the business activity to any activity in which it may lawfully engage without endangering the Corporation's non-profit tax-exempt status.
- (f) Enter into limited partnerships and other contracts with private individuals or private or governmental corporations, agencies, organizations, and institutions.
- (g) Act as manager, limited partner, or general partner of any such partnership, venture, or association.
- (h) Provide technical assistance with respect to the planning, financing, acquisition, rehabilitation, maintenance, or management of low-income or very low-income housing.
- (i) Make loans or grants, including grants of interest in housing and related facilities to nonprofit corporations, limited dividend corporations, or other entities for low-income or very low-income housing.
- (j) Undertake any appropriate activities to help preserve California's housing for low and very low-income households.

- (k) Hire staff, or hire or accept the voluntary services, of consultants, experts, or advisory boards to aid the Corporation in carrying out the purposes of this section.
- (l) Engage in any other activities as may be necessary to carry out the purposes of this section.
- (m) Any other powers which may be granted or authorized by law.

Section 3. Number of Directors. The authorized number of Directors shall be seven (7).

Section 4. Selection of Directors, Qualifications, and Term of Office. All Directors shall be committed to working to preserve and expand the supply of low- and moderate-income housing. The qualifications for Directors are as follows:

- (a) At least one-third (1/3) of the Board of Directors shall be residents of low-income neighborhoods, shall be low-income community residents, or shall be elected representatives of low-income neighborhood organizations.
- (b) No more than one-third (1/3) of the Board of Directors may be public officials, or employees, or members of a public entity, board, or agency, or appointed by a public entity, board, or agency. Furthermore, such Directors may not participate in the appointment of the remaining two-thirds (2/3) of the Board members.

These qualifications do not apply to the appointment of any Ex Officio Directors, as provided for in Section 10 of this Article.

Section 5. Restriction on Interested Persons. No person serving on the Board may be an "interested person." An interested person is (a) any person compensated by the Corporation for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director as Director; and (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of such person. However, any violation of this section shall not affect the validity or enforceability of transactions entered into by the Corporation.

Section 6. Term. Each Director shall serve for a term of four (4) years. All Directors shall hold office until their respective successors are selected and

qualified by majority vote of the Board. The Chairperson of the Board or, if none, the President shall appoint a committee to nominate qualified candidates for the Board at least sixty (60) days before the date of the expiration of the term for which a Director is sought. The nominating committee shall make its report by the date designated by the Board, and the Secretary shall forward to each Director a list of all candidates nominated by the committee. The Board shall designate a successor Director(s) at least thirty (30) days prior to the expiration of the Director's term that is being filled.

Any reduction of the authorized number of Directors shall not result in any Director being removed before his or her term of office expires.

Section 7. Vacancies. A vacancy in a Director position shall be filled by the remaining Board of Directors, subject to the qualifications and restrictions set forth in Section 4 of this Article. A vacancy or vacancies on the Board shall occur in the event of: (a) the death, removal, or resignation of any Director; (b) the declaration by resolution of the Board of a vacancy in the office of a Director who has been convicted of a felony, declared of unsound mind by a court order, or found by final order or judgment of any court to have breached a duty under California Nonprofit Public Benefit Corporation Law, Chapter 2, Article 3; or (c) an increase of the authorized number of Directors.

Vacancies on the Board may be filled by approval of the Board or, if the number of Directors then in office is less than a quorum, by: (1) the unanimous written consent of the Directors then in office, (2) the affirmative vote of the majority of the Directors then in office at a meeting held according to notice or waivers of notice complying with Corporations Code section 5211, or (3) a sole remaining Director.

Section 8. Resignation of Directors. Any Director may resign by giving written notice to the Chairman of the Board, if any, or to the President or the Secretary of the Board. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If a Director's resignation is effective at a later time, the Board may elect a successor to take office as of the date when the resignation becomes effective.

Section 9. Removal of Directors. Any director may be removed, with or without cause, by the vote of the majority of the Directors then in office at a special meeting called for that purpose. Any vacancy caused by the removal of a Director shall be filled as provided in Section 7.

Any Director who does not attend three successive Board meetings will automatically be removed from the Board without Board resolution unless: (a) the Director requests a leave of absence for a limited period of time, and the leave is



approved by the Directors at a regular or special meeting (if such leave is granted, the number of Board members will be reduced by one in determining whether a quorum is or is not present); (b) the Director suffers from an illness or disability that prevents him or her from attending meetings and the Board by resolution waives the automatic removal procedure of this subsection; or (c) the Board, by resolution of the majority of the Board members, agrees that a Director who has missed three meetings may be reinstated.

Section 10. Ex Officio Directors. If the Board so desires, it may appoint two (2) persons as Ex Officio Directors, who shall serve from time to time at the pleasure of the Board. One of these two Ex Officio Directors shall be the Executive Director of the Housing Authority of Merced County and the other shall be any person whom the Board designates. Ex Officio Director(s) will not have any voting rights and will not serve for any specific term, but will serve at the pleasure and upon direction of the Board. The qualifications of Directors, as set forth in Section 4 of this Article III of these Bylaws, are not applicable to any Ex Officio Director.

Section 11. Place of Meetings. Meetings of the Board shall be held at any place within or outside the State of California that has been designated from time to time by the Board. In the absence of such designation, regular meetings shall be held at the principal office of the Corporation.

Section 12. Regular Meetings. Regular meetings of the Board shall be held without notice on such dates and at such times as may be fixed by the Board.

Section 13. Special Meetings. Special meetings of the Board for any purpose may be called at any time by the Chairperson of the Board, if any, the President or any Vice-President, the Secretary, or any two Directors.

Notice of the time and place of special meetings shall be given to each Director by: (a) personal delivery or written notice; (b) first-class mail, postage prepaid; (c) telephone, including a voice messaging system or other system or technology designed to record and communicate messages, either directly to the Director or to a person at the Director's office who would reasonably be expected to communicate that notice promptly to the Director; (d) facsimile; (e) electronic mail; or (f) other electronic means. All such notices shall be given or sent to the Director's address or telephone number as shown on the Corporation's records.

Notices sent by first-class mail shall be deposited in the United States mail at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, or electronic mail shall be delivered, telephoned, or sent, respectively, at least 48 hours before the time set for the meeting.

The notice shall state the time of the meeting and the place, if the place is other than the Corporation's principal office. The notice need not specify the purpose of the meeting.

Section 14. Meetings by Telephone or Other Telecommunications Equipment. Members of the Board may participate in a meeting through use of conference telephone or similar communication equipment, so long as all member participating in such meeting can communicate with and hear one another.

Section 15. Quorum. A majority of the authorized number of Directors then in office, but not less than three (3), shall constitute a quorum for the transaction of any business except adjournment. Every action taken or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be an act of the Board, subject to the more stringent provisions of the California Nonprofit Public Benefit Corporation law, including, without limitation, those provisions relating to: (a) approval of contracts or transactions in which a Director has a direct or indirect material financial interest; (b) approval of certain transactions between corporations having common directorships; (c) creation of and appointments to committees of the Board; and (4) indemnification of Directors. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of some Directors from that meeting, if any action taken or decision made is approved by at least a majority of the required quorum of that meeting and it is approved by at least three (3) Directors.

Section 16. Waiver of Notice. Notice of a meeting need not be given to any Director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any Director who attends the meeting and, before or at the beginning of the meeting, does not protest the lack of notice to him or her.

Section 17. Adjournment. A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than 24 hours. If the original meeting is adjourned for more than 24 hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the Directors who were not present at the time of the adjournment.

Section 18. Action Without a Meeting. Any action that the Board is required or permitted to take may be taken without a meeting if all Board members consent in writing to the action; provided, however, that the consent of any Director who has a material financial interest in a transaction to which the Corporation is a party and who is an "interested director" as defined in Corporations Code section 5233 shall not be required for approval of that transaction. Such action by written consent shall have the same force and effect as any other validly approved action of the Board. All such consents shall be filed with the minutes of the proceedings of the Board.

Section 19. Compensation and Reimbursement. Directors and committee members shall serve without compensation, except that they shall be reimbursed for their actual and reasonable expenses, which are incurred in the performance of their duties consistent with guidelines established from time to time by the Board.

Section 20. Committees of Board of Directors. The Board, by vote of a majority of the Directors then in office, may create one or more committees, each consisting of two or more Directors, to serve at the pleasure of the Board. Appointments to committees of the Board shall be by majority vote of the Directors then in office. The Board may appoint one or more Directors as alternate members of any such committee, who may replace any absent member at any meeting. Any such committee shall have all the authority of the Board, to the extent provided in the Board resolution, except that no committee may:

- (a) Take any final action on any matter that, under the California Nonprofit Public Benefit Corporation Law, also requires approval of the members or approval of a majority of all members;
- (b) Fill vacancies on the Board or any committee of the Board;
- (c) Fix compensation of the Directors for serving on the Board or on any committee;
- (d) Amend or repeal Bylaws or adopt new Bylaws;
- (e) Amend or repeal any resolution of the Board that by its express terms is not so amendable or repealable;
- (f) Create any other committees of the Board or appoint the members of committees of the Board;
- (g) Expend corporate funds to support a nominee for Director if more people have been nominated for Director than can be elected; or

- (h) Approve any contract or transaction to which the Corporation is a party and in which one or more of its Directors has a material financial interest, except as special approval is provided for in Corporations Code section 5233(d)(3).

Meetings and actions of committees of the Board shall be governed by, held, and taken under the provisions of this Article III of these Bylaws concerning meetings and other Board actions. Minutes shall be kept of each meeting of each committee and shall be filed with the corporate records.

Section 21. Rights of Inspection. Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents of every kind and to inspect the physical properties of the Corporation of which such person is a Director.

3. This Amendment and Restatement has been approved by the Board of Directors.

DATED: June 19, 2003

Alan Jenkins  
ALAN JENKINS, Chairman of the Board

Mitchell C. Spurling  
MITCHELL C. SPURLING, Secretary

CERTIFICATE OF AMENDMENT OF  
BYLAWS OF  
CENTRAL VALLEY COALITION FOR AFFORDABLE HOUSING  
A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION

Al Jenkins, Chairperson of the Board, and Mitch Sperling, Secretary, certify that:

1. They are the Chairperson of the Board and Secretary, respectively, of Central Valley Coalition for Affordable Housing, A California Nonprofit Public Benefit Corporation.

2. The Bylaws of Central Valley Coalition for Affordable Housing shall be amended to change Article IV, Section 1, "Officers," as follows:

"Section 1. Officers: The officers of the corporation shall be a Chairperson, a President, a Chief Executive Officer, 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 may be elected or appointed in accordance with the provisions of Section 3 of this Article IV. Any number of offices may be held by the same person except as provided in the Articles or in these Bylaws and except that neither the Secretary nor the Treasurer may serve concurrently as the President or Chairperson of the Board. The Chairperson, the President and the Vice President shall be members of the Board."

3. Section 7 of Article IV shall be amended as follows:

"Section 7. President. The President, subject to the control of the Board, shall preside at all meetings of the Board when the Chairperson is absent or otherwise unable to preside and shall perform such other powers and duties as may from time to time be assigned by the Board."

4. The Bylaws shall be amended to insert a new Section 8 to Article IV, and all subsequent sections shall be renumbered accordingly.


"Section 8. Chief Executive Officer. The Chief Executive Officer, subject to the control of the Board, provides general supervision, direction, and control of the business and officers of the corporation and has the general powers and duties of management usually vested in the office of the Chief Executive Officer of a corporation, and such other powers and duties as may be prescribed by the Board. The Chief Executive Officer shall have the power and responsibility to negotiate and execute contracts on behalf of the corporation."

5. The foregoing amendments have been duly approved by the Board of Directors.

DATE: 6-23-99

  
AL JENKINS, Chairperson of The Board

DATE: 6/27/99

  
MITCH SPERLING, Secretary

**CERTIFICATE OF AMENDMENT OF BY-LAWS OF  
MERCED COUNTY COALITION FOR AFFORDABLE HOUSING,  
A NOT FOR PROFIT CALIFORNIA CORPORATION**

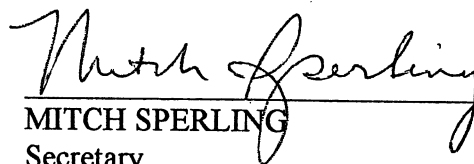
Al Jenkins, Chairperson of the Board, and Mitch Sperling, Secretary, certify that:

1. They are the Chairperson of the Board and Secretary, respectively, of Merced County Coalition for Affordable Housing, a California nonprofit corporation.
2. The By-Laws of Merced County Coalition for Affordable Housing shall be amended to change the name of the corporation to **CENTRAL VALLEY COALITION FOR AFFORDABLE HOUSING**.
3. The following provisions shall be added to Article 3, Section 3 of the By-Laws of the corporation: Notwithstanding any other provision of Section 3 of Article 3 at least one-third of the Board of Directors shall be residents of low income neighborhoods, shall be low income community residents or shall be elected representatives of low income neighborhood organizations. Furthermore, no more than one-third of the governing board members may be public officials.
4. This Amendment has been approved by the Board of Directors.

DATED: 7-6-94



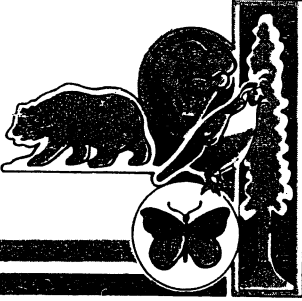
AL JENKINS  
Chairperson



MITCH SPERLING  
Secretary



A449136



State  
of  
California  
SECRETARY OF STATE'S OFFICE

CORPORATION DIVISION

I, *TONY MILLER*, Acting 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

JUL 19 1994



*Tony Miller*  
Acting Secretary of State

**BY-LAWS**

for the regulation, except  
as otherwise provided by statute or  
its Articles of Incorporation,  
of  
Merced County Coalition For Affordable Housing, a  
California Nonprofit Public Benefit Corporation

**ARTICLE I. OFFICES**

Section 1. Principal Office. The Corporation's principal office shall be fixed and located at such place as the Board of Directors designates (herein called the "Board") in Merced County, California. The location of the Corporation's principal office may be changed through an amendment of these By-laws.

Section 2. Other Offices. The corporation may also have offices at such other places where it is qualified to do business, as its business may require and as the Board of Directors may, from time to time, designate.

**ARTICLE II. PURPOSE**

Section 1. Purpose. The specific and primary purposes are to provide housing for low income families and elderly and handicapped persons who cannot afford decent, safe, and sanitary housing, by constructing, rehabilitation, owning, and operating housing units, and the sale or rental of the same to the poor, underprivileged, handicapped and elderly, in conjunction with state and federal low income housing programs, and to provide related facilities and services especially designed to meet the physical, social, and psychological needs of said families and persons which will contribute to their health, security, happiness, and usefulness, and to hereby, inter alia, ameliorate the existing housing shortage, provide relief for the poor, distressed, and underprivileged, lessen the burdens of government, and combat community deterioration and juvenile delinquency.

(b) An additional purpose shall be to make donations to and dispense charitable contributions through, and otherwise aid and support senior citizens programs and other organizations qualified for exemption.

**ARTICLE III. DIRECTORS**

Section 1. Powers. Subject to limitations of the Articles and these By-Laws, the activities and affairs of the corporation shall be conducted and all corporate powers shall be exercised by

or under the direction of the Board. The Board may delegate the management of the activities of the corporation to any person or persons, a management company, or committees however composed, provided that the activities and affairs of the corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Board shall have the following powers:

- (a) To select and remove all officers, agents, and employees of the corporation, prescribe powers and duties for them as may not be inconsistent with law, the Articles, or these By-Laws, and fix their compensation.
- (b) To conduct, manage, and control the affairs and activities of the corporation and to make such rules and regulations therefore not inconsistent with law, the Articles, or these By-Laws, as they may deem best.
- (c) To adopt, make, and use a corporate seal and to alter the form of such seal from time to time as they may deem best.
- (d) To borrow money and incur indebtedness for the purposes of the corporation, and to cause to be executed and delivered therefor, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecation, or other evidence of debt and securities therefor.
- (e) To carry on a business at a profit and apply any profit that results from the business activity to any activity in which it may lawfully engage without endangering the corporations non-profit tax-exempt status.
- (f) To enter into limited partnerships and other contracts with private individuals or private or governmental corporations, agencies, organizations and institutions.
- (g) To act as manager, limited partner or general partner of any such partnership venture, or association.
- (h) To provide technical assistance with respect to the planning, financing, acquisition, rehabilitation, maintenance, or management of low-income or very low-income housing.
- (i) To make loans or grants, including grants of interest in housing and related facilities to nonprofit corporations, limited dividend corporations, or other entities for low-income or very low-income housing.
- (j) To undertake any appropriate activities to help preserve California's housing for low and very low-income households.

(k) To hire staff or hire or accept the voluntary services of consultants, experts, or advisory boards to aid the corporation in carrying out the purposes of this chapter.

(l) To engage in any other activities as may be necessary to carry out the purposes of this section.

(m) Any other powers which may be granted or authorized by law.

\*SEE ATTACHED Section 2. Number of Directors. The authorized number of  
 AMENDED directors shall be seven.  
 BY-LAWS

Section 3. Selection and Term of Office. All directors shall be committed to working to preserve and expand the supply of low-income and very low-income housing.

Directors shall be designated as follows:

One (1) of the said seven (7) Directors shall be the person holding the office of Executive Director of the Housing Authority of the County of Merced.

Two (2) of the said seven (7) Directors shall be Commissioners of the Housing Authority of the County of Merced, named by the Board of Commissioners of the Housing Authority of the County of Merced. The remaining four (4) additional Directors shall be named, by the Board of Directors, except for naming the initial Board of Directors.

One additional Director shall be a person engaged in or familiar with real property financing; one additional Director shall be a person engaged in or familiar with construction or property management; two additional Directors shall have such background and skills as may be determined by the Board. None of these four additional Directors may be an officer, employee, agent, or commissioner of the Housing Authority of the County of Merced.

All Directors shall hold office until their respective successors are selected.

Each director, after the initial board of directors, shall serve for a term of three (3) years. Three (3) of the initial directors shall have a term of three (3) years. Two (2) of the initial directors shall have a term of two (2) years. Two (2) of the initial directors shall have a term of one (1) year. The term of office for each of the initial directors shall be allocated according to the formula above and selected by lot. The anniversary date for all terms of office shall coincide with the date of incorporation.

Section 4. Vacancies. Subject to the provisions of Section 5336 of the California Corporations Code, any director may resign effective upon giving written notice to the Chairperson of the Board, the Secretary, or the Board, unless the notice specified a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be selected before such time, to take office when the resignation becomes effective.

Vacancies in the four (4) non-Housing Authority Director positions shall be filled by the remaining Board of Directors.

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

The Board may declare vacant the office of a director who has been declared of unsound mind by a final order of court, or convicted of a felony, or found by a final order of judgement of any court to have breached any duty arising under Article 3 of the California Non-profit Public Benefit Corporation Law.

Section 5. Place of Meetings. 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. In the absence of such designation, regular meetings shall be held at the principal office of the corporation.

Section 6. Regular Meetings. Regular meetings of the Board shall be held without call or notice on such dates and at such times as may be fixed by the Board.

Section 7. Special Meetings. Special meetings of the Board for any purpose or purposes may be called at any time by the Chairperson of the Board, the President, the Vice President, the Secretary, or any two directors.

Special meetings of the Board shall be held upon 3 days notice by first-class mail or 48 hours notice given personally or by telephone, telegraph, telex, facsimile or other similar means of communication. Any such notice shall be addressed or delivered to each director at such director's address as it is shown upon the records of the corporation or as may have been given to the corporation by the director for purposes of notice or, if such address is not shown on such records or is not readily ascertainable, at the place in which the meetings of the directors are regularly held.

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

is delivered to a common carrier for transmission, or actually transmitted by the person giving the notice by electronic means, to the recipient. Oral notice shall be deemed to have been given at the time it is communicated, in person or by telephone or wireless, to the recipient or to a person at the office of the recipient who the person giving the notice has reason to believe will promptly communicate it to the receiver.

Section 8. Quorum. A majority of the directors then in office, but not less than three (3) shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 11 of this Article III. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board, unless a greater number is required by law or by the Articles except as provided in the next sentence. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors, provided that any action taken is approved by at least a majority of the required quorum for such meeting and that it is approved by at least three (3) directors.

Section 9. Participation in Meetings by Conference Telephone. Members of the Board may participate in a meeting through use of conference telephone or similar communication equipment, so long as all members participating in such meeting can hear one another.

Section 10. Waiver of Notice. Notice of a meeting need not be given to any director who signs a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such director. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. This provision shall also apply to actions by the Board of Directors to amend either the Articles of Incorporation or the By-laws.

Section 11. Adjournment. Notwithstanding to requirements of Section 8, a majority of the directors present, whether or not a quorum is present, may adjourn any directors' meeting to another time and place. Notice of the time and place of such adjourned meeting need not be given to absent directors if the time and place of such adjourned meeting is held no more than 24 hours from the time of the original meeting. Notice of any adjournment to another time or place shall be given in accordance with Section 7 of this Article III prior to the time of the adjourned meeting to the directors who were not present at the time of the adjournment.

Section 12. Action Without Meeting. Any action required or permitted to be taken by the Board of Directors may be taken

without a meeting, if all members of the Board shall individually or collectively consent in writing to the action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

Section 13. Rights of Inspection. Every director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents of every kind and to inspect the physical properties of the corporation of which such person is a director.

Section 14. Committees. The Board, by vote of a majority of the directors then in office, may appoint one or more committees, each consisting of two or more directors, and delegate to such committees any of the authority of the Board except with respect to:

(a) The approval of any action for which the California Nonprofit Public Benefit Corporation Law also requires approval of the members or approval of a majority of all members;

(b) The filling of vacancies on the Board or any committee;

(c) The fixing of compensation of the directors for serving on the Board or any committee;

(d) The amendment or repeal of By-laws or the adoption of new By-laws;

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

(f) The appointment of other committees of the Board or the members thereof;

(g) The approval of any self-dealing transaction, as such transactions are defined in Section 5233(a) of the California Nonprofit Public Benefit Corporation Law.

Any such committee must be created, and the members thereof appointed, by resolution adopted by a majority of the authorized number of the directors then in office, provided a quorum is present, and any such committee may be designated by such name as the Board shall specify. The Board may appoint, in the same manner, alternate members of any committee who may replace any absent member at any meeting of the committee. The Board shall have the power to prescribe the manner in which proceedings of any such committee shall be conducted. In the absence of any such prescription, such committee shall have the power to prescribe the manner in which its proceedings shall be conducted. Unless the Board or such committee shall otherwise provide, the regular and

special meetings and other actions of any such committee shall be governed by the provisions of this Article III applicable to meetings and actions of the Board. Minutes shall be kept of each meeting of each committee.

Section 15. Fees and Compensation. Directors shall serve without compensation, except that they shall be reimbursed for their actual and reasonable expenses, which are incurred in the performance of their duties consistent with guidelines established from time to time by the board of directors.

#### ARTICLE IV. OFFICERS

Section 1. Officers. The officers of the corporation shall be a Chairperson, 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 may be elected or appointed in accordance with the provisions of Section 3 of this Article IV. Any number of offices may be held by the same person except as provided in the Articles or in these By-Laws and except that neither the Secretary nor the Treasurer may serve concurrently as the President or Chairperson of the Board. The Chairperson, the President and the Vice President shall be members of the Board.

Section 2. Election. The officers of the corporation and such officers as may be elected or appointed in accordance with the provisions of Section 3 or Section 5 of this Article IV, shall be chosen annually by, and shall serve at the pleasure of, the Board, and shall hold their respective offices until their resignation, removal, or other disqualification from service, or until their respective successors shall be elected.

Section 3. Subordinate Officers. The Board may elect, and may empower the President to appoint, such other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these By-Laws or as the Board may from time to time determine.

Section 4. Removal and Resignation. Any officer may be removed, either with or without cause, by the board at any time. Any such removal shall be without prejudice to the rights, if any, of the officer under any contract of employment by the officer.

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



Section 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 By-Laws for regular election or appointment to such office, provided that such vacancies shall be filled as they occur and not on an annual basis.

Section 6. Chairperson of the Board. The Chairperson of the Board shall if present, preside at all meetings of the Board and exercise and perform such other powers and duties as may be from time to time assigned by the Board. In the event that neither the Chairperson nor the President is present at a board meeting, the directors present at that meeting shall select a Chairperson of the day.

Section 7. President. The President, subject to the control of the Board, provides general supervision, direction, and control of the business and officers of the corporation and has the general powers and duties of management usually vested in the office of the president and chief executive officer of a corporation and such other powers and duties as may be prescribed by the Board.

Section 8. Vice President. In the absence or disability of the President, the Vice President shall perform all the duties of the President and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the President.

Section 9. Secretary. The Secretary shall keep or cause to be kept, at the principal office or such other place as the Board may order, a book of minutes of all meetings of the Board and its committees, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Board and committee meetings, and the proceedings thereof. The Secretary shall keep, or cause to be kept, at the principal office in the State of California the original or a copy of the corporation's Articles and By-Laws, as amended to date.

The Secretary shall give, or cause to be given, notice of all meetings of the Board and any committees thereof required by these By-Laws or by law to be given, shall keep the seal of the corporation in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board.

Section 10. Treasurer. The treasurer is the chief financial officer of the corporation and shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation. The books of account shall at all times be open to inspection by any director.

The Treasurer shall deposit any moneys and other valuables in the name and to the credit of the corporation with such

depositories as may be designated by the Board. The Treasurer shall disburse the funds of the corporation as may be ordered by the Board, shall render to the President and the directors, whenever they request it, an account of all transactions as Treasurer and of the financial condition of the corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board.

#### ARTICLE V. OTHER PROVISIONS

Section 1. Endorsement of Documents: Contracts. No officer, agent, or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or amount unless authorized by the Board of Directors.

Section 2. Representation of Shares of Other Corporations. The President or any other officer or officers authorized by the Board or the President are each authorized to vote, represent, and exercise on behalf of the corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of the corporation. The authority herein granted may be exercised either by any such officer in person or by any other person authorized so to do by proxy or power of attorney duly executed by said officer.

Section 3. Construction and Definitions. Unless the context otherwise requires, the general provisions, rules and construction and definitions contained in the General Provisions of the California Nonprofit Corporation Law, and the California Nonprofit Public Benefit Corporation Law, shall govern the construction of these By-Laws.

Section 4. Amendments. The Articles of Incorporation and/or these By-Laws may be amended or repealed at any regular or special meeting by the approval of not less than five (5) members of the Board of Directors regardless of the number then in office. At least 15 days notice of any proposed amendment to the Articles of Incorporation or By-laws shall be provided by regular mail to each director prior to any vote for such an amendment.

#### ARTICLE VI. IDEMNIFICATION

Section 1. Right of Indemnity. To the fullest extent permitted by law, this corporation shall indemnify its directors, officers, employees, and other persons described in Section 5238(a) of the California Corporations Code, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term

is used in that Section, and including an action by or in the right of the corporation, by reason of the fact that the person is or was a person described in that section. "Expenses," as used in this bylaw, shall have the same meaning as in Section 5238(a) of the California Corporations Code.

Section 2. Approval of Indemnity. On written request to the board by any person seeking indemnification under Section 5238(b) or Section 5238(c) of the California Corporations Code, the board shall promptly determine under Section 5238 (e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 5238(b) or 5238(c) has been met and, if so, the board shall authorize indemnification.

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

Section 4. Insurance. The corporation shall have power to purchase and maintain insurance on behalf of any agent of the corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the corporation would have the power to indemnify the agent against such liability under the provision of this Article VI, provided, however, that a corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the corporation for a violation of Section 5233 of the California Nonprofit Public Benefit Corporation Law.

Section 5. Nonapplicability to Fiduciaries of Employee Benefit Plans. This Article VI does not apply to any proceeding against any trustee, investment manager, or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person may also be an agent of the corporation as defined in Section 1 of this Article VI. The corporation shall have power to indemnify such trustee, investment manager, or other fiduciary to the extent permitted by subdivision (f) of Section 207 of the California General Corporation Law.

#### ARTICLE VII. PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS

No member, Director, officer, employee, or other person connected with this corporation, or any private individual, shall receive at

any time any of the net earnings or pecuniary profit from the operations of the corporation, provided however, that this provision shall not prevent payment to any such person reasonable compensation for services performed for the corporation in effecting any of its public or charitable purposes, provided that such compensation is otherwise permitted by these By-laws and is fixed by resolution of the Board of Directors: and no such person or persons shall be entitled to share in the distribution of, and shall not receive, any of the corporate assets on dissolution of the corporation.

Dated: October 31, 1989

Milt McDowell  
Milt McDowell, Director

Alan Jenkins  
Alan Jenkins, Director

Norman Herman  
Norman Herman, Director

Karen Prentiss  
Karen Prentiss, Director

Peter Maki  
Peter Maki, Director

Betty Dawson  
Betty Dawson, Director

Jim Welk  
Jim Welk, Director

**CERTIFICATE OF AMENDMENT OF BY-LAWS OF  
MERCED COUNTY COALITION FOR AFFORDABLE HOUSING,  
A NOT FOR PROFIT CALIFORNIA CORPORATION**

Al Jenkins, Chairperson of the Board, and Mitch Sperling, Secretary, certify that:

1. They are the Chairperson of the Board and Secretary, respectively, of Merced County Coalition for Affordable Housing, a California nonprofit corporation.
2. The By-Laws of Merced County Coalition for Affordable Housing shall be amended to change the name of the corporation to **CENTRAL VALLEY COALITION FOR AFFORDABLE HOUSING**.
3. The following provisions shall be added to Article 3, Section 3 of the By-Laws of the corporation: Notwithstanding any other provision of Section 3 of Article 3 at least one-third of the Board of Directors shall be residents of low income neighborhoods, shall be low income community residents or shall be elected representatives of low income neighborhood organizations. Furthermore, no more than one-third of the governing board members may be public officials.
4. This Amendment has been approved by the Board of Directors.

DATED: 7-6-94



AL JENKINS  
Chairperson



MITCH SPERLING  
Secretary

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

DEPARTMENT OF THE TREASURY

Date: JUN 01 1994

MERCED COUNTY COALITION FOR  
 AFFORDABLE  
 C/O MILTON B MCDOWELL  
 405 U ST  
 MERCED, CA 95340-6548

Employer Identification Number:  
 77-0242399  
 Case Number:  
 954010147  
 Contact Person:  
 CLAUDIA SANCHEZ  
 Contact Telephone Number:  
 (213) 725-1758

Our Letter Dated:  
 JAN 15 1993  
 Advance Ruling Period Begins:  
 JAN 5 1990  
 Advance Ruling Period Ends:  
 JUN 30 1994  
 Addendum Applies:  
 YES

*Meritt  
 725-1215 1236  
 7015  
 after 3:00  
 (213) 894-2326*

Dear Applicant:

Our letter of the above date stated that we had determined your organization is exempt under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) and that you would be treated as a publicly supported organization and not as a private foundation during your advance ruling period. This was based on our determination that you could reasonably be expected to be an organization described in sections 170(b)(1)(A)(vi) and 509(a)(1) or in section 509(a)(2).

We also stated that at the end of your advance ruling period you would have to establish that you were in fact an organization described in one of the above sections.

Our records indicate that your advance ruling period begins and ends on the dates shown above. Your exempt status as an organization described in section 501(c)(3) is still in effect. However, to establish that you are a publicly supported organization described in sections 170(b)(1)(A)(vi) and 509(a)(1) or in section 509(a)(2), please complete the attached Form 8734, Support Schedule for Advance Ruling Period, for each of the tax years in your advance ruling period.

The information requested in this letter is required to support your claim to be other than a private foundation. It is needed in addition to any required Form 990 or other annual return. Please send it to us within 90 days from the end of your advance ruling period.

If we do not receive this information, we will presume you are a private foundation and 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 of the Code. In addition, if you do not provide the information by the time requested, it will be considered by the Internal Revenue Service that you have not taken all reasonable steps to secure the determination you requested. Under section 7428(b)(2) of the Code, not taking all reasonable steps, in a timely manner, to secure the determination may be considered as a failure to exhaust administra-

Letter 1046 (DO/CG)

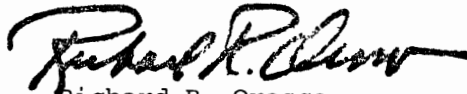
MERCED COUNTY COALITION FOR

tive remedies available to you within the Service, and may preclude the issuance of a declaratory judgment in the matter under judicial proceedings.

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

Thank you for your cooperation.

Sincerely yours,



Richard R. Orosco  
District Director

Enclosures:  
Form 8734  
Copy of this letter

Letter 1046 (DO/CG)

## Internal Revenue Service

Department of the Treasury

District  
Director

Person to Contact:

**MURRIET REED**

CENTRAL VALLEY COALITION FOR AFFORDABLE  
HOUSING  
405 U STREET  
MERCED, CA 95340-6548

Telephone Number: (213) 725-1235

Refer Reply to: EOMF Coordinator

Date: **FEB 13 1996**

EIN# 77-0242399

Internal Revenue Code Section:  
501(c)(03)

Dear Sir or Madam:

Thank you for submitting the information shown below or on the enclosure. We have made it a part of your file.

The changes indicated do not adversely affect your exempt status and the exemption letter issued to you continues in effect.

Please let us know about any future change in the character, purpose, method of operation, name or address of your organization. This is a requirement for retaining your exempt status.

Thank you for your cooperation.

Sincerely yours,



District Director

<u>Item Changed</u>	<u>From</u>	<u>To</u>
(Name)		
	Merced County Coalition For Affordable Housing	(SEE ABOVE)

EP/EO Division  
McCaslin Industrial Park  
2 Cupania Circle  
Monterey Park, CA 91755-7406

Letter 976(DO) (Rev. 1-87)



## **William B. Hedenkamp**

Hedenkamp Architecture & Planning  
4455 Morena Blvd., Suite 114  
San Diego, CA 92117  
Phone: (858) 483-4483

License / Registration: California  
NCARB Registration

Education: California State Polytechnic University  
San Luis Obispo, CA  
1969 Bachelor of Architecture Degree

San Diego State University  
1971 Community College Teaching Credential  
Valid for Life

Experience:

1976 – Present  
Principal – Hedenkamp & Associates  
Architecture & Planning

1971 – 1976  
Associate – Brian Paul & Associates  
Architecture & Planning

1972 – 1975  
Instructor – Southwestern College  
Chula Vista, California  
Architecture & related technologies

1969 – 1971  
Designer – Richard Wilson – Architect

## Project Experience in Multifamily Housing

William Hedenkamp has extensive experience in the design and construction of both small and large scale multi-family apartment communities. Most current project have been USGBC LEED Platinum or LEED Gold certified. Projects completed during over forty years of specialized multi-family design experience include both new construction and in-fill development as well as renovation projects.

## Project Experience in the Imperial Valley and Calexico

William Hedenkamp has designed a large number of projects throughout the Imperial Valley and has developed numerous relationships and a strong reputation with the local jurisdictions throughout the valley. In recent years, Mr. Hedenkamp has designed numerous projects in the City of Calexico that include senior, farmworker, and family housing projects. In 2010, Mr. Hedenkamp worked with the City of Calexico staff and played a key role keeping the historic Hotel De Anza from being condemned after a 7.2 magnitude earthquake caused extensive damage to the existing building.

### CURRENT MULTIFAMILY DEVELOPMENTS:

#### **Mill Creek Village Apartments**

63 Unit Senior Housing Development  
Bakersfield, CA

Client: Chelsea Investment Corporation

#### **Dinuba Senior Apartments**

54 Unit Senior Housing Development  
Dinuba, CA

Client: Chelsea Investment Corporation

#### **30<sup>th</sup> & C**

40 Unit Mixed-use Development  
San Diego, CA

Client: Hirmez Brothers, LLC

#### **Weitzel Street Apartments**

32 Unit Affordable Housing Development  
Oceanside, CA

Client: North County Solutions For Change

#### **Ouchi Courtyards**

45 Unit Affordable Housing Development  
San Diego, CA

Client: Chelsea Investment Corporation

#### **De Anza II Senior Apartments**

54 Unit Senior Housing Development  
Calexico, CA

Client: Chelsea Investment Corporation

#### **Villa Paseo Apartments**

5 Unit Student Housing Development  
San Diego, CA

Client: Villa Paseo Apartments, LP

#### **Cesar Chavez Phase II**

80 Unit Farm Worker Housing  
Coachella, CA

Client: Chelsea Investment Corporation

**DU Fraternity**

5 Unit Student Housing Development  
San Diego, CA

Client: DU Fraternity Alumni Association

**The Residences at Bay Park**

5 Unit Townhouse Development  
San Diego, CA

Client: Morrison Investment Properties, Inc.

**COMPLETED MULTIFAMILY DEVELOPMENTS:****Mill Creek Courtyard**

72 Unit Urban Infill Affordable Development  
Bakersfield, CA

Client: Chelsea Investment Corporation

**Morro Bay Senior Apartments**

21 Unit Affordable Senior Development  
Morro Bay, CA

Client: Pacific Southwest Community  
Development Group

**Zuma Apartments – Aztec Court**

24 Unit Student Housing  
San Diego, CA

Client: Warmington Residential

**Vista Terrace Apartments**

16 Unit Apartment Rehab  
Oceanside, CA

Client North County Solutions for Change

**City Place Apartments**

70 Unit Family Apartments  
Affordable Housing Development  
Bakersfield, California

Client: Chelsea Investment Corporation

**Cedar Creek Apartments**

48 Unit Family Apartments  
Affordable Housing Development  
Santee, California

Client: Chelsea Investment Corporation

**Villa Fortuna Apartments**

76 Unit Family Apartments  
Affordable Housing Development  
Brawley, California

Client: Chelsea Investment Corporation  
Pacific Southwest CDC

**Villa del Sol Apartments (Calexico III)**

52 Unit Family Apartments  
Affordable Housing Development  
Calexico, California

Client: Chelsea Investment Corporation  
Pacific Southwest CDC

**Tierra del Cielo Apartments**

33 Unit Family Apartments  
Affordable Housing Development  
Somerton, Arizona

Client: Chelsea Investment Corporation  
Comite de Bien Estar

**Silver Sage Apartments**

80 Unit Family Apartments  
Affordable Housing Development  
Lakeside, California

Client: Chelsea Investment Corporation

**Villa Dorada Apartments**

80 Unit Family Apartments  
Affordable Housing Development  
Calexico, California

Client: Chelsea Investment Corporation  
Pacific Southwest CDC

**De Anza Hotel**

Historic Hotel Renovation  
Conversion to Senior Housing

Client: Chelsea Investment Corporation

**Las Brisas Apartments**

72 Unit Affordable Housing Development  
El Centro, CA

Client: Chelsea Investment Corporation

**Hunter's Pointe Apartments**

168 Unit Family Apartments  
Affordable Housing Development  
Carlsbad, California

Client: Chelsea Investment Corporation

**Fairbanks Ridge**

204 Unit Family Apartments  
Affordable Housing Development  
San Diego, California

Clients: Black Mountain Ranch  
Chelsea Investment Corporation

**Brawley Elks**

81 Unit Senior Apartments  
Affordable Senior Housing Development  
Brawley, California

Client: Chelsea Investment Corporation

**Villa Esperanza Apartments**

72 Unit Family Apartments  
Affordable Housing Development  
Calipatria, California

Client: Chelsea Investment Corporation

**El Quintero Apartments**

54 Unit Senior Housing Development  
Calexico, CA

Client: Chelsea Investment Corporation

**De Anza Hotel Earthquake Repairs**

Assessment of 7.2 Magnitude Earthquake  
Structural & Cosmetic Repairs

Client: Chelsea Investment Corporation

**Countryside Family Apartments**

72 Unit Family Apartments  
Affordable Housing Development  
El Centro, California

Client: Chelsea Investment Corporation

**Westmorland Family Apartments**

64 Unit Family Apartments  
Affordable Housing Development  
Westmorland, California

Client: Chelsea Investment Corporation

**Villa Serena**

132 Unit Senior Apartments  
Affordable Housing Development  
Chula Vista, California

Client: Chelsea Investment Corporation

**Heber Family Apartments**

81 Unit Family Apartments  
Affordable Housing Development  
Heber, California

Client: Chelsea Investment Corporation

**Brawley Gardens Apartments**

81 Unit Family Apartments  
Affordable Housing Development  
Brawley, California

Client: Chelsea Investment Corporation

**Longacres at Seabreeze Farms**

38 Unit Family Apartments  
Affordable Housing Development  
San Diego, California

Client: Centex Homes

**Villa Andalusia**

32 Unit Family Apartments  
Affordable Housing Development  
San Diego, California

Clients: Barratt Corporation  
Chelsea Investment Corporation

**Rancho Buena Vista**

150 Unit Family Apartments  
Affordable Housing Development  
Chula Vista, California

Client: Eastlake Corporation  
Chelsea Investment Corporation

**Rancho del Norte**

119 Unit Family Apartments  
Affordable Housing Development  
San Diego, California

Client: Black Mountain Ranch  
Chelsea Investment Corporation

**Teresina Apartments**

440 Unit Apartment Development  
Market Rate 80% Affordable 20%  
Chula Vista, California

Client: Chelsea Investment Corporation

**Bienestar Apartments**

92 Unit Family Apartments  
Affordable Housing Development  
San Luis, Arizona

Client: Chelsea Investment Corporation

**Bienestar Phase II**

64 Unit Family Apartments  
Affordable Housing Development  
San Luis, Arizona

Client: Comite de Bien Estar

**Torrey Highlands**

76 Unit Family Apartments  
Affordable Housing Development  
San Diego, California

Clients: Greystone  
Chelsea Investment corporation

**Holtville Senior Apartments**

81 Unit Senior Apartments  
Affordable Housing Development  
Holtville, California

Client: Chelsea Investment Corporation



REPRESENTATIVE EXAMPLES

CityPlace (South Mill Creek), Bakersfield



Cedar Creek, Santee



Hunter's Pointe, Carlsbad





Fairbanks Ridge, San Diego



Villa Serena, Chula Vista





Teresina, Chula Vista



Villa Andulucia, San Diego





Torrey Highlands, San Diego



## Background and Expertise

Highland has worked together with private developers, municipal and public agency clients on a variety of public and private projects since 1992 providing real estate, development services, construction and design build services.

We are proud to say that many negotiated projects were awarded to Highland on a repeat basis by the City of Chula Vista, County of Riverside, City of Murrieta, Children's Hospital, San Diego State University, Host Marriott, San Diego YMCA, and Watt Commercial Los Angeles. These repeat clients are directly due to the proactive and positive leadership by our principals and our commitment to understanding and fulfilling our client's needs.

We approach each project in partnership with our clients and work hard to help them design and build sustainable and cost-effective facilities in the shortest amount of time.

Our hands-on approach to project planning, design and construction with principal involvement provides a great benefit to our clients. Decisions are made promptly and locally by experienced stakeholders.

Our core group of builders have been together most of their careers and have built many complex projects together. The long-term personal commitment we share with each other at Highland is the same commitment we bring to each project team.

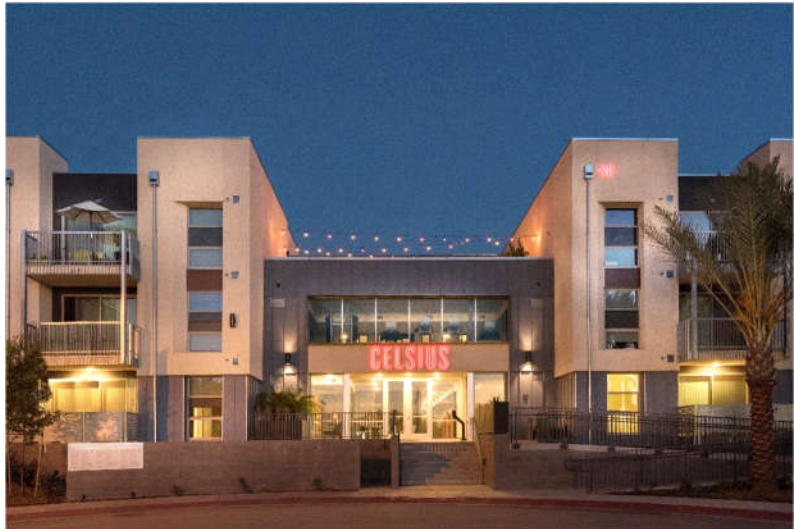
Our clients deserve the best people and our best efforts on each project. We firmly believe there is no substitute for experience and our people have decades of experience. Once assigned to your project our Project Managers and Superintendents will stay with you through completion and occupancy.

We pledge that Highland will provide the lowest overall installed costs and best value for our clients through hard work, competitive bidding of all trade work, the application of state-of-the-art technology and attention to the details.

Highland has a long history in San Diego with exceptionally strong relationships with City staff in the building and engineering departments in San Diego, Sacramento, San Bernardino County, Victor Valley, La Mesa, Vista, Chula Vista, National City and Escondido. We have managed many complex projects on a design build and design assist basis with many requiring prevailing wages, minority outreach and Section 3 employment rules.

To further illustrate Highland's expertise and history, we have included several of our projects below showing our range of experience with affordable and workforce multifamily, private development, public agency, and municipal clients.

We encourage our new clients to discuss our work ethic and commitment with current and past clients.





## **Valencia Pointe Affordable Family Housing**

Highland is building another needed Affordable Housing Project in underserved Southeast San Diego, for CRP Affordable Housing and Community Development project.

The project is located at the corner of Valencia Parkway and Division Street in the emerging San Diego community of Valencia Park and Alta Vista, greatly benefitting from the additional housing opportunities that CPR Affordable Housing and Development and Highland are bringing to San Diego's needed affordable housing market. Valencia Pointe Apartments began construction in September 2020 and is on schedule to be opened in the spring of 2022.



This multi-family project is a 4-story building over a concrete pedestal with a community courtyard at the second level. These are Type V 1Hr Sprinkled wood frame buildings over a Type I concrete podium. Valencia Pointe Apartments will have 105 affordable units of one-bedroom and two-bedroom units, with ample secured parking and open space landscaping, fully secured site fencing. Unit

interiors include full appliance packages, private balconies, wood plank flooring, quartz counter tops and state of the art LED lighting with controls.



Highland is providing all management of HUD Act of 1968 Section 3, providing employment, training, and other economic opportunities to low- and very-low people in southeastern San Diego.

CPR Affordable Housing and Development is registered in the Green Build program and will exemplify environmental and energy leadership as well as being a sustainably built project with low life cycle cost.

Highland has teamed up with CPR Affordable Housing and Development, the Black Contractors Association, and Reese Jarod, one of the owners of the development, to provide local outreach to the people and trade contractors making sure we utilize resources in the backyards of our projects.

## Keeler Court Affordable Housing



Highland was selected to perform Preconstruction services and to serve as the general contractor for this Community Housing Works affordable housing project. Highland has worked hand-and-hand with Community Housing Works, their Architect BNIM, and their associated subconsultants throughout the entire entitlement and design process.

The project is located on Keeler Court in the emerging San Diego community of Southcrest, greatly benefitting from the additional housing opportunities that Community Housing Works brings to San Diego's affordable housing market. Keeler Court Apartments is currently under construction and on schedule to be opened in fall of 2021.

This multi-family project consists of two 4-story buildings that are linked together in the middle on each level via a pedestrian walkway. These are Type III wood framed buildings over a Type I Podium. Keeler Court Apartments has 71 units, ranging from studios to two-bedroom units, along with related amenities including a community space garden, computer labs, laundry center, solar heating and electric, open space landscaping, fully secured site fencing with access control and direct connectivity to the community and neighboring businesses.



There are 85 parking stalls in both on-grade, below podium and tuck-under style parking. Unit interiors include full appliance packages, private balconies, wood plank flooring, quartz counter tops and state of the art LED lighting with controls.

This project is a State Prevailing Wage project, and due to HUD funding resources, subject to HUD Act of 1968 Section 3, providing employment, training, and other economic opportunities to low- and very-low people in southeastern San Diego.

Keeler Court Apartments is registered in the Green Build program and will exemplify environmental and energy leadership as well as being a sustainably built project with low life cycle cost. In addition, Highland as teamed up with Community Housing Works to provide local outreach to the neighborhood and local subcontractors, making sure we utilize resources in the backyards of our projects.

**Southport Town Center  
West Sacramento**

Highland was selected by Watt Commercial Properties to design and construct this turnkey retail center in West Sacramento, California.

Situated on a 30-acre site, the 260,000 square foot Southport Town Center redevelopment project was developed in two phases.

The first phase of 125,000 square feet is anchored by the 53,000 square foot Nugget Market and 65,000 square-foot of retail and restaurant space.

Retail tenants include Starbucks, Blockbuster Video, Jamba Juice, Cold Stone Creamery, SAFE Credit Union, North American Title, Co., and Lyon & Associates Real Estate.



The new development is set around the historic Club Pheasant at the corner of Jefferson Boulevard and Lake Washington Boulevard.



Street expansion at Lake Washington Boulevard and Linden Road has been constructed concurrent with project development.

Designed by DeKleer + Associates, the center features internal pedestrian circulation much like a town square with wide walkways and outdoor plazas for dining or relaxation.

This is the second project Highland has negotiated with Watt Commercial Properties.

**Several other Projects built by Highland outside of San Diego:**

- Murrieta Police Headquarters – negotiated design / build
- Murrieta Senior Center – negotiated design / build
- Riverside Facilities – 6 projects (Sheriff, Coroner, Admin) – negotiated design / build
- Victor Valley Public Training Facility – Apple Valley – negotiated design / build
- Pechanga Government Center – Temecula – negotiated Best Value
- Palo Verde Medical Clinic – Blythe – negotiated design / build
- Coachella Valley Mosquito & Vector Control Headquarters – negotiated design / build



## **VVSD Veteran Affordable Family Housing**

Highland was the general contractor and the design & engineering manager for this Veterans Village of San Diego project designed by Delawie Architects.

This affordable housing project was designed for military veterans and their families.

The fifty-four-unit affordable mixed-use multifamily complex is constructed as three walk-up levels above the street with retail and office space on the ground floor.

Eleven one-bedroom units, 32 two-bedroom units, and 5 three-bedroom units are on situated on the second, third, and fourth floors.



This affordable housing project includes an on-site administration office, business center, club house and other support spaces for the residents; and a small commercial component to support training opportunities offered at the facility on S. Escondido Boulevard. Located near downtown Escondido, is close to local shopping, entertainment, Sprouts Supermarket, restaurants, the convention center, city hall, and medical facilities.

Six historic adobe brick bungalows were saved and refurbished and are now being used as affordable family homes.



## **Celadon Affordable Housing**

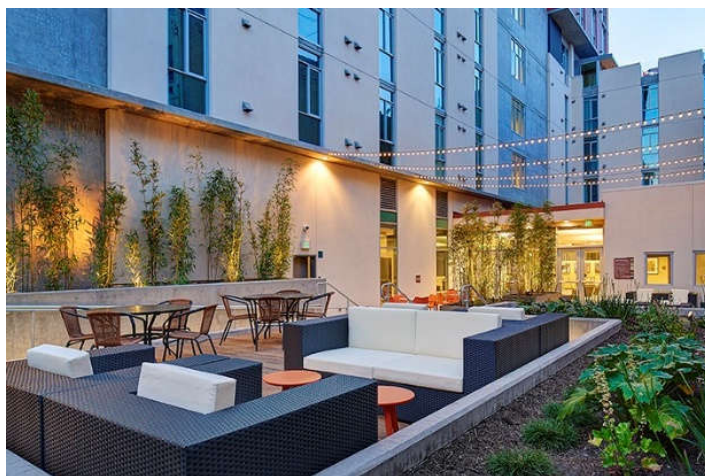
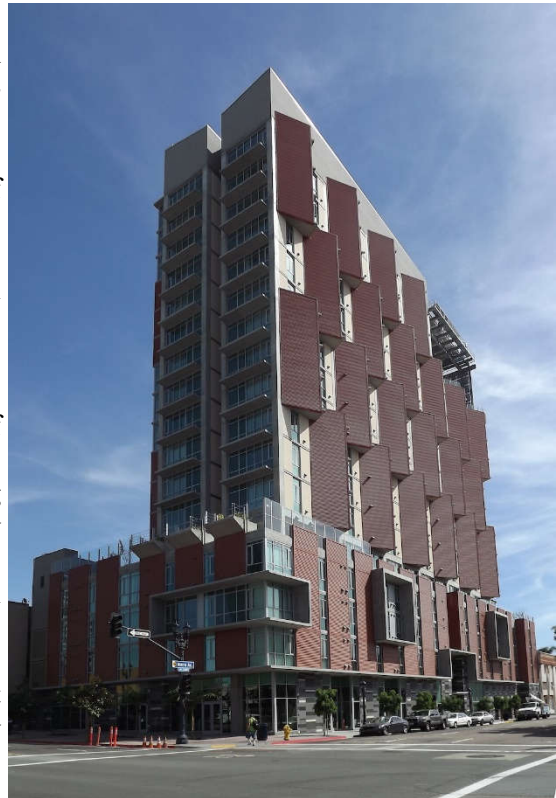
Bridge Housing, one of the nation’s leading affordable housing developers, owners and operators, hired Highland as Design Assist, General Contractor on this innovative, all-affordable, mixed use residential project containing 151 (300sf) Living Units, 25 (390 sf) Studios and 74 (630sf) 1 Bedroom Apartments in a 17-story tower over two levels of subterranean parking containing 120 spaces.

The project also contains 4500sf of ground Floor Retail space and over 20,000sf of Community and Administrative Space.

Working closely with MVE + Partners, Architect of Record, and Studio E Designer, Highland made recommendations for, and assisted Bridge with selecting the remainder of the Design Team and subsequently provided continuous cost estimating, scheduling and value engineering and presentation support, to assist Bridge win the City of San Diego issued RFQP on a Best Value basis.

After selection, Highland assisted the Team to ensure that the evolving design remained within the Budget originally set by Highland in consultation with Bridge Housing.

With a goal of achieving LEED Silver, this urban, high rise project incorporates many sustainable features including eco roofs, photovoltaic panels, and natural ventilation to the public circulation spaces. Highland introduced Turner as a joint venture partner at permit/completion of trade bidding, and after a 6-year preconstruction effort, construction commenced February 2013. Celadon opened in May 2015.



**2017 San Diego Architectural Foundation  
Grand Orchid Award**

**2016 PCBC Gold Nugget Grand Award,  
Best Sustainable Residential Community**

**2016 ULI Global Award for Excellence**

**2014 Grand Award, Best On-the-Boards,  
Builders Choice Awards**

**2012 APCBC Gold Nugget Award of Merit,  
Best On-the-Boards Mixed Use Project**



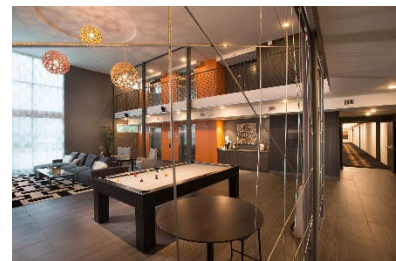
## Celsius Apartments

Highland was selected as the general contractor for this CityMark Development Project based on a best value competitive bid. The project is designed by Studio E Architects of San Diego. Highland saved approximately \$300,000 through a collaborative VE effort in concert with Studio E Architecture and CityMark Development.



The project is located on Citronica Lane immediately adjacent to the Lemon Grove Trolley Station which connects Lemon Grove to San Diego State University, Mission Valley, Old Town, downtown San Diego to the west, La Mesa and El Cajon to the east, and Santee to the north.

The 84-unit multifamily project consists of three stories of wood-frame construction over one-story of concrete podium, holds 71,856 square feet of living space configured in mostly 1- and 2- bedroom configurations, with a 3-bedroom floorplan as well. The project includes 120 parking secured spaces, a ratio of 1.43 spaces to units (there is no subterranean parking; all parking is on the first story of the complex).



## Breeze Hill Apartments

Highland is the general contractor and the design & engineering manager for this Silvergate Development Project designed by the Carrier Johnson & Culture3 Architectural team.

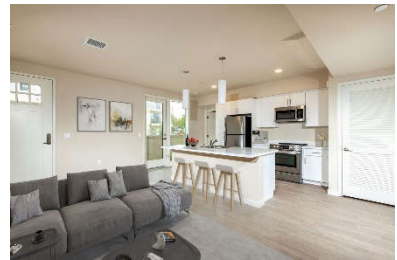
Breeze Hill is located near local-serving commercial businesses, transit routes, and parkland on South Melrose Drive in the Breeze Hill section of Vista. The many amenities immediately close by include shopping, restaurants, grocery and hardware stores, schools, and churches.

The multi-family project consists of 88 apartment homes within 7 buildings with 3-story massing. There are six studios, forty-four one-bedroom units, and forty-two-bedroom units in single level living. The unit sizes range from 450 to 960 square feet.

There are 169 parking spaces located in ground floor of each apartment building, four free standing garages, or in surface spaces.

On-site resident amenities in Building 8 include: a club house with leasing space, a fitness center, and indoor amenity spaces. Outdoor recreational areas include an outdoor pool and a barbeque facility.

Photovoltaic and solar thermal systems are included in the project.





## **City Plaza Apartments**

Highland was the general contractor and the design & engineering manager for this podium apartment project designed by HB&A Architects, Inc.

The project, located at 300 South Escondido Boulevard in downtown Escondido, is just steps away from local shopping, entertainment activities, a Sprouts Supermarket, restaurants, the convention center, city hall, and medical facilities.



The 55-unit, mixed-use multifamily complex, is constructed on three levels above street level, with retail and office space on the ground floor. Seven one-bedroom units and 48 two-bedroom units, on situated on the second, third, and fourth floors.

The project includes a water feature, a clock tower, a landscaped interior courtyard; other amenities include a fitness room and interior washer/dryer units.

Overhead utilities were relocated underground, and off-site infrastructure improvements include the construction of a 12-linear-foot sewer line in the alley, reconnecting neighboring properties to electric service, and dedication of two feet of alley frontage.

121 parking spaces provided at street level and one level below grade.



## **Palm Plaza Apartments**

Highland was the general contractor and the design & engineering manager for this Silvergate Development Project designed by the Jim Gates Architecture team.

Palm Plaza is located near local-serving commercial businesses, transit routes and parklands, near the intersection of Palm Avenue and East Plaza Boulevard in National City.

The many amenities immediately close by include shopping, restaurants, grocery, hardware, schools and churches.



The project consists of 77-unit multifamily apartments with an on-site leasing office arranged in 5 buildings with 3-story massing. There are sixty (60) one-bedroom units, fifteen (15) two-bedroom units, and one (1) studio in single level living.

There are 124 parking spaces throughout, including two private garages, tuck under carports, assigned surface parking for residents, and on- and off-site guest spaces. Motorcycle and bicycle spaces are also available.





## Little Flower Haven Apartments



Highland is the general contractor for this Silvergate Development/Pacific Living Properties project, designed by the Benson & Bohl Architecture team. The site was previously used as a convent and rest home operated by the Carmelite Sisters of the Divine Heart.

The existing structures were built, added onto and modified over the last 77 years. The oldest building, constructed in 1939, which includes the original chapel and a 2-story residential wing, will be retained and remodeled for apartment use; other on-structures were demolished.

The 4.09 acre site is transforming into a 130-unit, seven-building complex which will incorporate the 1939 building and bell tower. The remodeled 1938 building encompassing 14,000 s.f., will be connected to a new 3-story center corridor elevator building, and (6) 3-story walk-up apartment buildings for a total of 127,000 s.f.



Once complete, the property will feature 68 one-bedroom/one-bath units, 55 two-bedroom/two-bath apartments and seven studio units. Each unit will feature stainless steel appliances, in-unit washer/dryers, central heat and air conditioning, new flooring and solid-surface countertops.

On-site amenities will include a recreation room with kitchen, fitness facility, exterior decks, pool and spa, barbecues, electric vehicle charging stations, bike lockers, resident storage areas, covered parking and dog park.

The development meets the City of La Mesa's regulatory requirements for parking, providing 193 spaces.

## Vista Creekside Apartments



Highland was the general contractor and the design & engineering manager for this Silvergate Development Project designed by the Benson & Bohl Architectural team.

Vista Creekside is located near local-serving commercial businesses, transit routes, parklands and trails on Vista Village Drive in the West Gateway Section of downtown Vista within the Vista Village Center. The many amenities immediately close by include shopping, restaurants, movie theaters, hardware, hair salons, schools and churches as well as a full-service grocery store directly across the street.

The Sprinter Light Rail Transit is a convenient 10-minute walk to the Vista Transit Center. The Sprinter is an east west 22-mile light rail system connecting Oceanside, Vista, San Marcos, and Escondido with 15 convenient stops along the Highway 78 corridor. The Sprinter runs every 30 minutes through many business and commercial areas providing easy access for ride to work and Breeze Buses are located at each

stop.

The multifamily project contains 41 three-story walk-up apartments comprised of one- and two-bedroom units, and a Club House. The 23 one-bedroom units are between 720 sf to 860 sf, and the 14 two-bedroom units between 893 sf and 1,079 sf. There are also four studios at 480 square feet each.

The units have high ceilings and are finished to luxury standards and include stainless steel appliances, granite countertops, European style cabinetry and low maintenance, attractive vinyl wood plank flooring throughout. In-suite laundry is provided.

A total of 61 parking spaces are provided, with 40 of those spaces in garages or carports.





## The Quarry

Highland provided design & engineering management as well as general construction for this Silvergate Development Project, designed by Jim Tanner and the Tanner Hecht Architecture team.

The project is located on Palm Avenue about five blocks south of Downtown La Mesa and “The Village”. “The Village” is part of the historical La Mesa redevelopment zone including retail, restaurants, entertainment and Sprouts Supermarket.

The San Diego Trolley’s Spring Street Station is within easy walking distance and connects La Mesa with San Diego State University, Mission Valley, Old Town, downtown San Diego to the west, El Cajon to the east, and Santee to the north.

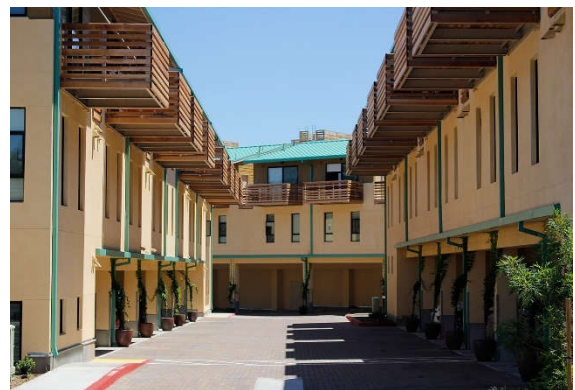


Across Palm Avenue is Collier Park, containing tennis courts, playground, open field, and picnic areas. The park is being expanded to include an amphitheater, Collier Club House with outdoor cooking and entertainment areas, and upgraded landscaping.

The multifamily project contains 60 three-story “Walk Up” apartments comprised of one- and two-bedroom units. Units are between 600 SF to 923 sf with 39 one-bed and 21 two-bed units.

The units have high ceilings and are finished to luxury standards and include stainless steel appliances, granite countertops, European style cabinetry and low maintenance, attractive “wood look” flooring throughout. In-suite laundry is provided.

A total of 81 parking spaces are provided. There are 28 “Tuck Under” garages and another 47 spaces, many of which are in carports with photovoltaic canopies.



## **Crossroads Apartments**

Highland was the general contractor and the design & engineering manager for another Silvergate Development Project designed by Jim Tanner and the Tanner Hecht Architecture team.

The project is located on Alvarado Road just off Baltimore Drive about a half mile north of Downtown La Mesa and “The Village.” The Village is part of the La Mesa’ historical redevelopment zone which includes retail, restaurants, entertainment activity, and a Sprouts Supermarket.



The San Diego Trolley’s La Mesa Boulevard Station is within easy walking distance and connects La Mesa with San Diego State University, Mission Valley, Old Town, downtown San Diego to the west, El Cajon to the east, and Santee to the north.

The multifamily project contains 66 three-story “Walk Up” apartments on 2.3 acres comprised of 33 one- and 33 two-bedroom units.

The units have high ceilings and are finished to luxury standards and include stainless steel appliances, granite countertops, European style cabinetry and low maintenance, attractive “wood look” flooring throughout. In-suite laundry is provided.

A total of 132 parking spaces were provided, with 111 on-site (49 garaged), and an additional 21 spaces on a private road.





## **Infill Mid-Rise Residential**

Highland was the design assist contractor for this Oliver McMillan development located in the East Village District of Downtown San Diego.



AIA San Diego 2008 - Citation Award for Distinguished Building. San Diego Architectural Foundation 2008 – Orchid for Public Art

The Lofts at 655 Sixth Avenue, is an eight-story project that occupies 17,225 square feet of prime real estate in the vibrant East Village district of San Diego, adjacent to the Gaslamp Quarter.

The street level is comprised of 11,950 square feet of retail with 106 residential units on floors two through eight.

Residential parking is provided in a three-level secure underground garage.

Highland performed in a design assist capacity for nearly 12 months, ensuring that Highland, their consultants and subcontractors were instrumental in achieving the most economical design for this mixed-use project.

Highland took the lead in final processes establishing the exterior skin, interior framing, shoring, waterproofing, and underpinning systems.

## **Acqua Vista Apartments / Watt Commercial Properties**

Two 18-story residential towers, in San Diego’s Little Italy on a 60,000-square foot block, offer luxury residential units in an urban setting. Highland was the design assist general contractor, working with the Santa Monica-based Watt Commercial Properties. Watt, a developer with a commercial portfolio exceeding 8 million square feet, teamed with the Los Angeles office of RTKL on the development.



A total of 382 units on 18 floors and 418 parking stalls in 3 subterranean levels were enclosed within the building envelope of 536,000 gross square feet. The property featured one-, two-, and three-bedroom plans. In addition, Acqua Vista featured ten, two-story penthouse town homes and four expansive single floor penthouse units on its top two floors. A unique tower top provided terrace recesses and shade to the penthouse units.

Coordinating simultaneous construction of two 18-story towers required a complex and actively maintained critical path schedule to complete on time.

***2005 Gold Nugget Grand Award for Best Attached Housing Project - High Rise (8 stories & over)***

***2005 Architectural Award, American Concrete Institute***

## **Japanese Friendship Garden Pavilion**

The Japanese Friendship Garden in San Diego’s historic Balboa Park was created in 1915 for the Panama-California Exposition and is registered in the U.S. National Register of Historic Places.

The new Pavilion building, a once in a lifetime opportunity, which is located within the existing Japanese Friendship Garden, is a giant step forward towards recreating the original 1915 Japanese Tea Pavilion in Balboa Park. Highland, selected on experience and quality of work, was honored to be the general contractor. The Pavilion was completed in June 2015.



The building is designed as an exhibition space that can also be rented for meetings, wedding receptions and other events. The main hall can accommodate over 200 guests at one time and can be partitioned into two smaller rooms using a room divider.

The Post and Beam Wood Framing is a Japanese traditional building method. The exterior design of the building is derived from the traditional Japanese architectural design called “Sukiya Style” which originated around 1500 AD in the Kansai area of Japan with the tea master Sen-no-Rikyu’s tea ceremony pavilion.

The Pavilion has a sophisticated, yet simple, architectural style, influenced from the Japanese quintessential concept of “Wabi-sabi”. The idea of “Wabi-sabi” comes from Zen Buddhism, which recognizes beauty in imperfection.

The relationship between the surrounding garden and the building is a vital component in Japanese architecture. The attached deck is called engawa and is used to enjoy the view of the pond, waterfall and garden.

Balboa Park has been in use for 150 years and will continue to be used and enjoyed by the San Diego community for many years to come.

The building is a gift to the City of San Diego, its citizens and the Japanese Friendship Garden. It serves as a tribute to the cultural understanding and friendship between Japan and the United States.



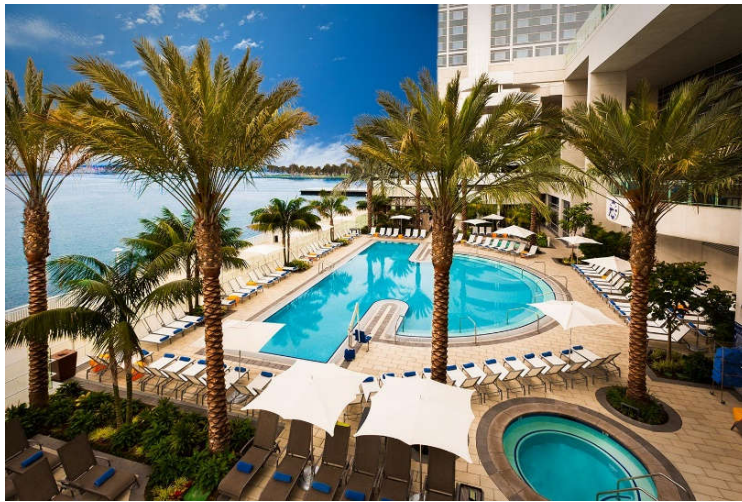
Dr. Kazuo Inamori’s generous personal gift of \$3,000,000 is the largest donation ever received in the Japanese Friendship Garden’s history. Dr. Inamori also personally donated \$100,000, and an additional \$500,000 donation from Kyocera were used to complete the new gardens. Dr. Inamori is chairman emeritus of Kyocera, which he founded, and chairman emeritus of Japan Airlines.



## Hilton Renovations – Exterior and Interior

*Fifteen weeks* is all it took for Highland to complete the exterior renovation of poolside and plaza amenities to a “Las Vegas” style spectacular waterfront oasis. Hotel owners exclusively selected Highland as General Contractor based on experience designing and building large pools and equipment and in working within 24-hour facilities. Highland has extensive experience with the complexities of working in 24-hour facilities; Children’s Hospital, San Diego International Airport and several other international airports as well as past Hotels.

This enhanced exterior area is surrounded by towering palms, lush gardens and appointed with architectural pavers and beautiful landscaping.



The new large open-air poolside bar and lounge is a chic modern design drawing inspiration from the breathtaking San Diego landscape - from the hardwood floors mimicking local sun-soaked palms to chandeliers reflecting the gentle waves of the bay and custom decorative metal canopies of organic patterns reminiscent of the San Diego scenery.

Two custom fire features provide warmth and ambiance for our cool San Diego evenings.

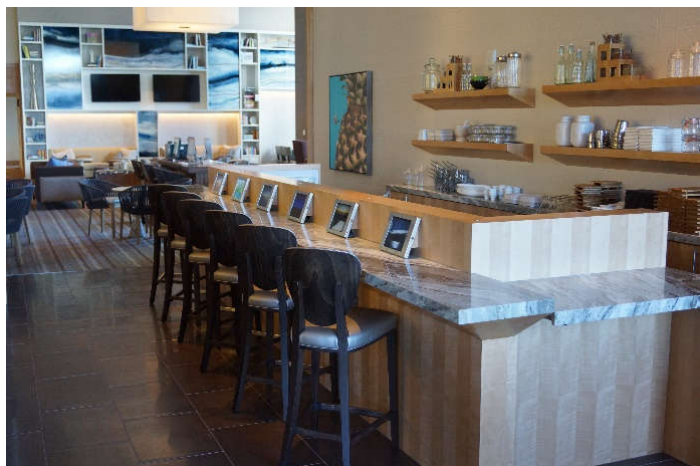
The completely renovated Library is now a wonderful area for customers to sit and relax or work comfortably with new furniture and computer stations.

The audio-visual wall is a backdrop of hi-tech and Art with its large millwork wall structure with highly polished finishes and large art pieces.

Interior renovation included all new furniture, fixtures and equipment throughout the Main Lobby, Library, Odysea Bar Dining and Main Bar and new wall and floor finishes of stone, wallcovering, paints, wood and carpet.

New audio-visual locations throughout with new smart flat screen televisions and operations.

Highland successfully completed three separate projects for the hotel owner.



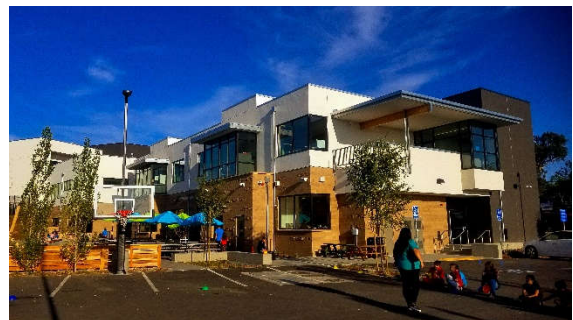
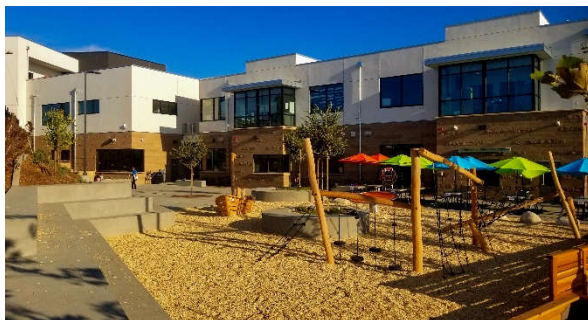
## Thrive Public School



Highland was the general contractor and the development manager for this Thrive Public Schools Project designed by the Studio E Architects team.

Thrive Public Schools serve a diverse and expanding community with three campuses in San Diego's Mid-City community. This new campus is located on Comstock Street in San Diego's Linda Vista community. Thrive Public School is the development of a new kindergarten through 8th grade public charter school to serve a maximum of 500 students. The project includes a new two-story building of approximately 36,500 SF with 19 grade level classrooms, elective instructional spaces, and associated administrative and service spaces. Site work includes surface parking area and recreation area.

The project was constructed on 1.122 acres in a tight, urban environment, the building construction took **only 8 months** after grading operations. Highland has successfully addressed noise, dust, and pedestrian circulation issues, resulting in minimal impact to surrounding neighborhood.





## City of Vista

Highland was selected on a qualifications basis as Design Builder to design and construct the new Civic Center and related facilities for the City of Vista.



Carrier Johnson + Culture was the design architect for this 3-story, 103,000 SF building, with City Council Chambers and offices, together with public spaces and offices supporting City services and Community Dev.

A community center with an alternate use as an emergency operations center was also provided.

Upon its selection and assignment of the Designers contracts at the end of Schematic Design, Highland implemented value engineering and aggressive bid solicitation and management, to meet the Budget.

Highland reduced the projected cost by \$5,000,000, over 10% of hard cost, to meet Budget while maintaining the program and all-important design features.

A comprehensive BIM process was developed from the project's initial design phase, and fully integrated with the trade contractors.

Due to the project's unique curvilinear design, this approach has resulted in significant savings in cost and time.

This project was completed ahead of schedule and within budget.

It was a pleasure to work with the wonderful people of the City of Vista.



## Public Safety Training Facility, San Bernardino County

The Victor Valley Community College District selected Highland as Design Builder to design and construct this Carrier Johnson + Culture designed 32,500 sq. ft. LEED **Gold** Certified facility in Victor Valley, Ca.



The Eastside Public Safety Training Center supports a wide range of police and fire, individual and agency training programs.

Under Highland's Team leadership this facility was designed and built, on a fast track basis, using the latest technologies and green-building practices, after life cycle analysis to determine optimum system solutions.

The facility is designed as a desert village, with clusters of individual masonry buildings which are protected by a roof canopy that shields against unwanted summer sun while allowing winter sun to penetrate the outdoor spaces. The facility is also designed to protect against strong desert winds

In addition to the interior classroom and laboratory spaces, the nine-acre facility includes a five-story fire tower and a wide range of fire and police training props.

The facility is certified by USGBC, LEED **Gold**. There are less than 5,600 **Gold** certified buildings in the world.

- A series of covered courtyards enhance passive cooling and ventilation while the high-efficiency HVAC system increases outdoor fresh air delivery into the building.
  - 100% of the building roof is covered by 'white' roofing which greatly reduces the Heat Island Effect, while creating a cooler building.
  - Building and Site Lighting controls and light fixtures reduce light pollution by 50%.
  - The high efficiency, low-flow plumbing fixtures reduce potable water consumption by 42%.
  - The high efficiency, low-flow Landscape irrigation system reduce potable water consumption by almost 64%.
  - A Building Energy Management System has been installed to optimize energy performance, an improvement of 39% from the California energy code requirements.
  - 28.5% of the ENTIRE project's energy costs are provided by the 250-kilowatt Photovoltaic (Solar Panel) system.
  - 77% of ALL site-generated construction waste was diverted from the local landfills and recycled.
  - 22% of ALL building material content was manufactured using recycled materials.
  - 32% of ALL building material content was manufactured and extracted within 500 miles of the project site.
  - 98% of ALL occupied spaces have been provided with daylight and direct views to the outside.
- 100% of ALL interior building materials are Low-VOC emitting



## **San Diego State University**

Highland was selected by the California State University Trustees to as Design Builder to design and construct this turnkey construction classroom / office building with basement level parking for SDSU.

The project included design and construction of the Gateway Addition, a four-story classroom and office building totaling approximately 74,000 square feet, replacement parking, all site development, site utilities, sidewalks, ramps, curbs, roadways, parking lots, lighting, and landscaping within the project boundaries.



The College of Extended Studies occupies the first and second floors. These floors include twelve standard classrooms, five large capacity seminar rooms, a computer lab, multimedia presentation room, as well as student lounge, reception area, conference room and additional storage. A second-floor walkway connects the existing Gateway building to the new addition. A courtyard between the two buildings includes a plaza area with trees, bushes and seating, as well as a gourmet café staging area.

The third floor of the Gateway addition is occupied by the Department of Rhetoric and Writing and includes faculty offices and instructional labs. The fourth floor houses the SDSU Human Resources Department. The basement level is reserved for parking.

Highland was again selected by the California State University Trustees as Design Builder to design and construct this turnkey Counseling / Disabled Student Health Services (CDSHS) building for SDSU.



The project included design and construction of the building, parking facilities, site development, and all interior improvements, including FF&E.

The building was designed to provide an open, inviting, active space with natural light and ventilation to promote the concepts of physical activity, wellness, and health education. To support these concepts, the building was designed around a central courtyard with access via exterior walkways.

The first-floor level included a central courtyard, storage/receiving, pharmacy, accommodated testing offices, urgent care clinic, radiology and related functions. The second level has general medical clinics, clinical laboratories, and associated functions. The third level was occupied by the offices of Disabled Student Services, health promotion, medical records, medical information systems, optometry and dentistry. The fourth floor housed the offices of Counseling and Psychological Services, administrative offices, staff lounge, conference and training rooms, and storage and support areas.



**Melvin Garb Hillel Center, San Diego State University  
San Diego, California**



Highland was the general contractor for Hillel of San Diego designed by M.W. Steele Group. There were many unique program and design issues in the construction of the Melvin Garb Hillel Center, and Highland was up to the challenge.

This Community and Student Support Center is overflowing with features and design elements, achieving LEED **Gold** certification. From skewed walls and intersecting angles to a wide palette of materials and finishes (like architectural concrete topping slabs and specialty wood plank ceilings); bringing this project to life through the details was a great challenge. Hillel at San Diego State University is at the heart of the Jewish community for the university and surrounding neighborhoods, providing a safe building was an essential concern for the Owner and inhabitants.

Several anti-terrorism and anti-vandal measures were implemented: a large concrete blockade was built at the main entrance and integrated into the design as an entry ramp and stairs, a sitting bench and a backdrop for monumental signage, all-in-one; a bomb-blast film, rated for Federal government applications, was installed on all street side windows; all doors and gates were provided with tamper-resistant hardware, a state-of-the-art security system oversees the entire site, and anti-graffiti coatings were applied on windows and all concrete/masonry walls.

Sensitivity to the Jewish culture and religious traditions were paramount, and steps were taken to ensure these requirements were met. To create a Kosher Kitchen, all equipment had to be separated; essentially two kitchens were provided. Embeds were cemented into the patio's permeable pavers to allow for the support the Sukkah, a dwelling used during the weeklong Sukkot celebrations. And lastly, precise programmable lighting controls were installed for the religious practice of Melacha, to ensure that the "spark" required to light the facility was produced prior to Shabbos.



San Diego Architectural Foundation 2017– Orchid nominee for Architecture.





## **City of Chula Vista**

Highland was exclusively selected as Design Builder and successfully managed and completed six projects for the City of Chula Vista. Highland enjoyed an outstanding relationship throughout these projects with the professional people of the City of Chula Vista.

### **Police Headquarters**

Highland conducted the needs assessment / programming and location / site analysis and design and engineering for this full-service Police Headquarters facility.

Carrier Johnson + Culture designed the three-story headquarters facility with full basement totaling 147,574 sf. to accommodate City growth planned to 2030.

The facility is supported by a 150,000 sf. multi-level secured parking structure with one below - and two above-grade levels — accommodating 380 vehicles.



The nested courtyard design concept promotes more pleasant, humane work environments for department staff and exploits every opportunity for energy efficiency.

Separate mechanical systems, and Photovoltaic arrays enable the project to exceed California Title 24 requirements by 22%.

The \$60 to \$70 million value was a Design Build Contract with a nine-month Design and Permitting process.

The construction duration was 22 months with building Occupancy. This Occupancy date was only 30 days after the original scheduled date to accommodate the City’s desire to add a new 911 Emergency Center with unused construction savings. Accommodated in 30 days!

### **Civic Center**

Highland was selected once again by the City on a negotiated Design/Build contract to provide the City of Chula Vista with all services required to design and construct renovations and expansion of the City’s Civic Center Complex. Carrier Johnson + Culture also designed this facility.

The Master Plan prepared by Highland’s Team and approved in July 2001 included new Council Chambers, new City Hall, renovations to the Public Services Building and the new Community Development Building, which along with demolition of the Legislative Services and current Community Development buildings and related site improvements to accommodate all necessary parking on site.



Upon completion of the new Police Facility in early 2004, the current Police Facility became available as a staging area and temporary offices while the other buildings in the Civic Center Complex are renovated during the implementation of the 3-phase plan.

The City Hall Phase was completed on schedule in November 2005. Renovation of the Public Services Building was also completed on schedule in February 2007. Renovation of the Old Police Headquarters commenced in March 2007 was completed in mid-2008.



Relocation services for a series of phased moves during the redesign and build out of the Civic Center began with the temporary relocation of Mayor and Council offices, Finance, City Clerk, City Attorney, Environmental Services, City Manager and other support functions, and the subsequent permanent relocation of those functions into the newly constructed City Hall.

Relocation services included the creation and implementation of a series of tracking and relocation schedules; Equipment inventory oversight; Established department schedules and logistics for deliveries, vehicles; pre-moves; and On-site management of all moves.

## **Operations Center**

A 26-acre development utilized by the City of Chula Vista as its primary Public Works Operations Facility and Corporation Yard. Highland was exclusively selected to assist the City as Construction Manager Constructor for this very complex facility.

The facility houses the Public Works Department’s Administration, Sewer, Streets, Traffic, Vehicle Maintenance, Building Maintenance, Construction Inspection, Survey, Parks Maintenance, Communication, and Central Stores functions.



**We were honored to work with the wonderful people at the City of Chula Vista!**



## Palomar Hotel - Downtown In-Fill Hotel



The Palomar Hotel on Fifth Avenue, near Downtown San Diego's Gaslamp Quarter, features a glass-and-steel facade with a mesh "blade" slicing down the center.

As part of the project, the facade of the historic Jessop's building was preserved and integrated into the project.

The Palomar's mix of old and new is becoming a common theme in downtown San Diego, with several developments incorporating historic buildings into modern high-rises.

The 22-story Palomar Hotel consists of 13 floors of hotel guest rooms and suites, four floors of 1-story hotel condominiums, one floor of 2-story hotel penthouses, one floor of mechanical penthouse with three lower floors of public spaces and back of house services plus a full basement.

Meshing high technology with cost-effective resources the Palomar demonstrates true energy efficiency. "Smart" glazing, heat-reflecting rain screen cladding, horizontal sun louvers, and thermally cool roofs all contribute to overall energy conservation. Highland was the general contractor.

## Downtown Entertainment

This adaptive reuse was a major renovation, 80,000 SF 3-story urban infill, and mixed-use project in the historic Gaslamp District in Downtown San Diego. Highland was the design Assist General Contractor.

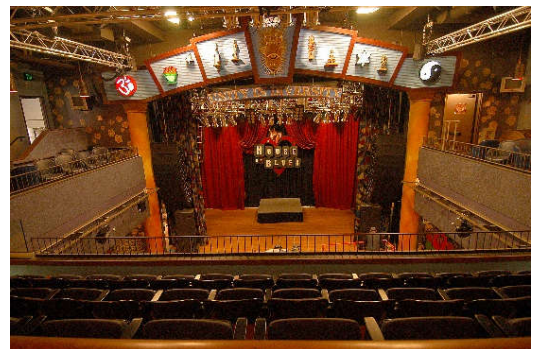
*The House of Blues* occupies 29,000 sf of the property, serving up to 1,200 concertgoers/ticket holders each night and 250 diners at a time.

The project involves extensive structural renovation of the existing building, including the bracing of a historic 2-story masonry façade during the demolition and structural renovation phases.

Additional challenges include the implementation of an effective site management plan to safely construct a mid-rise structure in a dense, downtown district.

Highland worked to salvage the existing three-story, 50,000 SF concrete structure rather than demolish the building and build from the ground up.

This concerted waste management effort is estimated to have saved over 20,000 CY of concrete.



# Hyder & Company

For over 40 years



Committed to excellence

## Special points of interest:

- > Mission Statement
- > Introduction letter from our President
- > Management Objectives
- > Who We Are
- > Operations
  - Human Resources
  - On-Site Management
  - Policy Development & Compliance
  - Budget & Finance
  - Miscellaneous

## Mission Statement

“Hyder & Company is dedicated to realizing the goals of its customers. We feel the health of our managed communities depends on the efficiency of a diverse and talented staff which we are continuously cultivating. By partnering with owners and developers, Hyder’s comprehensive programming and services remain focused on providing safe, clean, and active communities that residents are proud to call home .”

## Some of our clients

Limited Partnerships  
 Joint Ventures  
 Private Investors  
 Housing Authorities  
 Non-Profit Corporations  
 Financial Institutions  
 State & Federal Government

Hyder Property Management Professionals  
 1649 Capalina Road, Suite 500  
 San Marcos, CA 92069

Phone: (760) 591-9737  
 Fax: (760) 591-9784  
[www.hyderco.com](http://www.hyderco.com)

Dear Housing Owner:



When Hyder Property Management Professionals was formed, the basic premise was that this would be a Company oriented and responsive to the needs of our customers in the affordable housing field. Our growth would indicate that this was indeed a sound premise from which to begin.

Hyder Property Management Professionals has one primary goal, which is to deliver the highest quality product in the management field. It is impossible to deliver a quality product without first knowing the needs of our customers. For this reason, we are immediately accessible to our residents, owners, and employees. These open lines of communication are the foundation of our success.

I believe that our commitment to technology provides us an additional advantage because it is an important tool to serve the management function. Our use of technology ties separate bits of information together, which assists in effective decision making. However, there is no substitute for personal knowledge and services for our residents. This is our true competitive edge.

We continually strive to upgrade our program knowledge through company-sponsored, as well as agency-sponsored, education programs for employees and residents.

Our experience and knowledge in maintenance programming is second to none. We have a staff of dedicated specialists that have years of experience in apartment management and maintenance. There is virtually no problem that cannot be solved by our professionals.

We feel that our management program is superior. Our employees have been trained with emphasis on accessibility, reliability, and responsibility. Our management program is based on these sound and proven principals of affordable housing management. We invite you to unite with our firm to attain the goals you have set for your apartment community.

Very truly yours,

**Hyder Property Management Professionals**

**Stephen J. Margetic**  
**President**

## Management Objectives

The primary goal of **Hyder Property Management Professionals** is to provide the finest in quality property management services. Therefore, we have set forth the following objectives for our management program that we provide to our owners.

1. **Hyder Property Management Professionals** has the responsibility to preserve and protect the investment of the owner.
2. **Hyder Property Management Professionals** will manage each community as a financially-stable enterprise and maintain it to provide decent, safe, and sanitary housing.
3. **Hyder Property Management Professionals** will make every effort to ensure that additional services are available and directed at improving the lives of our residents.
4. The property will be managed in accordance with the regulatory requirements of the supervising agency.
5. The apartment community will be a long-term affordable housing asset for the community, as well as a pleasant and secure living environment for its residents and the neighborhood.
6. The apartment community will be a catalyst for positive relationships among the residents, management, and the surrounding neighborhood.
7. **Hyder Property Management Professionals** will maintain a continuous line of open communication with our owners, residents, staff members, neighbors, community officials, and other interested parties.

As part of the management agreement, **Hyder Property Management Professionals** will assist the owner in the development of a solid management plan. The management plan will set forth the method by which the management agreement will be implemented to assure that the apartment communities under contract with our Company will provide the highest standard of living for the residents.





In addition to providing basic and enhanced property management services, Hyder Property Management Professionals...



**Promote Stability:** We focus on our residents. Living in quality, affordable housing provides the required peace of mind that comes with a safe & secure place to live, where children and adults can develop families and make connections that last forever. Stable neighborhoods enhance health and residents self-esteem, both of which are critical to helping our residents reach their goals and life-long dreams at school and at the workplace.

**Provide Opportunities:** At many of our community centers, Hyder residents pursue educational and professional goals that lead to increased opportunity, a better job, a better school, and economic independence

**Construct Stepping Stones to Success:** Residents from our professionally managed portfolio have both the knowledge that they are setting and achieving goals, as well as the dignity that comes with determining their own path for the future. Our site managers and staff also set goals and objectives for their own communities that promotes this self-determination.

### Measuring our Success



“... I really appreciate so much everything that you have done for me and my family. I know you say that it was just your job, but you really did treat us right. As you know life was difficult for us for awhile, but we were able to save money while living at the apartments. As you know, we now own our home. I hope that others are also able to benefit from this program. Tell your maintenance guy, Juan, to keep up the good work too. He’s awesome...”

*Maria, Former Resident*

“... I love it here. The manager is always nice and helpful, especially when I don’t understand something about my income certification process. And my kids think she’s tough, but fair...”

*Current Resident*

“Her initiative in responding to this issue is appreciated. I think it will make our properties safer and encourage a good relationship between us and the City...”

*Bill Rice  
Property Developer*



We're on the Web  
[www.hyderco.com](http://www.hyderco.com)



# Operations

Property Management of affordable housing has become a complex business, requiring strong systems, significant planning and on-going staff training. **Hyder Property Management Professionals** assist owners in developing the policies and procedures required for meeting their goals.

New and existing owners continue to be attracted to **Hyder Property Management Professionals** for our unique ability to be mindful of their individual priorities, as well as the range and quality of their management options. **Hyder Property Management Professionals** clients generally come from repeat customers, word-of-mouth recommendations, or from an agency of the government due to its reputation of providing quality basic and enhanced property management services.

**The basic and enhanced property management activities include:**

## Human Resources/Personnel

While many operations around the country lament the scarcity of high-quality staff throughout the affordable housing spectrum, the **Human Resources Department** takes charge of attracting and retaining high-quality staff by focusing on the following key drivers:

1. **Pre-screening and Testing** All applicants are screened by our Human Resources Department to assure the best qualified individuals are placed in vacant positions. A drug-free environment is mandatory at all sites.
2. **Employee Benefits** Senior management works directly with the Human Resource Department to ensure that the best possible employee benefits are made available to every employee.
3. **Staff Development** We develop partnerships, such as Work Place Learning Centers to develop and train staff in areas of Leadership Development, Customer Service and Communication Skills. Fair Housing training is a regular and mandatory component of our continuing education. Computer and on-going company policy training is also a regular part of our staff development. Our managers have and continue to participate in Local Initiatives Support Corporation (LISC) Certified Resident Management Training and Advanced Project Management Classes. An annual three-day Company Conference is held to develop the skills and training needed, as well as to encourage a TEAM approach in all areas of administration and maintenance.

**Tenant Selection** -**Hyder Property Management Professionals** provide all the personnel to do the necessary preliminary application work, tenant screening, and tenant selection for the community. This process includes all necessary qualifying information for the specific program, as well as background checks, credit checks, income verification, and any other regulatory requirements established by the agency under which the development is funded. After the qualifying process is completed, **Hyder Property Management Professionals** give each family an orientation.

**Hyder Property Management Professionals** will perform all necessary tenant income recertification at the appropriate time, to be in compliance with the governing agency.

**Rule Enforcement** -All residents have a lease for their premises, with a clear understanding of their obligations under the terms of that lease. Each resident will have other handbooks or information as is necessary to live in the apartment unit.



## On-Site Management

**On-Site Resident Managers** at each community in excess of 15 units.

**Hyder Property Management Professionals** is committed to providing excellent property management services by providing culturally competent on-site staff and team leaders that our owners have come to trust. This is a way of life rather than a requirement imposed by a governmental and/or private entity.

**Maintenance Professionals** trained with health and safety as a priority using the premise that when employers and workers jointly and voluntarily create and maintain an effective health and safety program in their own workplaces, the human and financial cost of workplace injuries and illnesses will be minimized. **Hyder Property Management Professionals** believe that supporting health and safety programs lead to a larger reduction in injuries than OSHA regulatory compliance alone. For this reason, we have a Director of Safety and Maintenance at the corporate office to monitor the overall health and safety issues of our portfolio.

**Hyder Property Management Professionals** will provide a written maintenance program that will be adhered to on a regular basis by the staff, and other contract vendors. This will include corrective maintenance as well as preventive maintenance programs on an on-going basis.

**Hyder Property Management Professionals** performs a semi-annual inspection of each apartment unit so as to determine the needs of the maintenance program, as well as determine the housekeeping efficiency of the individual tenants. The results of these inspections are written up in the form of work orders, or instructions to the tenant on a case-by-case basis.

**Regional Managers** clarify roles and responsibilities of the on-site staff, assure that individual goals and objectives are met, and review and adjust objectives, using key indicators to measure progress. Each apartment community is assigned a supervisor who is responsible for the overall operation of the property. Each property is inspected regularly for appearance, maintenance, tenant services, and office procedures. We provide immediate response to the results of our inspections.

Hyder Property Management Professionals is committed to implementing energy efficient solutions at our communities. From selecting Energy Star appliances, regularly servicing appliances and systems, and educating residents about energy efficiency and saving programs, to working with owners on green rehabilitation and solar transitioning, we make energy efficiency an important part of our management practice.



## Policy Development & Compliance

It is through the careful development of policies and procedures that site and regional staff is able to develop and maintain healthy occupancy and reporting figures and statistics. The Director of Compliance works with the regional managers and site managers on all compliance issues. Activities include preparation of those reports required by our owners, syndicator, and various funding institutions.

Our Manager's Handbook contains instructions, forms, and letters that site managers and regional managers reference on a regular basis. This Handbook is updated as regulations change.

**Hyder Property Management Professionals** exclusively manages tax credit and other assisted housing units on a fee basis. We have only limited ownership interest in any properties that we manage. We do not compete with our owners.

## Budget & Finance

### Hyder Property Management Professionals:

- Maintain a staff of accounting personnel to maintain the books and records of each apartment community.
- Pay all bills and generate financial reports.
- Collect all rents and disburse all funds for the property.
- Deposit all funds in a bank insured by the FDIC.
- Establish a reserve-for-replacement account to make periodic deposits for the future replacement of major structural items in the complex, such as roofs, carpeting, parking lots, mechanical systems, and other replacement items that will be necessary over the life of the property.
- Prepare an annual budget for the Owners approval each year. Our company also, as is needed, requests and implements rental increases on behalf of the Owner.
- Submit to the Owners monthly reports as to income and expenses, together with any other reports provided for in the management agreement.

## Miscellaneous

### Risk Management

We will obtain bids from various insurance agencies for the permanent insurance of the property. Our insurance brokers will also make recommendations that we will share with the Owner as to other insurance needs for the protection of the Owner. Hyder Property Management Professionals maintains an employee dishonesty policy that provides up to \$500,000.00 of coverage.

### Grant Writing

We have a grant writing program that actively identifies the needs of the residents in our communities and seeks grant funds to help provide these programs and services.

### Security

We will make recommendations to the Owner on a case-by-case basis of any additional security needs of the property.

### Resident Relations

We will protect and preserve the rights to privacy and other rights of our residents. We will maintain the records in a confidential manner during the term of our contract. All site and supervisory management and maintenance personnel will be required to abide by the policies and standards for appropriate behavior with residents. Where required by a regulatory agency, we will establish an appeals procedure to be used by residents in the event that differences cannot be resolved between the manager and tenants.

### Meetings

We anticipate that a representative of our company will attend monthly meetings with the Owners if requested by the Owners. We will make every effort to assist in implementing Owner policies and programs for the benefit of all residents. We will maintain a continuous program of communication and accessibility with our residents, staff members, and Owners, for the benefit of the operation of the community.

Properties in our portfolio have ranged in size from 12 units to 558 units and from 20,000 sq. ft. of land to over 40 acres. The sites have had as few as two buildings to over 100 buildings.

**ATTACHMENT 22  
Management Company Experience**

**Management Company Name:** Hyder & Company

	Project Name & Address	TCAC (or other) Project Identification Number, If Applicable	TCAC Identify Special Needs Projects, If Applicable	Month, Day, & Year the Project was Placed-In-Service	Month, Day & Year Management Company Participation Began	Month, Day & Year Management Company Participation Ended, If Applicable*	Full Number of Years of Management Company Participation, After Project Placed-In-Service**	Number of Low Income Units***	Number of Affordable Special Needs Units
1.	Knox Glen Townhomes 4574 Logan Avenue San Diego, CA 92213	CA-94-207	<input type="checkbox"/>	11/14/96	1/1/02	N/A	17	54	
2.	Las Casas III 51-550 Tyler Street Coachella, CA 92236	CA-90-102	<input type="checkbox"/>	8/26/92	9/8/92	N/A	26	52	
3.	Arroyo de Paz 66901 Two Bunch Palm Desert Hot Springs, CA 92240	CA-2004-021	<input type="checkbox"/>	11/23/06	11/23/06	N/A	12	60	
4.	Paseo De Los Poetas 65-100 Date Palm Drive Mecca, CA 92254	CA-96-198	<input type="checkbox"/>	7/31/97	8/1/97	N/A	22	21	
5.	Spring-Encino Apts 402 S. Eastern Brawley, CA 92227	CA-04-810	<input type="checkbox"/>	5/1/04	5/1/04	N/A	15	65	
6.	Villas Oscar Romero 65010 Dale Kiler Road Mecca, CA 92254	CA-02-156	<input type="checkbox"/>	6/15/04	7/1/04	N/A	15	50	
7.	City Heights 4065 43 <sup>rd</sup> Street San Diego, CA 92105	CA-05-82	<input type="checkbox"/>	5/1/07	5/1/07	N/A	12	150	
8.	Coachella Com Homes 84-720 Avenue 52 Coachella, CA 92236	CA-92-089	<input type="checkbox"/>	3/4/94	3/4/94	N/A	25	101	

**2019 TCAC WORKSHEET TO DETERMINE MANAGEMENT COMPANY EXPERIENCE MUST BE COMPLETED AND SIGNED, PLEASE CONTINUE ON NEXT PAGE.**

	Project Name & Address	TCAC (or other) Project Identification Number, If Applicable	TCAC Identify Special Needs Projects, If Applicable	Month, Day, & Year the Project was Placed-In-Service	Month, Day & Year Management Company Participation Began	Month, Day & Year Management Company Participation Ended, If Applicable*	Full Number of Years of Management Company Participation, After Project Placed-In-Service**	Number of Low Income Units***	Number of Affordable Special Needs Units
9.	Casitas Del Valle 12318 Lamos Place Moreno Valley, CA 92557	CA-04-875	<input type="checkbox"/>	12/30/06	12/30/06	N/A	12	40	
10.	Coyote Run 3601 N. Sunrise Way Palm Springs, CA 92262	CA-91-027	<input type="checkbox"/>	3/5/93	3/11/93	N/A	26	140	
11.	Tlaquepaque 51-354 Tyler Street Coachella, CA 92236	CA-92-090	<input type="checkbox"/>	6/2/94	6/2/94	N/A	25	76	

Check this box if you are applying through the Nonprofit or Special Needs set-asides AND requesting points specifically for special needs housing type projects. For each above-listed project, at least 45% of the affordable units must serve special needs tenants. Points will only be awarded to special needs housing type projects.

Management Companies managing less than 2 active California Low-Income Housing Tax Credit projects for more than three years, and management companies for projects requesting points under the special needs categories and managing no active California Low-Income Housing Tax Credit projects for more than 3 years, shall contract with a bona-fide management company currently managing 2 California Low Income Housing Tax Credit projects for more than three years and which itself earns a minimum combined total of 2 points at the time of application. Please provide a separate Attachment 22 form for the bona-fide management company that currently operates tax credit projects in California and which itself earns a minimum combined total of 2 points at the time of application. Please refer to section 22 of the 2019 Application Checklist in the Excel application for additional requirements.

\* Projects previously managed, the ending date of the property management role must be no more than 10 years from the application deadline.

\*\* Management Company experience with a project shall not pre-date the project's placed-in-service date. In addition, do NOT round up the amount of time or experience. For example, 2 years 11 months of G.P. experience is only 2 full years of experience, not 3 years.

\*\*\* Project must have more than 10 affordable units and be subject to a recorded regulatory agreement.

\_\_\_\_\_  
PRINT MANAGEMENT COMPANY NAME

\_\_\_\_\_  
MANAGEMENT PRINCIPAL SIGNATURE

\_\_\_\_\_  
PRINT MANAGEMENT PRINCIPAL NAME

\_\_\_\_\_  
DATE

## Previous Participation Certification

**U.S. Department of Housing and Urban Development**  
Office of Housing/Federal Housing Commissioner

**U.S. Department of Agriculture**  
Farmers Home Administration

<b>Part I To be completed by Principals of Multifamily Projects. (See instructions)</b>		<b>For HUD HQ/FmHA use only</b>	
Reason for Submitting Certification <b>Management Agent</b>			
1. Agency Name and City where the application is filed		2. Project Name, Project Number, City and Zip Code contained in the application	
3. Loan or Contract amount \$	4. Number of Units or Beds	5. Section of Act	6. Type of Project (check one) <input type="checkbox"/> Existing <input type="checkbox"/> Rehabilitation <input checked="" type="checkbox"/> Proposed (New)

**7. List of all proposed Principals and attach organization chart for all organizations**

Name and address of Principals and Affiliates (Name: Last, First, Middle Initial) proposing to participate	8. Role of Each Principal in Project	9. Expected % Ownership in Project	10. SSN or IRS Employer Number
HYDER & COMPANY, A CALIFORNIA CORPORATION 1649 Capalina Road, Suite 500, San Marcos, CA 92069	MANAGEMENT	0 %	94-2233474
Steve Margetic, 1649 Capalina Road, Suite 500, San Marcos, CA 92069	PRESIDENT	0%	329-42-9400
Gary DaPrato, 1649 Capalina Road, Suite 500, San Marcos, CA 92069	VICE PRESIDENT	0%	551-11-0960

Certifications: The principal(s) listed above hereby apply to HUD or USDA FmHA, as the case maybe, for approval to participate as principal(s) in the role(s) and project listed above. The principal(s) each certify that all the statements made on this form are true, complete and correct to the best of their knowledge and belief and are made in good faith, including any Exhibits attached to this form. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. The principal(s) further certify that to the best of their knowledge and belief:

- Schedule A contains a listing, for the last ten years, of every project assisted or insured by HUD, USDA FmHA and/or State and local government housing finance agencies in which the principal(s) have participated or are now participating.
- For the period beginning 10 years prior to the date of this certification, and except as shown on the certification:
  - No mortgage on a project listed has ever been in default, assigned to the Government or foreclosed, nor has it received mortgage relief from the mortgagee;
  - The principals have no defaults or noncompliance under any Conventional Contract or Turnkey Contract of Sale in connection with a public housing project;
  - There are no known unresolved findings as a result of HUD audits, management reviews or other Governmental investigations concerning the principals or their projects;
  - There has not been a suspension or termination of payments under any HUD assistance contract due to the principal's fault or negligence;
  - The principals have not been convicted of a felony and are not presently the subject of a complaint or indictment charging a felony. (A felony is defined as any offense punishable by imprisonment for a term exceeding one year, but does not include any offense classified as a misdemeanor under the laws of a State and punishable by imprisonment of two years or less);
  - The principals have not been suspended, debarred or otherwise restricted by any Department or Agency of the Federal Government or of a State Government from doing business with such Department or Agency;
  - The principals have not defaulted on an obligation covered by a surety or performance bond and have not been the subject of a claim under an employee fidelity bond;
- All the names of the principals who propose to participate in this project are listed above.
- None of the principals is a HUD/FmHA employee or a member of a HUD/FmHA employee's immediate household as defined in Standards of Ethical Conduct for Employees of the Executive Branch in 5 C.F.R. Part 2635 (57 FR 35006) and HUD's Standard of Conduct in 24 C.F.R. Part 0 and USDA's Standard of Conduct in 7 C.F.R. Part 0 Subpart B.
- None of the principals is a participant in an assisted or insured project as of this date on which construction has stopped for a period in excess of 20 days or which has been substantially completed for more than 90 days and documents for closing, including final cost certification, have not been filed with HUD or FmHA.
- None of the principals have been found by HUD or FmHA to be in noncompliance with any applicable fair housing and civil rights requirements in 24 CFR 5.105(a). (If any principals or affiliates have been found to be in noncompliance with any requirements, attach a signed statement explaining the relevant facts, circumstances, and resolution, if any).
- None of the principals is a Member of Congress or a Resident Commissioner nor otherwise prohibited or limited by law from contracting with the Government of the United States of America.
- Statements above (if any) to which the principal(s) cannot certify have been deleted by striking through the words with a pen, and the relevant principal(s) have initialed each deletion (if any) and have attached a true and accurate signed statement (if applicable) to explain the facts and circumstances

Name of Principal	Signature of Principal	Certification Date (mm/dd/yyyy)	Area Code and Tel. No..
HYDER & COMPANY			760-591-9737
STEVE MARGETIC, PRESIDENT			760-591-9737 Ext: 13
GARY DAPRATO, VICE PRESIDENT			760-591-9737 Ext:15
<b>This form prepared by (print name) Gary Da Prato</b>		<b>Area Code and Tel. No..(760) 591-9737 Ext:15</b>	

Previous Participation Certification

OMB Approval No. 2502-0118  
(Exp. 02/29/2016)

**Schedule A: List of Previous Projects and Section 8 Contracts.** Below is a complete list of the principals' previous participation projects and participation history in multifamily Housing programs of HUD/FmHA, State, and Local Housing Finance Agencies. **Note:** Read and follow the instruction sheet carefully. Make full disclosure. Add extra sheets if you need more space. Double check for accuracy. If you have no previous projects write, by your name, **"No previous participation, First Experience."**

1. Principals Name (Last, First)	2. List of previous projects (Project name, project ID and, Govt. agency involved.)	3. List Principals' Role(s) (indicate dates participated, and if fee or identity of interest participant)	4. Status of loan (current, defaulted, assigned, foreclosed)	5. Was the Project ever in default, during your participation?			6. Last MOR rating and\ Physical Insp. Score and date
				Yes	No	If "Yes," explain	
HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Adobe Villas FmHA #4-36-330185613 29Palms, California	Fee Management Agent 6/86-7/98	Current At Termination	<input type="checkbox"/>	X		Above Average
	Amberwood Investors FmHA #04-16-1333634 Hanford, California	Fee Management Agent 9/79-1982	Current At Termination	<input type="checkbox"/>	X		Satisfactory
	Baldwin Apartments FmHA/RA #04-03-30330549120 E.Blythe, California	Identity of Interest Participant 9/94- 12/16/10	Current At Termination	<input type="checkbox"/>	X		Above Average
	Bayfield Apartments Conventional/ 20% Affordable Blythe, California	Fee Management Agent 8/97-10/00 (Receiver's Agent)	Receivership	<input type="checkbox"/>	X		Satisfactory
	Beaumont Park Apartments FmHA #40-33-1325952 Beaumont, California	Fee Management Agent 5/84-12/85	Current At Termination	<input type="checkbox"/>	X		Satisfactory

**Part II – For HUD Internal Processing Only**

Received and checked by me for accuracy and completeness; recommend approval or refer to Headquarters after checking appropriate box:

Date (mm/dd/yyyy)	Tel. No. and area code	<input type="checkbox"/> A. No adverse information; form HUD-2530 approval recommended.	<input type="checkbox"/> C. Disclosure or Certification problem
Staff	Processing and Control	<input type="checkbox"/> B. Name match in system	<input type="checkbox"/> D. Other (attach memorandum)
Supervisor	Director of Housing / Director, Multifamily Division	Approved <input type="checkbox"/> Yes <input type="checkbox"/> No	Date (mm/dd/yyyy)



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				Yes	No	If "Yes," explain	
HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Broadway Manor FmHA #04-33-0953339380 Blythe, California	Fee Management Agent 10/79-11/97	Current At Termination	<input type="checkbox"/>	X		Satisfactory
	Bryte Garden Apartments HUD #136044955NP Bryte, California	Fee Management Agent 8/71-3/82	Current At Termination	<input type="checkbox"/>	X		Satisfactory
	Casa Sonoma I FmHA #330059718 Calexico, California	Fee Management Agent 2/94-Present	Current	<input type="checkbox"/>	X		Above Average
	Casa Sonoma II FmHA #330059718 Calexico, California	Fee Management Agent 2/94-Present	Current	<input type="checkbox"/>	X		Above Average
	Casa San Miguel De Allende City Program/LIHC Cathedral City, California	Fee Management Agent 4/99-Present	Current	<input type="checkbox"/>	X		Satisfactory

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Staff	Processing and Control	<input type="checkbox"/> B. Name match in system	<input type="checkbox"/> D. Other (attach memorandum)
Supervisor	Director of Housing / Director, Multifamily Division	Approved <input type="checkbox"/> Yes <input type="checkbox"/> No	Date (mm/dd/yyyy)

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				Yes	No	If "Yes," explain	
HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Cedar Road Apartments City Program Vista, California	Fee Management Agent 7/96-11/99	Current at Termination	<input type="checkbox"/>	X		New
	Chapultepec Apartments FmHA 515/LIHC Mecca, California	Fee Management Agent 1/03-Present	Current	<input type="checkbox"/>	X		New
	Chinaberry Lane County Program/Farm Labor San Marcos, California	Fee Management Agent 7/01-5/31/04	Current At Termination	<input type="checkbox"/>	X		Satisfactory
	Coachella Valley II FmHA/HUD #04-33953479860 Coachella, California	Fee Management Agent 3/82-1/98	Current at Termination	<input type="checkbox"/>	X		Satisfactory
	Cottonwood Creek FmHA/HCD #04-13-330271228 Calapatria, California	Fee Management Agent 1988-10/19/06	Current At Termination	<input type="checkbox"/>	X		Satisfactory

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Date (mm/dd/yyyy)	Tel. No. and area code	<input type="checkbox"/> A. No adverse information; form HUD-2530 approval recommended.	<input type="checkbox"/> C. Disclosure or Certification problem
Staff	Processing and Control	<input type="checkbox"/> B. Name match in system	<input type="checkbox"/> D. Other (attach memorandum)
Supervisor	Director of Housing / Director, Multifamily Division	Approved <input type="checkbox"/> Yes <input type="checkbox"/> No	Date (mm/dd/yyyy)

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				Yes	No	If "Yes," explain	
HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Coyote Run California Prop. 84 #91-RHCP-066 Palm Springs, California	Fee Management Agent 3/93-Present	Current	<input type="checkbox"/>	X		Above Average
	Creekside Apartments FmHA/RA (Government Owned) Temecula, California	Fee Management Agent 10/95-9/96	No Mortgage	<input type="checkbox"/>	X		New
	Daybreak Grove/ Sunrise Place Prop.84 Escondido, California	Fee Management Agent 7/96-1/00	Current at Termination	<input type="checkbox"/>	X		Satisfactory
	Desert Gardens FmHA/FL/RA Indio, California	Fee Management Agent 9/98-Present	Current	<input type="checkbox"/>	X		Above Average
	El Solano Hotel Home Blythe, California	Fee Management Agent 11/03-Present	Current	<input type="checkbox"/>	X		Satisfactory

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Date (mm/dd/yyyy)	Tel. No. and area code	<input type="checkbox"/> A. No adverse information; form HUD-2530 approval recommended.	<input type="checkbox"/> C. Disclosure or Certification problem
Staff	Processing and Control	<input type="checkbox"/> B. Name match in system	<input type="checkbox"/> D. Other (attach memorandum)
Supervisor	Director of Housing / Director, Multifamily Division	Approved <input type="checkbox"/> Yes <input type="checkbox"/> No	Date (mm/dd/yyyy)

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				Yes	No	If "Yes," explain	
HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Encino Village FmHA/Sec. 8 #04-13-982804063 Brawley, California	Fee Management Agent 1/86-4/30/04	Current At Termination	<input type="checkbox"/>	X		Above Average
	Esperanza Garden Apartments Tax Credit Encinitas, California	Fee Management Agent 9/96-11/99	Current at Termination	<input type="checkbox"/>	X		Satisfactory
	Firebird Lane Manor FmHA/FL/RA San Marcos, California	Fee Management Agent 7/96-Present	Current	<input type="checkbox"/>	X		Above Average
	Fuente De Paz FmHA 516/FL/LIHC/HOME Coachella, California	Fee Management Agent 1/02-Present	Current	<input type="checkbox"/>	X		New
	Gabilan Plaza I HUD #121-44081NP Salinas, California	Fee Management Agent 5/71-6/97	Current at Termination	<input type="checkbox"/>	X		Satisfactory

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Date (mm/dd/yyyy)	Tel. No. and area code	<input type="checkbox"/> A. No adverse information; form HUD-2530 approval recommended.	<input type="checkbox"/> C. Disclosure or Certification problem
Staff	Processing and Control	<input type="checkbox"/> B. Name match in system	<input type="checkbox"/> D. Other (attach memorandum)
Supervisor	Director of Housing / Director, Multifamily Division		Approved <input type="checkbox"/> Yes <input type="checkbox"/> No
			Date (mm/dd/yyyy)

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HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Gabilan Plaza II HUD #121-44235NP Salinas, California	Fee Management Agent 11/74-6/97	Current at Termination	<input type="checkbox"/>	X		Satisfactory
	Geel Place County Program/HOME Riverside, California	Fee Management Agent 3/04-Present	Current	<input type="checkbox"/>	X		New
	Grand Avenue County Program Spring Valley, California	Fee Management Agent 7/01-2/03	Current at Termination	<input type="checkbox"/>	X		Satisfactory
	Highland Homes FmHA #04-33000269449 Desert Hot Springs, California	Fee Management Agent 6/90-12/91	Current at Termination	<input type="checkbox"/>	X		Satisfactory
	Hillside Apartments FmHA 515 #04-033-411737220 Sun City, California	Fee Management Agent 4/95-12/96	Current at Termination	<input type="checkbox"/>	X		New

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Staff	Processing and Control	<input type="checkbox"/> B. Name match in system	<input type="checkbox"/> D. Other (attach memorandum)
Supervisor	Director of Housing / Director, Multifamily Division		Approved <input type="checkbox"/> Yes <input type="checkbox"/> No
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HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Vista Hidden Valley (Senior) City Program Vista, California	Fee Management Agent 5/96-Present	Current	<input type="checkbox"/>	X		Above Average
	Holtville Housing FmHA #04-13-5250696940 Holtville, California	Fee Management Agent 9/79-5/91	Current at Termination	<input type="checkbox"/>	X		Satisfactory
	Imperial Valley FmHA #04-13-25150301 Brawley, California	Fee Management Agent 10/84-8/86	Current at Termination	<input type="checkbox"/>	X		Satisfactory
	Fred Young Labor Center FmHA #04-33-025157401 Indio, California	Fee Management Agent 1988-Present	Current	<input type="checkbox"/>	X		Satisfactory
	Knox Glen Townhomes HOME/LIHC San Diego, California	Fee Management Agent 1/02-Present	Current	<input type="checkbox"/>	X		Satisfactory

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HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	La Hacienda State of CA/HOMES Indio, California	Fee Management Agent 9/95-Present	No Loan	<input type="checkbox"/>	X		Above Average
	Lakeshore Apartments FmHA #04-33-953111070 Lake Elsinore, California	Fee Management Agent 5/84-8/98	Current at Termination	<input type="checkbox"/>	X		Satisfactory
	Las Casas I Apartments FmHA #04-33-953814898 Coachella, California	Fee Management Agent 1988-Present	Current	<input type="checkbox"/>	X		Above Average
	Las Casas II Apartments FmHA Farm Labor #04-33-0953814898 Coachella, California	Fee Management Agent 10-92-Present	Current	<input type="checkbox"/>	X		Above Average
	Las Casas III Apartments Calif. Prop 84 #90-RHCP-042 Coachella, California	Fee Management Agent 9/92-Present	Current	<input type="checkbox"/>	X		Satisfactory

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HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Las Casitas County Program Solana Beach, California	Fee Management Agent 7/01-Present	Current	<input type="checkbox"/>	X		Satisfactory
	Las Mananitas County Program Mecca, California	Fee Management Agent 11/99-Present	Current	<input type="checkbox"/>	X		New
	Las Palmeras Estates Conventional/LIHC Coachella, California	Fee Management Agent 7/99-Present	Current	<input type="checkbox"/>	X		New
	Madonna Road HUD #122-44098NP San Luis Obispo, California	Fee Management Agent 1973-9/27/12	Current At Termination	<input type="checkbox"/>	X		Satisfactory REAC 82B
	Mason Hotel City Programs San Diego, California	Fee Management Agent 6/02-1/25/12	Current At Termination	<input type="checkbox"/>	X		Satisfactory

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HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Mecca Apartments (Thunderbird) FmHA 515 #04-33-0330315653	Fee Management Agent 5/90-11/97	Current at Termination	<input type="checkbox"/>	X		Satisfactory
	Mecca II Apartments Calif. Prop.84 (HCD Bond) Mecca, California	Fee Management Agent 4/95-11/97	Current at Termination	<input type="checkbox"/>	X		New
	Merced Meadows Apartments HUD #122-44123NP	Fee Management Agent 1974- 4/30/13	Current At Termination	<input type="checkbox"/>	X		Satisfactory REAC 55B
	Montecito Village CHFA/Section 8 Ramona, California	Fee Management Agent 3/00-4/17/09	Current At Termination	<input type="checkbox"/>	X		Satisfactory 93B Feb. 18, 2009
	Nettleton Road Apartments City Program/LIHC Vista, California	Fee Management Agent 5/99-11/99	Current at Termination	<input type="checkbox"/>	X		New

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Supervisor	Director of Housing / Director, Multifamily Division		Approved <input type="checkbox"/> Yes <input type="checkbox"/> No
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HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Niland Apartments FmHA #04-0331330224057 Niland, California	Fee Management Agent 1990-11/97	Current at Termination	<input type="checkbox"/>	X		Satisfactory
	Noble Creek I Apartments FmHA #0433-330119335 Beaumont, California	Fee Management Agent 9/85-12/22/04	Current At Termination	<input type="checkbox"/>	X		Satisfactory
	Noble Creek II Apartments FmHA #04-33-330305501 Beaumont, California	Fee Management Agent 9/88-12/22/04	Current At Termination	<input type="checkbox"/>	X		Satisfactory
	Nueva Vista Calif. Prop. 84 RHCP-FHDP #93-FHDP014 Mecca, California	Fee Management Agent 4/95-Present	Current	<input type="checkbox"/>	X		Satisfactory
	Oak Tree Apartments FmHA #04-33-953866306 Temecula, California	Fee Management Agent 8/84-1/99	Current at Termination	<input type="checkbox"/>	X		Above Average

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HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Orange Place Cooperative City Program/ LIHC Escondido, California	Fee Management Agent 5/97-10/99	Current at Termination	<input type="checkbox"/>	X		New
	Oroville Apartments FmHA 515/RA/Sec.08/LIHC Oroville, California	Fee Management Agent 8/1/03-4/30/12	Current At Termination	<input type="checkbox"/>	X		Average REAC 96C Oct. 14, 2010
	Park Adelanto Apartments FmHA #04-36-1327452 Adelanto- California	Fee Management Agent 5/84-6/92	Current at Termination	<input type="checkbox"/>	X		Satisfactory
	Park Apple Valley FmHA #04-36-953613846 Apple Valley, California	Fee Management Agent 1987-12/95	Current at Termination	<input type="checkbox"/>	X		Satisfactory
	Parkside Apartments FmHA/HCD (Government Owned) Temecula, California	Fee Management Agent 10/95-10/96	No Mortgage	<input type="checkbox"/>	X		New

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HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Park View Terrace City Program/LIHC Poway, California	Fee Management Agent 10/98-1/00	Current at Termination	<input type="checkbox"/>	X		New
	Paseo De Los Poetas Calif. HOME/LIHC Mecca, California	Fee Management Agent 8/97-Present	Current	<input type="checkbox"/>	X		Satisfactory
	Peppertree Apartments FmHA 515/Section 8 Ramona, California	Fee Management Agent 3/01/00-Present	Current	<input type="checkbox"/>	X		Above Avg. REAC 89C Dec. 19, 2017
	Pie De La Cuesta FmHA Farm Labor #04-033- 953814898 Mecca, California	Fee Management Agent 4/92-Present	Current	<input type="checkbox"/>	X		Satisfactory
	Poway Villas HUD/Section 8 Poway, California	Fee Management Agent 9/96-1/00	Current at Termination	<input type="checkbox"/>	X		Satisfactory

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HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Pueblo Nuevo FmHA #04-33953814898 Coachella, California	Fee Management Agent 1987-Present	Current	<input type="checkbox"/>	X		Above Average
	Rancho Cordova Apartments HUD #136-44017NP Rancho Cordova, California	Fee Management Agent 11/70-3/82	Current at Termination	<input type="checkbox"/>	X		Satisfactory
	Rancho Sespe I Apartments FmHA #0953681521 Fillmore, California	Fee Management Agent 1/94-7/31/16	Current	<input type="checkbox"/>	X		Satisfactory
	Rancho Sespe II Apartments FmHA #095368152 Fillmore, California	Fee Management Agent 1/94-7/31/16	Current	<input type="checkbox"/>	X		Satisfactory
	Rancho West Apartments City Program Temecula, California	Fee Management Agent 4/96-Present	Current	<input type="checkbox"/>	X		Satisfactory

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HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Redondo I Apartments FmHA #04-013-332039778 Westmoreland, California	Fee Management Agent 1988-10/19/06	Current at Termination	<input type="checkbox"/>	X		Satisfactory
	Redondo II Apartments FmHA #04-13-953603409 Westmoreland, California	Fee Management Agent 1990-10/19/06	Current at Termination	<input type="checkbox"/>	X		Satisfactory
	Rhyolite Apartments Calif. Prop. 84 #90-RHCP-029 Blythe, California	Fee Management Agent 4/92-11/97	Current at Termination	<input type="checkbox"/>	X		Satisfactory
	Sagewood Manor FmHA 515 #04-36-0330487436 29Palms, California	Identity Of Interest Participant 3/93- Present	Current	<input type="checkbox"/>	X		Above Average
	San Jacinto Vista I FmHA #04-33-956519097 Perris, California	Fee Management Agent 9/79-11/97	Current at Termination	<input type="checkbox"/>	X		Satisfactory

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HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	San Jacinto Vista II FmHA #04-33-1328665 Perris, California	Fee Management Agent 9/79-6/91	Current at Termination	<input type="checkbox"/>	X		Satisfactory
	Silsby Gardens CHFA/Sec. I #80032S Blythe, California	Fee Management Agent 8/83-1/98	Current at Termination	<input type="checkbox"/>	X		Satisfactory
	Spring Apartments FmHA/Sec. 8 #04-13-880171039 Brawley, California	Fee Management Agent 1/86-4/30/04	Current At Termination	<input type="checkbox"/>	X		Satisfactory
	Squaw Valley Apartments FmHA #04-033-0330549121 E.Blythe, California	Identity of Interest Participant 3/94-12/16/10	Current At Termination	<input type="checkbox"/>	X		Above Average
	Summerwood Apartments FmHA/HCD #04-33-953819615 Coachella, California	Fee Management Agent 12/83-1/98	Current at Termination	<input type="checkbox"/>	X		Satisfactory

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HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Sunnyslope Apartments FmHA #04-36-953866298 Yucca Valley, California	Fee Management Agent 2/84-1/99	Current at Termination	<input type="checkbox"/>	X		Satisfactory
	Sunrise Apartments FmHA/Sec. 8/HUD #16-R000-013 Blythe, California	Fee Management Agent 2/83-1/98	Current at Termination	<input type="checkbox"/>	X		Satisfactory
	Sunset Village (Senior) FmHA/HCD #04-36-953051916 Joshua Tree, California	Fee Management Agent 9/87- 4/10/06	Current At Termination	<input type="checkbox"/>	X		Above Average
	Sunset West FmHA #04-33-2515610115 Blythe, California	Fee Management Agent 4/87-10/93	Current at Termination	<input type="checkbox"/>	X		Satisfactory
	Sunwest Villas CHFA #82040S Yucca Valley, California	Fee Management Agent 11/85-1/99	Current at Termination	<input type="checkbox"/>	X		Satisfactory

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Date (mm/dd/yyyy)	Tel. No. and area code	<input type="checkbox"/> A. No adverse information; form HUD-2530 approval recommended.	<input type="checkbox"/> C. Disclosure or Certification problem
Staff	Processing and Control	<input type="checkbox"/> B. Name match in system	<input type="checkbox"/> D. Other (attach memorandum)
Supervisor	Director of Housing / Director, Multifamily Division	Approved <input type="checkbox"/> Yes <input type="checkbox"/> No	Date (mm/dd/yyyy)

Previous Participation Certification

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				Yes	No	If "Yes," explain	
HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Tamarisk Villas FmHA/Sec. 8 #04-33-25149401 Ripley, California	Fee Management Agent 11/90-10/1/13	Current	<input type="checkbox"/>	X		Superior REAC 93B
	Tlaquepaque Apartments Calif. Prop. 84 #92-RHCP-144 Coachella, California	Fee Management Agent 5/94-Present	Current	<input type="checkbox"/>	X		Above Average
	Tremont Apartments City Programs/LIHC Oceanside, California	Fee Management Agent 8/97-1/00	Current at Termination	<input type="checkbox"/>	X		New
	Turagain Arms HUD Fallbrook, California	Fee Management 10/97-1/00	Current at Termination	<input type="checkbox"/>	X		Satisfactory
	Willow Oaks FmHA 515/Sec.8/LIHC Willows, California	Fee Management Agent 8/03-4/30/12	Current At Termination	<input type="checkbox"/>	X		Above Average REAC 92A

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HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Yucca Valley Oasis I FmHA #04-36-462167148 Yucca Valley, California	Fee Management Agent 5/84-6/86	Current at Termination	<input type="checkbox"/>	X		Satisfactory
	Yucca Valley Oasis II FmHA #04-36-953513996 Yucca Valley, California	Fee Management Agent 5/84-2/98	Current at Termination	<input type="checkbox"/>	X		Satisfactory
	Yucca Trails (Yucca-Warren Vista) FmHA 515 #04-36-330418530 Joshua Tree, California	Fee Management Agent 2/92-4/98	Current at Termination	<input type="checkbox"/>	X		Satisfactory
	Coachella Community Homes Section 9 #92-CHRP-R-107 Coachella, California	Fee Management Agent 1/93-Present	Current	<input type="checkbox"/>	X		Satisfactory REAC 94B Oct. 19, 2018
	Meta Street Apartments FmHA #04-056-481288345 501 Meta Street Oxnard, CA 93033	Fee Management Agent 3/1/04-6/30/05	Current At Termination	<input type="checkbox"/>	X		Satisfactory

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Supervisor	Director of Housing / Director, Multifamily Division		Approved <input type="checkbox"/> Yes <input type="checkbox"/> No
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HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Pacific City Lights 1643 Pacific Avnue Long Beach, CA 90813	Fee Management Agent 11/1/06-8/31/07	Current At Termination	<input type="checkbox"/>	X		Satisfactory
	Sunset West FmHA #04-33-2515610115 200 N. Lovekin Blythe, CA 92225	Fee Management Agent 10/1/05-11/8/06	Current At Termination	<input type="checkbox"/>	X		Satisfactory
	Valley Vista 2580 N. Soto Street Los Angeles, CA 90032	Fee Management Agent 12/1/06-8/31/07	Current At Termination	<input type="checkbox"/>	X		Satisfactory
	Westwood Vistas 731 F. Street West Sacramento, CA 95605	Fee Management Agent 4/11/07-8/31/07	Current At Termination	<input type="checkbox"/>	X		Satisfactory
	Arroyo De Paz I 66901 Two Bunch Palm Desert Hot Springs, CA 92240	Fee Management Agent 11/23/06-Present	Current	<input type="checkbox"/>	X		Satisfactory

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HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Arroyo De Paz II 66901 Two Bunch Palm Desert Hot Springs, CA 92240	Fee Management Agent 5/1/07-Present	Current	<input type="checkbox"/>	X		Satisfactory
	Casitas Del Valle 12318 Lamos Place Moreno Valley, CA 92557	Fee Management Agent 12/30/06-Present	Current	<input type="checkbox"/>	X		Satisfactory
	City Heights Square 4065 43 <sup>rd</sup> Street San Diego, CA 92105	Fee Management Agent 5/1/07-Present	Current	<input type="checkbox"/>	X		Satisfactory
	Coyote Run II 3401 N. Sunrise Way Palm Springs, CA 92262	Fee Management Agent 4/15/06-Present	Current	<input type="checkbox"/>	X		Satisfactory
	Desert Hot Springs FmHA #04-033-246035689 66600 2 <sup>nd</sup> Street Desert Hot Springs, CA 92240	Fee Management Agent 4/28/06-5/31/11	Current At Termination	<input type="checkbox"/>	X		Satisfactory

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HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	HPD Riverside (Sunset West/Sunrise) FmHA #04-033428786715 200 N. Lovekin Blvd. Blythe, CA 95552	Fee Management Agent 11/9/06- 9/30/11	Current At Termination	<input type="checkbox"/>	X		Satisfactory REAC 61C Oct. 14, 2010
	HPD Riverside (Summerwood) FmHA #04-033428786715 51251 Mecca Avenue Coachella, CA 92236	Fee Management Agent 11/9/06- 9/30/11	Current At Termination	<input type="checkbox"/>	X		Satisfactory
	Huntington Hacienda II 4668 Huntington So. Los Angeles, CA 90032	Fee Management Agent 12/1/06-8/31/07	Current At Termination	<input type="checkbox"/>	X		Satisfactory
	Imperial Housing FmHA #04-013-333580231 201 G Street Westmoreland, CA 90032	Fee Management Agent 10/20/06-1/31/16	Current	<input type="checkbox"/>	X		Satisfactory
	Island Village 1245 Market Street San Diego, CA 92101	Fee Management Agent 1/01/07-4/30/11	Current At Termination	<input type="checkbox"/>	X		Satisfactory

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HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Kimball Crossing 820 Kimball Road Red Bluff, CA 96080	Fee Management Agent 9/20/07-12/31/13	Current	<input type="checkbox"/>	X		Satisfactory
	Mecca III 91-900 Ave. 66 Riverside, CA 92256	Fee Management Agent 12/15/05-Present	Current	<input type="checkbox"/>	X		Satisfactory
	Niland Apartments FmHA #04-33-13302245057 17 W. Fourth Street Niland, CA 92257	Fee Management Agent 5/1/07-9/24/08	Current At Termination	<input type="checkbox"/>	X		Satisfactory
	Noble Creek Apartments FmHA #04-033-432149078 755 Xenia Beaumont, CA 92223	Fee Management Agent 12/23/04-7/31/12	Current At Termination	<input type="checkbox"/>	X		Satisfactory
	Oroville Manor FmHA #04-00-693081272 2750 Lincoln Blvd. Oroville, CA 95966	Fee Management Agent 9/1/04-7/31/12	Current At Termination	<input type="checkbox"/>	X		Satisfactory

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HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Potiker Family Senior Residence 525 14 <sup>th</sup> Street San Diego, Ca 92101	Fee Management Agent 5/1/05-Present	Current	<input type="checkbox"/>	X		Satisfactory
	Rhyolite Apartments 400 N. Palm Street Blythe, CA 92225	Fee Management Agent 12/1/06-3/26/08	Current At Termination	<input type="checkbox"/>	X		Satisfactory
	HPD-Spring Encino LP Apartments FmHA #04-013-048954489 402 S. Eastern Brawley, CA 92227	Fee Management Agent 5/1/04-Present	Current	<input type="checkbox"/>	X		Satisfactory Spring REAC 58C Aug. 13, 2019 Encino REAC 97A Dec. 9, 2016 Satisfactory
	Villa Del Este FmHA #04-013-243480148 1100 Avenida De Oro Calexico, CA 92231	Fee Management Agent 10/11/06-7/31/12	Current At Termination	<input type="checkbox"/>	X		Satisfactory
	Villa Oscar Romero Apts. FmHA #04-033-481292652 65010 Dale Kiler Street Mecca, CA 92254	Fee Management Agent 7/1/04-Present	Current	<input type="checkbox"/>	X		Satisfactory

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HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Chapel Court FmHA 681 Ash Avenue Carpenteria, CA 93013	Fee Management Agent 1/01/07-2/28/09	Current At Termination	<input type="checkbox"/>	X		Satisfactory
	Cherrywood Apartments FmHA #04-033-858157026 977 Cherry Avenue Beaumont, CA 92223	Fee Management Agent 10/01/06-Present	Current	<input type="checkbox"/>	X		Satisfactory
	Paseo De Los Heroes I 62-900 Lincoln Street Mecca, CA 92254	Fee Management Agent 10/1/07-Present	Current	<input type="checkbox"/>	X		Satisfactory
	Sunburst 1640 Broadway San Diego, CA 92101	Fee Management Agent 11/20/06-Present	Current	<input type="checkbox"/>	X		Satisfactory
	Huntington Hacienda I 4688 Huntington Dr. So. Los Angeles, CA 90032	Fee Management Agent 12/1/06-8/31/07	Current at Termination	<input type="checkbox"/>	X		Satisfactory

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HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Twentynine Palms Apartments FmHA #04036 5862 Bagley Avenue Twentynine Palms, CA 92277	Fee Management Agent 12/27/07- 7/31/12	Current At Termination	<input type="checkbox"/>	X		Satisfactory REAC 79B Nov. 17, 2010
	Sommerhill Townhomes 30 Novato Street San Rafael, CA 94901	Fee Management Agent 2/1/08-12/21/10	Current At Termination	<input type="checkbox"/>	X		New
	Rio Linda Apartments 2671 Rio Linda Blvd. Sacramento, CA 95815	Fee Management Agent 2/21/08- 2/28/11	Current At Termination	<input type="checkbox"/>	X		New
	Rio Colorado Apts.(Formerly Rhyolite) 400 N. Palm Street Blythe, CA 92225	Fee Management Agent 3/27/08- 8/31/2011	Current At Termination	<input type="checkbox"/>	X		New
	Los Alisos Apartments 11809 Los Alisos Circle Norwalk, CA 90650	Fee Management Agent 4/1/08-Present	Current	<input type="checkbox"/>	X		New REAC 88C Nov. 5, 2018

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HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Valle Del Sol 1605 C Street Brawley, CA 92227	Fee Management Agent 5/1/08- 1/17/11	Current At Termination	<input type="checkbox"/>	X		New
	Vista La Rosa Apartments 2002 Rimbey Avenue San Diego, CA 92154	Fee Management Agent 7/1/08-6/30/11	Current At Termination	<input type="checkbox"/>	X		NEW REAC 95C July 28, 2010
	Sunset Street Apartments FmHA #04-31-193891053 3655 Sunset Blvd. Rocklin, CA 95677	Fee Management Agent 7/1/08-1/31/16	Current	<input type="checkbox"/>	X		New
	Imperial Housing II FmHA #04-013-069249209 17 W. Fourth Street Niland, CA 92257	Fee Management Agent 9/25/08-1/31/16	Current	<input type="checkbox"/>	X		Satisfactory
	Washington Street Apartments FmHA #04-033-764165310 42800 Washington Street La Quinta, CA 92203	Fee Management Agent 10/31/08-Present	Current	<input type="checkbox"/>	X		Satisfactory

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HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Cordova Village Apartments 1240 East J Street Chula Vista, CA 91910 CA-979-929 40 Units	Fee Management Agent 7/1/09-Present	Current	<input type="checkbox"/>	X		Satisfactory REAC 91B Oct. 16, 2015
	Trolley Terrace Apartments 750 Ada Street Chula Vista, CA 91911 CA-97-613 18 Units	Fee Management Agent 7/1/09-Present	Current	<input type="checkbox"/>	X		Satisfactory
	Sunrose Village Apartments 1325 Santa Rita Drive Chula Vista, CA 91913 CA-01-906 91 Units	Fee Management Agent 10/1/09-10/31/12	Current At Termination	<input type="checkbox"/>	X		Satisfactory
	Harvest Ridge Apartments 1388 E. Palomar Street Chula Vista, CA 91913 CA-1-906 91 Units	Fee Management Agent 10/1/09-10/31/12	Current At Termination	<input type="checkbox"/>	X		Satisfactory
	Wolff Waters Apartments 47-795 Dune Palms Road La Quinta, CA 92253	Fee Management Agent 12/18/09-Present	Current	<input type="checkbox"/>	X		Satisfactory

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Staff	Processing and Control	<input type="checkbox"/> B. Name match in system	<input type="checkbox"/> D. Other (attach memorandum)
Supervisor	Director of Housing / Director, Multifamily Division	Approved <input type="checkbox"/> Yes <input type="checkbox"/> No	Date (mm/dd/yyyy)

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OMB Approval No. 2502-0118  
(Exp. 02/29/2016)

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HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Placer West Apartments FmHA #04-031-173786406-011 6055 Placer West Drive Rocklin, CA 95677	Fee Management Agent 12/23/09-1/31/16	Current	<input type="checkbox"/>	X		Satisfactory
	Riverview Terrace FmHA #04-036-706707414 1933 Erin Drive Needles, CA 92363	Fee Management Agent 1/1/10-2/5/13	Current At Termination	<input type="checkbox"/>	X		Satisfactory
	Su Casa Por Cortez 620 Melba Road #24 Encinitas, CA 92024	Fee Management Agent 1/1/10-8/31/10	Current At Termination	<input type="checkbox"/>	X		Satisfactory
	Paseo De Los Heroes II FmHA- #04-033-438094548 63-950 Lincoln Street Mecca, CA 92254	Fee Management Agent 5/21/10-Present	Current	<input type="checkbox"/>	X		Satisfactory
	Oak Tree Apts. FmHA #04-033-249475364 42176 Lyndie Lane Temecula, CA 92591 CA-2009-599	Fee Management Agent 5/2/10-7/31/12	Current At Termination	<input type="checkbox"/>	X		New

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Supervisor	Director of Housing / Director, Multifamily Division		Approved <input type="checkbox"/> Yes <input type="checkbox"/> No
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HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Hotel Sandford 1301 5 <sup>th</sup> Ave. San Diego, CA 92101	Fee Management Agent 8/1/10-9/30/14	Current	<input type="checkbox"/>	X		New
	Arvin Apartments FmHA #04-015-065520452 1410 Hood Street Arvin, CA 93203	Fee Management Agent 10/6/10-3/6/12	Current At Termination	<input type="checkbox"/>	X		New
	Olivehurst Apartments FmHA #04-058-167967131 5686 Chestnut Street Olivehurst, CA 95961	Fee Management Agent 11/4/10-3/6/12	Current At Termination	<input type="checkbox"/>	X		New
	HPD Baldwin-Squaw (Baldwin) Apartments FmHA #04-033-398711257 1450 E. Bernard Street Blythe, CA 92225	Fee Management Agent 12/17/10- 9/30/11	Current At Termination	<input type="checkbox"/>	X		New
	HPD Baldwin-Squaw (Squaw) Apartments FmHA #04-033-398711257 200 North Birch Street E. Blythe, CA 92225	Fee Management Agent 12/17/10- 9/30/11	Current At Termination	<input type="checkbox"/>	X		New

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Supervisor	Director of Housing / Director, Multifamily Division		Approved <input type="checkbox"/> Yes <input type="checkbox"/> No
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				Yes	No	If "Yes," explain	
HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Altaville Apartments FmHA #04-005-396859076 675 Copello Drive Angels Camp, CA 95222	Fee Management Agent 2/4/11- 3/6/12	Current At Termination	<input type="checkbox"/>	X		New
	Mariners Village 6847 Potomac Street San Diego, CA 92139	Fee Management Agent 3/15/11-5/31/14	Current	<input type="checkbox"/>	X		New
	Rosa Gardens 555 Rosa Parks Road Palm Springs, CA 92262	Fee Management Agent 4/28/11-Present	Current	<input type="checkbox"/>	X		New
	Silsby Gardens 200 N. Ninth Street Blythe, CA 92225	Fee Management Agent 4/28/11- 9/30/11	Current At Termination	<input type="checkbox"/>	X		New
	Sunwest Villas 7017 Mohawk Trail Yucca Valley, CA 92284	Fee Management Agent 4/28/11- 9/30/11	Current At Termination	<input type="checkbox"/>	X		New

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Supervisor	Director of Housing / Director, Multifamily Division		Approved <input type="checkbox"/> Yes <input type="checkbox"/> No
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				Yes	No	If "Yes," explain	
HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Sunnyslope FmHA #04-036-368146223 6947 Mohawk Trail Yucca Valley, CA 92284	Fee Management Agent 7/6/11- 9/30/11	Current At Termination	<input type="checkbox"/>	X		New
	The Crossings at Escondido 735 Mission Grove Place Escondido, CA 92025	Fee Management Agent 6/1/11-Present	Current	<input type="checkbox"/>	X		New
	Market Park 601 North Market Street Inglewood, CA 90302	Fee Management Agent 5/27/11- 12/31/14	Current	<input type="checkbox"/>	X		New REAC 96A Dec. 24, 2013
	City Heights CDC Scattered Sites San Diego, CA 92165	Fee Management Agent 7/1/2011-5/16/14	Current	<input type="checkbox"/>	X		New
	Huron Plaza Apartments 16525 South 11 <sup>th</sup> Street Huron, CA 93234	Fee Management Agent 11/1/11-2/28/15	Current	<input type="checkbox"/>	X		Above Avg. REAC 61C Sept. 2, 2014

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HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Moonlight Apartments 455 West Chestnut Street Dixon, CA 95620	Fee Management Agent 11/1/11-1/31/16	Current	<input type="checkbox"/>	X		New
	Brisas De Paz Apartments 65921 Flora Avenue Desert Hot Springs, CA 92240	Fee Management Agent 5/24/12-Present	Current	<input type="checkbox"/>	X		New
	Casas Encinas Apartments 2200 East Donlon Street Blythe, CA 92225	Fee Management Agent 7/1/12-7/31/16	Current	<input type="checkbox"/>	X		New
	Madonna Road Apartments 1550 Madonna Road San Luis Obispo, CA 93405	Fee Management Agent 9/27/12 – 12/31/14	Current	<input type="checkbox"/>	X		New
	La Jolla Marine Apartments 7412 Cuvier Street La Jolla, CA 92037	Fee Management Agent 10/1/12-9/30/14	Current	<input type="checkbox"/>	X		New REAC 95B Dec. 12, 2012

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Staff	Processing and Control	<input type="checkbox"/> B. Name match in system	<input type="checkbox"/> D. Other (attach memorandum)
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HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Parkview Villas Apartments 71-740 San Jacinto Drive Rancho Mirage, CA 92270	Fee Management Agent 10/1/12-Present	Current	<input type="checkbox"/>	X		New
	Whispering Waters Apartments 42-536 Rancho Mirage Lane Rancho Mirage, CA 92270	Fee Management Agent 10/1/12-Present	Current	<input type="checkbox"/>	X		New
	Santa Rosa Villas 19 Juniper Lane Rancho Mirage, CA 92270	Fee Management Agent 10/1/12- Present	Current	<input type="checkbox"/>	X		New
	San Jacinto Villas 71300 San Jacinto Drive Rancho Mirage, CA 92270	Fee Management Agent 10/1/12- Present	Current	<input type="checkbox"/>	X		New
	Pavilion Court Apartments 8371 & 8405 Telegraph Road Pico Rivera, CA 90660	Fee Management Agent 1/1/13 – 1/10/2020	Current	<input type="checkbox"/>	X		New

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HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Mason Hotel 1345 Fifth Avenue San Diego, CA 92101	Fee Management Agent 8/1/13- Present	Current	<input type="checkbox"/>	X		New
	The Crossings at Cherry Orchard 2748 W. Lincoln Ave. Anaheim, CA 92801	Fee Management Agent 9/1/2013- Present	Current	<input type="checkbox"/>	X		New
	The Crossings at Big Bear Lake 773 Knickerbocker Road #43 Big Bear Lake, CA 92315	Fee Management Agent 9/13/13- Present	Current	<input type="checkbox"/>	X		New
	Coachella Valley Housing Coalition SFR (23 Housing) Scattered Sites Indio, Coachella, Desert Hot Springs	Fee Management Agent 10/1/13- Present	Current	<input type="checkbox"/>	X		New
	Tamarisk Villas 24642 School Road Ripley, CA 92225	Fee Management Agent 10/1/13-Present	Current	<input type="checkbox"/>	X		New 93B Jan. 5, 2015

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HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Parker Kier 2172 Front Street San Diego, CA 92101	Fee Management Agent 11/1/13- Present		<input type="checkbox"/>	X		New
	Chaparral Apts. 980 Kenwood Kingman, AZ 86401	Fee Management Agent 11/1/13- 1/31/16		<input type="checkbox"/>	X		New
	Cimarron Apts. 1050 Beverly Avenue Kingman, AZ 86401	Fee Management Agent 11/1/13- 1/31/16		<input type="checkbox"/>	X		New
	Lynx Creek Apts. 3241 N. Majesty Drive Prescott Valley, AZ 86314	Fee Management Agent 11/1/13- 1/31/16		<input type="checkbox"/>	X		New
	Navapai Apts. 8800 E. Yavapai Road Prescott Valley, AZ 86314	Fee Management Agent 11/1/13- 1/31/16		<input type="checkbox"/>	X		New

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HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Villa Hermosa Apartments 83-805 Dr. Carreon Blvd., Indio, CA 92201	Fee Management Agent 2/28/14- Present		<input type="checkbox"/>	X		New
	Coral Mountain Apts. 79-625 Vista Coralina Lane La Quinta, CA 92253	Fee Management Agent 3/15/14-Present		<input type="checkbox"/>	X		New
	Indian Wells Villas Apartments 74800 Village Center Drive Indian Wells, CA 92210	Fee Management Agent 4/28/14- 5/31/15		<input type="checkbox"/>	X		New
	Mountain View Villas 78-000 Betty Barker Way Indian Wells, CA 92210	Fee Management Agent 4/28/14- 5/31/15		<input type="checkbox"/>	X		New
	Las Brisas Apartments 4343 Elizabeth Street Cudahy, CA 90201	Fee Management Agent 11/6/14- Present		<input type="checkbox"/>	X		New

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HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Spring Lake Apartments 2170 Farmers Central Road Woodland, CA 95776	Fee Management Agent 2/26/15- Present		<input type="checkbox"/>	X		New
	The Crossings at Escondido Manor 1150 N. Escondido Blvd. Escondido, CA 92026	Fee Management Agent 4/17/15- Present		<input type="checkbox"/>	X		New
	Melrose Manor Apartments 1678 Melrose Avenue Chula Vista, CA 91911	Fee Management Agent 9/1/15- Present		<input type="checkbox"/>	X		New
	Towncentre Manor Apartments 434 F. Street Chula Vista, CA 91910	Fee Management Agent 9/1/15- Present		<input type="checkbox"/>	X		New
	Dorothy Street Apartments 778 Dorothy Street Chula Vista, CA 91911	Fee Management Agent 9/1/15 - Present		<input type="checkbox"/>	X		New

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Supervisor	Director of Housing / Director, Multifamily Division	Approved <input type="checkbox"/> Yes <input type="checkbox"/> No	Date (mm/dd/yyyy)

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HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	L. Street Manor 584 L Street Chula Vista, CA 91911	Fee Management Agent 9/1/15- Present		<input type="checkbox"/>	X		New
	Perris Family Apartments 180 E. Jarvis St. Perris, CA 92571	Fee Management Agent 9/1/15- Present		<input type="checkbox"/>	X		New
	15 <sup>th</sup> & Commercial 1506 Commercial Street San Diego, CA 92113	Fee Management Agent 12/1/15-Present		<input type="checkbox"/>	X		New
	16 <sup>th</sup> & Market 640 16 <sup>th</sup> Street San Diego, CA 92101	Fee Management Agent 12/1/15-Present		<input type="checkbox"/>	X		New
	Boulevard Apts 3137 El Cajon Blvd. San Diego, CA 92104	Fee Management Agent 12/1/15-Present		<input type="checkbox"/>	X		New

**Part II – For HUD Internal Processing Only**

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Date (mm/dd/yyyy)	Tel. No. and area code	<input type="checkbox"/> A. No adverse information; form HUD-2530 approval recommended.	<input type="checkbox"/> C. Disclosure or Certification problem
Staff	Processing and Control	<input type="checkbox"/> B. Name match in system	<input type="checkbox"/> D. Other (attach memorandum)
Supervisor	Director of Housing / Director, Multifamily Division		Approved <input type="checkbox"/> Yes <input type="checkbox"/> No
			Date (mm/dd/yyyy)

Villa F  
72 17<sup>th</sup>  
San Di

### Previous Participation Certification

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				Yes	No	If "Yes," explain	
HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Villa Harvey Mandel 72 17 <sup>th</sup> Street San Diego, CA 92101	Fee Management Agent 12/1/15-Present		<input type="checkbox"/>	X		New
	Village Place 32 17 <sup>th</sup> Street San Diego, CA 92101	Fee Management Agent 12/1/15- Present		<input type="checkbox"/>	X		New
	Pacific Pines Condominium 1600-1800 blocks of South El Camino Real Encinitas, CA 92024	Fee Management Agent 4/1/2016-Present		<input type="checkbox"/>	X		New
	Atlantic Avenue 814 Atlantic Avenue Long Beach, CA 90813	Fee Management Agent 4/1/2016-Present		<input type="checkbox"/>	X		New
	Sara's Apartments 240 W. 7th Street Long Beach, CA 90813	Fee Management Agent 4/1/2016-Present		<input type="checkbox"/>	X		New

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				Yes	No	If "Yes," explain	
HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Crossroads Village 1925 West Washington Blvd. Los Angeles, CA 90813	Fee Management Agent 4/1/2016-Present		<input type="checkbox"/>	X		New
	Merit Hall 1035 Lewis Avenue Long Beach, CA 90813	Fee Management Agent 4/4/2016-Present		<input type="checkbox"/>	X		REAC 83C* Jan. 25, 2018
	Adobe Villas 73747 Raymond Way Twentynine Palms, CA 92277	Fee Management Agent 7/29/2016-Present		<input type="checkbox"/>	X		REAC 85B* Sept. 6, 2018
	Crossings on 29 <sup>th</sup> Street 828 E. 29 <sup>th</sup> Street Los Angeles, CA 90011	Fee Management Agent 8/1/2016-Present		<input type="checkbox"/>	X		New
	Crossings at North Hills 9333 Sepulveda Boulevard North Hills, CA 91343	Fee Management Agent 8/1/2016-Present		<input type="checkbox"/>	X		New

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Supervisor	Director of Housing / Director, Multifamily Division	Approved <input type="checkbox"/> Yes <input type="checkbox"/> No	Date (mm/dd/yyyy)

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				Yes	No	If "Yes," explain	
HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Hotel Churchill 827 C Street San Diego, CA 92101	Fee Management Agent 8/1/2016-Present		<input type="checkbox"/>	<input checked="" type="checkbox"/>		New
	Trolley Residential Terrace 4981 Market Street San Diego, CA 92102	Fee Management Agent 9/29/2016-Present		<input type="checkbox"/>	<input checked="" type="checkbox"/>		New
	Horizons at Yucaipa 12279 3rd Street Yucaipa, CA 92339	Fee Management Agent 3/18 /2017 - Present		<input type="checkbox"/>	<input checked="" type="checkbox"/>		New
	Ortiz Plaza 5352 Old Redwood Highway Santa Rosa, CA 95403	Fee Management Agent 7/21 /2017 - Present		<input type="checkbox"/>	<input checked="" type="checkbox"/>		New
	San Felipe Migrant Center 67305 Harrison Street Thermal, CA 92274	Fee Management Agent 9/15/2017 - Present		<input type="checkbox"/>	<input checked="" type="checkbox"/>		New

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				Yes	No	If "Yes," explain	
HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Town and Country 4066 Messina Drive San Diego, CA 92113	Fee Management Agent 10/1/2017 - Present		<input type="checkbox"/>	X		New
	Crossings at Santa Rosa 820 Jennings Avenue Santa Rosa, CA 95401	Fee Management Agent 12/1/2017 - Present		<input type="checkbox"/>	X		New
	Horizons at Indio 45405 Monroe Street Indio, CA 92201	Fee Management Agent 12/1/2017 - Present		<input type="checkbox"/>	X		New
	March Veterans Village 15305 6 <sup>th</sup> Street March AFB (Riverside), CA 92518	Fee Management Agent 1/1/2018 - Present		<input type="checkbox"/>	X		New
	Las Cortes Apartments 1200 Felicia Court Oxnard, CA 93030	Fee Management Agent 7/31/2018 - Present		<input type="checkbox"/>	X		New

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				Yes	No	If "Yes," explain	
HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	North Coast Terrace 402 N. Weitzel Street Oceanside, CA 92054	Fee Management Agent 8/31/2018 - Present		<input type="checkbox"/>	X		New
	Crossings on Aston 706 – 708 Aston Avenue Santa Rosa, CA 95404	Fee Management Agent 9/27/18 - Present		<input type="checkbox"/>	X		New
	Solutions Escondido 1560 – 1574 S. Escondido Boulevard Escondido, Ca 92025	Fee Management Agent 1/1/19 - Present		<input type="checkbox"/>	X		New
	Solutions Family Center 722 W. California Avenue Vista, CA 92083	Fee Management Agent 2/1/19 - Present		<input type="checkbox"/>	X		New
	Vista Terrace Apartments 985 Postal Way Vista, CA 92081	Fee Management Agent 2/1/19 - Present		<input type="checkbox"/>	X		New

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Staff	Processing and Control	<input type="checkbox"/> B. Name match in system	<input type="checkbox"/> D. Other (attach memorandum)
Supervisor	Director of Housing / Director, Multifamily Division		Approved <input type="checkbox"/> Yes <input type="checkbox"/> No
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				Yes	No	If "Yes," explain	
HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Primrose Apartments 2240 – 2260 Primrose Avenue Vista, CA 92083	Fee Management Agent 2/1/19 - Present		<input type="checkbox"/>	X		New
	Chestnut Villas Apartments 945 Chestnut Avenue Carlsbad, CA 92008	Fee Management Agent 2/1/19 - Present		<input type="checkbox"/>	X		New
	Neighborhood Stabilization Program 12 single family homes in North. County San Diego, CA	Fee Management Agent 3/1/2019 - Present		<input type="checkbox"/>	X		New
	La Posada Apartments 135 Averil Road San Ysidro, CA 92173	Fee Management Agent 3/1/2019 - Present		<input type="checkbox"/>	X		New
	Marina Heights Apartments 2 Marina Boulevard Pittsburg, CA 94565	Fee Management Agent 4/2/19 – 11/26/19		<input type="checkbox"/>	X		New

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Staff	Processing and Control	<input type="checkbox"/> B. Name match in system	<input type="checkbox"/> D. Other (attach memorandum)
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HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Spring Lake Phase II 2170 Farmers Central Road Woodland, CA 95776	Fee Management Agent 4/30/19 - Present		<input type="checkbox"/>	X		New
	Ranchito las Serenas 1321 7 <sup>th</sup> Street Coachella, CA 92236	Fee Management Agent 5/7/19 - Present		<input type="checkbox"/>	X		New
	Autumn Terrace 251 Autumn Drive San Marcos, CA 92069	Fee Management Agent 7/1/19 - Present		<input type="checkbox"/>	X		New
	Citron Court 7383 Broadway Lemon Grove, CA 91945	Fee Management Agent 7/1/19 - Present		<input type="checkbox"/>	X		New
	Citronica One 3562, 3564, 3568-92 Main Street Lemon Grove, CA 91945	Fee Management Agent 7/1/19 - Present		<input type="checkbox"/>	X		New

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Supervisor	Director of Housing / Director, Multifamily Division	Approved <input type="checkbox"/> Yes <input type="checkbox"/> No	Date (mm/dd/yyyy)

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HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Citronica Two 3595 Olive Street Lemon Grove, CA 91945	Fee Management Agent 7/1/19 - Present		<input type="checkbox"/>	X		New
	Hacienda Hills 67150 Hacienda Avenue Desert Hot Springs, CA 92240	Fee Management Agent 7/1/19 - Present		<input type="checkbox"/>	X		New
	The Post 1252-1268 Palm Avenue Imperial Beach, CA 91932	Fee Management Agent 7/1/19 - Present		<input type="checkbox"/>	X		New
	Nook East 330 15 <sup>th</sup> Street San Diego, CA 92101	Fee Management Agent 7/12/19 - Present		<input type="checkbox"/>	X		New
	Villa Hermosa II 83801 Dr. Carreon Boulevard Indio, CA 92201	Fee Management Agent 8/26/19 - Present		<input type="checkbox"/>	X		New

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HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY	Perris Park Apartments 1450 South Perris Boulevard Perris, CA 92570	Fee Management Agent 10/2/19 - Present		<input type="checkbox"/>	X		New
	Washington Street Phase II 78075 Hidden River Road Bermuda Dunes, CA 92203	Fee Management Agent 12/2/19 - Present		<input type="checkbox"/>	X		New
	Riverside Street Apartments 719 Riverside Street Ventura, CA 93001	Fee Management Agent 12/2/19 - Present		<input type="checkbox"/>	X		New
	Crossings on Monterey 16800 Monterey Road Morgan Hill, CA 95037	Fee Management Agent 12/16/19 - Present		<input type="checkbox"/>	X		New
	Paseo de los Heroes III 91180 Avenue 64 Mecca, CA 95037	Fee Management Agent 12/18/19 - Present		<input type="checkbox"/>	X		New

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				Yes	No	If "Yes," explain	
HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY		Fee Management Agent - Present		<input type="checkbox"/>	X		New
		Fee Management Agent - Present		<input type="checkbox"/>	X		New
		Fee Management Agent - Present		<input type="checkbox"/>	X		New
		Fee Management Agent - Present		<input type="checkbox"/>	X		New
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				Yes	No		
HYDER & COMPANY MARGETIC, STEPHEN J. DAPRATO, GARY		Fee Management Agent - Present		<input type="checkbox"/>	X		
		Fee Management Agent - Present		<input type="checkbox"/>	X		
		Fee Management Agent - Present		<input type="checkbox"/>	X		
		Fee Management Agent - Present		<input type="checkbox"/>	X		
		Fee Management Agent - Present		<input type="checkbox"/>	X		

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Staff	Processing and Control	<input type="checkbox"/> B. Name match in system	<input type="checkbox"/>
Supervisor	Director of Housing / Director, Multifamily Division	Approved <input type="checkbox"/> Yes <input type="checkbox"/> No	Date (mm/dd/yyyy)

**DEVELOPERS & OWNERS**

Enclosed is a list of selected property owners who are current or recent clients for whom we have managed properties.

1. **Mr. Bill Martin**  
Address: 923-A Alturas St.  
Fallbrook, CA 92028  
Phone: (760) 468-1773  
Length of Relationship: 36 years
  
2. **Mr. Larry Smith**  
Address: P. O. Box 8040  
Newport Beach, CA 92658-8040  
Phone: (949) 300-5539  
Length of Relationship: 19 years
  
3. **Coachella Valley Housing Coalition**  
Contact: Mr. Pedro Rodriguez  
Address: 45-701 Monroe Street, Suite G  
Indio, CA 92201  
Phone: (760) 347-3157  
Length of Relationship: 32 years
  
4. **Serving Seniors**  
Contact: Paul Downey  
Address: 525 14<sup>th</sup> Street, Suite 200  
San Diego, CA 92101  
Phone: (619) 235-6572 ext. 301  
Length of Relationship: 14 years
  
5. **Saint Vincent de Paul (SVDP) Management Incorporated**  
Contact: Brendan Coffey  
Address: 3350 "E" Street  
San Diego, CA 92102  
Phone: (619) 778-0982  
Length of Relationship: 3 years

**Agency Officials:**

- 1. USDA Rural Development (U. S. Dept. of Agriculture)**  
**Contact: Ms. Heidi Patterson**  
**Address: 22690 Cactus Ave., Suite 280**  
**Moreno Valley, CA 92553-9035**  
**Phone: (951) 902-6563**  
**Length of Relationship: 20 years**
  
- 2. Tax Credit Allocation Committee**  
**Contact: Shannon Nardinelli**  
**Address: 915 Capitol Mall, Room 110**  
**Sacramento, CA 95814**  
**Phone: (916) 651- 0411**  
**Length of Relationship: 14 years**
  
- 3. Dept. of Housing & Urban Development (HUD)**  
**Contact: John Tedesco**  
**Address: 600 Harrison St., 3rd Floor**  
**San Francisco, CA 94107**  
**Phone: (415) 489-6652**  
**Length of Relationship: 17 years**
  
- 4. Dept. of Housing & Urban Development (HUD)**  
**Contact: Carlos Harb**  
**Address: 611 West 6<sup>th</sup> Street, Suite 801**  
**Los Angeles, CA 90017**  
**Phone: (213) 534-2604**  
**Length of Relationship: 8 years**
  
- 5. Dept. of Housing & Community Development (HCD)**  
**Contact: Doug Smoot, Housing Specialist**  
**Address: 2020 W. El Camino Avenue, Suite 400**  
**Sacramento, CA 95833**  
**Phone: (916) 263-6123**  
**Length of Relationship: Hyder & Company has worked with many folks at HCD for 20+ years and Gary Da Prato, Hyder & Company Vice President, worked at HCD for 11 years before joining Hyder & Company.**

***Stephen Margetic, President***

Stephen Margetic has more than 30 years of experience managing affordable and market-rate properties dating back to 1989. As President, CEO and Owner of Hyder & Company Property Management, he manages over 117 affordable properties totaling nearly 7,000 units throughout California. Prior to joining Hyder & Company Property Management in 2004, Mr. Margetic spent 12 years managing a portfolio of 10,000 units, which included more than 2,000 units of senior housing. A Certified Public Accountant from the state of Illinois, Mr. Margetic has been a member of both the American and the California Association of Homes and Services for the Aging, as well as serving on the Owners' Advisory Board of the National Investment Conference. He is also an active member of the SeniorServ board.

***Gary Da Prato, Vice President of Administration***

Gary has 32 years of experience in the affordable housing industry dating back to 1987 and is responsible for new business development and contract administration. One of his primary duties is to act as a liaison between our firm and various Governmental Agencies and the Owners to keep current in the ever-changing requirements in the field of subsidized management. Gary had 14 years of experience in Program Compliance for subsidized housing projects in California with the California Department of Housing & Community Development (HCD). Program compliance included monitoring housing policy issues dealing with California Redevelopment Agencies administering the California Housing Rehabilitation Program & Earthquake Assistance Program and developing regulations for the Rental Housing Construction Program.

***Ana Rascon, Vice President of Finance***

Ana joined the Hyder team in 2004 as a Staff Accountant. In just one year she was promoted to Accounting Manager, supervising all Staff Accountants and A/P personnel. As Accounting Manager, she also served as Hyder's liaison to software developers, helping tailor fit software solutions to meet the company's needs. Ana was promoted to Controller, then to Vice President of Finance, overseeing all of Hyder's accounting activities, in addition to continuing her role as liaison with software developers.



***Michelle Pruitt, Vice President of Operations and Compliance***

Michelle has more than 23 years of property management experience. She joined Hyder & Company as an Office Clerk in 1996. Rising through the ranks, her experience and expertise ranges through all positions the company has to offer out in the field. In 2012 she became the Director of Operations and in 2017 she became the Vice President of Operations. She has accreditations in HUD, RD, TCAC, HOME and other City based programs.

***Arthur Mendoza, Director of Information Technology & Occupancy Specialist***

Art has served Hyder & Company since 1983, over 36 years as a USDA-RD Certified Manager and USDA-RD Farm Labor Occupancy Specialist. He is responsible for maintaining and producing detailed records of eligibility, status and compliance required by agencies and owners for Hyder & Company's entire portfolio of properties. Previously he provided IT services for both Mercy and Scripps Memorial Hospitals.

***Kyle Beach, Director of Operations***

Kyle has been involved in real estate for over 15 years, with 8 years of experience with Hyder & Company (since 2011). Kyle has worked closely with social and supportive service coordinators to ensure services are provided to residents at the properties. He oversees 117 properties including nearly 7,000 units. In addition to Tax Credit, HUD, and USDA RD certifications, Kyle is a licensed Broker in the state of California and the state of Hawaii bringing expertise and additional knowledge to the portfolio he helps manage.

## Project Manager Experience: Steven Blanden

Twenty-Two years of affordable housing, military housing, and market-rate housing experience. Executive level management of new construction and acquisition-rehab projects leading development team from acquisition through design, construction, and lease up. Engaged on all aspects of the projects, including strategic planning, financial engineering, construction management, lease-up and disposition.

Federal, State and Local Financing in excess of \$150,000,000 for the development of affordable housing and \$950,000,000 for market-rate and military.

Previous Management of 25+ person development and finance team. Acquisition feasibility, financial engineering, management of entire process from acquisition through completion

Chelsea Investment Corporation 2017 through 2019, Development Executive

CRC Companies, LLC 2001 through 2016, Managing Director

M. Timm Development 1997 through 2001, Project Manager

<b>City</b>	<b>Completion</b>	<b>Population</b>	<b>Units</b>	<b>Development Costs</b>
Heber	2022	Homeless Family Affordable	48	17mm
San Diego	2022	Family Affordable	102	42mm
Imperial	2022	USDA, Farmworker, Family Affordable	114	41mm
Baltimore	2021	Family Affordable	451	98mm
San Diego	2022	NPLH, PSH, Homeless, Family Affordable	273	140mm
Irvine	2020	Veteran, PSH, Homeless, Family Affordable	80	42mm
San Diego	2020	Family Affordable	139	30mm
San Diego	2016	Family Market	10	10.2mm
Camarillo	2012	Military, Family Affordable	315	41mm
Lemoore	2011	Family Military	40	19mm
San Diego	2008	Family Market/Affordable	77	11.2mm
San Diego	2007	Military	941	269mm
San Diego	2006	Family Military, Affordable	996	85mm

San Diego	2004	Family Military Affordable	900	293mm
San Diego	2003	Family Military Affordable	500	72mm
Buellton	2000	Family	145	21mm
Longmont, CO	1998	Family	338	31mm



## Community Capital

May 13, 2021

CRP Affordable Housing and Community Development LLC  
4455 Morena Blvd, Suite 107  
San Diego, CA 9211  
Attn: Paul Salib

**Re: Commitment to utilize Private Activity Bonds to finance a Multifamily Rental Project in an amount not to exceed \$25,232,571 (of which \$18,482,571 will be Tax-Exempt and \$6,750,000 will be Taxable) relating to a new construction project to be known as Aspen Grove Villas located in Elk Grove, CA (the "Property").**

Ladies and Gentlemen:

Citibank, N.A. ("CITI") is pleased to offer to CRP Affordable Housing and Community Development LLC ("**Sponsor**"), as the Sponsor of CRP Aspen Grove Villas LP ("**Borrower**"), this commitment ("**Commitment**") for financing, subject to the terms, requirements and conditions which follow. All capitalized terms used herein, unless otherwise defined, shall have the meaning set forth on Exhibit A annexed hereto and incorporated herein by this reference (the "**Commitment Terms**"). CITI's decision to issue this Commitment was made in reliance upon the representations and material supplied by Sponsor and Sponsor's representatives, as more particularly described on Exhibit B annexed hereto. CITI understands that Sponsor intends to submit this Commitment to the City of Elk Grove with respect to the financing of the Property. **This Commitment is subject to, among other things, CITI completing due diligence to confirm the representations made by Sponsor and obtaining credit committee approval.**

**In connection with this Commitment, CITI will be acting solely as a principal and not as your agent, advisor or fiduciary. CITI has not assumed a fiduciary responsibility with respect to this Commitment, and nothing in this Commitment or in any prior relationship between you and CITI will be deemed to create an advisory, fiduciary or agency relationship between us in respect of this Commitment. You should consider carefully whether you would like to engage an independent advisor to represent or otherwise advise you in connection with this Commitment, if you have not already done so.**

**A. Transaction Summary.** The terms of the tax-exempt financing transaction (the "**Transaction**") that is the subject of this Commitment is as follows:

1. On the issuance date (the "**Closing Date**"), CITI shall fund a loan (the "**Funding Loan**") to Governmental Lender, and Governmental Lender shall simultaneously issue a note (the "**Governmental Lender Note**") to CITI. The proceeds of the Funding Loan shall be used by Governmental Lender to make a tax-exempt loan (the "**Tax-Exempt Loan**" or the "**Borrower Loan**") to Borrower to finance the Property, for which the Governmental Lender receives a borrower note (the "**Borrower Note**"). Borrower shall be responsible for securing the issuance and delivery of the Tax-Exempt Loan by the Governmental Lender.
2. Upon closing of the transaction, the rights of Governmental Lender in the Borrower Loan and all documents evidencing and securing the Borrower Loan (the "**Borrower Loan Documents**") shall be assigned to a fiscal agent, which may be CITI (the "**Fiscal Agent**"), as security for the

Governmental Lender's obligations to CITI evidenced by the Governmental Lender Note. CITI will administer and direct the disbursement of the proceeds of the Funding Loan and the Borrower Loan and will oversee the construction work to be performed on the Property (the "Improvements"). The completion of the Improvements and all related work shall be performed during the Interim Phase (as hereinafter defined).

3. CITI shall have the right to engage a third party servicer ("Servicer") to provide limited servicing/oversight functions on behalf of CITI pursuant to a separate servicing agreement with CITI. CITI shall pay Servicer any applicable servicing fee.

4. At such time as the Conditions to Conversion set forth herein are satisfied, if ever, the Loan shall convert from the Interim Phase to the Permanent Period (as hereinafter defined). In the event that the Conditions to Conversion are not satisfied on or before the last day of the Interim Phase, as more particularly provided herein, at the option of CITI, the Tax-Exempt Loan will be subject to acceleration, and all obligations of CITI with respect to the transaction contemplated by this Commitment shall terminate.

5. CITI anticipates that CITI's interest in the Tax-Exempt Loan may be transferred to any eligible investor, which may be a government sponsored enterprise or institutional investor (or a trust for the benefit thereof) and CITI's underwriting and documentation will provide for the possibility of such transfer.

**B. Conditions Precedent to Closing.** The obligation of CITI to make the Funding Loan is subject to satisfaction of the following conditions precedent ("Conditions Precedent to Closing"), in each case in a manner acceptable to CITI. The form and substance of all documents and items submitted by Borrower hereunder must be acceptable to CITI and its counsel.

1. Credit Approval. This Commitment is subject, among other things, to CITI obtaining final credit committee approval. Sponsor understands and agrees that this Commitment is subject to final approvals as set forth in Part E.4. of this Commitment and is not an agreement to make a loan. Any documentation will be forthcoming only after final approval of the underwriting by CITI's credit committee. The financing will be documented separately and will contain terms and conditions that may be in addition to or in substitution of those set forth in the Commitment.

2. Documents. Borrower shall duly authorize, execute and deliver or cause to be delivered at closing a Multifamily Note, a Multifamily Deed of Trust, Deed to Secure Debt or Mortgage, where appropriate (the "Security Instrument"), a Guaranty or Guarantees (including a Completion and Payment Guaranty for the Interim Phase and a Non-recourse Carve-out Guaranty), an Agreement of Environmental Indemnification, a Replacement Reserve Agreement, a Construction Funding Agreement, Assignments and any other assignment, financing statement, agreement or document required by CITI in connection with the Loan (collectively, the "Mortgage Documents"). The Funding Loan Agreement, the Regulatory Agreement, the Borrower Loan Agreement, the Borrower Note and all other documents executed or issued in connection with the transaction shall be referred to, collectively, as the "Tax-Exempt Loan Documents". The Security Instrument and Borrower Note shall initially be for the benefit of Governmental Lender and shall be assigned on the Closing Date to CITI. The Tax-Exempt Loan Documents must be in a form satisfactory to CITI and Governmental Lender. Where appropriate, the Mortgage Documents and the Tax-Exempt Loan Documents shall be acknowledged, recorded and filed in the public record, and all recording receipts promptly delivered to CITI.

3. Title Insurance. Borrower shall promptly deliver to CITI a commitment for a mortgagee's title insurance policy, prepared in accordance with CITI's title insurance instructions, along with a pro forma policy in the form included in such instructions. The title insurance commitment and policy must satisfy all of the requirements of such instructions and include such other coverage and

endorsements as CITI may require. The company and/or agent issuing the commitment shall be acceptable to CITI in all respects. Borrower shall also furnish CITI with copies of all instruments affecting title to the Property including, but not limited to, all instruments referenced in Schedule B of the pro forma policy.

4. UCC Search/Perfection. Borrower shall commission UCC searches in the real estate records and personal property records of the following jurisdictions and shall furnish written reports of such searches to CITI: (i) the jurisdiction where the Property is located, (ii) any other jurisdiction in which Borrower has its principal office for the conduct of its business, (iii) in the central UCC filing location specified by the law of the state where the Property is located, and (iv) any other office where filing is necessary to perfect Governmental Lender's or Fiscal Agent's security interest in the Collateral (as hereinafter defined). All such searches shall be updated to the time of recordation of the Mortgage Documents and shall show no security interests affecting the Property, Guarantor or Borrower, other than those naming Governmental Lender or Fiscal Agent as the secured party. Borrower shall cause the appropriate filing of financing statements, on forms supplied by CITI, evidencing Governmental Lender's or Fiscal Agent's perfected first priority security interest in all personal property, machinery, equipment, building materials, contract rights, furniture, fixtures, royalties, receivables and other rights related thereto, as well as all leases, rents, revenues and proceeds therefrom and all proceeds of the foregoing (collectively, the "Collateral"). Such filing shall be in compliance with both the Uniform Commercial Code, as adopted in the state in which the Property is located, and all other applicable laws affecting the perfection of security interests. Borrower shall furnish to CITI, promptly upon recordation, receipted or time stamped copies of the filed financing statements.

5. Authority. Borrower shall furnish to CITI certified documents satisfactory to CITI evidencing Borrower's power and authority to enter into the Mortgage Documents and the Tax-Exempt Loan Documents. If Borrower is a corporation, such documents shall include Borrower's Articles of Incorporation, Bylaws, corporate resolution relevant to the Loan and a Certificate of Good Standing from the state of incorporation and the state where the Property is located. If Borrower is a partnership, such documents shall include a copy of the partnership agreement and partnership certificate, and the above-referenced corporate documents for any corporate general partner of Borrower. If Borrower is a limited liability company, such documents shall include a copy of the Articles of Organization and Operating Agreement and the Certificate of Authenticity or Certificate of Good Standing from the state of organization and the state where the Property is located.

6. Leases. The standard form of lease used at the Property shall be subject to the prior written approval of CITI. All new leases and renewals of existing leases shall be made on the approved standard form of lease unless otherwise agreed to by CITI. There must be no commercial leases affecting the Property, except for any laundry lease and other commercial lease disclosed in writing to and approved in writing by CITI and its counsel prior to the date of this Commitment. Any current commercial lease or laundry lease must be subordinated to the lien of the Security Instrument and other Mortgage Documents. Borrower agrees that any future commercial lease or laundry lease or renewal of any current commercial lease or laundry lease will contain language acceptable to CITI subordinating said lease to the lien of the Security Instrument and other Mortgage Documents. There must be no default under any current commercial lease or laundry lease.

7. Borrower's Management Agreement. Borrower shall furnish to CITI a copy of Borrower's management agreement. The management agreement must be with a professional management company and both the management company and the terms of the management agreement must be approved in writing by CITI. Borrower shall not make or permit to be made any changes to the

management agreement without the prior written approval of CITI. Without limiting the foregoing, the management agreement must be terminable by owner on 30 days' notice, with or without cause and without payment of any termination fee. If required by CITI, a portion of the management fee may be required to be subordinated to debt service and other amounts payable with respect to the Loan.

8. Rent Roll. If applicable, Borrower shall promptly furnish a copy of the rent roll for the Property, with an updated rent roll to be delivered contemporaneously with closing and as of the Conversion Date (as hereinafter defined).

9. Appraisal. CITI shall have received an appraisal of the Property satisfactory to CITI.

10. Opinion of Borrower's Counsel. Borrower shall deliver to CITI a written opinion by Borrower's counsel approved by CITI, addressed to CITI, Issuer and Bond Trustee and in the form furnished or approved by CITI's counsel.

11. Insurance. Borrower shall deliver to CITI an insurance policy evidencing the existence of insurance relating to the Property, which evidence shall include "paid" premium invoices, conforming in all respects to CITI's insurance requirements as provided to Borrower in a separate package, as same may, from time to time, be modified. Such insurance for the Property shall include, without limitation, coverage for acts of terrorism and, if applicable, flood insurance (as more particularly set forth in Paragraph 17 below). In addition, Borrower must deliver prior to closing (i) the original, or a copy certified by the insurance agent, of the policy(ies) of insurance; or (ii) the insurance binder; or (iii) a certificate of insurance (Acord Form 28 property or Acord Form 27 liability or other form, satisfactory to Lender, provided by the insurance agent); or (iv) original letter from the insurance carrier on the primary layer, signed by an officer of such carrier, attaching the form of insurance policy pursuant to which coverage is being provided, and, if applicable, original letter from each insurance carrier on the excess layers, signed by an officer of such carrier(s) agreeing that it is bound to the form of insurance policy delivered by the primary carrier (*i.e.*, agreeing to "follow form" to the primary carrier). The letter must set forth the date by which the policy will be delivered to CITI, which must not be more than sixty (60) days following closing. All mortgagee/loss payee/additional insured endorsements must be attached to the letter.

12. Permits/Occupancy. Borrower shall deliver to CITI evidence satisfactory to CITI that all applicable governmental authorities have authorized construction of the Improvements and the development and, if applicable, the operation of the Property as a multifamily residential unit, including, without limitation, occupancy permits (if applicable) and building permits. Any nonresidential occupancy must be approved in writing by CITI.

13. Zoning/Subdivision. Borrower shall deliver to CITI certification from the local governmental authority (i) that the use of the Property as a multifamily residential complex complies with all zoning and subdivision ordinances and regulations applicable to the Property and that it is either a legal, conforming use or a legal, nonconforming use acceptable under CITI's underwriting standards, (ii) that the Property has been properly subdivided, and (iii) that the improvements on the Property can be rebuilt on the same location to their presently existing size, shape and density if partially or totally destroyed.

14. Access/Utilities. Borrower shall deliver to CITI evidence satisfactory to CITI that the Property is located on a publicly dedicated and maintained roadway or acceptable easement thereto, is served by public water and sewer systems, electricity and telephone service, and receives adequate municipal services (fire, police and transportation, among others).

15. Other Compliance. Borrower shall deliver to CITI evidence satisfactory to CITI that the Property, and Borrower's operation thereof, is in compliance with all local and/or state building,

safety, health and fire codes, all clean air and water acts and other Hazardous Materials Laws (as hereinafter defined), and all equal opportunity, anti-discriminatory and fair housing requirements.

16. Survey. Borrower shall deliver to CITI a current, certified, "boundary" or "as-built" (as applicable) ALTA survey of the Property and surveyor's certificate, prepared by a registered engineer or surveyor approved by CITI. The survey and surveyor's certificate shall be satisfactory in form and substance to CITI and shall contain those matters set forth in CITI's survey instructions.

17. Flood Zone Map/Certification/Insurance. Borrower shall deliver to CITI a certification from Borrower's architect, engineer or surveyor stating whether the Property is located in a designated special Flood Plain Hazard area, as designated by appropriate federal agencies. If all or any portion of the Property is at any time during the term of the Loan, located in such an area, Borrower shall provide satisfactory evidence to CITI of the existence of flood insurance policies in the maximum amount required pursuant to applicable laws covering all of the improvements on the Property which lie within, are bounded by, or are in any way affected by such area.

18. Operating Documents. Borrower shall furnish copies of any form documents used for the Property and any equipment leases, licenses, franchises, permits, contracts, and any other agreements required for the operation, use, management or occupancy of the Property, and all such items shall be subject to written approval by CITI.

19. Financial Statements of Borrower and Guarantor. CITI shall receive, for its review and approval detailed financial statements for Borrower, any principal in Borrower and each Guarantor, certified by Borrower, such principal or the Guarantor, as the case may be. CITI may also require updated and/or recertified financial statements as of the Closing Date.

20. Environmental Assessment Report. CITI shall receive and approve a written report or reports from CITI's independent environmental inspectors confirming that the Property and any site within the vicinity of the Property (i) has not contained and does not currently contain any Hazardous Material or underground storage tanks or any other pollutants that could be detrimental to the Property, human health or the environment, (ii) does not contain radon gas in levels unacceptable to CITI, (iii) complies with all applicable Hazardous Material Laws and has not been identified by any environmental regulatory body as a site containing Hazardous Material or underground storage tanks, (iv) shows no other environmental problem that would bring the Property within the purview of any federal, state or local environmental law or ordinance, and (v) contains no residual effect due to the removal of storage tanks or Hazardous Material. All deficiencies with respect to any environmental matters which CITI deems to be material shall be corrected by Borrower at its own expense to the satisfaction of CITI. "Hazardous Material" means and includes, without limitation, mold, asbestos and any substance containing asbestos, the group of organic compounds known as polychlorinated biphenyls, flammable explosives, radioactive materials, lead-based paint, chemicals known to cause cancer or reproductive toxicity, pollutants, effluents, contaminants, emissions or related materials and any items included in the definition of hazardous or toxic wastes, materials or substances under the Hazardous Material Laws. "Hazardous Material Laws" means and includes, all federal, state and local statutes, ordinances, regulations, orders, and decrees now or hereafter promulgated in connection with preserving the environment and/or the handling, storage, transport and disposal of Hazard Material.

21. Separate Tax Parcel(s). The Property shall constitute one or more separate and distinct tax parcels for purposes of all real estate taxes and assessments. There shall be no overlap whatsoever between the Property and any other property which will not be subject to the first lien of the Security Instrument. Borrower shall also furnish the most recent tax bills for the Property.



22. Opinion of Tax Counsel. CITI must receive from nationally recognized tax counsel approved by CITI an unqualified opinion (i) as to the validity and enforceability of the Tax-Exempt Loan, (ii) that the interest on the Tax-Exempt Loan is excluded from the gross income of the owners thereof for federal income tax purposes under the Internal Revenue Code of 1986, as amended, and (iii) that the interest on the Tax-Exempt Loan is excluded from the gross income of the owners thereof for state income tax purposes if such exclusion is available under state law. Tax counsel must have (a) addressed its opinion to CITI, (b) addressed its opinion to CITI or (c) provided CITI a letter, addressed to CITI, stating that CITI may rely upon the opinion. Both the opinion and, if applicable, the reliance letter must be satisfactory to CITI.
23. Governmental Lender Requirements. CITI must receive evidence that Governmental Lender shall not impose restrictions, requirements or conditions in connection with its willingness to issue the Tax-Exempt Loan that are unacceptable to CITI. The restrictions imposed by the Tax-Exempt Loan Documents must be consistent with the restrictions on the use of the Property, on the income of tenants and on any rent charge that was used in underwriting the Funding Loan.
24. Low-Income Housing Tax Credits (“LIHTC”). CITI must approve any land use restriction agreement or regulatory agreement regulating or restricting the use or manner of operation of the Property and requiring that the Property be operated as a residential rental project occupied by individuals of low income (as provided for in the Treasury Regulations under Section 42(g) of the Internal Revenue Code). Such regulatory agreement must provide that the Property shall at all times be operated in such manner as to comply with the requirements of the Internal Revenue Code, the Treasury Regulations and IRS Rulings for obtaining and for preserving the LIHTC. In addition, the eligibility of the Property for LIHTC shall be evidenced to CITI in a manner satisfactory to CITI. Such regulatory agreement must be reviewed and approved in writing by CITI.
25. Equity and Funding Conditions. CITI must approve the partners/members (including the Tax Credit Investor), the applicable investment agreement, and the organizational documents of Borrower. CITI must receive and approve evidence satisfactory to CITI in all respects that the amount of the equity contribution is projected to be at least the level used by CITI in underwriting the transaction. Borrower’s organizational documents shall contain restrictions acceptable to CITI on the syndication or other transfer of the Tax Credit Investor’s interest, in whole or in part (including any interest therein), to eligible investors. In addition, prior to the Closing Date, CITI must receive and approve evidence satisfactory to CITI in all respects that Borrower (i) has timely received all required equity contributions to be made to Borrower as of the Closing Date, (ii) has fully funded, for the benefit of the Property, all cash required to be invested in the Property as of the Closing Date, and (iii) has made satisfactory arrangements to fund all cash required to be funded after the Closing Date. Borrower must also provide and CITI must approve in writing any developer’s agreement relating to the Property.
26. Interim Phase Budget. CITI will require satisfactory evidence that other funds and Loan Proceeds are adequate to complete the Improvements and carry the costs of the Property (including but not limited to interest, taxes, insurance, and operating costs), as determined by CITI based upon its review of scope of work, the Appraisal and other relevant information. CITI reserves the right to receive, review and approve all project expenditures made prior to closing.
27. Architectural Consultant and Construction Inspector. CITI shall have approved an architectural consultant to monitor the progress of the Improvements (the “Architectural Consultant”) and Borrower and the Architectural Consultant shall have executed and delivered to CITI an agreement in form and substance acceptable to CITI, pursuant to which the Architectural Consultant shall agree to certify hard cost progress payments and to provide the certifications required pursuant to this Preliminary Commitment upon completion of the Improvements. In

addition, CITI will enter into an agreement directly with a construction inspector ("Construction Inspector") for the benefit of CITI, but at the sole cost and expense of Borrower, to review the plans and specifications, contracts and budget for the Improvements and to monitor the progress of the construction of the Improvements in the manner required by CITI.

28. Approved Plans. CITI and its engineering consultants and the Construction Inspector shall have received and approved the plans and specifications for the Improvements (such plans and specifications, as approved by CITI are referred to herein as the "Approved Plans"), the budget for completion of the Improvements, a fixed or a guaranteed maximum price contract for completion of the Improvements with a general contractor acceptable to CITI and a construction draw schedule for the Improvements.

29. Change Orders. The Approved Plans and the Construction Contract, and any change orders issued thereunder, will be subject to the approval of CITI.

30. Contractors. The architect, general contractor and such other contractors and subcontractors with respect to the Property as shall be identified by Borrower and approved by CITI shall have acknowledged the collateral assignment of their respective contracts to CITI and agreed in writing to continue performance on behalf of CITI under their respective contracts without additional cost in the event of a default by Borrower, which agreements shall be in form and substance acceptable to CITI and its counsel.

31. Payment and Performance Bonds. To the extent indicated on Exhibit A hereto, Borrower shall be required to deliver to CITI payment and performance bonds with respect to its contractor and major subcontractors (as determined by CITI).

32. Additional Documents. Upon request by CITI, Borrower shall furnish CITI with any documentation being furnished to any other party lending or investing in the Property (including CITI), including any plans for the Improvements, construction budgets, contracts and disbursement requests. In addition, Borrower shall deliver to CITI all other documents, instruments and other items required by CITI in connection with the making of the Funding Loan.

33. Additional Funding Requirements: All final documentation and due diligence must be delivered to tax counsel and/or counsel to CITI prior to the release of any funds for the Funding Loan, and under no circumstances will CITI authorize the closing of the Funding Loan until counsel to CITI has received the following final documentation: Trust Indenture, Funding Loan Agreement, Tax Certificate (or comparable document), Multifamily Note(s), the regulatory agreement/land use restriction agreement associated with the Tax-Exempt Loan, TEFRA approval(s), Governmental Lender's resolution(s), proof of volume allocation, , IRS Form 8038, final opinions of tax counsel and Borrower's counsel, any enhancement instrument, and, if applicable, all documentation required from HUD.

34. Fees and Expenses. Borrower shall have paid the Financing Fee (as hereinafter defined) and any other costs and expenses then due and payable pursuant to the provisions of this Preliminary Commitment.

**C. Conversion of the Mortgage Loan to the Permanent Period.** The conditions set forth in the Loan and Tax-Exempt Loan Documents (collectively, the "Conditions to Conversion") must be satisfied no later than the date that is ninety (90) days prior to the last day of the Interim Phase (the "Conversion Package Submission Date"), and must continue to remain satisfied through the date of conversion of the Loan to the Permanent Period (the "Conversion Date") as will be set forth in the Loan Documents, in each case, in a manner acceptable to CITI, if the Loan is to convert from the Interim Phase to the Permanent Period. For purposes of this Preliminary Commitment, the term Interim Phase means the period from the Closing Date through the day prior to the Conversion Date and the term Permanent Period means the period from the Conversion Date (inclusive) through the maturity date (or earlier termination) of the Loan.

**D. Fees and Expenses.** Borrower shall be responsible for the following fees and expenses in connection with the financing:

1. Application Fee. Borrower hereby acknowledges requirement of an application fee (the “Application Fee”) as set forth in the Preliminary Commitment Terms, which amount shall be non-refundable. In the event additional funds are required to complete CITI’s review and due diligence, Borrower will be advised of such costs in advance. Any and all additional costs will be billed to Borrower as they are incurred. The Application Fee is applicable toward third party reports, underwriting and processing (as set forth in the Preliminary Commitment Terms), and CITI’s legal fees.
2. Origination Fee. The Origination Fee as set forth in the Exhibit A shall be due and payable on the Closing Date. The Origination Fee reflects a fee payable to CITI in exchange for providing financing for the Project.
3. Conversion Fee. Borrower shall pay CITI a Conversion Fee as set forth in the Preliminary Commitment Terms for CITI’s services in processing information to determine whether the Conditions to Conversion have been satisfied. The Conversion Fee shall be due when Borrower first submits information to satisfy the Conditions to Conversion.
4. Fees and Expenses. Sponsor shall pay when due, whether or not the closing occurs, all reasonable and actual expenses, fees and charges with respect to the cost of issuance of the Tax-Exempt Loan (including tax and Governmental Lender counsel fees, Governmental Lender fees, Fiscal Agent fees, Fiscal Agent counsel fees, financial advisor fees, printing and mailing costs and other Tax-Exempt Loan related fees and costs), and the Tax-Exempt Loan processing and closing, or in any way connected therewith, including, without limitation, appraisal fees, survey costs, title insurance costs, architectural fees, engineering fees, inspection fees, mortgage or similar taxes and all attorneys’ fees and legal costs of CITI. Without limiting the foregoing, Sponsor specifically agrees to pay all costs relating to document preparation and review of real estate due diligence items by counsel to CITI.

**E. Assignment; Acceptance; Termination.**

1. Acceptance. In order for this Commitment to be binding on CITI, Sponsor must execute a copy of this Commitment and return it, along with the Application Fee to CITI within five (5) business days after the date first set forth above (the “Outside Acceptance Date”), time being of the essence.
2. Expiration. This Commitment must be accepted on or before the Outside Acceptance Date, and the Tax-Exempt Loan must be issued prior to the Outside Closing Date set forth in the Commitment Terms, or this Commitment shall terminate and be of no further force and effect; provided, however that the provisions of this Commitment that explicitly survive termination shall continue in full force and effect. In the event that Sponsor does not obtain an allocation for the full amount of the Tax-Exempt Loan at least thirty (30) days prior to the Outside Closing Date, or the issuance of the Tax-Exempt Loan and the making of the Funding Loan by CITI does not occur by the Outside Closing Date, Sponsor may request an extension of this Commitment (not to exceed ninety (90) days), which extension shall be in Citi’s sole discretion. In the event the requested extension is approved by CITI in its sole discretion, in addition to the Financing Fee and other amounts due hereunder, Sponsor shall pay to CITI a commitment extension fee equal to 0.25% (25 basis points) of the Interim Phase Amount on the Closing Date.
3. Termination. CITI may terminate this Commitment at any time if:
  - a. Any material adverse change (financial or otherwise) shall occur at any time prior to the Closing Date with respect to (i) the Property, the proposed Improvements, and/or the

other security for the Tax-Exempt Loan, or (ii) the credit of Borrower and/or Sponsor (and/or any of the principals of Borrower and/or Sponsor) or any Guarantor or any other person or entity connected with the Loan, or (iii) any other source of repayment of the Loan.

b. Any part of the Property shall have been taken in condemnation or other like proceeding, or any such proceeding is pending or threatened as of the Closing Date, or any part of the Property is damaged and not repaired to CITI's satisfaction prior to the Closing Date.

c. If requested, certifications of the non-occurrence of (a) and (b) above, in form acceptable to CITI, are not executed by Borrower on the Closing Date, or if Borrower has not delivered on the Closing Date updated personal financial statements for any Guarantor.

d. After acceptance of this Commitment, the Tax-Exempt Loan is not issued and closed on or prior to the Outside Closing Date (as the same may be extended pursuant to Section E2.).

e. If, in CITI's sole judgment, CITI's underwriting and due diligence indicate the reasonable possibility of a material adverse change in the Property, the proposed Improvements, the Sponsor, the Borrower and/or any Guarantor.

f. If the OFAC representation and warranty in Section F5. is no longer true and correct.

4. Upon termination, Sponsor shall pay to CITI any other reasonable damages CITI may have incurred due to non-delivery of the Tax-Exempt Loan. **Sponsor's or Borrower's obligation to pay all amounts due under this Commitment shall survive the termination or expiration of this Commitment.** If Sponsor or Borrower fails or refuses to comply with the terms of this Commitment, CITI, at its option, shall have the right to enforce any rights and remedies it may have at law or in equity, including, but not limited to, the collection of costs and expenses arising out of such breach, including reasonable attorneys' fees and disbursements.

5. Final Underwriting. By accepting this Commitment, Sponsor expressly acknowledges that the obligation of CITI to provide the Funding Loan is subject to the completion of final loan underwriting by CITI, final CITI loan committee approval, and the satisfaction of any additional or differing conditions including interest rates that may be required by CITI as a result of such committee approval. By accepting this Commitment, Sponsor expressly acknowledges that the obligation of CITI to provide the financing described in this Commitment is subject to the satisfaction of the obligations and terms and conditions required by Citi for new construction and rehabilitation projects.

#### **F. Miscellaneous.**

1. Further Assurances. Sponsor hereby expressly acknowledges that CITI intends to incur costs upon acceptance of this Commitment. Upon acceptance of the Commitment, Sponsor shall be strictly obligated to close the transaction contemplated hereby. Sponsor acknowledges that failure to close the transaction will subject CITI to substantial costs and damages. Therefore, Sponsor hereby expressly agrees:

a. To perform all of the requirements, terms and conditions contained herein at the time and in the manner herein and as required by CITI.

b. Refrain from taking any action that would result in CITI's inability to arrange for the making of the Funding Loan.

- c. On the request of CITI, to re-execute or ratify any of the Mortgage Documents and/or the Tax-Exempt Loan Documents, or execute any other documents as may be reasonably necessary to effect the delivery of the Tax-Exempt Loan to any investor.
2. Indemnification for Brokerage Commissions. Sponsor acknowledges and agrees that any fees due for tax-exempt loan or related mortgage loan origination services shall be Borrower's sole responsibility. Borrower and Sponsor shall indemnify and hold CITI harmless from and against any and all claims, demands and liability for brokerage commissions, assignment fees, finders' fees or other compensation whatsoever arising from the issuance of this Commitment, the making of the Tax-Exempt Loan that may be asserted against CITI by any person or entity. **Sponsor's and Borrower's obligation to indemnify CITI hereunder shall survive the termination or expiration of this Commitment.**
3. Authorization. Sponsor and the undersigned Guarantor hereby authorize CITI to obtain and forward any and all credit information, including credit reports and financial statements and all other information of any kind received or reasonably required in connection with this Commitment to any rating agency and to any potential investor.
4. Exclusivity. The terms and provisions of this Commitment are intended for the sole and exclusive benefit of CITI and Borrower, and not for the benefit of, nor for the purpose of being relied upon, by any other party.
5. OFAC Provisions. Sponsor hereby represents and warrants that no portion of the Property has been or will be purchased, improved, equipped or furnished with proceeds of any illegal activity. Sponsor further represents and warrants that to the best of Sponsor's knowledge, after having made diligent inquiry, Sponsor, Borrower, each Person owning a direct or indirect interest in Borrower, each Guarantor, each person owing a direct or indirect interest in each Guarantor, the Property Manager, and each tenant at the Property: (a) is not currently identified on OFAC List, and (b) is not a Person with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or Executive Order of the President of the United States. The Sponsor further acknowledges and agrees that it shall have a continuing obligation during the processing of this Commitment to notify CITI promptly if it knows or has reason to believe that the representations and warranties contained herein are no longer correct. Sponsor has implemented procedures, and will consistently apply those procedures throughout the term of the Tax-Exempt Loan, to ensure the foregoing representations and warranties remain true and correct during the term of the Tax-Exempt Loan. For the purposes hereof, "OFAC List" means the list of specially designated nationals and blocked persons subject to financial sanctions that is maintained by the U.S. Treasury Department, Office of Foreign Assets Control and any other similar list maintained by the U.S. Treasury Department, Office of Foreign Assets Control pursuant to any Requirements of Law, including, without limitation, trade embargos, economic sanctions, or other prohibitions imposed by Executive Order of the President of the United States, which OFAC List is accessible through the internet website <http://www.treasury.gov/ofac/downloads/t11sdn.pdf>, and "Person" means an individual, partnership, limited partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature.
6. Borrower's Representations. The validity of this Commitment and CITI's obligations hereunder shall at all times be subject to the accuracy and validity of all information and representations furnished by Sponsor to CITI with regard to the Tax-Exempt Loan, which shall have been and shall continue to be true and not misleading in all material respects.

7. Loan Data. All inspections, reports, appraisals, environmental studies or other data submitted to, commissioned for, conducted or produced by or for CITI are for its benefit and use and shall be the property of CITI. No right of inspection or approval contained in this Commitment shall be deemed to impose upon CITI any duty or obligation whatsoever to take any action or to notify any person with respect thereto, and no liability shall be imposed upon any such party and no warranty shall be deemed or construed to arise by reason of any inspection undertaken or approval given by any such party, its agents, employees or representatives, any such inspections and approvals being made solely for the benefit of such party. **The provisions of this paragraph shall survive the termination or expiration of this Commitment.**

8. Discretion. In any instance where the consent or approval of CITI may be given or is required, or where any determination, judgment or decision is to be rendered by CITI under this Commitment, the granting, withholding or denial of such consent or approval and the rendering of such determination, judgment or decision shall be made or exercised by CITI (or its designated representative) at its sole and exclusive option and in its sole and absolute discretion.

9. Waiver. CITI reserves the right, in its sole discretion, to waive in whole or part any of the terms, requirements and conditions in this Commitment, the Mortgage Documents, the Bond Documents or other documents referenced herein; provided, however, that such waiver shall in no event be construed to constitute a waiver of the applicable terms, requirements or conditions as they may apply in the future.

10. Successors and Assigns. Sponsor acknowledges and agrees that CITI at its option may assign or otherwise transfer the Bonds and all documents evidencing and securing the Bonds including, but not limited to, this Commitment, to other parties subsequent to the execution of this Commitment. Neither Sponsor nor Borrower may assign its rights, interest, or obligations under this Commitment without first obtaining CITI's prior written consent. This Commitment shall be binding upon the successors and permitted assigns of Borrower.

11. Governing Law. This Commitment shall be governed by and construed in accordance with the laws of the State of New York. Sponsor agrees that any legal action that may arise out of this Commitment will be commenced only in the United States District Court, Southern District of New York, or New York State Courts sitting in New York County, New York, and Sponsor hereby submits to the jurisdiction of any such court. All Mortgage Documents and Bond Documents (other than this Commitment) shall be governed by the laws of the State where the Property is situated. **The governing law election with respect to this Commitment shall survive the termination or expiration of this Commitment.**

12. WAIVER OF TRIAL BY JURY. SPONSOR AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS COMMITMENT OR THE RELATIONSHIP BETWEEN BOND PURCHASER, BONDHOLDER REPRESENTATIVE AND BORROWER OR SPONSOR THAT IS TRIABLE OF RIGHT BY A JURY AND WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN BY SPONSOR KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL AND APPLIES TO ALL ACTIONS WHETHER ARISING IN CONTRACT, TORT, EQUITY OR OTHERWISE. **THIS PROVISION SHALL SURVIVE THE TERMINATION OR EXPIRATION OF THIS COMMITMENT.**

13. Survival. The covenants, terms and conditions set forth in this Commitment shall not survive the Closing Date (unless expressly provided to the contrary). In the event of any conflict

between this Commitment and the Mortgage Documents and/or the Bond Documents, the Mortgage Documents and/or the Bond Documents, as applicable, shall prevail.

14. Confidentiality The provisions of this Commitment and all of the terms and conditions contained herein are confidential and Sponsor shall not share this Commitment, or the terms and conditions contained herein, with any third party; provided however, Sponsor may show this Commitment to the Issuer in connection with its application for issuance of the Bonds. **This confidentiality provision shall survive the termination or expiration of this Commitment.**

15. Anti Tying Policy. CITI maintains a policy of strict compliance to the anti-tying provisions of the U.S. Bank Holding Company Act of 1956, as amended, and the regulations issued by the Federal Reserve Board implementing the anti-tying rules (collectively, the "Anti-tying Rules"). Moreover, our credit policies provide that credit must be underwritten in a safe and sound manner and be consistent with Section 23B of the Federal Reserve Act and the requirements of federal law. Consistent with these requirements and our Anti-tying Policy:

- a. The extension of commercial loans or other products or services to you by CITI or any of its subsidiaries will not be conditioned on your taking other products or services offered by CITI or any of its subsidiaries or affiliates, unless such a condition is permitted under an exception to the Anti-tying Rules.
- b. CITI will not vary the price or other terms of any product or service offered by CITI or its subsidiaries on the condition that you purchase another product or service from CITI or any of its affiliates, unless CITI is authorized to do so under an exception to the Anti-tying Rules.
- c. CITI will not require you to provide property or services to CITI or any affiliate of CITI as a condition to the extension of a commercial loan to you by CITI or any of its subsidiaries, unless such a requirement is reasonably required to protect the safety and soundness of the loan.
- d. CITI will not require you to refrain from doing business with a competitor of CITI or any of its affiliates as a condition to receiving a commercial loan from CITI or any of its subsidiaries, unless the requirement is reasonably designed to ensure the soundness of the Loan.

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If you have any questions relating to this Commitment, or if we can be of any further assistance, please do not hesitate to let us know.

Very truly yours,

CITIBANK, N.A., a national banking association



Soraja M. Rahim  
Citibank, N.A.  
Vice President

By: 2021.05.14 14:  
51:24 -08'00'



The undersigned hereby accepts the foregoing Commitment and agrees to be bound by the terms, requirements and conditions set forth herein.

5/14/2021

Date: \_\_\_\_\_

**SPONSOR:**

DocuSigned by:  
*Paul Salib*  
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By: \_\_\_\_\_

Name: Paul Salib

Title: Authorized Signatory

**EXHIBIT A****COMMITMENT TERMS**

This Exhibit A is an integral part of, and establishes additional terms, conditions and requirements of, the Commitment to which this is annexed.

**SUMMARY OF MORTGAGE LOAN TERMS**

Project:	Aspen Grove Villas, a 75-unit multifamily new construction project.
Maximum Loan Amount:	An amount estimated to be \$25,232,571 (\$18,482,571 Tax-Exempt and \$6,750,000 Taxable).  Permanent loan estimated to be \$7,551,929.
Number of Units:	75.
Low-Income Units:	10 units at 30% AMI, 33 units at 50% AMI, 31 at 80% AMI, and 1 manager unit.
Construction Period Interest Rate:	A rate currently estimated to be 3.00% on the Tax-Exempt Loan and 3.00% on any Taxable Loan proceeds, as needed.
Permanent Period Interest Rate:	A rate currently estimated to be 4.50%.
Financing Fee:	A fee, payable to CITI, equal to 1.00% of the amount of the Maximum Mortgage Loan Amount. This fee includes permanent lending services.
Conversion Fee:	\$10,000
Guarantor(s):	Individual(s) or corporate entity acceptable to CITI in all respects. The Guarantor(s)' financial condition(s) must be acceptable to CITI in all respects.
Outside Closing Date:	February 2022.
Initial Construction Period:	30 months.
Possible Extension Period(s):	One 6 month extension(s).
Permanent Loan Term:	Mandatory prepayment at the end of the 18th year following Closing.
Amortization Period:	35 years.
Yield Maintenance Period:	From closing until 6 months prior to the end of the 18 <sup>th</sup>

year following the closing date.

Loan Sizing Criteria:

Maximum Loan to Value: 90%.  
Maximum Loan to Cost: 80%.  
Debt Service Coverage: 1.15 to 1.00.

Required Reserves following Conversion:

\$250/Unit/Year for years 1-5. Thereafter, subject to increases once every 5 years, based upon a physical needs assessment

Approved Subordinate Financing:

The terms, conditions and documentation of the Approved Subordinate Financing, if any, including the form of subordination agreement subordinating the Approved Subordinate Financing to the Loan, are subject to the review and approval CITI in its sole discretion.

General Contractor and Bonding Requirements:

The general contractor and the construction contract must be acceptable to CITI. CITI will require payment and performance bonds equal to 100% of the construction contract amount. CITI will require payment and performance bonds equal to 100% of the construction contract amount. Surety issuing bonds must have an A.M. Best rating of "A/X" or better and must be acceptable to CITI in all other respects.

Tax Credit Equity Provider:

TBD. Must be acceptable to CITI in all respects.

**EXHIBIT B**

**Initial Due Diligence Completed**

1. Review of proposed income and expense statements (budget).
2. Review of estimated sources and uses statement.
3. Review of financial information of Sponsor, Borrower and principals of each.

249



May 11, 2021

Paul Salib  
CRP Affordable Housing & Community Development LLC  
4455 Morena Blvd Suite #107  
San Diego, CA 92117

Re: Aspen Grove Villas Phase I, a 75-unit affordable housing development to be located in Elk Grove, Sacramento County, California and developed, constructed, owned and operated by CRP Aspen Grove Villas, L.P., a California limited partnership (the "Partnership"), in compliance with Section 42 of the *Internal Revenue Code of 1986* ("IRC")

Dear Paul:

Thank you for providing Hunt Capital Partners, LLC ("HCP") the opportunity to present this Letter of Intent Agreement. The following sets forth our proposal of the basic business terms to be included in the Partnership by and between Hunt, or its designees as the Investor Limited Partner (the "Limited Partner" or "LP") and CRP Affordable Housing & Community Development (the "General Partner" or "GP") regarding the Project.

*Investment Entity:* CRP Aspen Grove Villas, L.P., a California Limited Partnership (the "Partnership"), with CRP Affordable Housing & Community Development as General Partner with a 0.01% ownership interest in the Partnership, and Hunt Capital Partners, LLC or its designated affiliate, as Limited Partner with a 99.99% ownership interest in the Partnership.

*Tax Credits Available:* \$16,777,577 ("projected Fed LIHTCs")  
The LP is acquiring 99.99% of the partnership's tax credits with annual housing credit allocation of \$1,677,758.

\$9,679,371 ("projected CA State LIHTCs")  
The LP is acquiring 100.00% of the partnership's tax credits with annual housing credit allocation of \$2,419,843.



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Development Completion Guaranty: The GP and Guarantors will guarantee completion of construction of the Project substantially in accordance with plans and specifications approved by Hunt Capital Partners, LLC, including, without limitation, a guaranty: (i) to pay any amounts needed in excess of the construction loan and other available proceeds to complete the improvements; and (ii) to pay operating deficits prior to the conclusion of Project construction.

Credit Adjusters: The GPs will provide that, if in any year actual credits are less than Projected Credits, then LP shall be owed an amount necessary to preserve its anticipated return based on the Projected Credit.

The obligations of the GP shall be guaranteed by GP, Developer and their principals (the "Guarantor").

*Asset Management Fee (AMF):* \$7,500 annually

*Cash Flow Split:* Cash Flow to the Partnership shall be distributed as follows:

- a. To the LP, to make any tax credit adjuster payment not previously made;
- b. To the payment of any debts, excluding any unpaid Development Fee, owed to the Partners and/or their affiliates, until all such debts have been paid in full;
- c. To the payment of the AMF plus all accrued AMF unpaid from prior years;
- d. 90% to the payment of any unpaid Development Fee, until such fee has been paid in full and 10% to the LP;
- e. The balance, 90% to the GP as an Incentive Property Management Fee and 10% to the partners in accordance with their ownership percentages.

All tax profits, losses, and credits from operations will be allocated 0.01% to the GP and 99.99% to the LP.

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*Residual Split:*

From Refinancing or Sale. Taxable profits and/or losses from a sale of the Property will be allocated among the Partners of the Partnership to adjust capital accounts as required by the Internal Revenue Code and in accordance with sale proceeds distributions.

Sale and Refinancing Proceeds will be distributed as follows:

- a. Payment in full of all Partnership debts except those due to Partners and/or their affiliates;
- b. To the LP, to make any tax credit adjuster payment not previously made;
- c. To the payment of any debts owed to Partners and/or their affiliates until all such debts have been paid in full, and GP's capital contribution;
- d. The balance, 90% to the GP and 10% to the LP.

*Replacement Reserves:*

\$250/unit/year

*Other Terms and Conditions:*

- 1) Proof of award and allocation of LIHTC.
- 2) The GP must have a firm commitment for a fixed-rate permanent first mortgage with terms, conditions and a Lender acceptable to the Limited Partner.
- 3) Receipt, review, and approval of market study, environmental and geological reports, plans and specifications, contractor and such other conditions which are customary and reasonable for an equity investment of this nature and amount;
- 4) The Capital Contributions are determined on the projected credits delivered to Hunt based on the lease-up schedule provided to Hunt by the GP. Any changes in the timing of construction and/or lease-up may impact the timing and amounts of Capital Contributions.
- 5) Approval of the transaction by (i) HCP's Investment Committee and (ii) HCP's Investor including transaction yield and tax rate assumptions.

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Paul Salib  
Aspen Grove Villas Phase I  
May 11, 2021  
Page 5 of 5

In recognition of the time and expense to be spent by Hunt in evaluating this transaction prior to closing, the GP will deal exclusively with Hunt with respect to the transactions noted in this firm commitment letter until this firm commitment letter is terminated by either party. You hereby confirm that no other party presently has any right to acquire an interest in the Property or the Partnership.

Please execute and promptly return to us a copy of this commitment letter. The terms herein shall expire 10 business days after the date of this letter if your signed copy has not been received by us.

Sincerely,

Dana Mayo  
Executive Managing Director  
Hunt Capital Partners, LLC

AGREED and ACCEPTED:

CRP Aspen Grove Villas, L.P.

By: Paul Salib  
Name: Paul Salib  
Title: Authorized Signatory

DocuSigned by:  
*Paul Salib*  
4B2ABD89EF604C6...

5/11/2021  
Date

Cc: Isaac Gephart (Hunt Capital Partners)



May 11, 2021

Sarah Bontrager  
Housing and Public Services Manager  
City of Elk Grove  
8401 Laguna Palms Way  
Elk Grove, CA 95758

**Reference: Response to Request for Proposal for the Construction, Development and Operation of an Affordable Housing Project. Application for 4% Low Income Housing Tax Credits.**

**Project: Deferred Developer Fee - Aspen Grove Villas, 8668 Poppy Ridge Road, Elk Grove, CA 95757**

Dear Ms. Bontrager,

Please accept this commitment letter for our deferred developer fee. Pursuant to California Tax Credit Allocation Committee (CTCAC) regulations, we are committing to defer up to \$550,000 of the developer fee as calculated per CTCAC and CDLAC regulations.

The deferred developer fee will be paid from residual receipts of the project cash flow as a priority.

Please feel free to contact me at [psalib@crpaffordable.com](mailto:psalib@crpaffordable.com) should you have any questions or need additional information.

Sincerely,

DocuSigned by:  
  
4B2ABD89EF604C6...

Paul Salib  
Authorized Signatory



May 11, 2021

Sarah Bontrager  
Housing and Public Services Manager  
City of Elk Grove  
8401 Laguna Palms Way  
Elk Grove, CA 95758

**Reference: Response to Request for Proposal for the Construction, Development and Operation of an Affordable Housing Project. Application for 4% Low Income Housing Tax Credits.**

**Project: Developer Fee Forgone - Aspen Grove Villas, 8668 Poppy Ridge Road, Elk Grove, CA 95757**

Dear Ms. Bontrager,

Pursuant to California Tax Credit Allocation Committee (CTCAC) regulations, we are committing to forego up to \$1,158,422 of the developer fee as calculated per CTCAC and CDLAC regulations.

Please feel free to contact me at [psalib@crpaffordable.com](mailto:psalib@crpaffordable.com) should you have any questions or need additional information.

Sincerely,

DocuSigned by:  
*Paul Salib*  
4B2ABD89EF604C6...

Paul Salib  
Authorized Signatory



May 11, 2021

Sarah Bontrager  
Housing and Public Services Manager  
City of Elk Grove  
8401 Laguna Palms Way  
Elk Grove, CA 95758

**Reference: Response to Request for Proposal for the Construction, Development and Operation of an Affordable Housing Project. Application for 4% Low Income Housing Tax Credits.**

**Project: Seller Land Note - Aspen Grove Villas, 8668 Poppy Ridge Road, Elk Grove, CA 95757**

Dear Ms. Bontrager,

Please accept this commitment letter for our Seller Note. Pursuant to California Tax Credit Allocation Committee (CTCAC) regulations, we are committing to defer \$725,000 of the Fair Market Value of the land per the third-party appraisal calculated in compliance with CTCAC and CDLAC regulations.

The Note will be payable from the available residual receipts of the project cash flow.

Please feel free to contact me at [psalib@crpaffordable.com](mailto:psalib@crpaffordable.com) should you have any questions or need additional information.

Sincerely,

DocuSigned by:  
*Paul Salib*  
4B2ABD89EF604C6...

Paul Salib  
Authorized Signatory

**TAB # 2**  
**Project Description**

## Project Description

a. Name of project.

**Aspen Grove Villas – 8668 Poppy Ridge Road, Elk Grove, CA 95757**

b. Property address and Assessor's Parcel Number(s), location map, and description of nearby amenities.

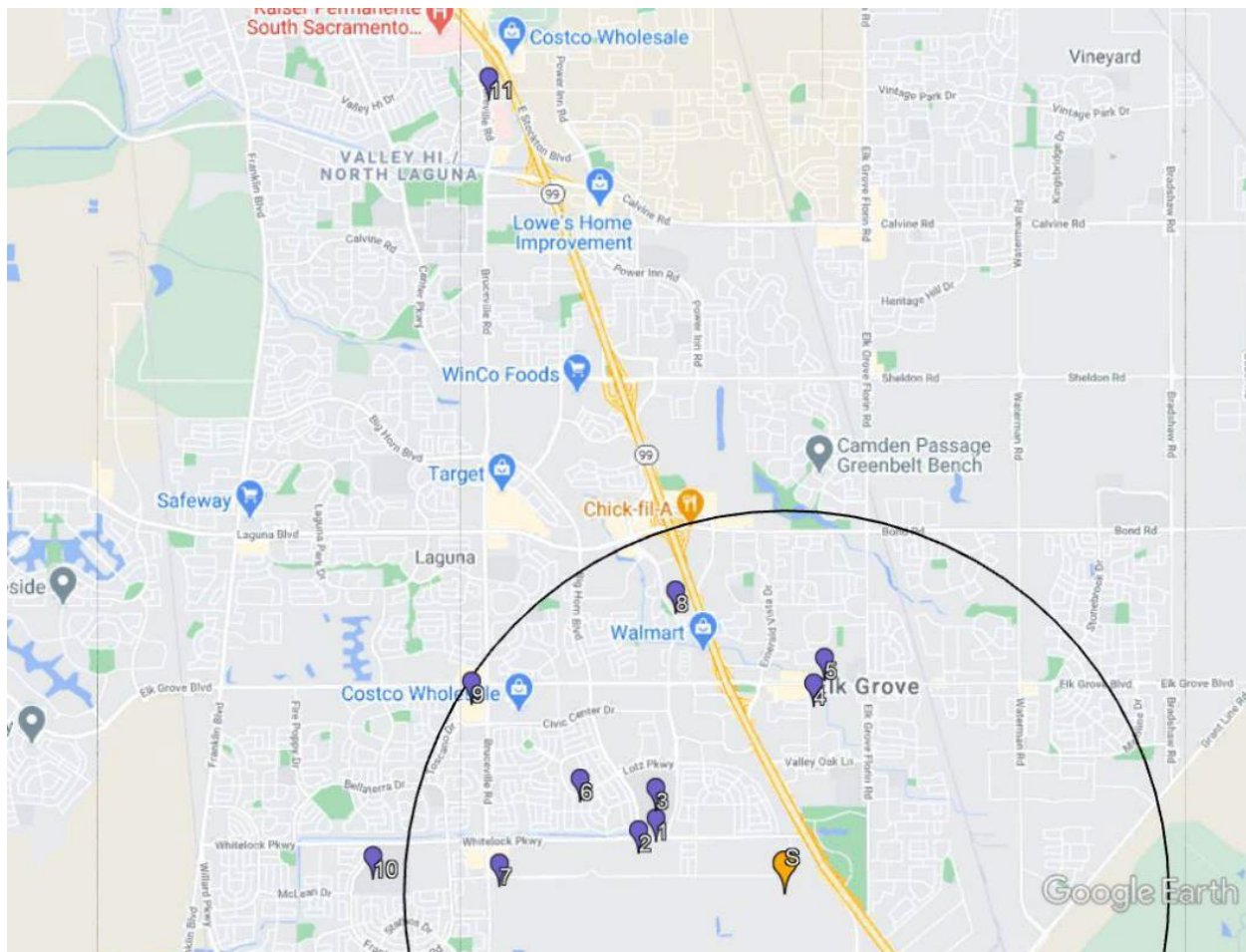
**APN: 132-0290-021-0000**

**8668 Poppy Ridge Road, Elk Grove, CA 95757**

Aspen Grove Villas ("Project") is a new construction, large-family 100% affordable housing project located in Sacramento County, CA utilizing 4% Tax Credit project. Once construction is complete, the Project will provide one hundred and twenty-six (126) units. The first phase of this project will provide seventy-five (75) homes for households earning between 30% and 80% of area median income. The Project will provide desperately needed housing stability to these families as quickly as possible.

This project is near transit, grocery, schools, and other necessary amenities to qualify for the 4% tax credit program and provide the residents convenient and safe access.

Locational Amenities Map (Extracted from the Market Study):



**LOCATIONAL AMENITIES**

<b>Map #</b>	<b>Service or Amenity</b>	<b>Distance from Subject</b>
1	Elizabeth Pinkerton Middle School	1.0 mile
2	E-Tran Bus Stop (Route 110)	1.0 mile
3	Cosumnes Oaks High School	1.1 miles
4	Cosumnes Fire Station #71	1.4 miles
5	Post Office	1.5 miles
6	Zehnder Ranch Elementary School	1.5 miles
7	Walmart Supercenter	1.9 miles
8	Elk Grove Police Department	2.1 miles
9	Umpqua Bank	2.5 miles
10	Franklin Community Library	2.7 miles
11	Sierra Vista Hospital	5.7 miles

c. Description of the population served (e.g., family, senior, special needs).

Large Family

d. Number of proposed affordable units, proposed affordable rents (and basis for which), and affordability levels by unit.

The project will be a 100% affordable housing project, consisting of a total of 75 units (1 manager unit), with Area Median Incomes ranging from 30%-80%.

**OPERATING BUDGET & INCOME ANALYSIS**

## Aspen Grove Villas I

Year 2021 Sacramento County

Rent:	Restriction	%AMI	Units	Square Feet/Unit	Total Sq. Ft.	Gross Rents	Utility Allowance	Monthly Net Rent	Annual Rent
1BR/1BA	LIHTC	50%	4	620	2,480	\$ 850	\$ 70	\$ 780	\$ 37,440
<b>1BR/1BA</b>	<b>LIHTC</b>	<b>30%</b>	<b>2</b>	<b>620</b>	<b>1,240</b>	<b>\$ 510</b>	<b>\$ 70</b>	<b>\$ 440</b>	<b>\$ 10,560</b>
2BR/1BA	LIHTC	80%	20	806	16,120	\$ 1,632	\$ 89	\$ 1,543	\$ 370,320
2BR/1BA	LIHTC	50%	22	806	17,732	\$ 1,020	\$ 89	\$ 931	\$ 245,784
<b>2BR/1BA</b>	<b>LIHTC</b>	<b>30%</b>	<b>6</b>	<b>806</b>	<b>4,836</b>	<b>\$ 612</b>	<b>\$ 89</b>	<b>\$ 523</b>	<b>\$ 37,656</b>
3BR/2BA	LIHTC	80%	11	1,064	11,704	\$ 1,885	\$ 105	\$ 1,780	\$ 234,960
3BR/2BA	LIHTC	50%	7	1,064	7,448	\$ 1,178	\$ 105	\$ 1,073	\$ 90,132
<b>3BR/2BA</b>	<b>LIHTC</b>	<b>30%</b>	<b>2</b>	<b>1,064</b>	<b>2,128</b>	<b>\$ 706</b>	<b>\$ 105</b>	<b>\$ 601</b>	<b>\$ 14,424</b>
<b>3BR/2BA</b>	<b>n/a</b>	<b>MGR</b>	<b>1</b>	<b>1,064</b>	<b>1,064</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Total Rents			75		64,752				1,041,276
Community Room/Office					2,400				
% Loss to Efficiency					18%	14,741			
Construction Square Feet, excluding commercial					81,893				
<b>RA Overhang</b>									
<b>Income from Operations</b>									
				PUPM					
Laundry				\$	16.00	14,400			
Other Income (App. Fees, Late, etc.)				\$	4.00	3,600			
Sub-Total				\$	20.00	1,059,276			
Less: Vacancies @				5.0%	52,964				
<b>Total Income</b>						<b>1,006,312</b>			
<b>Operating Expenses</b>									
				PUPA		Notes			
Other				\$	5,850	438,750			
<b>Total Expenses</b>				\$	5,850	<b>438,750</b>			
<b>Net Operating Income</b>									<b>567,562</b>
Reserves				\$250/unit	18,750				
Services				\$650/unit per unit	48,100				
Issuer and Monitoring Fee (Annual Admin. Fee)				0.05%	7,500				
Mandatory Debt Service				0.420%	0				
<b>Net Income Available for Debt Service</b>									<b>493,212</b>

e. Total project costs, total units, and cost per unit.

Total Development Cost: \$ 34,849,555 or \$464,661/unit

Total Units: 75

f. Applicable project amenities, services, and/or any other relevant project information.

This project is near transit, grocery, schools, and other necessary amenities to qualify for the 4% tax credit program and provide the residents convenient and safe access.

Our letter in the appendix details the services to be provided by our experienced Managing General Partner, Central Valley Coalition for Affordable Housing.



g. Conceptual site plan, elevations, unit plans, and a description of how the project design will complement and enhance the surrounding community.

Please find included in the proposed site plan and elevations in the appendix.

#### Project Design:

Aspen Grove Villas is designed to complement and enhance the neighboring communities in addition to addressing the City's need for affordable multi-family housing. The proposed development concept will adhere to the City's zoning regulations and design guidelines, South East Policy Masterplan, and will also take recently proposed urban design studies into consideration to help achieve a seamless integration within the city's overall urban design efforts.

The project consists of four similar building types, that are all three stories high with flat roofs. All of the buildings will be wood framed construction, slab on grade, stucco building exteriors and vinyl windows. A community room will also be provided in addition to a barbeque area and a tot lot. Minimum construction standards will be adhered to in order to assure that a quality family housing development is provided.

The buildings will be oriented appropriately throughout the site with the intent to create a community concept. The community building will consist of an office, computer learning center, laundry facilities, and a community room with a kitchenette. The project will include bike racks at all structures, resident benches, play areas, covered and lighted parking. An on-site resident manager will provide assistance and management while residing in the manager's unit. There will also be open space which will serve as an excellent setting for family gatherings and play areas for children to enjoy.

The proposed development will exceed California's Title 24 Energy Code by at least 15% and will achieve a GOLD rating in the Green Point Rated Build It Green Program, a stringent and multifaceted third party verification program. The project will include a variety of green and sustainable building techniques. The development will be water and energy efficient, provide healthy indoor air quality and will incorporate long lasting durable materials on both the interior and the exterior of the project, including but not limited to:

- Design to maximize natural light
- Environmentally friendly construction and waste-management processes
- Energy efficient heating and cooling systems
- Energy Star kitchen and common area appliances
- High levels of insulation
- LED lighting and use of timers and sensors
- Quality, durable materials
- Solar for common areas
- State of the art waste management systems.

h. Any market or feasibility studies completed for the project within the last six (6) months, or indicate if none were completed. (Attach as an appendix.)

Our Market Study has been prepared by Novogradac Consulting LLP and attached in the appendix.

**TAB # 3**

**Site Control/Evidence & Valuation**

## Explanation of Cost

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This project is phase one of multiple phases. The purchase price has been allocated based on the number of units (75) for this first phase in relation to the total number of units (300) when the project is completed. See below for the calculation of land value for Phase 1.

Total purchase price of Land = \$5,900,000

Phase 1 = 75 units

Allocation percentage - 75 units /300 total units = 25%

Land Value for Phase 1 - \$5,900,000 \* 25% = \$1,475,000

**PURCHASE AND SALE AGREEMENT  
AND ESCROW INSTRUCTIONS**

by and between

**8668 Poppy Ridge LLC**  
a California limited liability company  
(the "Seller")

and

**CRP Affordable Housing and Community Development LLC,**  
a Delaware limited liability company  
(the "Buyer")

## PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS

This PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS ("Agreement") is made and is effective as the 18th day of March, 2021 (the "Effective Date"), by and between 8668 Poppy Ridge LLC, a California limited liability company (the "Seller") and CRP Affordable Housing and Community Development LLC, a Delaware limited liability company (the "Buyer"), with reference to the facts set forth below and constitutes a purchase and agreement between the parties.

### RECITALS

A. Seller is the owner of one vacant parcel located in City of Elk, Sacramento County, California identified as Assessor Parcel No. 132-0290-021-0000 (the "**Property**"), and legally described in Exhibit A attached hereto.

B. Buyer desires to enter into this Agreement to purchase the Property from Seller, and Seller desires to enter into this Agreement to sell the Property to Buyer, on the terms and conditions set forth below.

C. The conveyance contemplated under this Agreement shall be by a grant deed executed by the Seller to the Buyer (the "Deed"), pursuant to which all of the right, title and interest of the Seller in the Property is conveyed to the Buyer.

NOW THEREFORE, in consideration of the recitals set forth above, the mutual agreements set forth herein and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as set forth below.

### ARTICLE 1

#### AGREEMENT OF PURCHASE AND SALE

**1.1 Agreement for Purchase and Sale.** Seller agrees to sell the Property to Buyer and Buyer agrees to purchase the Property from Seller on and subject to the terms and conditions set forth in this Agreement.

**1.2 Purchase Price.** The aggregate purchase price for the Property shall be five million nine hundred thousand dollars (\$5,900,000.00) (the "Purchase Price"), subject to any pro-rations and adjustments as set forth herein.

**1.3 Deposit.** Buyer and Seller understand and agree that time is of the essence to proceed to a timely "Closing" (as defined in Section 2.2). No initial Deposit shall be paid or required to be funded by Buyer hereunder. Any reference to a Deposit Amount used herein shall mean \$0.00.

### ARTICLE 2

#### ESCROW

**2.1 Escrow.** The purchase and sale transaction contemplated by this Agreement shall be accomplished through an escrow ("Escrow") to be established at First American Title Insurance Company or such other escrow company identified by the Buyer (the "Escrow Holder"). The parties shall from time to time, promptly after request by Escrow Holder, execute any general or supplemental escrow instructions reasonably required by Escrow Holder for the purpose of implementing and carrying out the terms of this Agreement, provided such supplemental escrow instructions are consistent with the terms of this Agreement. Except as expressly provided in such escrow instructions, in the event of any conflict between the terms of this Agreement and such escrow instructions, this Agreement shall control.

**2.2 Close of Escrow/Closing Date.** "Closing" shall take place on or before March 18, 2022, unless extended in writing by Buyer. Possession of the Property shall be given on the date of Closing.

**2.3 Termination Based on Failure to Close by the Closing Date.** If the Buyer has delivered an Approval Notice and Close of Escrow fails to occur by the Closing Date in Section 2.2 or if this Agreement is otherwise terminated for any reason other than Seller's default, then the respective rights, duties and obligations of Buyer and Seller under this Agreement shall terminate without further liability, except for: (i) any indemnity obligations of Buyer or Seller under this Agreement, and (ii) any other obligations that expressly survive termination of this Agreement, all of which shall survive the termination of this Agreement. Immediately following any such termination, the parties shall sign such instructions and other instruments as may be necessary to effect the cancellation of this Escrow, and each party shall pay its respective share (if any) of Escrow cancellation charges as provided in **Section 7.5**. Upon such cancellation, Escrow Holder shall, without any further instruction or documentation from the parties, immediately return the funds, if any, less applicable cancellation charges, and documents to the parties that furnished them, and Seller shall retain the Deposit Amount.

**2.4 Deliveries to Escrow Holder.**

**2.4.1 Buyer's Deliveries.** At least one (1) business day immediately preceding the Closing Date, unless an earlier date for delivery is required under this Agreement, Buyer shall deliver to Escrow Holder each of the items described below.

(a) **Purchase Price.** Cash or immediately available funds in an amount equal to the Purchase Price as set forth in **Section 1.2**.

(b) **Prorations, Fees and Costs.** The amounts, if any, required of Buyer under **Article 8** of this Agreement and any other amounts required to be paid by Buyer prior to or on the Close of Escrow under this Agreement.

(c) **Documents.** Executed counterparts of any other documents required to be executed under the terms of this Agreement

**2.4.2 Seller's Deliveries.** At least one (1) business day immediately prior to the Closing Date, unless an earlier date for delivery is required under this Agreement, Seller shall deliver to Escrow Holder each of the items described below.

(a) **Grant Deed.** A grant deed in form and substance acceptable to Buyer ("Grant Deed"), duly executed and acknowledged by Seller, in recordable form, conveying to Buyer fee title to the Property.

(b) **Certificate of Non-Foreign Status/Withholding Certificate.** A transferor's certificate of non-foreign status in form and substance acceptable to Buyer ("FIRPTA Certificate") properly executed by Seller and a California FTB Form 593-C properly executed by Seller.

(c) **Documents.** Executed counterparts of any other documents required to be executed under the terms of this Agreement or as reasonably requested by Buyer or Escrow Holder.

## ARTICLE 3

### DUE DILIGENCE AND FEASIBILITY

**3.1 Feasibility Date.** Buyer shall have two (2) days from the date the Buyer receives a fully executed Seller Contract, including all exhibits, addenda or amendments thereto ("Feasibility Period") to complete its feasibility analysis and other investigations and evaluations of the Property and deliver an Approval Notice to Seller, as more fully described in **Section 3.5** below.

**3.2 Due Diligence Documents.** Within two (2) business days of the Effective Date, Seller shall deliver to Buyer all reports and plans relating to the Property in its possession, including, without limitation, surveys, environmental reports, physical inspection reports, soils reports, appraisals and market studies or reports (collectively, the "Due Diligence Documents"). Buyer acknowledges and agrees that the Due Diligence Documents are provided for information and disclosure purposes only.

**3.3 Title.** Within two (2) business days after the Effective Date, Seller shall cause First American Title Insurance Company or such other title company approved by the Buyer (in its capacity as title company, the "Title Company") to deliver to Buyer and Seller a preliminary title report for the Property issued by the Title Company (the "Title Report"). No later than the thirtieth (30th) day after commencement of the Feasibility Period, Buyer shall deliver a written notice to Seller identifying any liens and/or encumbrances to which Buyer objects and that Buyer will require be removed at Closing ("Disapproved Exceptions"). Within one (1) day of Buyer's notice of such disapproval, Seller shall notify Buyer in writing that: Seller has removed such Disapproved Exceptions from title; Seller is covenanting to do so as of or before the Close of Escrow; or Seller will not remove such Disapproved Exceptions. If Seller covenants to remove any Disapproved Exceptions, such removal shall be a condition precedent to Close of Escrow and Buyer's obligations under this Agreement. If Seller does not remove or covenant to remove any Disapproved Exception, Buyer shall have the option to terminate this Agreement on or before the end of the Feasibility Period or to waive its objection to the Disapproved Exception in question, and proceed to Close of the Escrow, in which case Seller shall have no obligation to remove the Disapproved Exception from title.

**3.4 Access to Property.** Buyer and its agents, representatives and consultants may enter the Property as reasonably necessary to make inspections and conduct studies related to the Property. As a condition to the right of entry set forth above, Buyer shall procure and maintain broad form commercial liability insurance, including direct contractual and contingent liability coverage, with limits of not less than \$1,000,000 per occurrence for bodily injury, property damage and personal injury, and \$2,000,000 general policy aggregate. Until the Close of Escrow, each such policy of insurance shall name Seller and, at Seller's request, any and all members of Seller as additional insureds.

**3.5 Feasibility Period.** Buyer shall have until the expiration of the Feasibility Period to complete its due diligence, feasibility analysis and other investigations and evaluations of the Property and to deliver to Seller a written notice confirming its unconditional approval of such matters (an "Approval Notice"), including: (i) the physical condition of the Property, (ii) the feasibility of any renovation or improvements planned by Buyer, including the cost and availability of permits and other approvals necessary to construct such improvements and the cost of such improvements, (iii) title matters, including without limitation real property taxes and assessments, including the cost and availability any additional title insurance coverage or endorsements desired by Buyer; (iv) compliance with applicable laws, including zoning and use restrictions; (v) the cost and availability of financing; (vi) environmental matters, including, without limitation, the potential existence of hazardous materials on, in or near the Property; and (vii) all other matters relating to the Property. If Buyer does not deliver such Approval Notice to Seller and Escrow Holder prior to the expiration of the Feasibility Period, the Deposit shall be returned to the Buyer and this Agreement will terminate and neither party shall any further duty or liability to the other. If, for any reason, Buyer determines in its sole discretion that it is not feasible for Buyer to purchase the Property, Buyer may terminate this Agreement and cancel Escrow by delivering a written notice of disapproval to Escrow Holder and Seller prior to the expiration of the Feasibility Period.

#### ARTICLE 4

##### CONDITIONS PRECEDENT TO CLOSE OF ESCROW

**4.1 Conditions Precedent to Buyer's Obligations.** The following are conditions precedent to Buyer's obligation to purchase the Property:

**4.1.1 Title Condition.** Buyer's obligation to purchase the Property is conditioned upon title to the Property being subject to no monetary liens other than current year, non-delinquent property taxes, and free of any Disapproved Exceptions Upon the Closing, Seller shall convey to Buyer good, marketable and insurable fee simple title to the Land and Improvements by a duly executed and acknowledged grant deed of the Land and the Improvements.

**4.1.2 Conveyance of Title/Title Condition.** The Title Company shall be committed (upon its receipt of the requisite premium) to issue a ALTA owner's policy of title insurance ("ALTA Title Policy") with the liability in an amount equal to the Purchase Price of the Property subject only to:

- (a) standard printed exceptions contained in the Title Policy;
- (b) all county and city taxes, assessments, special taxes and bonds which are a lien not yet due and payable;
- (c) any covenants, conditions, restrictions, reservations, easements, rights, rights of way and other matters appearing of record and approved pursuant to **Section 3.3** above; and
- (d) title exceptions caused by the acts and omissions of Buyer (collectively, Permitted Exceptions").

**4.1.3 Seller's Performance.** Seller shall not be in material default under the terms and conditions of any written agreements between Seller and Buyer relating to the Property.



**4.1.4 Failure to Satisfy Conditions Precedent.** The foregoing conditions are for Buyer's benefit and can only be waived by Buyer. If the conditions precedent set forth in this Section are neither satisfied nor waived by the Closing Date, and provided that Buyer is not then in default under this Agreement, Buyer may terminate Escrow and this Agreement by giving written notice of termination to Seller and Escrow Holder, in which case this Agreement will terminate in accordance with **Section 2.3**. The Close of Escrow under this Agreement by Buyer constitutes satisfaction of the conditions precedent set forth above. Notwithstanding the foregoing, the failure of the contingency set forth in Section 4.1.1 shall be a default by Seller under this Agreement.

**4.2 Conditions Precedent to Seller's Obligations.** The following are conditions precedent to Seller's obligation to close Escrow:

**4.2.1 Buyer's Performance.** Buyer shall not be in default under the terms and conditions of any written agreements between Seller and Buyer relating to the Property.

**4.2.2 Failure to Satisfy Conditions Precedent.** The condition set forth in this Section are for Seller's benefit and can only be waived by Seller. If the condition precedent set forth in this Section are neither satisfied nor waived by the Closing Date, Seller may terminate the Escrow and this Agreement by giving a written notice of termination to Buyer and Escrow Holder, in which case this Agreement will terminate in accordance with **Section 2.3**.

## ARTICLE 5

### PROPERTY CONDITION

**5.1 As-Is Purchase.** Except as expressly provided in this Agreement, Buyer is purchasing the Property "AS IS", "WHERE IS" and "WITH ALL FAULTS", without any representations, warranties or guaranties of any nature, express or implied, oral or written, past, present or future, regarding the Property. Buyer agrees that it will not rely on any representations, warranties, promises, assurances or other statements relating to or affecting the Property, whether made verbally or in writing, and whether made before or after the Effective Date, and whether express or implied, made by Seller, or any of its agents, representatives or consultants, which are not set forth in this Agreement.

**5.2 Eminent Domain.** If prior to the Close of Escrow all or any material portion (i.e., sufficient to substantially interfere with the use intended by Buyer) of the Property is taken by eminent domain, Buyer may terminate this Agreement without liability and recover the Deposit made as of the date of such taking, plus interest accrued thereon. If Buyer does not elect to terminate this Agreement, then Seller shall transfer and assign to Buyer all of the sale proceeds or award. Each party shall promptly notify the other if such party learns of any condemnation or similar proceeding affecting the Property which is pending, threatened or contemplated.

**5.3 Governmental Approvals.** Buyer shall obtain, at its sole cost and expense, all governmental approvals and permits that may, from time to time, be required in connection with its construction of the Property ("Governmental Approvals"). Prior to the Closing Date, Buyer may, at its sole cost and expense, apply for Governmental Approvals. Buyer shall receive prior written approval from Seller before any Governmental Approval may become final or be allowed to affect the Property. Seller agrees that it shall cooperate with Buyer in Buyer's efforts to seek such Governmental

Approvals.

**5.4 Relocation.** To the extent applicable to the Property, Buyer and Seller acknowledge that if any portion of the Property is currently occupied by residential or commercial tenants ("Tenants") under current leases or otherwise available for occupation by Tenants, Seller shall at all times comply with any and all laws regarding relocation of such residents ("Relocation"). Buyer and Seller shall cooperate with the other party in the Relocation prior to the Close of Escrow. In connection with the foregoing, Seller shall: (a) respond promptly to requests for information from Buyer and provide Buyer with complete and accurate information as requested by Buyer in connection with the Relocation. Buyer shall be responsible for and pay any and all costs and fees associated with the Relocation of any Tenants on the Property, including, but not limited to, costs associated with unlawful detainer legal proceedings and costs paid to relocation consultants. This Agreement shall supersede any other prior or contemporaneous agreements related to the Relocation of Tenants.

## ARTICLE 6

### REPRESENTATIONS AND WARRANTIES

**6.1 Seller's Representations and Warranties.** Seller represents and warrants to Buyer as follows:

**6.1.1 No Violation of Law.** To Seller's best knowledge, Seller has received no written notices from governmental authorities pertaining to violations of law or governmental regulations that would materially and adversely affect the use, value or development of the Property.

**6.1.2 No Pending Actions.** To Seller's best knowledge, there are no actions, proceedings, investigations or condemnation or eminent domain proceedings pending or threatened against Seller, before or by any court, arbitrator, administrative agency or other governmental authority that would affect the ability of Seller to convey the Property to Buyer. To Seller's best knowledge, except as disclosed in this Agreement, there are no actions pending or recommended by the appropriate state or federal agency having jurisdiction thereof, which would have a material adverse effect on Buyer's development of the Property.

**6.1.3 Seller's Authority.** Seller is a duly organized and validly existing corporation formed under the laws of the state of California. The entry by Seller into the transaction contemplated by this Agreement and the performance by Seller of all of its obligations in connection herewith have been duly and validly authorized by all necessary action(s), are in accordance with applicable law and are not in violation of Seller's organizational documents. This Agreement and all additional documents delivered in connection with this Agreement have been duly and validly executed and delivered to Buyer and constitute the legal, valid and binding obligations of Seller.

## ARTICLE 7

### THE CLOSING

**7.1 Close of Escrow.** Escrow Holder shall close Escrow on the Closing Date by (i) filing for record the Grant Deed and such other documents as may be necessary to procure the Title Policy, and (ii) delivering funds and documents as set forth in **Article 8** when and if each of the conditions set forth below has been satisfied.

**7.1.1 Funds and Instruments.** All funds and instruments required pursuant to **Article 2** have been delivered to Escrow Holder.

**7.1.2 Satisfaction of Conditions Precedent.** Each of the conditions precedent set forth in **Article 4** has been, or upon such closing shall be, satisfied as provided for in **Article 4**.

**7.2 Recordation.** Escrow Holder shall record the Grant Deed in the Office of the County Recorder for Sacramento County.

**7.3 Prorations.**

**7.3.1 Taxes.** Escrow Holder will prorate between the parties, to the Close of Escrow, County, City and special district (if any) real property taxes, special taxes and assessments for the Property, based on twelve 30-day months.

**7.3.2 Rent.** Rental income, if any, shall be prorated on the basis that Buyer shall receive a credit for all rental income which Seller has actually received before the Close of Escrow allocable to the period after the Close of Escrow and for all security deposits held by Seller. This section is not applicable if no rent is received by Seller before Closing.

**7.3.3 Operating Expenses.** All income from, and expenses of, the Property, if any, including but not limited to utilities, maintenance charges, and service charges, shall be prorated as of the Close of Escrow. The parties hereby agree to reasonably cooperate with each other following the Close of Escrow to correctly adjust and prorate all costs and expenses which cannot be accurately adjusted and prorated as of the Close of Escrow. The provisions of this Section 7.3.3 shall survive the Close of Escrow.

**7.4 Escrow Charges.**

**7.4.1 Seller Charges.** Seller shall pay (i) any documentary transfer tax imposed by the County of Sacramento, (ii) one-half (1/2) of Escrow Holder's fee, (iii) Escrow Holder's usual seller's document-drafting and recording charges, and (iv) the costs of a CLTA Title Policy with coverage in an amount equal to the Purchase Price.

**7.4.2 Buyer Charges.** Buyer will pay (i) one-half (1/2) of Escrow Holder's fee, (ii) the amount of any increase in the cost of the title policy described in Section 7.4.1(iv) above caused by: (a) a policy amount above the Purchase Price, (b) any endorsements to the title policy and (c) any upgrade in coverage to an ALTA extended coverage form of title insurance policy, and (iii) Escrow Holder's usual buyer's document-drafting and recording charges. All other fees and charges not specifically provided for herein shall be paid by the parties according to the custom in Sacramento County.

**7.5 Escrow Cancellation Charges Due to a Default.** If Escrow fails to close due to either party's default, the defaulting party shall pay all Escrow cancellation charges. If Escrow fails to close for any reason other than the foregoing, Buyer and Seller shall each pay one-half (1/2) of any Escrow cancellation charges. "Escrow cancellation charges" means all fees, charges and expenses incurred by Escrow Holder, including all expenses incurred in connection with issuance of the Preliminary Report and other title matters.

## ARTICLE 8

DISTRIBUTION OF FUNDS AND DOCUMENTS

**8.1 Payment of Liens at Closing.** At the Close of Escrow, Escrow Holder shall pay, from funds to which Seller is entitled and from funds, if any, deposited by Seller with Escrow Holder, to the obligees thereof all liens and encumbrances other than those permitted by this Agreement to be shown in the Title Policy.

**8.2 Recorded Documents.** Escrow Holder shall cause the County Recorder of Sacramento County to mail Seller's Grant Deed (and each other document which is herein expressed to be, or by general usage is, recorded) after recordation, to the grantee, beneficiary or person (i) acquiring rights under said document or (ii) for whose benefit said document was acquired.

**8.3 Unrecorded Documents.** At the Close of Escrow, Escrow Holder shall deliver by United States mail (or will hold for personal pickup, if requested) each nonrecorded document received under this Agreement by Escrow Holder to the payee or person (i) acquiring rights under the document or (ii) for whose benefit the document was acquired. Copies of any original documents delivered to one party shall be delivered to the other party.

**8.4 Payment of Funds at Closing.** At the Close of Escrow, Escrow Holder shall wire (i) to Seller's account, or order, in accordance with instructions of Seller, or shall hold for personal pickup, if requested, the Purchase Price, plus any proration or other credits to which Seller is be entitled less any appropriate proration or other charges and (ii) to Buyer, or order, any excess funds theretofore delivered to Escrow Holder by Buyer.

## ARTICLE 9

## REMEDIES

**9.1 LIQUIDATED DAMAGES.** IF ESCROW FAILS TO CLOSE DUE TO BUYER'S DEFAULT, SELLER WILL BE DAMAGED AND WILL BE ENTITLED TO COMPENSATION FOR THOSE DAMAGES. SUCH DAMAGES WILL, HOWEVER, BE EXTREMELY DIFFICULT AND IMPRACTICAL TO ASCERTAIN BUYER DESIRES TO LIMIT THE AMOUNT OF DAMAGES FOR WHICH BUYER MIGHT BE LIABLE SHOULD BUYER BREACH THIS AGREEMENT. BUYER AND SELLER WISH TO AVOID THE COSTS AND LENGTHY DELAYS WHICH WOULD RESULT IF SELLER FILED A LAWSUIT TO

COLLECT ITS DAMAGES FOR A BREACH OF THIS AGREEMENT. THEREFORE, THE SUM OF \$10,000 SHALL BE DEEMED TO CONSTITUTE A REASONABLE ESTIMATE OF SELLER'S DAMAGES UNDER THE PROVISIONS OF SECTION 1671 OF THE CALIFORNIA CIVIL CODE AND, EXCEPT AS PROVIDED IN THE REMAINING PROVISIONS OF THIS SECTION, SELLER'S SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF THE FAILURE TO CLOSE ESCROW RESULTING FROM BUYER'S DEFAULT SHALL BE LIMITED TO SUCH AMOUNT; PROVIDED, HOWEVER, THAT THE PARTIES AGREE THAT, IN NO EVENT, SHALL THIS LIQUIDATED DAMAGES PROVISION APPLY TO ANY BREACH OF BUYER'S INDEMNITY OBLIGATIONS UNDER THIS AGREEMENT, ANY OF BUYER'S OBLIGATIONS WHICH, BY THE TERMS OF THIS AGREEMENT, SURVIVE TERMINATION OF THIS AGREEMENT, OR TO ANY

ATTORNEYS' FEES INCURRED BY SELLER IN ENFORCING THIS AGREEMENT. SELLER'S RETAINING THE DEPOSIT AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY UNDER CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, AND SELLER SPECIFICALLY WAIVES ANY RIGHT TO BRING AN ACTION AGAINST BUYER FOR SPECIFIC PERFORMANCE OF BUYER'S OBLIGATION TO PURCHASE THE PROPERTY, WHETHER OR NOT UNDER CALIFORNIA CIVIL CODE SECTION 1680 OR 3389. BUYER AND SELLER HAVE REVIEWED THE EFFECT OF THIS PROVISION WITH LEGAL COUNSEL AND EACH AGREES THAT SUCH DAMAGES ARE A REASONABLE AND FAIR ESTIMATE OF THE DAMAGES SELLER WILL SUSTAIN. BY INITIALING THIS PROVISION IN THE SPACES BELOW, SELLER AND BUYER EACH SPECIFICALLY AFFIRM THEIR RESPECTIVE AGREEMENTS CONTAINED IN THIS SECTION 9.1.

\_\_\_\_\_  
BUYER'S INITIALS

\_\_\_\_\_  
SELLER'S INITIALS

**9.2 WAIVER OF PUNITIVE DAMAGES.** BUYER AND SELLER EACH WAIVE ANY AND ALL RIGHTS AGAINST THE OTHER TO AN AWARD OF PUNITIVE DAMAGES WITH RESPECT TO ANY DISPUTE BETWEEN THEM RELATING TO THIS AGREEMENT.

ARTICLE 10

GENERAL PROVISIONS

**10.1 Assignment.** Buyer may assign its rights or obligations under this Agreement to an affiliate, to a limited partnership whose general partner is an affiliate of Buyer, or an entity under common control with Buyer; provided, however, that Buyer shall give to Seller written notice of any such assignment and the assignee shall assume all of Buyer's obligations under this Agreement.

**10.2 Construction of Agreement.** This agreement has been negotiated at arm's length and each party has been, or has had the opportunity to be, represented by legal counsel. Accordingly, any rule of law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Agreement against the party drafting it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to affect the purpose of the parties and this Agreement.

**10.3 Captions; Including.** The captions used in this Agreement are for convenience only and are not a part of this Agreement and do not in any way limit or amplify the terms and provisions hereof. The term "including" or any similar word or phrase means including without limitation.

**10.4 Governing Law.** This Agreement and the documents in the forms attached as exhibits hereto shall be governed by and construed under the internal laws of the state of California without regard to choice of law rules.



**10.5 Time of the Essence.** Time is of the essence of each and every provision of this Agreement and each of Buyer and Seller, by execution of this Agreement, specifically acknowledges the importance of observing each and every time period in this Agreement.

**10.6 Judicial Reference.** Any and all disputes, claims and controversies arising out of this Agreement or the transactions contemplated thereby shall be heard by a referee and resolved by judicial reference pursuant to California Code of Civil Procedure Sections 638 et seq. The referee shall be a retired California state court judge with experience in relevant real estate matters. The Parties shall not seek to appoint a referee that may be disqualified pursuant to California Code of Civil Procedure Section 641 or 641.2 without the prior written consent of all Parties. If the Parties are unable to agree upon a referee within ten (10) calendar days after one Party serves a written notice of intent for judicial reference upon the other Party or Parties, then the referee will be selected by the court in accordance with California Code of Civil Procedure Section 640(b). The referee shall render a written statement of decision and shall conduct the proceedings in accordance with the California Code of Civil Procedure, the Rules of Court, and California Evidence Code, except as otherwise specifically agreed by the parties and approved by the referee. The referee's statement of decision shall set forth findings of fact and conclusions of law. The decision of the referee shall be entered as a judgment in the court in accordance with the provisions of California Code of Civil Procedure Sections 644 and 645. The decision of the referee shall be appealable to the same extent and in the same manner that such decision would be appealable if rendered by a judge of the superior court.

**10.7 Successors and Assigns.** Subject to the restrictions on assignment set forth herein, each and all of the covenants and conditions of this Agreement will inure to the benefit of and be binding upon the successors in interest of Seller and the successors and assigns of Buyer.

**10.8 No Third Party Beneficiaries.** The terms and provisions of this Agreement and the other Acquisition Documents are solely for the benefit of Buyer and Seller and are not intended to benefit any third parties.

**10.9 Waiver.** The waiver by one party of the performance of any covenant, condition or promise under this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by it of any other covenant, condition or promise under this Agreement.

**10.10 Attorney's Fees.** If a party commences or is made a party to a lawsuit, arbitration or other legal proceeding to enforce or interpret this Agreement, the prevailing party in such proceeding shall be entitled to recover from the other party reasonable attorneys' fees and costs incurred in connection with such proceeding, including any appeal or enforcement of any judgment or order.

**10.11 Severability.** If any phrase, clause, sentence, paragraph, section, article or other portion of this Agreement is held by any court of competent jurisdiction to be illegal, null or void or against public policy, the remaining portions of this Agreement will not be affected thereby and will remain in force and effect to the fullest extent permissible by law.

**10.12 Gender and Number.** In this Agreement (unless the context requires otherwise), the masculine, feminine and neuter genders and the singular and the plural include one another.

**10.13 Real Estate Brokerage Commission.** No brokerage commission is owed by either the Seller or the Buyer, and each party hereby indemnifies, protects, defends (with legal counsel acceptable to the other party) and holds the other party free and harmless from and against any and all

costs and liabilities, including, without limitation, reasonable attorneys' fees, for causes of action or proceedings that may be instituted by any broker, agent or finder, licensed or otherwise, claiming through, under or by reason of the conduct of such party in connection with this transaction. Such costs also include court costs and attorneys' fees incurred in appellate proceedings.

**10.14 Entire Agreement.** This Agreement constitutes the entire agreement between the parties pertaining to the subject matter of this Agreement, and all prior and contemporaneous agreements, representations, negotiations and understandings of the parties, oral or written, are hereby superseded and are of no further force or effect and shall not be used to interpret this Agreement. The foregoing sentence shall not affect the validity of any instruments executed by the parties in the form of the exhibits attached to this Agreement.

**10.15 Notice and Payments.** Any notice to be given or other document to be delivered by any party to the other or others under this Agreement, and any payments from Buyer to Seller, may be delivered in person to an officer of any party, or may be deposited in the United States mail in the State of California, duly certified or registered, return receipt requested, with postage prepaid, or by FedEx or other similar overnight delivery service, or by facsimile, addressed to the party for whom intended, as follows:

**To Seller at its business office:**

8668 Poppy Ridge LLC  
c/o CRP Affordable Housing and Community Development CA LLC  
4455 Morena Blvd., Suite #107  
San Diego, CA 92117  
Attn: Paul A. Salib  
Email: psalib@crpaffordable.com

**To Buyer at its business office:**

CRP Affordable Housing and Community Development LLC  
4455 Morena Blvd. Suite 107  
San Diego, California 92117  
Attn: Paul Salib  
Email: psalib@crpaffordable.com

With a copy to:

Hobson Bernardino + Davis LLP  
6060 Center Drive, Floor 10  
Los Angeles, CA 90045  
Attn: Jason Hobson  
Email: jhobson@hbdlegal.com

Any party may from time to time, by written notice to the other, designate a different address, which shall be substituted for the one above specified. Unless otherwise specifically provided for in this Agreement, all notices, payments, demands or other communications shall be in writing

and shall be deemed to have been duly given and received (i) upon personal delivery or (ii) on the date actually received (or the date delivery is refused) if sent by United States registered or certified mail, return receipt requested, postage prepaid, addressed as set forth above, or (iii) the immediately succeeding business day after timely deposit with Federal Express or other equivalent overnight delivery system or (iv) if sent by facsimile, upon confirmation if sent before 5:00 p.m. on a business day or otherwise on the business day following confirmation of such facsimile, and provided that notice is also sent on the same day by one of the methods described above.

11. **Modification.** No modification, waiver, amendment, discharge or change of this Agreement shall be valid unless it is in writing and signed by the party against which the enforcement of such modification, waiver, amendment, discharge or change is or may be sought.

12. **Counterparts.** This Agreement may be executed in counterparts, each of which, when taken together, will constitute a fully executed original.

13. **Survival.** All obligations hereunder intended to be performed after the Close of Escrow shall survive the Close of Escrow.

14. **Confidentiality.** Buyer and Seller have an interest in participating in discussions wherein either party might share information with the other that the disclosing party considers to be proprietary and confidential to itself ("**Proprietary Information**"). Proprietary Information of a party includes, but not be limited to, financial projections prepared by such party, that party's financial position, existing and/or contemplated economic transactions, finances, current or future business plans, methods and models. Proprietary Information shall also include all financial models, financing plans and applications for financing (prior to their submittal to third parties) in connection with the transaction being discussed by the Parties. The receiving party ("**Recipient**") shall refrain from disclosing any such Proprietary Information to any third party without prior written approval from the disclosing party and shall protect such Proprietary Information from inadvertent disclosure to a third party using the same care and diligence that the Recipient uses to protect its own proprietary and confidential information, but in no case less than reasonable care. This confidentiality provision shall not apply to any efforts by Buyer or Seller to secure any type of financing for the Property, information required to be disclosed by law, information in the public domain or information provided to Buyer or Seller by a third party (not otherwise in violation of a confidentiality agreement).

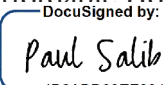
(Signature Page to Follow)



IN WITNESS WHEREOF, BUYER and SELLER have executed this Agreement on the day and year first above written.

**BUYER:**

CRP Affordable Housing and Community Development LLC, a Delaware limited liability company

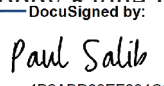
By:  \_\_\_\_\_  
4B2ABD89EF604C6...

Name: Paul salib \_\_\_\_\_

Its: ceo \_\_\_\_\_

**SELLER:**

8668 Penny Ridge LLC, a California limited liability company

By:  \_\_\_\_\_  
4B2ABD89EF604C6...

Name: Paul salib \_\_\_\_\_

Its: ceo \_\_\_\_\_

**CONSENT OF ESCROW HOLDER**

The undersigned Escrow Holder (Escrow No. \_\_\_\_\_), hereby agrees to (i) accept the foregoing Agreement; (ii) be Escrow Holder under said Agreement; and (iii) be bound by said Agreement in the performance of its duties as Escrow Holder; provided, however, the undersigned shall have no obligations, liability or responsibility under (a) this consent or otherwise unless and until said Agreement, fully signed by the parties, has been delivered to the undersigned or (b) any amendment to said Agreement unless and until the same shall be accepted by the undersigned in writing.

Dated: \_\_\_\_\_ [ \_\_\_\_\_ ]  
("Escrow Holder")

By: \_\_\_\_\_

Its: \_\_\_\_\_

**EXHIBIT "A"**

**LEGAL DESCRIPTION OF THE PROPERTY**

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:

THE EAST 460 FEET OF THE SOUTHEAST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER OF SECTION 12, TOWNSHIP 6 NORTH, RANGE 5 EAST, M.D.B. & M.

**Assessor Parcel Number:**

No. 132-0290-021-0000

**April 14, 2021 Update**

**First American Title Insurance Company**  
**National Commercial Services**  
666 Third Avenue, 5th Floor  
New York, NY 10017

Luis Concepcion  
CRP Affordable Housing and Community  
600 B Street, Suite 30  
San Diego, CA 92101  
Phone: (619)993-7581

Customer Reference: 8668 Poppy Ridge Road

Property: 8668 Poppy Ridge Road, Elk Grove, CA

**PRELIMINARY REPORT**

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

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Exhibit A attached. *The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.* Limitations on Covered Risks applicable to the 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 Exhibit A. Copies of the policy forms should be read. They are available from the office which issued this report.

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

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

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

Dated as of April 07, 2021 at 7:30 A.M.

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

To be determined

A specific request should be made if another form or additional coverage is desired.

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

8668 Poppy Ridge LLC, a California limited liability company

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

Fee

The Land referred to herein is described as follows:

(See attached Legal Description)

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

A. General and special taxes and assessments for the fiscal year 2021-2022, a lien not yet due or payable.

1. This item has been intentionally deleted.
2. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
3. An easement for Public Highway or Road, All Necessary Utilities and incidental purposes, recorded in [Book 109 of Deeds, Page 215](#).  
In Favor of: County of Sacramento  
Affects: As described therein
4. An easement for Public Highway or Road, All Necessary Utilities and incidental purposes, recorded January 16, 1970 as [Book 7001-16, Page 516](#) of Official Records.  
In Favor of: County of Sacramento, a Political Subdivision of the State of California  
Affects: As described therein
5. An offer of dedication for The Right of Way for Any Public Purpose and incidental purposes, recorded January 16, 1970 as [Book 7001-16, Page 518](#) of Official Records.  
To: County of Sacramento, a Political Subdivision of The State of California

6. The terms and provisions contained in the document entitled "Agreement" recorded April 08, 1970 as [Book 7004-08, Page 442](#) of Official Records.
7. This item has been intentionally deleted.
8. This item has been intentionally deleted.
9. Water rights, claims or title to water, whether or not shown by the public records.
10. This item has been intentionally deleted.
11. Rights of the public in and to that portion of the Land lying within any road, street and/or highway.
12. Rights of parties in possession.
13. A Deed of Trust to secure an original indebtedness of \$1,775,500.00 recorded March 16, 2021 as Instrument No. [202103162281](#) of Official Records.  
Dated: March 12, 2021  
Trustor: 8668 Poppy Ridge LLC, a California limited liability company  
Trustee: Century Affordable Development, Inc., a California corporation  
Beneficiary: Century Housing Corporation, a California nonprofit corporation

**INFORMATIONAL NOTES**

**ALERT - CA Senate Bill 2 imposes an additional fee of \$75 up to \$225 at the time of recording on certain transactions effective January 1, 2018. Please contact your First American Title representative for more information on how this may affect your closing.**

1. Taxes for proration purposes only for the fiscal year 2020-2021.
 

First Installment:	\$12,832.80, PAID
Second Installment:	\$12,832.80, PAID
Tax Rate Area:	07-001
APN:	132-0290-021-0000
  
2. According to the latest available equalized assessment roll in the office of the county tax assessor, there is located on the land a(n) single family residence known as 8668 Poppy Ridge Road, Elk Grove, CA.
  
3. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:
 

Grant Deed recorded September 15, 2020 as Instrument No. 202009151612, executed by Jane S. Clark, a single woman, grantor in favor of 8668 Poppy Ridge, LLC, a California limited liability company, grantee.
  
4. This preliminary report/commitment was prepared based upon an application for a policy of title insurance that identified land by street address or assessor's parcel number only. It is the responsibility of the applicant to determine whether the land referred to herein is in fact the land that is to be described in the policy or policies to be issued.
  
5. Should this report be used to facilitate your transaction, we must be provided with the following prior to the issuance of the policy:
  - A. WITH RESPECT TO A CORPORATION:
    1. A certificate of good standing of recent date issued by the Secretary of State of the corporation's state of domicile.
    2. A certificate copy of a resolution of the Board of Directors authorizing the contemplated transaction and designating which corporate officers shall have the power to execute on behalf of the corporation.
    3. A certificate of revivor and a certificate of relief from contract voidability issued by the Franchise Tax Board of the State of California.
    4. Requirements which the Company may impose following its review of the above material and other information which the Company may require.
  - B. WITH RESPECT TO A CALIFORNIA LIMITED PARTNERSHIP:
    1. A certified copy of the certificate of limited partnership (form LP-1) and any amendments thereto (form LP-2) to be recorded in the public records;
    2. A full copy of the partnership agreement and any amendments;
    3. Satisfactory evidence of the consent of a majority in interest of the limited partners to the contemplated transaction;
    4. A certificate of revivor and a certificate of relief from contract voidability issued by the Franchise Tax Board of the State of California.

5. Requirements which the Company may impose following its review of the above material and other information which the Company may require.
- C. WITH RESPECT TO A FOREIGN LIMITED PARTNERSHIP:
1. A certified copy of the application for registration, foreign limited partnership (form LP-5) and any amendments thereto (form LP-6) to be recorded in the public records;
  2. A full copy of the partnership agreement and any amendment;
  3. Satisfactory evidence of the consent of a majority in interest of the limited partners to the contemplated transaction;
  4. A certificate of revivor and a certificate of relief from contract voidability issued by the Franchise Tax Board of the State of California.
  5. Requirements which the Company may impose following its review of the above material and other information which the Company may require.
- D. WITH RESPECT TO A GENERAL PARTNERSHIP:
1. A certified copy of a statement of partnership authority pursuant to Section 16303 of the California Corporation Code (form GP-I), executed by at least two partners, and a certified copy of any amendments to such statement (form GP-7), to be recorded in the public records;
  2. A full copy of the partnership agreement and any amendments;
  3. Requirements which the Company may impose following its review of the above material required herein and other information which the Company may require.
- E. WITH RESPECT TO A LIMITED LIABILITY COMPANY:
1. A copy of its operating agreement and any amendments thereto;
  2. If it is a California limited liability company, a certified copy of its articles of organization (LLC-1) and any certificate of correction (LLC-11), certificate of amendment (LLC-2), or restatement of articles of organization (LLC-10) to be recorded in the public records;
  3. If it is a foreign limited liability company, a certified copy of its application for registration (LLC-5) to be recorded in the public records;
  4. With respect to any deed, deed of trust, lease, subordination agreement or other document or instrument executed by such limited liability company and presented for recordation by the Company or upon which the Company is asked to rely, such document or instrument must be executed in accordance with one of the following, as appropriate:
    - (i) If the limited liability company properly operates through officers appointed or elected pursuant to the terms of a written operating agreement, such documents must be executed by at least two duly elected or appointed officers, as follows: the chairman of the board, the president or any vice president, and any secretary, assistant secretary, the chief financial officer or any assistant treasurer;
    - (ii) If the limited liability company properly operates through a manager or managers identified in the articles of organization and/or duly elected pursuant to the terms of a written operating agreement, such document must be executed by at least two such managers or by one manager if the limited liability company properly operates with the existence of only one manager.
  5. A certificate of revivor and a certificate of relief from contract voidability issued by the Franchise Tax Board of the State of California.
  6. Requirements which the Company may impose following its review of the above material and other information which the Company may require.
- F. WITH RESPECT TO A TRUST:
1. A certification pursuant to Section 18100.5 of the California Probate Code in a form satisfactory to the Company.
  2. Copies of those excerpts from the original trust documents and amendments thereto which designate the trustee and confer upon the trustee the power to act in the pending transaction.
  3. Other requirements which the Company may impose following its review of the material require herein and other information which the Company may require.
- G. WITH RESPECT TO INDIVIDUALS:



1. A statement of information.

The map attached, if any, may or may not be a survey of the land depicted hereon. First American Title Insurance Company expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

**LEGAL DESCRIPTION**

Real property in the City of Elk Grove, County of Sacramento, State of California, described as follows:

THE EAST 460 FEET OF THE SOUTHEAST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER OF SECTION 12, TOWNSHIP 6 NORTH, RANGE 5 EAST, M.D.B. & M.

APN: 132-0290-021-0000

**NOTICE I**

Section 12413.1 of the California Insurance Code, effective January 1, 1990, requires that any title insurance company, underwritten title company, or controlled escrow company handling funds in an escrow or sub-escrow capacity, wait a specified number of days after depositing funds, before recording any documents in connection with the transaction or disbursing funds. This statute allows for funds deposited by wire transfer to be disbursed the same day as deposit. In the case of cashier's checks or certified checks, funds may be disbursed the next day after deposit. In order to avoid unnecessary delays of three to seven days, or more, please use wire transfer, cashier's checks, or certified checks whenever possible.

If you have any questions about the effect of this new law, please contact your local First American Office for more details.

**NOTICE II**

As of January 1, 1991, if the transaction which is the subject of this report will be a sale, you as a party to the transaction, may have certain tax reporting and withholding obligations pursuant to the state law referred to below:

In accordance with Sections 18662 and 18668 of the Revenue and Taxation Code, a buyer may be required to withhold an amount equal to three and one-third percent of the sales price in the case of the disposition of California real property interest by either:

1. A seller who is an individual with a last known street address outside of California or when the disbursement instructions authorize the proceeds be sent to a financial intermediary of the seller, OR
2. A corporate seller which has no permanent place of business in California.

The buyer may become subject to penalty for failure to withhold an amount equal to the greater of 10 percent of the amount required to be withheld or five hundred dollars (\$500).

However, notwithstanding any other provision included in the California statutes referenced above, no buyer will be required to withhold any amount or be subject to penalty for failure to withhold if:

1. The sales price of the California real property conveyed does not exceed one hundred thousand dollars (\$100,000), OR
2. The seller executes a written certificate, under the penalty of perjury, certifying that the seller is a resident of California, or if a corporation, has a permanent place of business in California, OR
3. The seller, who is an individual, executes a written certificate, under the penalty of perjury, that the California real property being conveyed is the seller's principal residence (as defined in Section 1034 of the Internal Revenue Code).

The seller is subject to penalty for knowingly filing a fraudulent certificate for the purpose of avoiding the withholding requirement.

The California statutes referenced above include provisions which authorize the Franchise Tax Board to grant reduced withholding and waivers from withholding on a case-by-case basis.

The parties to this transaction should seek an attorney's, accountant's, or other tax specialist's opinion concerning the effect of this law on this transaction and should not act on any statements made or omitted by the escrow or closing officer.

The Seller May Request a Waiver by Contacting:  
Franchise Tax Board  
Withhold at Source Unit  
P.O. Box 651  
Sacramento, CA 95812-0651  
(916) 845-4900

## Privacy Policy

### We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our parent company, The First American Corporation, we have adopted this Privacy Policy to govern the use and handling of your personal information.

### Applicability

This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its *Fair Information Values*, a copy of which can be found on our website at [www.firstam.com](http://www.firstam.com).

### Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

### Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies, and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies, or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

### Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

### Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's *Fair Information Values*. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

**CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (02-03-10)  
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; (d) improvements on the Land;
  - (b) zoning; (e) land division; and
  - (c) land use; (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.

**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.

<b>Your Deductible Amount</b>	<b><u>Our Maximum Dollar Limit of Liability</u></b>
Covered Risk 16: 1% of Policy Amount or \$2,500.00 (whichever is less)	\$10,000.00
Covered Risk 18: 1% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 19: 1% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 21: 1% of Policy Amount or \$2,500.00 (whichever is less)	\$5,000.00

**ALTA RESIDENTIAL TITLE INSURANCE POLICY (6-1-87)  
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 any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
  - (a) and use
  - (b) improvements on the land
  - (c) and division
  - (d) environmental protection
 This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date. This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.
2. The right to take the land by condemning it, unless:
  - (a) a notice of exercising the right appears in the public records on the Policy Date
  - (b) the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking
3. Title Risks:

- (a) that are created, allowed, or agreed to by you
  - (b) that are known to you, but not to us, on the Policy Date -- unless they appeared in the public records
  - (c) that result in no loss to you
  - (d) that first affect your title after the Policy Date -- this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
4. Failure to pay value for your title.
  5. Lack of a right:
    - (a) to any land outside the area specifically described and referred to in Item 3 of Schedule A OR
    - (b) in streets, alleys, or waterways that touch your land
 This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

**2006 ALTA LOAN 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 11, 13, or 14); or
  - e. resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that 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, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
  - a. a fraudulent conveyance or fraudulent transfer, or
  - b. a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. 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 Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

**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:

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 but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, 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.

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 not shown by the public records.

**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.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

**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:

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 but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, 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.
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 not shown by the public records.

**ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (07-26-10)  
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, 6, 13(c), 13(d), 14 or 16.
- b. Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
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 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
  - e. resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that 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. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
  - a. a fraudulent conveyance or fraudulent transfer, or
  - b. a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.



**TAB # 4**  
**Project Timeline**

**5. Project Expected Timeline**

Respondent shall prepare a table that explains key project timeline milestones achieved to date and/or projected in the future. Such table shall include the following at a minimum (or indicate if not applicable):

Milestone	Date	Key Prerequisite Milestone / Contingency
Obtain site control	9/14/2020	
Submit application for planning entitlements/approvals	7/15/2021	
Submit loan application to lender	5/14/2021	
Environmental review/Phase 1 study	1/26/2021	
Complete planning entitlement process	6/6/2022	
Select tax credit investor	5/12/2021	
Select contractor	3/15/2021	
Prepare detailed cost estimate	3/15/2021	
Submit plans and application(s) for plan check and building permit	2/1/2022	
Public body approval and TEFRA to apply for bond allocation	N/A	
Submit application for bond allocation	9/9/2021	
Submit application for 4% tax credit allocation	9/9/2021	
Submit application for 9% tax credit allocation	N/A	
Obtain bond allocation	12/8/2021	
Obtain 4% tax credit allocation	12/8/2021	
Obtain 9% tax credit allocation	N/A	
Obtain approval of construction plans	5/6/2022	
Obtain construction and permanent loan commitment	5/4/2021	
Final construction contract	12/8/2021	
Closing of all financing	6/6/2022	
Pay impact fees and obtain construction permits	6/6/2022	
Begin construction	6/6/2022	
Complete construction	12/6/2023	
Full lease-up	3/6/2024	

### Zoning and Entitlements:

The developer currently in contract on the parcel located at 8668 Poppy Ridge Road where that we are proposing to construct Aspen Grove Villas. It is currently zoned High Density Residential and Drainage Facilities, and is included in the City's Housing Element. The project entitlement application will be submitted to the City Planning Department in July, 2021. The entitlements will only require Administrative Approval by the City Zoning Administrator. The City conducted an EIR on the parcel some time ago and, as such, additional environmental review will not be required. As well, it does not require any public hearings provided we meet all the Conditions of Approval put forward by Staff and the Planning Director.



After discussions with planning staff, it is our intent to have the project completely entitled by November, 2021.

It is our intent to submit building permit plans by October 1<sup>st</sup> to secure building permits by February 1<sup>st</sup> 2022. Plans & elevations included may change slightly based on what comments City staff has. We met with Staff and received what we believe to be good direction as to what is desirable at that location.



**ATTACHMENT 14  
Verification of Zoning and Land Use Entitlement Approvals**

Agency Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 City \_\_\_\_\_

Contact Name \_\_\_\_\_  
 Title \_\_\_\_\_  
 Email \_\_\_\_\_

Project Name \_\_\_\_\_  
 Project Address / Site \_\_\_\_\_  
 Project City \_\_\_\_\_  
 Project County \_\_\_\_\_

Proposed Number of Units: \_\_\_\_\_  
 Assessor Parcel Number(s): \_\_\_\_\_  
 Census Tract Number(s): \_\_\_\_\_

The entire parcel upon which the above-described low-income project will be located is zoned \_\_\_\_\_ which allows for multi-family residential development of no greater than \_\_\_\_\_ units per acre. This project is eligible to apply for a density bonus that would allow a maximum density of \_\_\_\_\_ units per acre. The project, as proposed, is zoned for the intended use or is existing legal non-conforming, complies with the general plan, and conditional use requirements, if any, and has obtained all applicable local land use approvals.

Please complete the following table and confirm all necessary public or tribal approvals **subject to the discretion of local or tribal elected officials** necessary to begin construction are either finally approved or not applicable by **March 8, 2021** with appeal periods, if any, expired by **April 8, 2021**.

Please note, the following approvals, even if they are discretionary, are not required (by CDLAC and TCAC) to be obtained at the time of the CDLAC and TCAC applications: design review, initial environmental study assessments, variances, and development agreements.

**\* Rezone of Portion of site Zoned D (Drainage) is in process for Change of Zone. See Page 2**

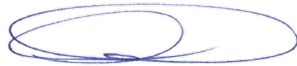
Action	Requirement (Check if Applicable)		Type of Approval Required By Right, Ministerial, Discretionary	Approval Date	Appeal Expiration Date
	Yes	No			
Streamlined Ministerial Approval (SB35)					
Streamlined Approval (_____)					
Site/Plot Plan Review					
Parcel Map					
Conditional Use Permit					
Variance Approval					
Change of Zone					
General Plan Amendment					
Development Agreement or similar					
Phase I Environmental Site Assessment					
CEQA Review					
Soil and Toxic Reports					
Article 34 of State Constitution					
Design/Architectural Review					
Coastal Commission					
Other:					
Other:					

Are you aware of any state/local approvals still required from the Planning Commission, City Council, Board of Supervisors, or other agency for this project?

Yes  No

If yes, please list: \_\_\_\_\_

Completed By:



(Signature)

Date:

\_\_\_\_\_

February 7, 2020

CRP Affordable Housing & Community Development  
 Attn: Shady Fayed  
 4455 Morena Boulevard, Suite 107  
 San Diego, CA 92117

Re: **ZCL20-002**  
 Aspen Grove Villas  
 8668 Poppy Ridge Road, Elk Grove, CA 95757  
 APN: 132-0290-021-0000

Dear Mr. Fayed,

In response to your request for a Zoning Verification for the above identified property, the City offers the following comments:

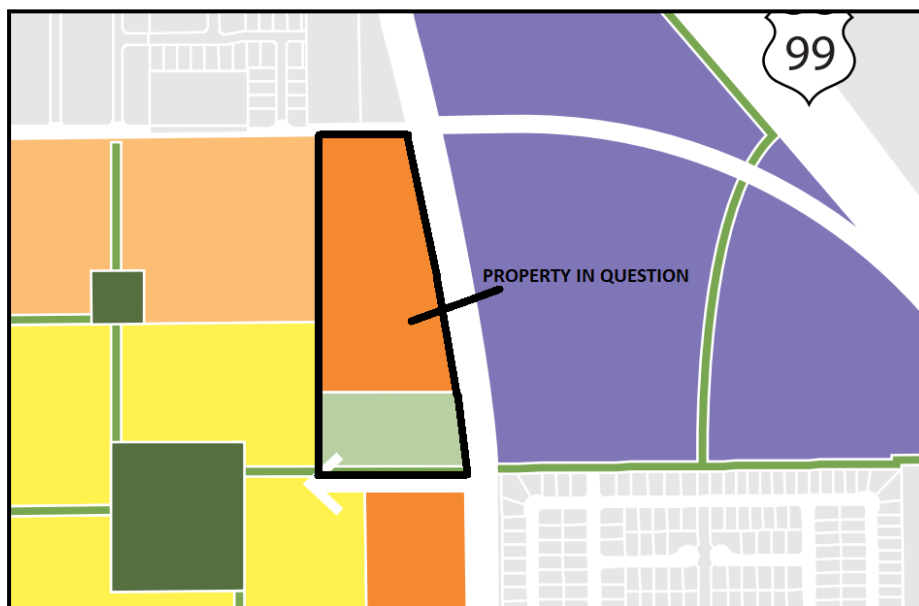
1) The current land use classification for the subject property is **High Density Residential (HDR)** and **Drainage Facilities (D)** within the City of Elk Grove's **Southeast Policy Area Special Planning Area (SPA-SEPA)**.

Per **Chapter 2-4** of the SPA-SEPA, High Density Residential is described as follows:

*"High Density Residential (HDR) designates areas for developments with a vertical mix of uses (e.g., buildings with retail or restaurants/ cafes on the ground floor with office or residential units above). The buildings will range in density and intensity with the high density of development focused around transit stops and major intersections. This designation allows for dwelling units ranging from 15.1 to 40.0 units per acre."*

Per **Chapter 2-5** of the SPA-SEPA, Drainage Facilities is described as follows:

*"Drainage Facilities (D) designates areas for channels and detention basins."*



2) Adjacent property zoning designations are as follows:

<b>Location</b>	<b>Zone</b>	<b>General Plan</b>
<b>Project Site</b>	High Density Residential ( <b>HDR</b> ) Drainage Facilities ( <b>D</b> )	High Density Residential ( <b>HDR</b> )
<b>North</b>	Low Density Residential ( <b>RD-5</b> )	Low Density Residential ( <b>LDR</b> )
<b>South</b>	High Density Residential ( <b>HDR</b> )	High Density Residential ( <b>HDR</b> )
<b>East</b>	Office ( <b>O</b> )	Employment Center ( <b>EC</b> )
<b>West</b>	Medium Density Residential ( <b>MDR</b> )	Medium Density Residential ( <b>MDR</b> )

3) The City of Elk Grove considers a "Planned Unit Development" to be any special zoning regulation for a specific geographic area that provides deviations from underlying development standards. Examples include, but are not limited to, overlay zoning districts, combining zoning districts, special planning areas or specific plans. The subject property is located within the Southeast Policy Area, which is intended to provide unique and imaginative planning standards and regulations, which cannot be provided through the application of the City's standard zoning districts. The Southeast Policy Area Special Planning Area is available online at [https://www.elkgrovecity.org/city\\_hall/departments\\_divisions/planning/southeast\\_policy\\_area/development\\_regulations](https://www.elkgrovecity.org/city_hall/departments_divisions/planning/southeast_policy_area/development_regulations).

4) Multi-Family Dwellings are permitted within the High Density Residential (HDR) Designation with a density range of **15.1 to 40.0 units per acre**.

5) The Southeast Policy Area Special Planning Area is a Form-Based Code that regulates land development to achieve a specific form. Form-Based Codes address the relationship between building facades and the public realm, the form and mass of buildings in relation to one another, and the scale and types of streets and blocks. The Building Form section of the SPA describes the various building forms, corresponding development standards, and permitted locations within the plan area. The High Density Residential (HDR) Designation permits five (5) types of Building Forms.

- Garden Homes (**6.1 – 15.0 Dwelling Units Per Acre**)
- Townhouses, Detached Garage (**15.0 – 18.0 Dwelling Units Per Acre**)
- Townhouses, Tuck-Under Garage (**12.0 – 18.0 Dwelling Units Per Acre**)
- Green Court Townhouses/Apartments (**12.0 – 25.0 Dwelling Units Per Acre**)
- Garden-Style Condominiums/Apartments (**15.1 – 40.0 Dwelling Units Per Acre**)

6) The Density Bonus and Other Developer Incentives can be found below.

**23.50.010 Purpose.**

*The purpose of this chapter is to provide incentives for the production of housing for very low-income, lower-income, moderate-income, special needs, and senior households in the City and to establish procedures for carrying out the legislative requirements and complying with Section 65915 et seq. of the California Government Code. In enacting this chapter, it is the intent of the City to facilitate the development of affordable housing by positively impacting the economic feasibility of providing lower-income housing and implementing the goals, objectives, and policies of the City's housing element.*

**23.50.020 Eligibility for density bonus and incentives and concessions.**

*The City shall grant one (1) density bonus, with concessions or incentives, as specified in EGMC Section 23.50.040 (Number and types of density bonuses and incentives and concessions allowed), when the applicant for a residential development seeks and agrees to construct a residential development, excluding any units permitted by the density bonus awarded pursuant to this chapter, that shall contain at least one (1) of the following. The units qualifying a development for*

a density bonus shall be referred to as "target units." The applicant shall specify which of the following is the basis for the density bonus:

A. Ten (10%) percent of the total units of a housing development are for lower-income households as defined in Section 50079 of the California Health and Safety Code.

B. Five (5%) percent of the total units of a housing development are for very low-income households; as defined in Section 50105 of the California Health and Safety Code.

C. A senior citizen housing development as defined in Sections 51.3 and 51.12 of the California Civil Code, or age-restricted mobile home park; or pursuant to California Civil Code Sections 798.76 or 799.5.

D. Ten (10%) percent of the total dwelling units are in a common interest development as defined in Section 4100 of the California Civil Code for persons and families of moderate income as defined in Section 50093 of the California Health and Safety Code; provided, that all units in the development are offered to the public for purchase.

E. Ten percent (10%) of the total units in a housing development for transitional foster youth (as defined in Section 66025.9 of the California Education Code), disabled veterans (as defined in Section 18541 of the California Government Code), or homeless persons (as defined in the federal McKinney-Vento Homeless Assistance Act, 42 USC Section 11301 et seq.). The units described in this subsection shall be subject to a recorded affordability restriction of fifty-five (55) years and shall be provided at the same affordability level as very low income units.

F. Twenty percent (20%) of the total units (for purposes of this subsection units is defined as one rental bed and its pro rata share of associated common area facilities, subject to a recorded affordability restriction of 55 years) for lower income students in a student housing development that meets the qualifications provided in Section 65915(b)(1)(F) of the California Government Code.

G. One hundred percent (100%) of the total units, exclusive of a manager's unit or units, are for lower income households, as defined by Section 50079.5 of the Health and Safety Code, except that up to twenty percent (20%) of the total units in the development may be for moderate-income households, as defined in Section 50053 of the Health and Safety Code.

**23.50.030 General provisions for density bonus and incentives and concessions.**

The following general requirements apply to the application and determination of all incentives and bonuses:

A. *Rounding.* All density calculations resulting in fractional units shall be rounded up to the next whole number; except that the percentage of total units proposed to qualify the development for a density bonus shall not be rounded up. For example, for a two hundred (200) unit project that proposes twenty-one (21) lower-income units (or ten and one-half (10.5%) percent), the allowed density bonus would be based on ten (10%) percent lower-income units, not eleven (11%) percent.

B. *Relation to General Plan, Zoning.* The granting of a density bonus, or a concession or incentive, shall not be interpreted, in and of itself, to require a General Plan amendment, zoning change (rezone), or other discretionary approval.

C. *Density Bonus Excluded in Calculation.* The density bonus shall not be included when calculating the total number of housing units that qualify the housing development for a density bonus.

D. *Parking.*

1. Upon request by the applicant, the City shall not require that a housing development meeting the requirements of EGMC Section 23.50.020 (Eligibility for density bonus and



incentives and concessions) provide a vehicular parking ratio, inclusive of handicapped and guest parking that exceeds the following. If the total of parking spaces required for a housing development is other than a whole number, the number shall be rounded up to the next whole number. For purposes of this subsection, a development may provide "on-site parking" through tandem parking or uncovered parking, but not through on-street parking.

- a. Zero (0) (studio) to one (1) bedroom: one (1) on-site parking space per unit;
- b. Two (2) to three (3) bedrooms: two (2) on-site parking spaces per unit;
- c. Four (4) or more bedrooms: two and one-half (2.5) parking spaces per unit.

2. If the total of parking spaces required for a housing development is other than a whole number, the number shall be rounded up to the next whole number. For purposes of this subsection, a development may provide "on-site parking" through tandem parking or uncovered parking, but not through on-street parking.

3. Notwithstanding paragraph 1, if a development includes the maximum percentage of low-income or very low income units provided for in Sections 23.50.020.A and B and is located within one-half mile of a major transit stop, as defined in subdivision (b) of Section 21155 of the Public Resources Code, and there is unobstructed access to the major transit stop from the development, then, upon the request of the developer, a city, county, or city and county shall not impose a vehicular parking ratio, inclusive of handicapped and guest parking, that exceeds one-half (1/2) spaces per bedroom. For purposes of this subdivision, a development shall have unobstructed access to a major transit stop if a resident is able to access the major transit stop without encountering natural or constructed impediments.

4. Notwithstanding paragraph 1, if a development consists solely of rental units, exclusive of a manager's unit or units, with an affordable housing cost to lower income families, as provided in Section 50052.5 of the Health and Safety Code, then, upon the request of the developer, the City shall not impose a vehicular parking ratio, inclusive of handicapped and guest parking, that exceeds the following ratios:

- a. If the development is located within one-half mile of a major transit stop, as defined in subdivision (b) of Section 21155 of the Public Resources Code, and there is unobstructed access to the major transit stop from the development, the ratio shall not exceed one-half (1/2) spaces per unit.
- b. If the development is a for-rent housing development for individuals who are 62 years of age or older that complies with Sections 51.2 and 51.3 of the Civil Code, the ratio shall not exceed one-half (1/2) spaces per unit. The development shall have either paratransit service or unobstructed access, within one-half mile, to fixed bus route service that operates at least eight times per day.

5. Notwithstanding paragraphs 1 and 6, if a development consists solely of rental units, exclusive of a manager's unit or units, with an affordable housing cost to lower income families, as provided in Section 50052.5 of the Health and Safety Code, and the development is either a special needs housing development, as defined in Section 51312 of the Health and Safety Code, or a supportive housing development, as defined in Section 50675.14 of the Health and Safety Code, then, upon the request of the developer, the City shall not impose any minimum vehicular parking requirement. A development that is a special needs housing development shall have either paratransit service or unobstructed access, within one-half mile, to fixed bus route service that operates at least eight times per day.

6. Notwithstanding paragraphs 3 and 4, if the City or an independent consultant has conducted an areawide or jurisdiction wide parking study in the last seven years, then the City may impose a higher vehicular parking ratio not to exceed the ratio described in paragraph 1, based upon substantial evidence found in the parking study, that includes, but is not limited to, an analysis of parking availability, differing levels of transit access, walkability access to transit services, the potential for shared parking, the effect of parking requirements on the cost of market-rate and subsidized developments, and the lower rates of car ownership for low-income and very low income individuals, including seniors and special needs individuals. The City shall pay the costs of any new study. The City shall make findings, based on a parking study completed in conformity with this paragraph, supporting the need for the higher parking ratio.

7. A request pursuant to this subdivision shall neither reduce nor increase the number

E. *Waived or Reduced Development Standards.* The City shall not apply any development standard that would have the effect of physically precluding the construction of a housing development meeting the requirements of EGMC Section 23.50.020 (Eligibility for density bonus and incentives and concessions) at the densities or with the incentives or concessions permitted by this chapter. A proposed waiver or reduction of development standards shall neither reduce nor increase the number of allowable incentives or concessions under EGMC Section 23.50.040 (Number and types of density bonuses and incentives and concessions allowed).

An applicant may submit to the City a proposal for the waiver or reduction of development standards, when standards would have the effect of physically precluding the proposed development, and may request a meeting with the City. Nothing in this subsection, however, shall be interpreted to require the City to waive or reduce development standards if:

1. The waiver or reduction would have a specific adverse impact, as defined in paragraph (2) of subdivision (d) of Section 65589.5 of the California Government Code, upon health and safety or the physical environment and for which the City determines there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to low and moderate income households;
2. This would have an adverse impact on any real property that is listed in the California Register of Historical Resources; or
3. The waiver or reduction would be contrary to State or Federal law.

F. *Multiple Zoning Districts.* If the site of a development proposal is located in two (2) or more zoning districts, the number of dwelling units permitted in the development is the sum of the dwelling units permitted in each of the zoning districts respectively. The permitted number of dwelling units may be distributed within the development without regard to the zone boundaries.

G. *City Authority.* Nothing in this chapter shall be construed to enlarge or diminish the authority of the City to require a developer to donate land as a condition of development.

H. *Agreement Required.*

1. Prior to the award of a density bonus and any related incentives or concessions, the applicant shall enter into an agreement with the City to ensure the continued affordability of all target units.
2. For all target units, the agreement shall specify the household income classification, number, location, size, and construction scheduling and shall require target units in a project and phases of a project to be constructed concurrently with the construction of nontarget units. The agreement shall include such other provisions as necessary to establish compliance with the requirements of this chapter.

I. Reports. The applicant shall submit financial or other reports along with the application for the project to establish compliance with this chapter. The City may retain a consultant to review any financial report (pro forma). The cost of the consultant shall be borne by the applicant, except that if the applicant is a nonprofit organization, the cost of the consultant may be paid by the City upon prior approval of the City Council.

J. CEQA Review. Any residential development that qualifies a density bonus shall not be exempt from compliance with the California Environmental Quality Act.

**23.50.040 Number and types of density bonuses and incentives and concessions allowed.**

A. Density Bonus. A housing development that satisfies the eligibility requirements in EGMC Section 23.50.020 (Eligibility for density bonus and incentives and concessions) shall be entitled to the following density bonus:

1. For developments providing ten (10%) percent lower-income target units, the City shall provide a twenty (20%) percent increase above the otherwise maximum allowable residential density as of the date of application, plus a one-and-one-half (1.5%) percent supplemental increase over that base for every one (1%) percent increase in low-income target units above ten (10%) percent. The maximum density bonus allowed including supplemental increases is thirty-five (35%) percent.

2. For developments providing five (5%) percent very low-income target units, the City shall provide a twenty (20%) percent increase above the otherwise maximum allowable residential density as of the date of application, plus a two-and-one-half (2.5%) percent supplemental increase over that base for every one (1%) percent increase in very low-income target units above five (5%) percent. The maximum density bonus allowed including supplemental increases is thirty-five (35%) percent.

3. For senior citizen housing developments, a flat twenty (20%) percent of the number of senior units.

4. For common interest developments providing ten (10%) percent moderate-income target units, the City shall provide a five (5%) percent increase above the otherwise maximum allowable residential density as of the date of application, plus a one (1%) percent increase in moderate-income units above ten (10%) percent. The maximum density bonus allowed including supplemental increases is thirty-five (35%) percent.

5. For developments providing ten percent (10%) of the total units for transitional foster youth, disable veterans, or homeless persons, a flat twenty percent (20%) of the number of the type of units giving rise to a density bonus.

6. For development providing twenty percent (20%) of the total units for lower income students in a student housing development, a flat thirty five percent (35%) of the student housing units.

7. For developments providing one hundred percent (100%) of the units for lower income households as provided in EGMC 23.50.020.G, a flat eighty percent (80%) of the number of units for lower income households; except that if the development is located within one-half (1/2) mile of a major transit stop, as defined in subdivision (b) of Section 21155 of the California Public Resources Code, there shall be no maximum density.

B. Number of Incentives or Concessions. In addition to the density bonus described in this section, an applicant may request specific incentives or concessions. The applicant shall receive the following number of incentives or concessions.

1. One (1) incentive or concession for projects that include at least ten (10%) percent of the total units for lower-income households, at least five (5%) percent for very low-income

households, or at least ten (10%) percent for persons and families of moderate income in a common interest development.

2. Two (2) incentives or concessions for projects that include at least twenty (20%) percent of the total units for lower-income households, at least ten (10%) percent for very low-income households, or at least twenty (20%) percent for persons and families of moderate income in a common interest development.

3. Three (3) incentives or concessions for projects that include at least thirty (30%) percent of the total units for lower-income households, at least fifteen (15%) percent for very low-income households, or at least thirty (30%) percent for persons and families of moderate income in a common interest development.

4. Four (4) incentives or concessions for projects meeting the criteria of EGMC 23.50.020.G. If the project is located within one-half mile of a major transit stop, as defined in subdivision (b) of Section 21155 of the Public Resources Code, the applicant shall also receive a height increase of up to three additional stories, or 33 feet.

C. Available Incentives and Concessions. The following are available incentives or concessions:

1. A reduction in the site development standards or a modification of the requirements of this title that exceed the minimum building standards approved by the California Building Standards Commission as provided in Part 2.5 (commencing with Section 18901) of Division 13 of the Health and Safety Code, including but not limited to a reduction in setback and square footage requirements and in the ratio of vehicle parking spaces that would otherwise be required and that results in identifiable, financially sufficient, and actual cost reductions.

2. Approval of mixed-use zoning in conjunction with the housing development if the nonresidential land uses will reduce the cost of the housing development and the nonresidential land uses are compatible with the housing development and existing or planned development in the area in which the housing development will be located.

3. Other regulatory incentives or concessions proposed by the applicant or the City that result in identifiable, financially sufficient, and actual cost reductions to provide for affordable housing costs as defined in Section 50052.5 of the Health and Safety Code, or for rents for the targeted units to be set as specified in Government Code Section 65915(c).

4. Priority processing of a housing development that qualifies for a density bonus based on income-restricted units.

D. Additional Density Bonus and Incentives and Concessions for Donation of Land to the City.

1. When an applicant for a tentative subdivision map, parcel map, or other residential development approval donates land to the City (other than that land typically dedicated as part of a subdivision, such as roadways/rights-of-way, parks, utility sites and easements, landscape corridors, and similar land) and agrees to include a minimum of ten (10%) percent of the total units before the density bonus for very low-income households, the applicant shall be entitled to a fifteen (15%) percent increase above the otherwise maximum allowable residential density, plus a one (1%) percent supplemental increase for each additional percentage of very low-income units to a maximum density bonus of thirty-five (35%) percent for the entire development.

2. The density bonus provided in this subsection shall be in addition to any other density bonus provided by this chapter up to a maximum combined density bonus of thirty-five (35%) percent.

3. The applicant shall be eligible for the increased density bonus described in this subsection if all of the following conditions are met:

a. The applicant donates and transfers the land no later than the date of approval of the final subdivision map, parcel map, or residential development application;

b. The developable acreage and zoning designation of the land being transferred are sufficient to permit construction of units affordable to very low-income households in an amount not less than ten (10%) percent of the number of residential units of the proposed development;

c. The transferred land is at least one (1) acre in size or of sufficient size to permit development of at least forty (40) units, has the appropriate General Plan designation, is appropriately zoned with appropriate development standards for development at the density described in paragraph (3) of subdivision (c) of Section 65583.2 of the Government Code, and is or will be served by adequate public facilities and infrastructure;

d. The transferred land shall have all of the entitlements and approvals, other than building permits, necessary for the development of the very low-income housing units on the transferred land, not later than the date of approval of the final subdivision map, parcel map, or residential development application, except that the City may subject the proposed development to subsequent design review to the extent authorized by subdivision (i) of Section 65583.2 of the Government Code if the design is not reviewed by the City prior to the time of transfer;

e. The transferred land and the affordable units shall be subject to a deed restriction ensuring continued affordability of the units consistent with the requirements of this chapter which shall be recorded on the property at the time of the transfer;

f. The land is transferred to the City or to a housing developer approved by the City;

g. The transferred land shall be within the boundary of the proposed development or, if the City agrees, within one-quarter (1/4) mile of the boundary of the proposed development; and

h. A proposed source of funding for the very low-income units shall be identified not later than the date of approval of the final subdivision map, parcel map, or residential development application.

4. Nothing in this subsection shall be construed to enlarge or diminish the authority of the City to require a developer to donate land as a condition of development.

*E. Additional Density Bonus or Incentives and Concessions for Development of Child Care Facility.*

1. Housing developments meeting the requirements of EGMC Section 23.50.020 (Eligibility for density bonus and incentives and concessions) and including a child care facility that will be located on the premises of, as part of, or adjacent to the housing development shall receive either of the following:

a. An additional density bonus that is an amount of square feet of residential space that is equal to or greater than the amount of square feet in the child care facility;

b. An additional incentive or concession that contributes significantly to the economic feasibility of the construction of the child care facility.

2. The City shall require the following as conditions of approving the housing development:

a. The child care facility shall remain in operation for a period of time that is as long as or longer than the period of time during which the target units are required to remain affordable, pursuant to subdivision (c) of Section 65915 of the Government Code; and

b. Of the children who attend the child care facility, the children of very low-income households, lower-income households, or moderate income households shall equal a percentage that is equal to or greater than the percentage of target units that are required pursuant to EGMC Section 23.50.020 (Eligibility for density bonus and incentives and concessions).

3. Notwithstanding any other requirements of this section, the City shall not be required to provide a density bonus or incentive or concession for a child care facility if it makes a written finding, based upon substantial evidence, that the community has adequate child care facilities.

#### F. Condominium Conversion Incentives for Low-Income Housing Development.

1. When an applicant for approval to convert apartments to a condominium project agrees to the following, the City shall grant either a density bonus of twenty-five (25%) percent over the number of apartments, to be provided within the existing structure or structures proposed for conversion, or provide other incentives of equivalent financial value. In either case, the applicant shall agree to pay for the reasonably necessary administrative costs incurred by the City.

a. Provide at least thirty-three (33%) percent of the total units of the proposed condominium project to persons and families of low or moderate income; or

b. Provide at least fifteen (15%) percent of the total units of the proposed condominium project to lower-income households.

2. An applicant for approval to convert apartments to a condominium project may submit to the City a preliminary proposal pursuant to this subsection prior to the submittal of any formal requests for subdivision map approvals. The City shall, within ninety (90) days of receipt of a written proposal, notify the applicant in writing of the manner in which it will comply with this subsection.

3. For purposes of this subsection, "other incentives of equivalent financial value" shall not be construed to require the City to provide cash transfer payments or other monetary compensation but may include the reduction or waiver of requirements which the City might otherwise apply as conditions of conversion approval.

4. Nothing in this subsection shall be construed to require the City to approve a proposal to convert apartments to condominiums.

5. An applicant shall be ineligible for a density bonus or other incentives under this subsection if the apartments proposed for conversion constitute a housing development for which a density bonus or other incentive was previously provided.

#### **23.50.050 Location of density bonus units.**

The location of density bonus units within the housing development may be at the discretion of the developer. However, the target units shall be dispersed throughout the housing development and when feasible shall contain, on average, the same number of bedrooms as the nontarget units in

the development, and shall be compatible with the design or use of the remaining units in terms of appearance, materials, and quality finish.

**23.50.060 Continued availability.**

A. *Minimum Fifty-Five (55) Years.* If a housing development provides low- or very low-income target units to qualify for a density bonus, the target units must remain restricted to lower- or very low-income households for a minimum of fifty-five (55) years from the date of issuance of the certificate of occupancy by the building official, or longer if required by the project financing construction or mortgage financing assistance program, mortgage insurance program, or rental subsidy program. Except as otherwise provided herein, rents for the lower income density bonus units shall be set at an affordable rent as defined in Section 50053 of the Health and Safety Code. For housing developments meeting the criteria of Section 23.50.020.G, rents for all units in the development, including both base density and density bonus units, shall be as follows:

1. The rent for at least 20 percent of the units in the development shall be set at an affordable rent, as defined in Section 50053 of the Health and Safety Code.
2. The rent for the remaining units in the development shall be set at an amount consistent with the maximum rent levels for a housing development that receives an allocation of state or federal low-income housing tax credits from the California Tax Credit Allocation Committee.

B. *Common Interest Housing.* In the case of a common interest housing development providing moderate-income target units to qualify for a density bonus, the initial occupant of the target unit must be a person or family of very low, low, or moderate income, and that the units are offered at an affordable housing cost, as that cost is defined in Section 50052.5 of the Health and Safety Code. Upon resale, the seller of the target units shall retain the value of any improvements, the down payment, and the seller's proportionate share of appreciation, and the City shall recapture any initial subsidy and its proportionate share of appreciation which shall then be used within five (5) years for any of the purposes described in subdivision (e) of Section 33334.2 of the California Health and Safety Code that promote homeownership. The City's initial subsidy shall be equal to the fair market value of the home at the time of initial sale minus the initial sale price to the moderate-income household, plus the amount of any down payment assistance or mortgage assistance. If upon resale the market value is lower than the initial market value, then the value at the time of the resale shall be used as the initial market value. The City's "proportionate share" shall be equal to the percentage by which the initial sale price to the moderate-income household was less than the fair market value of the home at the time of the initial sale.

C. *Direct Financial Contributions.* Where there is a direct financial contribution to a housing development pursuant to Section 65915 of the Government Code, the City shall assure continued availability for low- and moderate-income units for fifty-five (55) years.

**23.50.070 Process for approval or denial.**

A. *Process for Approval.* The density bonus and incentive(s) and concession(s) request shall be considered in conjunction with any necessary development entitlements for the project, including but not limited to conditional use permit and design review, as provided in EGMC Section 23.14.050. The designated approving authority for density bonuses, incentives, and concessions shall be the City Council, and the City Council shall be the approving authority for all associated entitlements. In conjunction with approving the density bonus and any related incentives or concessions, the City and applicant shall enter into a density bonus agreement.

1. Upon determination that the application for density bonus is complete, the City shall provide the applicant with a determination as to the following:
  - a. The amount of the density bonus, calculated pursuant to EGMC Section 23.50.040 for which the proposed project is eligible;

b. If the applicant requests a parking ratio pursuant to EGMC Section 23.50.030, the parking ratio for which the proposed project is eligible; and

c. If the applicant requests incentives or concessions pursuant to EGMC Section 23.50.040 or waivers or reductions of development standards pursuant to EGMC Section 23.50.040, whether the applicant has provided adequate information for the City to make a determination as to those incentives, concessions, or waivers or reductions of development standards.

B. *Approval of Density Bonus Required.* The City shall grant the density bonus requested by the applicant provided it is consistent with the requirements of this chapter and State law.

C. *Approval of Incentives or Concessions Required Unless Findings Made.* The City shall grant the incentive(s) and concession(s) requested by the applicant unless the City makes a written finding, based upon substantial evidence, of any of the following:

1. The concession or incentive is not required in order to provide for affordable housing costs, as defined in Section 50052.5 of the Health and Safety Code, or for rents for the targeted units to be set as specified in subdivision (c).

2. The concession or incentive would have a specific adverse impact, as defined in paragraph (2) of subdivision (d) of Section 65589.5 of the California Government Code, upon public health and safety or the physical environment or on any real property that is listed in the California Register of Historical Resources and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to low- and moderate-income households.

3. The concession or incentive would be contrary to State or Federal law.

D. *Administrative Fee.* The City shall charge applicants an administrative fee to cover the City's cost to review all materials submitted in accordance with this chapter and for ongoing enforcement of this chapter. The amount of the administrative fee shall be established by City Council resolution and updated as required. Fees will be charged for staff time and materials associated with:

1. Review and approval of applications for the proposed development;

2. Project marketing and lease-up; and

3. Long-term compliance of the applicant and successors-in-interest to the applicant, with respect to the affordable housing units.



The information was researched on February 7, 2020, by the undersigned, per request and as a public service. The undersigned certifies that the above information contained herein is believed to be accurate and is based upon, or related to the information supplied by the requestor. The Authority assumes no liability for errors and omissions. All information was retained from public records, which may be inspected during regular business hours.

If you have any questions regarding this letter or the project, please do not hesitate to contact me at (916) 478-2283 or [JDaguman@elkgrovecity.org](mailto:JDaguman@elkgrovecity.org).

Sincerely,

A handwritten signature in blue ink that reads "JDaguman" with a long horizontal flourish extending to the right.

Joseph N. Daguman  
Assistant Planner

**TAB # 5**  
**Sources and Uses of Funds**

**Sources & Uses**

**Construction Phase**

**Sources of Funds**

Federal LIHTC Equity	\$	1,919,144
State LIHTC Equity	\$	1,069,453
Seller Land Note	\$	725,000
City of Elk Grove Loan	\$	1,875,000
Deferred Costs	\$	3,624,374
Construction Loan	\$	25,636,585
<b>Total Sources of Funds</b>	<b>\$</b>	<b>34,849,555</b>

**Uses of Funds**

Land Cost	\$	1,475,000
New Construction	\$	20,259,315
Soft Costs	\$	9,467,656
Financing Costs	\$	1,916,633
Reserves	\$	383,388
Contingency Costs	\$	1,347,565
<b>Total Uses of Funds</b>	<b>\$</b>	<b>34,849,555</b>

**Permanent Phase**

**Sources of Funds**

Federal LIHTC Equity	\$	14,762,643
State LIHTC Equity	\$	8,226,561
Permanent Loan (Tranche)	\$	7,551,929
Deferred Developer Fee	\$	550,000
Forgone Developer Fee	\$	1,158,422
Seller Land Note	\$	725,000
City of Elk Grove Loan	\$	1,875,000
<b>Total Sources of Funds</b>	<b>\$</b>	<b>34,849,555</b>

**Uses of Funds**

Land Cost	\$	1,475,000
New Construction	\$	20,259,315
Soft Costs	\$	9,467,656
Financing Costs	\$	1,916,633
Reserves	\$	383,388
Contingency Costs	\$	1,347,565
<b>Total Uses of Funds</b>	<b>\$</b>	<b>34,849,555</b>

**Development Budget**

<b>Total Land Cost</b>	<b>\$</b>	<b>1,475,000</b>
<b>Total Acquisition Costs</b>	<b>\$</b>	<b>1,475,000</b>
<b>New Construction</b>		
Off-Site Improvements	\$	1,000,000
Site Work	\$	3,102,000
Solar	\$	375,000
Vertical	\$	12,693,366
General Requirements	\$	686,815
Contractor Overhead	\$	1,030,222
Contractor Profit	\$	686,815
Contractor General Liability Insurance	\$	293,613
Payment & Performance Bonds	\$	391,484
<b>Total New Construction</b>	<b>\$</b>	<b>20,259,315</b>
<b>Soft Costs</b>		
Architectural	\$	620,000
Engineering/Survey	\$	400,000
Taxes During Construction	\$	60,000
Insurance During Construction	\$	126,934
Title and Recording Fees	\$	50,000
Construction Mgmt. and Monitoring	\$	150,000
Accounting & Administrative Fees	\$	67,500
Miscellaneous Consultants	\$	155,000
Legal Fees	\$	195,000
Third-Party Reports & Studies	\$	130,000
Development Impact & Permit Fees	\$	3,241,800
Other Soft Costs	\$	63,000
Developer Fee	\$	3,050,000
Forgone Developer Fee	\$	1,158,422
<b>Total Soft Costs</b>	<b>\$</b>	<b>9,467,656</b>
<b>Financing Costs</b>		
Construction Loan Interest	\$	1,107,369
Construction Loan Fee	\$	256,366
Lender Legal Fees	\$	80,000
Lender Inspection Fees	\$	45,000
Predevelopment Loan Interest	\$	250,000
Bond Issuer & Trustee Fees	\$	102,311
Permanent Financing Expenses	\$	20,000
Tax Credit & CDLAC Fees	\$	55,586
<b>Total Financing Costs</b>	<b>\$</b>	<b>1,916,633</b>
<b>Reserves</b>		
Operating Reserve	\$	364,638
Replacement Reserve	\$	18,750
<b>Total Reserves</b>	<b>\$</b>	<b>383,388</b>
<b>Contingency Costs</b>		
Hard Cost Contingency	\$	1,012,966
Soft Cost Contingency	\$	334,599
<b>Total Contingency Costs</b>	<b>\$</b>	<b>1,347,565</b>
<b>Totals</b>	<b>\$</b>	<b>34,849,555</b>

Note: Forgone developer fee increases the eligible basis of the project, generating more tax credit equity at no cost the city and a no direct economic benefit to the developer.

**B. Basis of Construction Costs:**

The construction cost estimates are based upon CRP's recent experience developing affordable housing projects in CA of similar type (Garden Style – Three Stories) along with the associated common facilities and amenities; while factoring in the recent escalating building material costs. CRP have good relationships with multiple General Contractor's in CA who also assisted by providing insight into expected construction costs at the projected construction period.

Aspen Grove Villas I											
	TOTAL PROJECT COST	RES. COST	COM'L. COST	FEDERAL TAX CREDIT EQUITY	State LIHTC Equity	Permanent Loan (Tranche A)	Seller Land Note	City of Elk Grove Loan	Deferred Developer Fee	Forgone Developer Fee	Subtotal
<b>ACQUISITION</b>											
Land	\$1,475,000	\$1,475,000		\$481,617	\$268,383		\$725,000				\$1,475,000
<b>Total Land / Acquititison</b>	\$1,475,000	\$1,475,000	\$0	\$481,617	\$268,383	\$0	\$725,000	\$0	\$0	\$0	\$1,475,000
<b>NEW CONSTRUCTION</b>											
Off-Site Improvements	\$1,000,000	\$1,000,000		\$642,155	\$357,845						\$1,000,000
Site Work	\$3,102,000	\$3,102,000		\$1,991,966	\$1,110,034						\$3,102,000
Solar	\$375,000	\$375,000		\$240,808	\$134,192						\$375,000
Vertical	\$12,693,366	\$12,693,366		\$2,097,560	\$1,168,876	\$7,551,929		\$1,875,000			\$12,693,366
General Requirements	\$686,815	\$686,815		\$441,042	\$245,773						\$686,815
Contractor Overhead	\$1,030,222	\$1,030,222		\$661,563	\$368,659						\$1,030,222
Contractor Profit	\$686,815	\$686,815		\$441,042	\$245,773						\$686,815
Contractor General Liability Insurance	\$293,613	\$293,613		\$188,545	\$105,068						\$293,613
Payment & Performance Bonds	\$391,484	\$391,484		\$251,394	\$140,091						\$391,484
<b>Total New Construction</b>	\$20,259,315	\$20,259,315	\$0	\$6,956,076	\$3,876,310	\$7,551,929	\$0	\$1,875,000	\$0	\$0	\$20,259,315
<b>ARCHITECTURAL</b>											
Building	\$500,000	\$500,000		\$321,078	\$178,922						\$500,000
Landscape/Other	\$70,000	\$70,000		\$44,951	\$25,049						\$70,000
Energy Consultant	\$50,000	\$50,000		\$32,108	\$17,892						\$50,000
<b>Total Architectural</b>	\$620,000	\$620,000	\$0	\$398,136	\$221,864	\$0	\$0	\$0	\$0	\$0	\$620,000
<b>SURVEY &amp; ENGINEERING</b>											
Civil	\$250,000	\$250,000		\$160,539	\$89,461						\$250,000
Geotech	\$100,000	\$100,000		\$64,216	\$35,784						\$100,000
Other Engineering	\$50,000	\$50,000		\$32,108	\$17,892						\$50,000
<b>Total Survey &amp; Engineering</b>	\$400,000	\$400,000	\$0	\$256,862	\$143,138	\$0	\$0	\$0	\$0	\$0	\$400,000
<b>CONTINGENCY COSTS</b>											
Hard Cost Contingency	\$1,012,966	\$1,012,966		\$650,482	\$362,484						\$1,012,966
Soft Cost Contingency	\$334,599	\$334,599		\$214,865	\$119,734						\$334,599
<b>Total Contingency</b>	\$1,347,565	\$1,347,565	\$0	\$865,346	\$482,219	\$0	\$0	\$0	\$0	\$0	\$1,347,565
<b>CONSTRUCTION PERIOD EXPENSES</b>											
Construction Loan Interest	\$1,107,369	\$1,107,369		\$711,103	\$396,266						\$1,107,369
Construction Loan Fee	\$256,366	\$256,366		\$164,627	\$91,739						\$256,366
Lender Inspection Fees	\$45,000	\$45,000		\$28,897	\$16,103						\$45,000
Taxes During Construction	\$60,000	\$60,000		\$38,529	\$21,471						\$60,000
Insurance During Construction	\$126,934	\$126,934		\$81,511	\$45,423						\$126,934
Title and Recording Fees	\$50,000	\$50,000		\$32,108	\$17,892						\$50,000
Construction Mgmt. and Monitoring	\$150,000	\$150,000		\$96,323	\$53,677						\$150,000
Predevelopment Loan Interest	\$250,000	\$250,000		\$160,539	\$89,461						\$250,000
Misellaneous Consultants	\$155,000	\$155,000		\$99,534	\$55,466						\$155,000
<b>Total Construction Period Expense</b>	\$2,200,669	\$2,200,669	\$0	\$1,413,172	\$787,497	\$0	\$0	\$0	\$0	\$0	\$2,200,669
<b>PERMANENT FINANCING EXPENSES</b>											
Title and Recording Fees	\$10,000	\$10,000		\$6,422	\$3,578						\$10,000
Other: Issuer Fee	\$47,311	\$47,311		\$30,381	\$16,930						\$47,311
Other: Perm Loan Conversion Expenses	\$10,000	\$10,000		\$6,422	\$3,578						\$10,000
<b>Total Permanent Financing</b>	\$67,311	\$67,311	\$0	\$43,224	\$24,087	\$0	\$0	\$0	\$0	\$0	\$67,311
<b>LEGAL FEES</b>											
Construction Lender Legal	\$70,000	\$70,000		\$44,951	\$25,049						\$70,000
Permanent Lender Legal	\$10,000	\$10,000		\$6,422	\$3,578						\$10,000
Sponsor Legal	\$100,000	\$100,000		\$64,216	\$35,784						\$100,000
Bond Issuer Legal	\$55,000	\$55,000		\$35,319	\$19,681						\$55,000
Other: Investor Legal	\$70,000	\$70,000		\$44,951	\$25,049						\$70,000
Other: GP Legal	\$25,000	\$25,000		\$16,054	\$8,946						\$25,000
<b>Total Legal Fees</b>	\$330,000	\$330,000	\$0	\$211,911	\$118,089	\$0	\$0	\$0	\$0	\$0	\$330,000
<b>CAPITALIZED RESERVES</b>											
Operating Reserve	\$364,638	\$364,638		\$234,154	\$130,484						\$364,638
Replacement Reserve	\$18,750	\$18,750		\$12,040	\$6,710						\$18,750
<b>Total Reserves</b>	\$383,388	\$383,388	\$0	\$246,194	\$137,193	\$0	\$0	\$0	\$0	\$0	\$383,388
<b>REPORTS &amp; STUDIES</b>											
Market Study	\$20,000	\$20,000		\$12,843	\$7,157						\$20,000
Relocation Plan & consulting	\$0	\$0		\$0	\$0						\$0
Appraisal	\$15,000	\$15,000		\$9,632	\$5,368						\$15,000
Environmental	\$20,000	\$20,000		\$12,843	\$7,157						\$20,000
Other: Lender Deposit	\$0	\$0		\$0	\$0						\$0
Other: Phase I	\$15,000	\$15,000		\$9,632	\$5,368						\$15,000
Other: Soils Report	\$10,000	\$10,000		\$6,422	\$3,578						\$10,000
Other: Miscellaneous	\$50,000	\$50,000		\$32,108	\$17,892						\$50,000
<b>Total Reports &amp; Studies</b>	\$130,000	\$130,000	\$0	\$83,480	\$46,520	\$0	\$0	\$0	\$0	\$0	\$130,000
<b>OTHER</b>											
TCAC App./Alloc/Monitoring Fees	\$49,118	\$49,118		\$31,541	\$17,576						\$49,118
CDLAC/CDIAC Fees	\$6,469	\$6,469		\$4,154	\$2,315						\$6,469
Local Permit Fees	\$187,500	\$187,500		\$120,404	\$67,096						\$187,500
Local Development Impact Fees	\$3,054,300	\$3,054,300		\$1,961,336	\$1,092,964						\$3,054,300
Furnishings	\$25,000	\$25,000		\$16,054	\$8,946						\$25,000
Final Cost Audit Expense	\$15,000	\$15,000		\$9,632	\$5,368						\$15,000
Marketing	\$38,000	\$38,000		\$24,402	\$13,598						\$38,000
MGP Services Fee	\$0	\$0		\$0	\$0						\$0
Accounting/Finance/Admin	\$52,500	\$52,500		\$33,713	\$18,787						\$52,500
<b>Total Other Costs</b>	\$3,427,886	\$3,427,886	\$0	\$2,201,236	\$1,226,650	\$0	\$0	\$0	\$0	\$0	\$3,427,886
<b>DEVELOPER COSTS</b>											
Developer Fee	\$4,208,422	\$4,208,422		\$1,605,389	\$894,611				\$550,000	\$1,158,422	\$4,208,422
<b>Total Developer Costs</b>	\$4,208,422	\$4,208,422	\$0	\$1,605,389	\$894,611	\$0	\$0	\$0	\$550,000	\$1,158,422	\$4,208,422
<b>Total Uses of Funds</b>	\$34,849,555	\$34,849,555	\$0	\$14,762,643	\$8,226,561	\$7,551,929	\$725,000	\$1,875,000	\$550,000	\$1,158,422	\$34,849,555



May 11, 2021

Sarah Bontrager  
Housing and Public Services Manager  
City of Elk Grove  
8401 Laguna Palms Way  
Elk Grove, CA 95758

**Reference: Response to Request for Proposal for the Construction, Development and Operation of an Affordable Housing Project. Application for 4% Low Income Housing Tax Credits.**

**Project: Deferred Developer Fee - Aspen Grove Villas, 8668 Poppy Ridge Road, Elk Grove, CA 95757**

Dear Ms. Bontrager,

Please accept this commitment letter for our deferred developer fee. Pursuant to California Tax Credit Allocation Committee (CTCAC) regulations, we are committing to defer up to \$550,000 of the developer fee as calculated per CTCAC and CDLAC regulations.

The deferred developer fee will be paid from residual receipts of the project cash flow as a priority.

Please feel free to contact me at [psalib@crpaffordable.com](mailto:psalib@crpaffordable.com) should you have any questions or need additional information.

Sincerely,

DocuSigned by:  
  
4B2ABD89EF604C6...

Paul Salib  
Authorized Signatory



May 11, 2021

Sarah Bontrager  
Housing and Public Services Manager  
City of Elk Grove  
8401 Laguna Palms Way  
Elk Grove, CA 95758

**Reference: Response to Request for Proposal for the Construction, Development and Operation of an Affordable Housing Project. Application for 4% Low Income Housing Tax Credits.**

**Project: Developer Fee Forgone - Aspen Grove Villas, 8668 Poppy Ridge Road, Elk Grove, CA 95757**

Dear Ms. Bontrager,

Pursuant to California Tax Credit Allocation Committee (CTCAC) regulations, we are committing to forego up to \$1,158,422 of the developer fee as calculated per CTCAC and CDLAC regulations.

Please feel free to contact me at [psalib@crpaffordable.com](mailto:psalib@crpaffordable.com) should you have any questions or need additional information.

Sincerely,

DocuSigned by:  
*Paul Salib*  
4B2ABD89EF604C6...

Paul Salib  
Authorized Signatory





May 11, 2021

Sarah Bontrager  
Housing and Public Services Manager  
City of Elk Grove  
8401 Laguna Palms Way  
Elk Grove, CA 95758

**Reference: Response to Request for Proposal for the Construction, Development and Operation of an Affordable Housing Project. Application for 4% Low Income Housing Tax Credits.**

**Project: Seller Land Note - Aspen Grove Villas, 8668 Poppy Ridge Road, Elk Grove, CA 95757**

Dear Ms. Bontrager,

Please accept this commitment letter for our Seller Note. Pursuant to California Tax Credit Allocation Committee (CTCAC) regulations, we are committing to defer \$725,000 of the Fair Market Value of the land per the third-party appraisal calculated in compliance with CTCAC and CDLAC regulations.

The Note will be payable from the available residual receipts of the project cash flow.

Please feel free to contact me at [psalib@crpaffordable.com](mailto:psalib@crpaffordable.com) should you have any questions or need additional information.

Sincerely,

DocuSigned by:  
  
4B2ABD89EF604C6...

Paul Salib  
Authorized Signatory



## Community Capital

May 13, 2021

CRP Affordable Housing and Community Development LLC  
4455 Morena Blvd, Suite 107  
San Diego, CA 9211  
Attn: Paul Salib

**Re: Commitment to utilize Private Activity Bonds to finance a Multifamily Rental Project in an amount not to exceed \$25,232,571 (of which \$18,482,571 will be Tax-Exempt and \$6,750,000 will be Taxable) relating to a new construction project to be known as Aspen Grove Villas located in Elk Grove, CA (the "Property").**

Ladies and Gentlemen:

Citibank, N.A. ("CITI") is pleased to offer to CRP Affordable Housing and Community Development LLC ("**Sponsor**"), as the Sponsor of CRP Aspen Grove Villas LP ("**Borrower**"), this commitment ("**Commitment**") for financing, subject to the terms, requirements and conditions which follow. All capitalized terms used herein, unless otherwise defined, shall have the meaning set forth on Exhibit A annexed hereto and incorporated herein by this reference (the "**Commitment Terms**"). CITI's decision to issue this Commitment was made in reliance upon the representations and material supplied by Sponsor and Sponsor's representatives, as more particularly described on Exhibit B annexed hereto. CITI understands that Sponsor intends to submit this Commitment to the City of Elk Grove with respect to the financing of the Property. **This Commitment is subject to, among other things, CITI completing due diligence to confirm the representations made by Sponsor and obtaining credit committee approval.**

**In connection with this Commitment, CITI will be acting solely as a principal and not as your agent, advisor or fiduciary. CITI has not assumed a fiduciary responsibility with respect to this Commitment, and nothing in this Commitment or in any prior relationship between you and CITI will be deemed to create an advisory, fiduciary or agency relationship between us in respect of this Commitment. You should consider carefully whether you would like to engage an independent advisor to represent or otherwise advise you in connection with this Commitment, if you have not already done so.**

**A. Transaction Summary.** The terms of the tax-exempt financing transaction (the "**Transaction**") that is the subject of this Commitment is as follows:

1. On the issuance date (the "**Closing Date**"), CITI shall fund a loan (the "**Funding Loan**") to Governmental Lender, and Governmental Lender shall simultaneously issue a note (the "**Governmental Lender Note**") to CITI. The proceeds of the Funding Loan shall be used by Governmental Lender to make a tax-exempt loan (the "**Tax-Exempt Loan**" or the "**Borrower Loan**") to Borrower to finance the Property, for which the Governmental Lender receives a borrower note (the "**Borrower Note**"). Borrower shall be responsible for securing the issuance and delivery of the Tax-Exempt Loan by the Governmental Lender.
2. Upon closing of the transaction, the rights of Governmental Lender in the Borrower Loan and all documents evidencing and securing the Borrower Loan (the "**Borrower Loan Documents**") shall be assigned to a fiscal agent, which may be CITI (the "**Fiscal Agent**"), as security for the

Governmental Lender's obligations to CITI evidenced by the Governmental Lender Note. CITI will administer and direct the disbursement of the proceeds of the Funding Loan and the Borrower Loan and will oversee the construction work to be performed on the Property (the "Improvements"). The completion of the Improvements and all related work shall be performed during the Interim Phase (as hereinafter defined).

3. CITI shall have the right to engage a third party servicer ("Servicer") to provide limited servicing/oversight functions on behalf of CITI pursuant to a separate servicing agreement with CITI. CITI shall pay Servicer any applicable servicing fee.

4. At such time as the Conditions to Conversion set forth herein are satisfied, if ever, the Loan shall convert from the Interim Phase to the Permanent Period (as hereinafter defined). In the event that the Conditions to Conversion are not satisfied on or before the last day of the Interim Phase, as more particularly provided herein, at the option of CITI, the Tax-Exempt Loan will be subject to acceleration, and all obligations of CITI with respect to the transaction contemplated by this Commitment shall terminate.

5. CITI anticipates that CITI's interest in the Tax-Exempt Loan may be transferred to any eligible investor, which may be a government sponsored enterprise or institutional investor (or a trust for the benefit thereof) and CITI's underwriting and documentation will provide for the possibility of such transfer.

**B. Conditions Precedent to Closing.** The obligation of CITI to make the Funding Loan is subject to satisfaction of the following conditions precedent ("Conditions Precedent to Closing"), in each case in a manner acceptable to CITI. The form and substance of all documents and items submitted by Borrower hereunder must be acceptable to CITI and its counsel.

1. Credit Approval. This Commitment is subject, among other things, to CITI obtaining final credit committee approval. Sponsor understands and agrees that this Commitment is subject to final approvals as set forth in Part E.4. of this Commitment and is not an agreement to make a loan. Any documentation will be forthcoming only after final approval of the underwriting by CITI's credit committee. The financing will be documented separately and will contain terms and conditions that may be in addition to or in substitution of those set forth in the Commitment.

2. Documents. Borrower shall duly authorize, execute and deliver or cause to be delivered at closing a Multifamily Note, a Multifamily Deed of Trust, Deed to Secure Debt or Mortgage, where appropriate (the "Security Instrument"), a Guaranty or Guarantees (including a Completion and Payment Guaranty for the Interim Phase and a Non-recourse Carve-out Guaranty), an Agreement of Environmental Indemnification, a Replacement Reserve Agreement, a Construction Funding Agreement, Assignments and any other assignment, financing statement, agreement or document required by CITI in connection with the Loan (collectively, the "Mortgage Documents"). The Funding Loan Agreement, the Regulatory Agreement, the Borrower Loan Agreement, the Borrower Note and all other documents executed or issued in connection with the transaction shall be referred to, collectively, as the "Tax-Exempt Loan Documents". The Security Instrument and Borrower Note shall initially be for the benefit of Governmental Lender and shall be assigned on the Closing Date to CITI. The Tax-Exempt Loan Documents must be in a form satisfactory to CITI and Governmental Lender. Where appropriate, the Mortgage Documents and the Tax-Exempt Loan Documents shall be acknowledged, recorded and filed in the public record, and all recording receipts promptly delivered to CITI.

3. Title Insurance. Borrower shall promptly deliver to CITI a commitment for a mortgagee's title insurance policy, prepared in accordance with CITI's title insurance instructions, along with a pro forma policy in the form included in such instructions. The title insurance commitment and policy must satisfy all of the requirements of such instructions and include such other coverage and

endorsements as CITI may require. The company and/or agent issuing the commitment shall be acceptable to CITI in all respects. Borrower shall also furnish CITI with copies of all instruments affecting title to the Property including, but not limited to, all instruments referenced in Schedule B of the pro forma policy.

4. UCC Search/Perfection. Borrower shall commission UCC searches in the real estate records and personal property records of the following jurisdictions and shall furnish written reports of such searches to CITI: (i) the jurisdiction where the Property is located, (ii) any other jurisdiction in which Borrower has its principal office for the conduct of its business, (iii) in the central UCC filing location specified by the law of the state where the Property is located, and (iv) any other office where filing is necessary to perfect Governmental Lender's or Fiscal Agent's security interest in the Collateral (as hereinafter defined). All such searches shall be updated to the time of recordation of the Mortgage Documents and shall show no security interests affecting the Property, Guarantor or Borrower, other than those naming Governmental Lender or Fiscal Agent as the secured party. Borrower shall cause the appropriate filing of financing statements, on forms supplied by CITI, evidencing Governmental Lender's or Fiscal Agent's perfected first priority security interest in all personal property, machinery, equipment, building materials, contract rights, furniture, fixtures, royalties, receivables and other rights related thereto, as well as all leases, rents, revenues and proceeds therefrom and all proceeds of the foregoing (collectively, the "Collateral"). Such filing shall be in compliance with both the Uniform Commercial Code, as adopted in the state in which the Property is located, and all other applicable laws affecting the perfection of security interests. Borrower shall furnish to CITI, promptly upon recordation, receipted or time stamped copies of the filed financing statements.

5. Authority. Borrower shall furnish to CITI certified documents satisfactory to CITI evidencing Borrower's power and authority to enter into the Mortgage Documents and the Tax-Exempt Loan Documents. If Borrower is a corporation, such documents shall include Borrower's Articles of Incorporation, Bylaws, corporate resolution relevant to the Loan and a Certificate of Good Standing from the state of incorporation and the state where the Property is located. If Borrower is a partnership, such documents shall include a copy of the partnership agreement and partnership certificate, and the above-referenced corporate documents for any corporate general partner of Borrower. If Borrower is a limited liability company, such documents shall include a copy of the Articles of Organization and Operating Agreement and the Certificate of Authenticity or Certificate of Good Standing from the state of organization and the state where the Property is located.

6. Leases. The standard form of lease used at the Property shall be subject to the prior written approval of CITI. All new leases and renewals of existing leases shall be made on the approved standard form of lease unless otherwise agreed to by CITI. There must be no commercial leases affecting the Property, except for any laundry lease and other commercial lease disclosed in writing to and approved in writing by CITI and its counsel prior to the date of this Commitment. Any current commercial lease or laundry lease must be subordinated to the lien of the Security Instrument and other Mortgage Documents. Borrower agrees that any future commercial lease or laundry lease or renewal of any current commercial lease or laundry lease will contain language acceptable to CITI subordinating said lease to the lien of the Security Instrument and other Mortgage Documents. There must be no default under any current commercial lease or laundry lease.

7. Borrower's Management Agreement. Borrower shall furnish to CITI a copy of Borrower's management agreement. The management agreement must be with a professional management company and both the management company and the terms of the management agreement must be approved in writing by CITI. Borrower shall not make or permit to be made any changes to the

management agreement without the prior written approval of CITI. Without limiting the foregoing, the management agreement must be terminable by owner on 30 days' notice, with or without cause and without payment of any termination fee. If required by CITI, a portion of the management fee may be required to be subordinated to debt service and other amounts payable with respect to the Loan.

8. Rent Roll. If applicable, Borrower shall promptly furnish a copy of the rent roll for the Property, with an updated rent roll to be delivered contemporaneously with closing and as of the Conversion Date (as hereinafter defined).

9. Appraisal. CITI shall have received an appraisal of the Property satisfactory to CITI.

10. Opinion of Borrower's Counsel. Borrower shall deliver to CITI a written opinion by Borrower's counsel approved by CITI, addressed to CITI, Issuer and Bond Trustee and in the form furnished or approved by CITI's counsel.

11. Insurance. Borrower shall deliver to CITI an insurance policy evidencing the existence of insurance relating to the Property, which evidence shall include "paid" premium invoices, conforming in all respects to CITI's insurance requirements as provided to Borrower in a separate package, as same may, from time to time, be modified. Such insurance for the Property shall include, without limitation, coverage for acts of terrorism and, if applicable, flood insurance (as more particularly set forth in Paragraph 17 below). In addition, Borrower must deliver prior to closing (i) the original, or a copy certified by the insurance agent, of the policy(ies) of insurance; or (ii) the insurance binder; or (iii) a certificate of insurance (Acord Form 28 property or Acord Form 27 liability or other form, satisfactory to Lender, provided by the insurance agent); or (iv) original letter from the insurance carrier on the primary layer, signed by an officer of such carrier, attaching the form of insurance policy pursuant to which coverage is being provided, and, if applicable, original letter from each insurance carrier on the excess layers, signed by an officer of such carrier(s) agreeing that it is bound to the form of insurance policy delivered by the primary carrier (*i.e.*, agreeing to "follow form" to the primary carrier). The letter must set forth the date by which the policy will be delivered to CITI, which must not be more than sixty (60) days following closing. All mortgagee/loss payee/additional insured endorsements must be attached to the letter.

12. Permits/Occupancy. Borrower shall deliver to CITI evidence satisfactory to CITI that all applicable governmental authorities have authorized construction of the Improvements and the development and, if applicable, the operation of the Property as a multifamily residential unit, including, without limitation, occupancy permits (if applicable) and building permits. Any nonresidential occupancy must be approved in writing by CITI.

13. Zoning/Subdivision. Borrower shall deliver to CITI certification from the local governmental authority (i) that the use of the Property as a multifamily residential complex complies with all zoning and subdivision ordinances and regulations applicable to the Property and that it is either a legal, conforming use or a legal, nonconforming use acceptable under CITI's underwriting standards, (ii) that the Property has been properly subdivided, and (iii) that the improvements on the Property can be rebuilt on the same location to their presently existing size, shape and density if partially or totally destroyed.

14. Access/Utilities. Borrower shall deliver to CITI evidence satisfactory to CITI that the Property is located on a publicly dedicated and maintained roadway or acceptable easement thereto, is served by public water and sewer systems, electricity and telephone service, and receives adequate municipal services (fire, police and transportation, among others).

15. Other Compliance. Borrower shall deliver to CITI evidence satisfactory to CITI that the Property, and Borrower's operation thereof, is in compliance with all local and/or state building,

safety, health and fire codes, all clean air and water acts and other Hazardous Materials Laws (as hereinafter defined), and all equal opportunity, anti-discriminatory and fair housing requirements.

16. Survey. Borrower shall deliver to CITI a current, certified, "boundary" or "as-built" (as applicable) ALTA survey of the Property and surveyor's certificate, prepared by a registered engineer or surveyor approved by CITI. The survey and surveyor's certificate shall be satisfactory in form and substance to CITI and shall contain those matters set forth in CITI's survey instructions.

17. Flood Zone Map/Certification/Insurance. Borrower shall deliver to CITI a certification from Borrower's architect, engineer or surveyor stating whether the Property is located in a designated special Flood Plain Hazard area, as designated by appropriate federal agencies. If all or any portion of the Property is at any time during the term of the Loan, located in such an area, Borrower shall provide satisfactory evidence to CITI of the existence of flood insurance policies in the maximum amount required pursuant to applicable laws covering all of the improvements on the Property which lie within, are bounded by, or are in any way affected by such area.

18. Operating Documents. Borrower shall furnish copies of any form documents used for the Property and any equipment leases, licenses, franchises, permits, contracts, and any other agreements required for the operation, use, management or occupancy of the Property, and all such items shall be subject to written approval by CITI.

19. Financial Statements of Borrower and Guarantor. CITI shall receive, for its review and approval detailed financial statements for Borrower, any principal in Borrower and each Guarantor, certified by Borrower, such principal or the Guarantor, as the case may be. CITI may also require updated and/or recertified financial statements as of the Closing Date.

20. Environmental Assessment Report. CITI shall receive and approve a written report or reports from CITI's independent environmental inspectors confirming that the Property and any site within the vicinity of the Property (i) has not contained and does not currently contain any Hazardous Material or underground storage tanks or any other pollutants that could be detrimental to the Property, human health or the environment, (ii) does not contain radon gas in levels unacceptable to CITI, (iii) complies with all applicable Hazardous Material Laws and has not been identified by any environmental regulatory body as a site containing Hazardous Material or underground storage tanks, (iv) shows no other environmental problem that would bring the Property within the purview of any federal, state or local environmental law or ordinance, and (v) contains no residual effect due to the removal of storage tanks or Hazardous Material. All deficiencies with respect to any environmental matters which CITI deems to be material shall be corrected by Borrower at its own expense to the satisfaction of CITI. "Hazardous Material" means and includes, without limitation, mold, asbestos and any substance containing asbestos, the group of organic compounds known as polychlorinated biphenyls, flammable explosives, radioactive materials, lead-based paint, chemicals known to cause cancer or reproductive toxicity, pollutants, effluents, contaminants, emissions or related materials and any items included in the definition of hazardous or toxic wastes, materials or substances under the Hazardous Material Laws. "Hazardous Material Laws" means and includes, all federal, state and local statutes, ordinances, regulations, orders, and decrees now or hereafter promulgated in connection with preserving the environment and/or the handling, storage, transport and disposal of Hazard Material.

21. Separate Tax Parcel(s). The Property shall constitute one or more separate and distinct tax parcels for purposes of all real estate taxes and assessments. There shall be no overlap whatsoever between the Property and any other property which will not be subject to the first lien of the Security Instrument. Borrower shall also furnish the most recent tax bills for the Property.

22. Opinion of Tax Counsel. CITI must receive from nationally recognized tax counsel approved by CITI an unqualified opinion (i) as to the validity and enforceability of the Tax-Exempt Loan, (ii) that the interest on the Tax-Exempt Loan is excluded from the gross income of the owners thereof for federal income tax purposes under the Internal Revenue Code of 1986, as amended, and (iii) that the interest on the Tax-Exempt Loan is excluded from the gross income of the owners thereof for state income tax purposes if such exclusion is available under state law. Tax counsel must have (a) addressed its opinion to CITI, (b) addressed its opinion to CITI or (c) provided CITI a letter, addressed to CITI, stating that CITI may rely upon the opinion. Both the opinion and, if applicable, the reliance letter must be satisfactory to CITI.
23. Governmental Lender Requirements. CITI must receive evidence that Governmental Lender shall not impose restrictions, requirements or conditions in connection with its willingness to issue the Tax-Exempt Loan that are unacceptable to CITI. The restrictions imposed by the Tax-Exempt Loan Documents must be consistent with the restrictions on the use of the Property, on the income of tenants and on any rent charge that was used in underwriting the Funding Loan.
24. Low-Income Housing Tax Credits (“LIHTC”). CITI must approve any land use restriction agreement or regulatory agreement regulating or restricting the use or manner of operation of the Property and requiring that the Property be operated as a residential rental project occupied by individuals of low income (as provided for in the Treasury Regulations under Section 42(g) of the Internal Revenue Code). Such regulatory agreement must provide that the Property shall at all times be operated in such manner as to comply with the requirements of the Internal Revenue Code, the Treasury Regulations and IRS Rulings for obtaining and for preserving the LIHTC. In addition, the eligibility of the Property for LIHTC shall be evidenced to CITI in a manner satisfactory to CITI. Such regulatory agreement must be reviewed and approved in writing by CITI.
25. Equity and Funding Conditions. CITI must approve the partners/members (including the Tax Credit Investor), the applicable investment agreement, and the organizational documents of Borrower. CITI must receive and approve evidence satisfactory to CITI in all respects that the amount of the equity contribution is projected to be at least the level used by CITI in underwriting the transaction. Borrower’s organizational documents shall contain restrictions acceptable to CITI on the syndication or other transfer of the Tax Credit Investor’s interest, in whole or in part (including any interest therein), to eligible investors. In addition, prior to the Closing Date, CITI must receive and approve evidence satisfactory to CITI in all respects that Borrower (i) has timely received all required equity contributions to be made to Borrower as of the Closing Date, (ii) has fully funded, for the benefit of the Property, all cash required to be invested in the Property as of the Closing Date, and (iii) has made satisfactory arrangements to fund all cash required to be funded after the Closing Date. Borrower must also provide and CITI must approve in writing any developer’s agreement relating to the Property.
26. Interim Phase Budget. CITI will require satisfactory evidence that other funds and Loan Proceeds are adequate to complete the Improvements and carry the costs of the Property (including but not limited to interest, taxes, insurance, and operating costs), as determined by CITI based upon its review of scope of work, the Appraisal and other relevant information. CITI reserves the right to receive, review and approve all project expenditures made prior to closing.
27. Architectural Consultant and Construction Inspector. CITI shall have approved an architectural consultant to monitor the progress of the Improvements (the “Architectural Consultant”) and Borrower and the Architectural Consultant shall have executed and delivered to CITI an agreement in form and substance acceptable to CITI, pursuant to which the Architectural Consultant shall agree to certify hard cost progress payments and to provide the certifications required pursuant to this Preliminary Commitment upon completion of the Improvements. In

addition, CITI will enter into an agreement directly with a construction inspector (“Construction Inspector”) for the benefit of CITI, but at the sole cost and expense of Borrower, to review the plans and specifications, contracts and budget for the Improvements and to monitor the progress of the construction of the Improvements in the manner required by CITI.

28. Approved Plans. CITI and its engineering consultants and the Construction Inspector shall have received and approved the plans and specifications for the Improvements (such plans and specifications, as approved by CITI are referred to herein as the “Approved Plans”), the budget for completion of the Improvements, a fixed or a guaranteed maximum price contract for completion of the Improvements with a general contractor acceptable to CITI and a construction draw schedule for the Improvements.

29. Change Orders. The Approved Plans and the Construction Contract, and any change orders issued thereunder, will be subject to the approval of CITI.

30. Contractors. The architect, general contractor and such other contractors and subcontractors with respect to the Property as shall be identified by Borrower and approved by CITI shall have acknowledged the collateral assignment of their respective contracts to CITI and agreed in writing to continue performance on behalf of CITI under their respective contracts without additional cost in the event of a default by Borrower, which agreements shall be in form and substance acceptable to CITI and its counsel.

31. Payment and Performance Bonds. To the extent indicated on Exhibit A hereto, Borrower shall be required to deliver to CITI payment and performance bonds with respect to its contractor and major subcontractors (as determined by CITI).

32. Additional Documents. Upon request by CITI, Borrower shall furnish CITI with any documentation being furnished to any other party lending or investing in the Property (including CITI), including any plans for the Improvements, construction budgets, contracts and disbursement requests. In addition, Borrower shall deliver to CITI all other documents, instruments and other items required by CITI in connection with the making of the Funding Loan.

33. Additional Funding Requirements: All final documentation and due diligence must be delivered to tax counsel and/or counsel to CITI prior to the release of any funds for the Funding Loan, and under no circumstances will CITI authorize the closing of the Funding Loan until counsel to CITI has received the following final documentation: Trust Indenture, Funding Loan Agreement, Tax Certificate (or comparable document), Multifamily Note(s), the regulatory agreement/land use restriction agreement associated with the Tax-Exempt Loan, TEFRA approval(s), Governmental Lender’s resolution(s), proof of volume allocation, , IRS Form 8038, final opinions of tax counsel and Borrower’s counsel, any enhancement instrument, and, if applicable, all documentation required from HUD.

34. Fees and Expenses. Borrower shall have paid the Financing Fee (as hereinafter defined) and any other costs and expenses then due and payable pursuant to the provisions of this Preliminary Commitment.

**C. Conversion of the Mortgage Loan to the Permanent Period.** The conditions set forth in the Loan and Tax-Exempt Loan Documents (collectively, the “Conditions to Conversion”) must be satisfied no later than the date that is ninety (90) days prior to the last day of the Interim Phase (the “Conversion Package Submission Date”), and must continue to remain satisfied through the date of conversion of the Loan to the Permanent Period (the “Conversion Date”) as will be set forth in the Loan Documents, in each case, in a manner acceptable to CITI, if the Loan is to convert from the Interim Phase to the Permanent Period. For purposes of this Preliminary Commitment, the term Interim Phase means the period from the Closing Date through the day prior to the Conversion Date and the term Permanent Period means the period from the Conversion Date (inclusive) through the maturity date (or earlier termination) of the Loan.



**D. Fees and Expenses.** Borrower shall be responsible for the following fees and expenses in connection with the financing:

1. Application Fee. Borrower hereby acknowledges requirement of an application fee (the “Application Fee”) as set forth in the Preliminary Commitment Terms, which amount shall be non-refundable. In the event additional funds are required to complete CITI’s review and due diligence, Borrower will be advised of such costs in advance. Any and all additional costs will be billed to Borrower as they are incurred. The Application Fee is applicable toward third party reports, underwriting and processing (as set forth in the Preliminary Commitment Terms), and CITI’s legal fees.
2. Origination Fee. The Origination Fee as set forth in the Exhibit A shall be due and payable on the Closing Date. The Origination Fee reflects a fee payable to CITI in exchange for providing financing for the Project.
3. Conversion Fee. Borrower shall pay CITI a Conversion Fee as set forth in the Preliminary Commitment Terms for CITI’s services in processing information to determine whether the Conditions to Conversion have been satisfied. The Conversion Fee shall be due when Borrower first submits information to satisfy the Conditions to Conversion.
4. Fees and Expenses. Sponsor shall pay when due, whether or not the closing occurs, all reasonable and actual expenses, fees and charges with respect to the cost of issuance of the Tax-Exempt Loan (including tax and Governmental Lender counsel fees, Governmental Lender fees, Fiscal Agent fees, Fiscal Agent counsel fees, financial advisor fees, printing and mailing costs and other Tax-Exempt Loan related fees and costs), and the Tax-Exempt Loan processing and closing, or in any way connected therewith, including, without limitation, appraisal fees, survey costs, title insurance costs, architectural fees, engineering fees, inspection fees, mortgage or similar taxes and all attorneys’ fees and legal costs of CITI. Without limiting the foregoing, Sponsor specifically agrees to pay all costs relating to document preparation and review of real estate due diligence items by counsel to CITI.

**E. Assignment; Acceptance; Termination.**

1. Acceptance. In order for this Commitment to be binding on CITI, Sponsor must execute a copy of this Commitment and return it, along with the Application Fee to CITI within five (5) business days after the date first set forth above (the “Outside Acceptance Date”), time being of the essence.
2. Expiration. This Commitment must be accepted on or before the Outside Acceptance Date, and the Tax-Exempt Loan must be issued prior to the Outside Closing Date set forth in the Commitment Terms, or this Commitment shall terminate and be of no further force and effect; provided, however that the provisions of this Commitment that explicitly survive termination shall continue in full force and effect. In the event that Sponsor does not obtain an allocation for the full amount of the Tax-Exempt Loan at least thirty (30) days prior to the Outside Closing Date, or the issuance of the Tax-Exempt Loan and the making of the Funding Loan by CITI does not occur by the Outside Closing Date, Sponsor may request an extension of this Commitment (not to exceed ninety (90) days), which extension shall be in Citi’s sole discretion. In the event the requested extension is approved by CITI in its sole discretion, in addition to the Financing Fee and other amounts due hereunder, Sponsor shall pay to CITI a commitment extension fee equal to 0.25% (25 basis points) of the Interim Phase Amount on the Closing Date.
3. Termination. CITI may terminate this Commitment at any time if:
  - a. Any material adverse change (financial or otherwise) shall occur at any time prior to the Closing Date with respect to (i) the Property, the proposed Improvements, and/or the

other security for the Tax-Exempt Loan, or (ii) the credit of Borrower and/or Sponsor (and/or any of the principals of Borrower and/or Sponsor) or any Guarantor or any other person or entity connected with the Loan, or (iii) any other source of repayment of the Loan.

b. Any part of the Property shall have been taken in condemnation or other like proceeding, or any such proceeding is pending or threatened as of the Closing Date, or any part of the Property is damaged and not repaired to CITI's satisfaction prior to the Closing Date.

c. If requested, certifications of the non-occurrence of (a) and (b) above, in form acceptable to CITI, are not executed by Borrower on the Closing Date, or if Borrower has not delivered on the Closing Date updated personal financial statements for any Guarantor.

d. After acceptance of this Commitment, the Tax-Exempt Loan is not issued and closed on or prior to the Outside Closing Date (as the same may be extended pursuant to Section E2.).

e. If, in CITI's sole judgment, CITI's underwriting and due diligence indicate the reasonable possibility of a material adverse change in the Property, the proposed Improvements, the Sponsor, the Borrower and/or any Guarantor.

f. If the OFAC representation and warranty in Section F5. is no longer true and correct.

4. Upon termination, Sponsor shall pay to CITI any other reasonable damages CITI may have incurred due to non-delivery of the Tax-Exempt Loan. **Sponsor's or Borrower's obligation to pay all amounts due under this Commitment shall survive the termination or expiration of this Commitment.** If Sponsor or Borrower fails or refuses to comply with the terms of this Commitment, CITI, at its option, shall have the right to enforce any rights and remedies it may have at law or in equity, including, but not limited to, the collection of costs and expenses arising out of such breach, including reasonable attorneys' fees and disbursements.

5. Final Underwriting. By accepting this Commitment, Sponsor expressly acknowledges that the obligation of CITI to provide the Funding Loan is subject to the completion of final loan underwriting by CITI, final CITI loan committee approval, and the satisfaction of any additional or differing conditions including interest rates that may be required by CITI as a result of such committee approval. By accepting this Commitment, Sponsor expressly acknowledges that the obligation of CITI to provide the financing described in this Commitment is subject to the satisfaction of the obligations and terms and conditions required by Citi for new construction and rehabilitation projects.

#### **F. Miscellaneous.**

1. Further Assurances. Sponsor hereby expressly acknowledges that CITI intends to incur costs upon acceptance of this Commitment. Upon acceptance of the Commitment, Sponsor shall be strictly obligated to close the transaction contemplated hereby. Sponsor acknowledges that failure to close the transaction will subject CITI to substantial costs and damages. Therefore, Sponsor hereby expressly agrees:

a. To perform all of the requirements, terms and conditions contained herein at the time and in the manner herein and as required by CITI.

b. Refrain from taking any action that would result in CITI's inability to arrange for the making of the Funding Loan.

- c. On the request of CITI, to re-execute or ratify any of the Mortgage Documents and/or the Tax-Exempt Loan Documents, or execute any other documents as may be reasonably necessary to effect the delivery of the Tax-Exempt Loan to any investor.
2. Indemnification for Brokerage Commissions. Sponsor acknowledges and agrees that any fees due for tax-exempt loan or related mortgage loan origination services shall be Borrower's sole responsibility. Borrower and Sponsor shall indemnify and hold CITI harmless from and against any and all claims, demands and liability for brokerage commissions, assignment fees, finders' fees or other compensation whatsoever arising from the issuance of this Commitment, the making of the Tax-Exempt Loan that may be asserted against CITI by any person or entity. **Sponsor's and Borrower's obligation to indemnify CITI hereunder shall survive the termination or expiration of this Commitment.**
3. Authorization. Sponsor and the undersigned Guarantor hereby authorize CITI to obtain and forward any and all credit information, including credit reports and financial statements and all other information of any kind received or reasonably required in connection with this Commitment to any rating agency and to any potential investor.
4. Exclusivity. The terms and provisions of this Commitment are intended for the sole and exclusive benefit of CITI and Borrower, and not for the benefit of, nor for the purpose of being relied upon, by any other party.
5. OFAC Provisions. Sponsor hereby represents and warrants that no portion of the Property has been or will be purchased, improved, equipped or furnished with proceeds of any illegal activity. Sponsor further represents and warrants that to the best of Sponsor's knowledge, after having made diligent inquiry, Sponsor, Borrower, each Person owning a direct or indirect interest in Borrower, each Guarantor, each person owing a direct or indirect interest in each Guarantor, the Property Manager, and each tenant at the Property: (a) is not currently identified on OFAC List, and (b) is not a Person with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or Executive Order of the President of the United States. The Sponsor further acknowledges and agrees that it shall have a continuing obligation during the processing of this Commitment to notify CITI promptly if it knows or has reason to believe that the representations and warranties contained herein are no longer correct. Sponsor has implemented procedures, and will consistently apply those procedures throughout the term of the Tax-Exempt Loan, to ensure the foregoing representations and warranties remain true and correct during the term of the Tax-Exempt Loan. For the purposes hereof, "OFAC List" means the list of specially designated nationals and blocked persons subject to financial sanctions that is maintained by the U.S. Treasury Department, Office of Foreign Assets Control and any other similar list maintained by the U.S. Treasury Department, Office of Foreign Assets Control pursuant to any Requirements of Law, including, without limitation, trade embargos, economic sanctions, or other prohibitions imposed by Executive Order of the President of the United States, which OFAC List is accessible through the internet website <http://www.treasury.gov/ofac/downloads/t11sdn.pdf>, and "Person" means an individual, partnership, limited partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature.
6. Borrower's Representations. The validity of this Commitment and CITI's obligations hereunder shall at all times be subject to the accuracy and validity of all information and representations furnished by Sponsor to CITI with regard to the Tax-Exempt Loan, which shall have been and shall continue to be true and not misleading in all material respects.

7. Loan Data. All inspections, reports, appraisals, environmental studies or other data submitted to, commissioned for, conducted or produced by or for CITI are for its benefit and use and shall be the property of CITI. No right of inspection or approval contained in this Commitment shall be deemed to impose upon CITI any duty or obligation whatsoever to take any action or to notify any person with respect thereto, and no liability shall be imposed upon any such party and no warranty shall be deemed or construed to arise by reason of any inspection undertaken or approval given by any such party, its agents, employees or representatives, any such inspections and approvals being made solely for the benefit of such party. **The provisions of this paragraph shall survive the termination or expiration of this Commitment.**

8. Discretion. In any instance where the consent or approval of CITI may be given or is required, or where any determination, judgment or decision is to be rendered by CITI under this Commitment, the granting, withholding or denial of such consent or approval and the rendering of such determination, judgment or decision shall be made or exercised by CITI (or its designated representative) at its sole and exclusive option and in its sole and absolute discretion.

9. Waiver. CITI reserves the right, in its sole discretion, to waive in whole or part any of the terms, requirements and conditions in this Commitment, the Mortgage Documents, the Bond Documents or other documents referenced herein; provided, however, that such waiver shall in no event be construed to constitute a waiver of the applicable terms, requirements or conditions as they may apply in the future.

10. Successors and Assigns. Sponsor acknowledges and agrees that CITI at its option may assign or otherwise transfer the Bonds and all documents evidencing and securing the Bonds including, but not limited to, this Commitment, to other parties subsequent to the execution of this Commitment. Neither Sponsor nor Borrower may assign its rights, interest, or obligations under this Commitment without first obtaining CITI's prior written consent. This Commitment shall be binding upon the successors and permitted assigns of Borrower.

11. Governing Law. This Commitment shall be governed by and construed in accordance with the laws of the State of New York. Sponsor agrees that any legal action that may arise out of this Commitment will be commenced only in the United States District Court, Southern District of New York, or New York State Courts sitting in New York County, New York, and Sponsor hereby submits to the jurisdiction of any such court. All Mortgage Documents and Bond Documents (other than this Commitment) shall be governed by the laws of the State where the Property is situated. **The governing law election with respect to this Commitment shall survive the termination or expiration of this Commitment.**

12. WAIVER OF TRIAL BY JURY. SPONSOR AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS COMMITMENT OR THE RELATIONSHIP BETWEEN BOND PURCHASER, BONDHOLDER REPRESENTATIVE AND BORROWER OR SPONSOR THAT IS TRIABLE OF RIGHT BY A JURY AND WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN BY SPONSOR KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL AND APPLIES TO ALL ACTIONS WHETHER ARISING IN CONTRACT, TORT, EQUITY OR OTHERWISE. **THIS PROVISION SHALL SURVIVE THE TERMINATION OR EXPIRATION OF THIS COMMITMENT.**

13. Survival. The covenants, terms and conditions set forth in this Commitment shall not survive the Closing Date (unless expressly provided to the contrary). In the event of any conflict

between this Commitment and the Mortgage Documents and/or the Bond Documents, the Mortgage Documents and/or the Bond Documents, as applicable, shall prevail.

14. Confidentiality The provisions of this Commitment and all of the terms and conditions contained herein are confidential and Sponsor shall not share this Commitment, or the terms and conditions contained herein, with any third party; provided however, Sponsor may show this Commitment to the Issuer in connection with its application for issuance of the Bonds. **This confidentiality provision shall survive the termination or expiration of this Commitment.**

15. Anti Tying Policy. CITI maintains a policy of strict compliance to the anti-tying provisions of the U.S. Bank Holding Company Act of 1956, as amended, and the regulations issued by the Federal Reserve Board implementing the anti-tying rules (collectively, the "Anti-tying Rules"). Moreover, our credit policies provide that credit must be underwritten in a safe and sound manner and be consistent with Section 23B of the Federal Reserve Act and the requirements of federal law. Consistent with these requirements and our Anti-tying Policy:


- a. The extension of commercial loans or other products or services to you by CITI or any of its subsidiaries will not be conditioned on your taking other products or services offered by CITI or any of its subsidiaries or affiliates, unless such a condition is permitted under an exception to the Anti-tying Rules.
- b. CITI will not vary the price or other terms of any product or service offered by CITI or its subsidiaries on the condition that you purchase another product or service from CITI or any of its affiliates, unless CITI is authorized to do so under an exception to the Anti-tying Rules.
- c. CITI will not require you to provide property or services to CITI or any affiliate of CITI as a condition to the extension of a commercial loan to you by CITI or any of its subsidiaries, unless such a requirement is reasonably required to protect the safety and soundness of the loan.
- d. CITI will not require you to refrain from doing business with a competitor of CITI or any of its affiliates as a condition to receiving a commercial loan from CITI or any of its subsidiaries, unless the requirement is reasonably designed to ensure the soundness of the Loan.

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If you have any questions relating to this Commitment, or if we can be of any further assistance, please do not hesitate to let us know.

Very truly yours,

CITIBANK, N.A., a national banking association



Soraja M. Rahim  
Citibank, N.A.  
Vice President

By: 2021.05.14 14:  
51:24 -08'00'

The undersigned hereby accepts the foregoing Commitment and agrees to be bound by the terms, requirements and conditions set forth herein.

5/14/2021

Date: \_\_\_\_\_

**SPONSOR:**

DocuSigned by:  
*Paul Salib*  
4B2ABD89EF604C6...

By: \_\_\_\_\_

Name: Paul Salib

Title: Authorized Signatory

**EXHIBIT A****COMMITMENT TERMS**

This Exhibit A is an integral part of, and establishes additional terms, conditions and requirements of, the Commitment to which this is annexed.

**SUMMARY OF MORTGAGE LOAN TERMS**

Project:	Aspen Grove Villas, a 75-unit multifamily new construction project.
Maximum Loan Amount:	An amount estimated to be \$25,232,571 (\$18,482,571 Tax-Exempt and \$6,750,000 Taxable).  Permanent loan estimated to be \$7,551,929.
Number of Units:	75.
Low-Income Units:	10 units at 30% AMI, 33 units at 50% AMI, 31 at 80% AMI, and 1 manager unit.
Construction Period Interest Rate:	A rate currently estimated to be 3.00% on the Tax-Exempt Loan and 3.00% on any Taxable Loan proceeds, as needed.
Permanent Period Interest Rate:	A rate currently estimated to be 4.50%.
Financing Fee:	A fee, payable to CITI, equal to 1.00% of the amount of the Maximum Mortgage Loan Amount. This fee includes permanent lending services.
Conversion Fee:	\$10,000
Guarantor(s):	Individual(s) or corporate entity acceptable to CITI in all respects. The Guarantor(s)' financial condition(s) must be acceptable to CITI in all respects.
Outside Closing Date:	February 2022.
Initial Construction Period:	30 months.
Possible Extension Period(s):	One 6 month extension(s).
Permanent Loan Term:	Mandatory prepayment at the end of the 18th year following Closing.
Amortization Period:	35 years.
Yield Maintenance Period:	From closing until 6 months prior to the end of the 18 <sup>th</sup>



year following the closing date.

Loan Sizing Criteria:

Maximum Loan to Value: 90%.  
Maximum Loan to Cost: 80%.  
Debt Service Coverage: 1.15 to 1.00.

Required Reserves following Conversion:

\$250/Unit/Year for years 1-5. Thereafter, subject to increases once every 5 years, based upon a physical needs assessment

Approved Subordinate Financing:

The terms, conditions and documentation of the Approved Subordinate Financing, if any, including the form of subordination agreement subordinating the Approved Subordinate Financing to the Loan, are subject to the review and approval CITI in its sole discretion.

General Contractor and Bonding Requirements:

The general contractor and the construction contract must be acceptable to CITI. CITI will require payment and performance bonds equal to 100% of the construction contract amount. CITI will require payment and performance bonds equal to 100% of the construction contract amount. Surety issuing bonds must have an A.M. Best rating of "A/X" or better and must be acceptable to CITI in all other respects.

Tax Credit Equity Provider:

TBD. Must be acceptable to CITI in all respects.

**EXHIBIT B**

**Initial Due Diligence Completed**

1. Review of proposed income and expense statements (budget).
2. Review of estimated sources and uses statement.
3. Review of financial information of Sponsor, Borrower and principals of each.

335



May 11, 2021

Paul Salib  
CRP Affordable Housing & Community Development LLC  
4455 Morena Blvd Suite #107  
San Diego, CA 92117

Re: Aspen Grove Villas Phase I, a 75-unit affordable housing development to be located in Elk Grove, Sacramento County, California and developed, constructed, owned and operated by CRP Aspen Grove Villas, L.P., a California limited partnership (the "Partnership"), in compliance with Section 42 of the *Internal Revenue Code of 1986* ("IRC")

Dear Paul:

Thank you for providing Hunt Capital Partners, LLC ("HCP") the opportunity to present this Letter of Intent Agreement. The following sets forth our proposal of the basic business terms to be included in the Partnership by and between Hunt, or its designees as the Investor Limited Partner (the "Limited Partner" or "LP") and CRP Affordable Housing & Community Development (the "General Partner" or "GP") regarding the Project.

*Investment Entity:* CRP Aspen Grove Villas, L.P., a California Limited Partnership (the "Partnership"), with CRP Affordable Housing & Community Development as General Partner with a 0.01% ownership interest in the Partnership, and Hunt Capital Partners, LLC or its designated affiliate, as Limited Partner with a 99.99% ownership interest in the Partnership.

*Tax Credits Available:* \$16,777,577 ("projected Fed LIHTCs")  
The LP is acquiring 99.99% of the partnership's tax credits with annual housing credit allocation of \$1,677,758.

\$9,679,371 ("projected CA State LIHTCs")  
The LP is acquiring 100.00% of the partnership's tax credits with annual housing credit allocation of \$2,419,843.



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Development Completion Guaranty: The GP and Guarantors will guarantee completion of construction of the Project substantially in accordance with plans and specifications approved by Hunt Capital Partners, LLC, including, without limitation, a guaranty: (i) to pay any amounts needed in excess of the construction loan and other available proceeds to complete the improvements; and (ii) to pay operating deficits prior to the conclusion of Project construction.

Credit Adjusters: The GPs will provide that, if in any year actual credits are less than Projected Credits, then LP shall be owed an amount necessary to preserve its anticipated return based on the Projected Credit.

The obligations of the GP shall be guaranteed by GP, Developer and their principals (the "Guarantor").

*Asset Management Fee (AMF):* \$7,500 annually

*Cash Flow Split:* Cash Flow to the Partnership shall be distributed as follows:

- a. To the LP, to make any tax credit adjuster payment not previously made;
- b. To the payment of any debts, excluding any unpaid Development Fee, owed to the Partners and/or their affiliates, until all such debts have been paid in full;
- c. To the payment of the AMF plus all accrued AMF unpaid from prior years;
- d. 90% to the payment of any unpaid Development Fee, until such fee has been paid in full and 10% to the LP;
- e. The balance, 90% to the GP as an Incentive Property Management Fee and 10% to the partners in accordance with their ownership percentages.

All tax profits, losses, and credits from operations will be allocated 0.01% to the GP and 99.99% to the LP.

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*Residual Split:*

From Refinancing or Sale. Taxable profits and/or losses from a sale of the Property will be allocated among the Partners of the Partnership to adjust capital accounts as required by the Internal Revenue Code and in accordance with sale proceeds distributions.

Sale and Refinancing Proceeds will be distributed as follows:

- a. Payment in full of all Partnership debts except those due to Partners and/or their affiliates;
- b. To the LP, to make any tax credit adjuster payment not previously made;
- c. To the payment of any debts owed to Partners and/or their affiliates until all such debts have been paid in full, and GP's capital contribution;
- d. The balance, 90% to the GP and 10% to the LP.

*Replacement Reserves:*

\$250/unit/year

*Other Terms and Conditions:*

- 1) Proof of award and allocation of LIHTC.
- 2) The GP must have a firm commitment for a fixed-rate permanent first mortgage with terms, conditions and a Lender acceptable to the Limited Partner.
- 3) Receipt, review, and approval of market study, environmental and geological reports, plans and specifications, contractor and such other conditions which are customary and reasonable for an equity investment of this nature and amount;
- 4) The Capital Contributions are determined on the projected credits delivered to Hunt based on the lease-up schedule provided to Hunt by the GP. Any changes in the timing of construction and/or lease-up may impact the timing and amounts of Capital Contributions.
- 5) Approval of the transaction by (i) HCP's Investment Committee and (ii) HCP's Investor including transaction yield and tax rate assumptions.

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Paul Salib  
Aspen Grove Villas Phase I  
May 11, 2021  
Page 5 of 5

In recognition of the time and expense to be spent by Hunt in evaluating this transaction prior to closing, the GP will deal exclusively with Hunt with respect to the transactions noted in this firm commitment letter until this firm commitment letter is terminated by either party. You hereby confirm that no other party presently has any right to acquire an interest in the Property or the Partnership.

Please execute and promptly return to us a copy of this commitment letter. The terms herein shall expire 10 business days after the date of this letter if your signed copy has not been received by us.

Sincerely,

Dana Mayo  
Executive Managing Director  
Hunt Capital Partners, LLC

AGREED and ACCEPTED:

CRP Aspen Grove Villas, L.P.

By: Paul Salib  
Name: Paul Salib  
Title: Authorized Signatory

DocuSigned by:  
*Paul Salib*  
4B2ABD89EF604C6...

5/11/2021  
Date

Cc: Isaac Gephart (Hunt Capital Partners)

**List of Funding Sources and Contacts****Aspen Grove Villas**

- 1. Source:** **Citi Community Capital**  
Address: 300 South Grand Avenue, suite 3110  
Los Angeles, 90071  
Phone: 213-239-1726  
Email: [sonia.m.rahm@citi.com](mailto:sonia.m.rahm@citi.com)  
Contact: Sonia Rahm  
Title: Director
- 2. Source:** **Hunt Capital Partners**  
Address: 15910 Ventura Boulevard, Suite 1100  
Los Angeles, CA 91436  
Phone: (818) 380-6100  
Email: [dana.mayo@huntcompanies.com](mailto:dana.mayo@huntcompanies.com)  
Contact: Dana Mayo  
Title: Executive Managing Director
- 3. Source:** **Deferred Developer Fee**  
Address: 4455 Morena Boulevard, Suite #107  
San Diego, CA 92117  
Phone: 212.776.1914  
Email: [psalib@crpaffordable.com](mailto:psalib@crpaffordable.com)  
Contact: Paul Salib  
Title: Chief Executive Officer
- 4. Source:** **Forgone Developer Fee**  
Address: 4455 Morena Boulevard, Suite #107  
San Diego, CA 92117  
Phone: 212.776.1914  
Email: [psalib@crpaffordable.com](mailto:psalib@crpaffordable.com)  
Contact: Paul Salib  
Title: Chief Executive Officer
- 5. Source:** **Seller Land Note**  
Address: 4455 Morena Boulevard, Suite #107  
San Diego, CA 92117  
Phone: 212.776.1914  
Email: [psalib@crpaffordable.com](mailto:psalib@crpaffordable.com)  
Contact: Paul Salib  
Title: Chief Executive Officer



**Lien Positions**

	<b>Total</b>	<b>Lien</b>
Permanent Loan	\$7,551,929	1
Deferred Developer Fee	\$550,000	4
Seller Land Note	\$725,000	3
City of Elk Grove Loan	\$1,875,000	2

**Amortization Schedule - City of Elk Grove Loan**

Loan Amt.	\$1,875,000						
Int. Rate	4.00%						
Amort Period	660						
Period	Year	Month	Beginning Balance	Interest Due	Payment	Ending Balance	Annual Interest
1	1	1	1,875,000	-	-	1,875,000	
2	1	2	1,875,000	-	-	1,875,000	
3	1	3	1,875,000	-	-	1,875,000	
4	1	4	1,875,000	-	-	1,875,000	
5	1	5	1,875,000	-	-	1,875,000	
6	1	6	1,875,000	-	-	1,875,000	
7	1	7	1,875,000	-	-	1,875,000	
8	1	8	1,875,000	-	-	1,875,000	
9	1	9	1,875,000	-	-	1,875,000	
10	1	10	1,875,000	-	-	1,875,000	
11	1	11	1,875,000	-	-	1,875,000	
12	1	12	1,875,000	75,000	16,887	1,933,113	75,000
13	2	1	1,933,113	-	-	1,933,113	
14	2	2	1,933,113	-	-	1,933,113	
15	2	3	1,933,113	-	-	1,933,113	
16	2	4	1,933,113	-	-	1,933,113	
17	2	5	1,933,113	-	-	1,933,113	
18	2	6	1,933,113	-	-	1,933,113	
19	2	7	1,933,113	-	-	1,933,113	
20	2	8	1,933,113	-	-	1,933,113	
21	2	9	1,933,113	-	-	1,933,113	
22	2	10	1,933,113	-	-	1,933,113	
23	2	11	1,933,113	-	-	1,933,113	
24	2	12	1,933,113	75,000	19,624	1,988,489	75,000
25	3	1	1,988,489	-	-	1,988,489	
26	3	2	1,988,489	-	-	1,988,489	
27	3	3	1,988,489	-	-	1,988,489	
28	3	4	1,988,489	-	-	1,988,489	
29	3	5	1,988,489	-	-	1,988,489	
30	3	6	1,988,489	-	-	1,988,489	
31	3	7	1,988,489	-	-	1,988,489	
32	3	8	1,988,489	-	-	1,988,489	
33	3	9	1,988,489	-	-	1,988,489	
34	3	10	1,988,489	-	-	1,988,489	
35	3	11	1,988,489	-	-	1,988,489	
36	3	12	1,988,489	75,000	22,368	2,041,121	75,000
37	4	1	2,041,121	-	-	2,041,121	
38	4	2	2,041,121	-	-	2,041,121	
39	4	3	2,041,121	-	-	2,041,121	
40	4	4	2,041,121	-	-	2,041,121	
41	4	5	2,041,121	-	-	2,041,121	
42	4	6	2,041,121	-	-	2,041,121	
43	4	7	2,041,121	-	-	2,041,121	
44	4	8	2,041,121	-	-	2,041,121	
45	4	9	2,041,121	-	-	2,041,121	
46	4	10	2,041,121	-	-	2,041,121	
47	4	11	2,041,121	-	-	2,041,121	
48	4	12	2,041,121	75,000	25,116	2,091,004	75,000
49	5	1	2,091,004	-	-	2,091,004	
50	5	2	2,091,004	-	-	2,091,004	
51	5	3	2,091,004	-	-	2,091,004	
52	5	4	2,091,004	-	-	2,091,004	
53	5	5	2,091,004	-	-	2,091,004	

54	5	6	2,091,004	-	-	2,091,004	
55	5	7	2,091,004	-	-	2,091,004	
56	5	8	2,091,004	-	-	2,091,004	
57	5	9	2,091,004	-	-	2,091,004	
58	5	10	2,091,004	-	-	2,091,004	
59	5	11	2,091,004	-	-	2,091,004	
60	5	12	2,091,004	75,000	27,866	2,138,138	75,000
61	6	1	2,138,138	-	-	2,138,138	
62	6	2	2,138,138	-	-	2,138,138	
63	6	3	2,138,138	-	-	2,138,138	
64	6	4	2,138,138	-	-	2,138,138	
65	6	5	2,138,138	-	-	2,138,138	
66	6	6	2,138,138	-	-	2,138,138	
67	6	7	2,138,138	-	-	2,138,138	
68	6	8	2,138,138	-	-	2,138,138	
69	6	9	2,138,138	-	-	2,138,138	
70	6	10	2,138,138	-	-	2,138,138	
71	6	11	2,138,138	-	-	2,138,138	
72	6	12	2,138,138	75,000	30,616	2,182,523	75,000
73	7	1	2,182,523	-	-	2,182,523	
74	7	2	2,182,523	-	-	2,182,523	
75	7	3	2,182,523	-	-	2,182,523	
76	7	4	2,182,523	-	-	2,182,523	
77	7	5	2,182,523	-	-	2,182,523	
78	7	6	2,182,523	-	-	2,182,523	
79	7	7	2,182,523	-	-	2,182,523	
80	7	8	2,182,523	-	-	2,182,523	
81	7	9	2,182,523	-	-	2,182,523	
82	7	10	2,182,523	-	-	2,182,523	
83	7	11	2,182,523	-	-	2,182,523	
84	7	12	2,182,523	75,000	33,362	2,224,160	75,000
85	8	1	2,224,160	-	-	2,224,160	
86	8	2	2,224,160	-	-	2,224,160	
87	8	3	2,224,160	-	-	2,224,160	
88	8	4	2,224,160	-	-	2,224,160	
89	8	5	2,224,160	-	-	2,224,160	
90	8	6	2,224,160	-	-	2,224,160	
91	8	7	2,224,160	-	-	2,224,160	
92	8	8	2,224,160	-	-	2,224,160	
93	8	9	2,224,160	-	-	2,224,160	
94	8	10	2,224,160	-	-	2,224,160	
95	8	11	2,224,160	-	-	2,224,160	
96	8	12	2,224,160	75,000	36,103	2,263,057	75,000
97	9	1	2,263,057	-	-	2,263,057	
98	9	2	2,263,057	-	-	2,263,057	
99	9	3	2,263,057	-	-	2,263,057	
100	9	4	2,263,057	-	-	2,263,057	
101	9	5	2,263,057	-	-	2,263,057	
102	9	6	2,263,057	-	-	2,263,057	
103	9	7	2,263,057	-	-	2,263,057	
104	9	8	2,263,057	-	-	2,263,057	
105	9	9	2,263,057	-	-	2,263,057	
106	9	10	2,263,057	-	-	2,263,057	
107	9	11	2,263,057	-	-	2,263,057	
108	9	12	2,263,057	75,000	38,837	2,299,220	75,000
109	10	1	2,299,220	-	-	2,299,220	
110	10	2	2,299,220	-	-	2,299,220	
111	10	3	2,299,220	-	-	2,299,220	

112	10	4	2,299,220	-	-	2,299,220	
113	10	5	2,299,220	-	-	2,299,220	
114	10	6	2,299,220	-	-	2,299,220	
115	10	7	2,299,220	-	-	2,299,220	
116	10	8	2,299,220	-	-	2,299,220	
117	10	9	2,299,220	-	-	2,299,220	
118	10	10	2,299,220	-	-	2,299,220	
119	10	11	2,299,220	-	-	2,299,220	
120	10	12	2,299,220	75,000	41,559	2,332,662	75,000
121	11	1	2,332,662	-	-	2,332,662	
122	11	2	2,332,662	-	-	2,332,662	
123	11	3	2,332,662	-	-	2,332,662	
124	11	4	2,332,662	-	-	2,332,662	
125	11	5	2,332,662	-	-	2,332,662	
126	11	6	2,332,662	-	-	2,332,662	
127	11	7	2,332,662	-	-	2,332,662	
128	11	8	2,332,662	-	-	2,332,662	
129	11	9	2,332,662	-	-	2,332,662	
130	11	10	2,332,662	-	-	2,332,662	
131	11	11	2,332,662	-	-	2,332,662	
132	11	12	2,332,662	75,000	44,267	2,363,395	75,000
133	12	1	2,363,395	-	-	2,363,395	
134	12	2	2,363,395	-	-	2,363,395	
135	12	3	2,363,395	-	-	2,363,395	
136	12	4	2,363,395	-	-	2,363,395	
137	12	5	2,363,395	-	-	2,363,395	
138	12	6	2,363,395	-	-	2,363,395	
139	12	7	2,363,395	-	-	2,363,395	
140	12	8	2,363,395	-	-	2,363,395	
141	12	9	2,363,395	-	-	2,363,395	
142	12	10	2,363,395	-	-	2,363,395	
143	12	11	2,363,395	-	-	2,363,395	
144	12	12	2,363,395	75,000	46,957	2,391,438	75,000
145	13	1	2,391,438	-	-	2,391,438	
146	13	2	2,391,438	-	-	2,391,438	
147	13	3	2,391,438	-	-	2,391,438	
148	13	4	2,391,438	-	-	2,391,438	
149	13	5	2,391,438	-	-	2,391,438	
150	13	6	2,391,438	-	-	2,391,438	
151	13	7	2,391,438	-	-	2,391,438	
152	13	8	2,391,438	-	-	2,391,438	
153	13	9	2,391,438	-	-	2,391,438	
154	13	10	2,391,438	-	-	2,391,438	
155	13	11	2,391,438	-	-	2,391,438	
156	13	12	2,391,438	75,000	49,627	2,416,810	75,000
157	14	1	2,416,810	-	-	2,416,810	
158	14	2	2,416,810	-	-	2,416,810	
159	14	3	2,416,810	-	-	2,416,810	
160	14	4	2,416,810	-	-	2,416,810	
161	14	5	2,416,810	-	-	2,416,810	
162	14	6	2,416,810	-	-	2,416,810	
163	14	7	2,416,810	-	-	2,416,810	
164	14	8	2,416,810	-	-	2,416,810	
165	14	9	2,416,810	-	-	2,416,810	
166	14	10	2,416,810	-	-	2,416,810	
167	14	11	2,416,810	-	-	2,416,810	
168	14	12	2,416,810	75,000	52,273	2,439,537	75,000
169	15	1	2,439,537	-	-	2,439,537	

170	15	2	2,439,537	-	-	2,439,537	
171	15	3	2,439,537	-	-	2,439,537	
172	15	4	2,439,537	-	-	2,439,537	
173	15	5	2,439,537	-	-	2,439,537	
174	15	6	2,439,537	-	-	2,439,537	
175	15	7	2,439,537	-	-	2,439,537	
176	15	8	2,439,537	-	-	2,439,537	
177	15	9	2,439,537	-	-	2,439,537	
178	15	10	2,439,537	-	-	2,439,537	
179	15	11	2,439,537	-	-	2,439,537	
180	15	12	2,439,537	75,000	79,095	2,435,442	75,000
181	16	1	2,435,442	-	-	2,435,442	
182	16	2	2,435,442	-	-	2,435,442	
183	16	3	2,435,442	-	-	2,435,442	
184	16	4	2,435,442	-	-	2,435,442	
185	16	5	2,435,442	-	-	2,435,442	
186	16	6	2,435,442	-	-	2,435,442	
187	16	7	2,435,442	-	-	2,435,442	
188	16	8	2,435,442	-	-	2,435,442	
189	16	9	2,435,442	-	-	2,435,442	
190	16	10	2,435,442	-	-	2,435,442	
191	16	11	2,435,442	-	-	2,435,442	
192	16	12	2,435,442	75,000	114,953	2,395,489	75,000
193	17	1	2,395,489	-	-	2,395,489	
194	17	2	2,395,489	-	-	2,395,489	
195	17	3	2,395,489	-	-	2,395,489	
196	17	4	2,395,489	-	-	2,395,489	
197	17	5	2,395,489	-	-	2,395,489	
198	17	6	2,395,489	-	-	2,395,489	
199	17	7	2,395,489	-	-	2,395,489	
200	17	8	2,395,489	-	-	2,395,489	
201	17	9	2,395,489	-	-	2,395,489	
202	17	10	2,395,489	-	-	2,395,489	
203	17	11	2,395,489	-	-	2,395,489	
204	17	12	2,395,489	75,000	131,625	2,338,864	75,000
205	18	1	2,338,864	-	-	2,338,864	
206	18	2	2,338,864	-	-	2,338,864	
207	18	3	2,338,864	-	-	2,338,864	
208	18	4	2,338,864	-	-	2,338,864	
209	18	5	2,338,864	-	-	2,338,864	
210	18	6	2,338,864	-	-	2,338,864	
211	18	7	2,338,864	-	-	2,338,864	
212	18	8	2,338,864	-	-	2,338,864	
213	18	9	2,338,864	-	-	2,338,864	
214	18	10	2,338,864	-	-	2,338,864	
215	18	11	2,338,864	-	-	2,338,864	
216	18	12	2,338,864	75,000	136,989	2,276,875	75,000
217	19	1	2,276,875	-	-	2,276,875	
218	19	2	2,276,875	-	-	2,276,875	
219	19	3	2,276,875	-	-	2,276,875	
220	19	4	2,276,875	-	-	2,276,875	
221	19	5	2,276,875	-	-	2,276,875	
222	19	6	2,276,875	-	-	2,276,875	
223	19	7	2,276,875	-	-	2,276,875	
224	19	8	2,276,875	-	-	2,276,875	
225	19	9	2,276,875	-	-	2,276,875	
226	19	10	2,276,875	-	-	2,276,875	
227	19	11	2,276,875	-	-	2,276,875	

228	19	12	2,276,875	75,000	142,274	2,209,601	75,000
229	20	1	2,209,601	-	-	2,209,601	
230	20	2	2,209,601	-	-	2,209,601	
231	20	3	2,209,601	-	-	2,209,601	
232	20	4	2,209,601	-	-	2,209,601	
233	20	5	2,209,601	-	-	2,209,601	
234	20	6	2,209,601	-	-	2,209,601	
235	20	7	2,209,601	-	-	2,209,601	
236	20	8	2,209,601	-	-	2,209,601	
237	20	9	2,209,601	-	-	2,209,601	
238	20	10	2,209,601	-	-	2,209,601	
239	20	11	2,209,601	-	-	2,209,601	
240	20	12	2,209,601	75,000	147,469	2,137,132	75,000
241	21	1	2,137,132	-	-	2,137,132	
242	21	2	2,137,132	-	-	2,137,132	
243	21	3	2,137,132	-	-	2,137,132	
244	21	4	2,137,132	-	-	2,137,132	
245	21	5	2,137,132	-	-	2,137,132	
246	21	6	2,137,132	-	-	2,137,132	
247	21	7	2,137,132	-	-	2,137,132	
248	21	8	2,137,132	-	-	2,137,132	
249	21	9	2,137,132	-	-	2,137,132	
250	21	10	2,137,132	-	-	2,137,132	
251	21	11	2,137,132	-	-	2,137,132	
252	21	12	2,137,132	75,000	152,564	2,059,568	75,000
253	22	1	2,059,568	-	-	2,059,568	
254	22	2	2,059,568	-	-	2,059,568	
255	22	3	2,059,568	-	-	2,059,568	
256	22	4	2,059,568	-	-	2,059,568	
257	22	5	2,059,568	-	-	2,059,568	
258	22	6	2,059,568	-	-	2,059,568	
259	22	7	2,059,568	-	-	2,059,568	
260	22	8	2,059,568	-	-	2,059,568	
261	22	9	2,059,568	-	-	2,059,568	
262	22	10	2,059,568	-	-	2,059,568	
263	22	11	2,059,568	-	-	2,059,568	
264	22	12	2,059,568	75,000	157,548	1,977,020	75,000
265	23	1	1,977,020	-	-	1,977,020	
266	23	2	1,977,020	-	-	1,977,020	
267	23	3	1,977,020	-	-	1,977,020	
268	23	4	1,977,020	-	-	1,977,020	
269	23	5	1,977,020	-	-	1,977,020	
270	23	6	1,977,020	-	-	1,977,020	
271	23	7	1,977,020	-	-	1,977,020	
272	23	8	1,977,020	-	-	1,977,020	
273	23	9	1,977,020	-	-	1,977,020	
274	23	10	1,977,020	-	-	1,977,020	
275	23	11	1,977,020	-	-	1,977,020	
276	23	12	1,977,020	75,000	162,412	1,889,608	75,000
277	24	1	1,889,608	-	-	1,889,608	
278	24	2	1,889,608	-	-	1,889,608	
279	24	3	1,889,608	-	-	1,889,608	
280	24	4	1,889,608	-	-	1,889,608	
281	24	5	1,889,608	-	-	1,889,608	
282	24	6	1,889,608	-	-	1,889,608	
283	24	7	1,889,608	-	-	1,889,608	
284	24	8	1,889,608	-	-	1,889,608	
285	24	9	1,889,608	-	-	1,889,608	

286	24	10	1,889,608	-	-	1,889,608	
287	24	11	1,889,608	-	-	1,889,608	
288	24	12	1,889,608	75,000	167,142	1,797,466	75,000
289	25	1	1,797,466	-	-	1,797,466	
290	25	2	1,797,466	-	-	1,797,466	
291	25	3	1,797,466	-	-	1,797,466	
292	25	4	1,797,466	-	-	1,797,466	
293	25	5	1,797,466	-	-	1,797,466	
294	25	6	1,797,466	-	-	1,797,466	
295	25	7	1,797,466	-	-	1,797,466	
296	25	8	1,797,466	-	-	1,797,466	
297	25	9	1,797,466	-	-	1,797,466	
298	25	10	1,797,466	-	-	1,797,466	
299	25	11	1,797,466	-	-	1,797,466	
300	25	12	1,797,466	71,899	171,727	1,697,637	71,899
301	26	1	1,697,637	-	-	1,697,637	
302	26	2	1,697,637	-	-	1,697,637	
303	26	3	1,697,637	-	-	1,697,637	
304	26	4	1,697,637	-	-	1,697,637	
305	26	5	1,697,637	-	-	1,697,637	
306	26	6	1,697,637	-	-	1,697,637	
307	26	7	1,697,637	-	-	1,697,637	
308	26	8	1,697,637	-	-	1,697,637	
309	26	9	1,697,637	-	-	1,697,637	
310	26	10	1,697,637	-	-	1,697,637	
311	26	11	1,697,637	-	-	1,697,637	
312	26	12	1,697,637	67,905	176,154	1,589,389	67,905
313	27	1	1,589,389	-	-	1,589,389	
314	27	2	1,589,389	-	-	1,589,389	
315	27	3	1,589,389	-	-	1,589,389	
316	27	4	1,589,389	-	-	1,589,389	
317	27	5	1,589,389	-	-	1,589,389	
318	27	6	1,589,389	-	-	1,589,389	
319	27	7	1,589,389	-	-	1,589,389	
320	27	8	1,589,389	-	-	1,589,389	
321	27	9	1,589,389	-	-	1,589,389	
322	27	10	1,589,389	-	-	1,589,389	
323	27	11	1,589,389	-	-	1,589,389	
324	27	12	1,589,389	63,576	180,410	1,472,555	63,576
325	28	1	1,472,555	-	-	1,472,555	
326	28	2	1,472,555	-	-	1,472,555	
327	28	3	1,472,555	-	-	1,472,555	
328	28	4	1,472,555	-	-	1,472,555	
329	28	5	1,472,555	-	-	1,472,555	
330	28	6	1,472,555	-	-	1,472,555	
331	28	7	1,472,555	-	-	1,472,555	
332	28	8	1,472,555	-	-	1,472,555	
333	28	9	1,472,555	-	-	1,472,555	
334	28	10	1,472,555	-	-	1,472,555	
335	28	11	1,472,555	-	-	1,472,555	
336	28	12	1,472,555	58,902	184,480	1,346,977	58,902
337	29	1	1,346,977	-	-	1,346,977	
338	29	2	1,346,977	-	-	1,346,977	
339	29	3	1,346,977	-	-	1,346,977	
340	29	4	1,346,977	-	-	1,346,977	
341	29	5	1,346,977	-	-	1,346,977	
342	29	6	1,346,977	-	-	1,346,977	
343	29	7	1,346,977	-	-	1,346,977	

344	29	8	1,346,977	-	-	1,346,977	
345	29	9	1,346,977	-	-	1,346,977	
346	29	10	1,346,977	-	-	1,346,977	
347	29	11	1,346,977	-	-	1,346,977	
348	29	12	1,346,977	53,879	188,349	1,212,507	53,879
349	30	1	1,212,507	-	-	1,212,507	
350	30	2	1,212,507	-	-	1,212,507	
351	30	3	1,212,507	-	-	1,212,507	
352	30	4	1,212,507	-	-	1,212,507	
353	30	5	1,212,507	-	-	1,212,507	
354	30	6	1,212,507	-	-	1,212,507	
355	30	7	1,212,507	-	-	1,212,507	
356	30	8	1,212,507	-	-	1,212,507	
357	30	9	1,212,507	-	-	1,212,507	
358	30	10	1,212,507	-	-	1,212,507	
359	30	11	1,212,507	-	-	1,212,507	
360	30	12	1,212,507	48,500	192,002	1,069,006	48,500
361	31	1	1,069,006	-	-	1,069,006	
362	31	2	1,069,006	-	-	1,069,006	
363	31	3	1,069,006	-	-	1,069,006	
364	31	4	1,069,006	-	-	1,069,006	
365	31	5	1,069,006	-	-	1,069,006	
366	31	6	1,069,006	-	-	1,069,006	
367	31	7	1,069,006	-	-	1,069,006	
368	31	8	1,069,006	-	-	1,069,006	
369	31	9	1,069,006	-	-	1,069,006	
370	31	10	1,069,006	-	-	1,069,006	
371	31	11	1,069,006	-	-	1,069,006	
372	31	12	1,069,006	42,760	195,422	916,344	42,760
373	32	1	916,344	-	-	916,344	
374	32	2	916,344	-	-	916,344	
375	32	3	916,344	-	-	916,344	
376	32	4	916,344	-	-	916,344	
377	32	5	916,344	-	-	916,344	
378	32	6	916,344	-	-	916,344	
379	32	7	916,344	-	-	916,344	
380	32	8	916,344	-	-	916,344	
381	32	9	916,344	-	-	916,344	
382	32	10	916,344	-	-	916,344	
383	32	11	916,344	-	-	916,344	
384	32	12	916,344	36,654	198,593	754,404	36,654
385	33	1	754,404	-	-	754,404	
386	33	2	754,404	-	-	754,404	
387	33	3	754,404	-	-	754,404	
388	33	4	754,404	-	-	754,404	
389	33	5	754,404	-	-	754,404	
390	33	6	754,404	-	-	754,404	
391	33	7	754,404	-	-	754,404	
392	33	8	754,404	-	-	754,404	
393	33	9	754,404	-	-	754,404	
394	33	10	754,404	-	-	754,404	
395	33	11	754,404	-	-	754,404	
396	33	12	754,404	30,176	272,562	512,019	30,176
397	34	1	512,019	-	-	512,019	
398	34	2	512,019	-	-	512,019	
399	34	3	512,019	-	-	512,019	
400	34	4	512,019	-	-	512,019	
401	34	5	512,019	-	-	512,019	



402	34	6	512,019	-	-	512,019	
403	34	7	512,019	-	-	512,019	
404	34	8	512,019	-	-	512,019	
405	34	9	512,019	-	-	512,019	
406	34	10	512,019	-	-	512,019	
407	34	11	512,019	-	-	512,019	
408	34	12	512,019	20,481	283,037	249,462	20,481
409	35	1	249,462	-	-	249,462	
410	35	2	249,462	-	-	249,462	
411	35	3	249,462	-	-	249,462	
412	35	4	249,462	-	-	249,462	
413	35	5	249,462	-	-	249,462	
414	35	6	249,462	-	-	249,462	
415	35	7	249,462	-	-	249,462	
416	35	8	249,462	-	-	249,462	
417	35	9	249,462	-	-	249,462	
418	35	10	249,462	-	-	249,462	
419	35	11	249,462	-	-	249,462	
420	35	12	249,462	9,978	259,440	0	9,978
421	36	1	0	-	-	0	
422	36	2	0	-	-	0	
423	36	3	0	-	-	0	
424	36	4	0	-	-	0	
425	36	5	0	-	-	0	
426	36	6	0	-	-	0	
427	36	7	0	-	-	0	
428	36	8	0	-	-	0	
429	36	9	0	-	-	0	
430	36	10	0	-	-	0	

**Amortization Schedule - Deferred Developer Fee**

Period	Year	Month	Beginning Balance	Interest Due	Payment	Ending Balance	Annual Interest
Loan Amt.			\$550,000				
Int. Rate			3.00%				
Amort Period			216				
1	1	1	550,000	-	-	550,000	
2	1	2	550,000	-	-	550,000	
3	1	3	550,000	-	-	550,000	
4	1	4	550,000	-	-	550,000	
5	1	5	550,000	-	-	550,000	
6	1	6	550,000	-	-	550,000	
7	1	7	550,000	-	-	550,000	
8	1	8	550,000	-	-	550,000	
9	1	9	550,000	-	-	550,000	
10	1	10	550,000	-	-	550,000	
11	1	11	550,000	-	-	550,000	
12	1	12	550,000	16,500	23,416	543,084	16,500
13	2	1	543,084	-	-	543,084	
14	2	2	543,084	-	-	543,084	
15	2	3	543,084	-	-	543,084	
16	2	4	543,084	-	-	543,084	
17	2	5	543,084	-	-	543,084	
18	2	6	543,084	-	-	543,084	
19	2	7	543,084	-	-	543,084	
20	2	8	543,084	-	-	543,084	
21	2	9	543,084	-	-	543,084	
22	2	10	543,084	-	-	543,084	
23	2	11	543,084	-	-	543,084	
24	2	12	543,084	16,293	27,213	532,164	16,293
25	3	1	532,164	-	-	532,164	
26	3	2	532,164	-	-	532,164	
27	3	3	532,164	-	-	532,164	
28	3	4	532,164	-	-	532,164	
29	3	5	532,164	-	-	532,164	
30	3	6	532,164	-	-	532,164	
31	3	7	532,164	-	-	532,164	
32	3	8	532,164	-	-	532,164	
33	3	9	532,164	-	-	532,164	
34	3	10	532,164	-	-	532,164	
35	3	11	532,164	-	-	532,164	
36	3	12	532,164	15,965	31,017	517,111	15,965
37	4	1	517,111	-	-	517,111	
38	4	2	517,111	-	-	517,111	
39	4	3	517,111	-	-	517,111	
40	4	4	517,111	-	-	517,111	
41	4	5	517,111	-	-	517,111	
42	4	6	517,111	-	-	517,111	
43	4	7	517,111	-	-	517,111	
44	4	8	517,111	-	-	517,111	
45	4	9	517,111	-	-	517,111	
46	4	10	517,111	-	-	517,111	
47	4	11	517,111	-	-	517,111	
48	4	12	517,111	15,513	34,828	497,797	15,513
49	5	1	497,797	-	-	497,797	
50	5	2	497,797	-	-	497,797	
51	5	3	497,797	-	-	497,797	
52	5	4	497,797	-	-	497,797	

53	5	5	497,797	-	-	497,797	
54	5	6	497,797	-	-	497,797	
55	5	7	497,797	-	-	497,797	
56	5	8	497,797	-	-	497,797	
57	5	9	497,797	-	-	497,797	
58	5	10	497,797	-	-	497,797	
59	5	11	497,797	-	-	497,797	
60	5	12	497,797	14,934	38,641	474,090	14,934
61	6	1	474,090	-	-	474,090	
62	6	2	474,090	-	-	474,090	
63	6	3	474,090	-	-	474,090	
64	6	4	474,090	-	-	474,090	
65	6	5	474,090	-	-	474,090	
66	6	6	474,090	-	-	474,090	
67	6	7	474,090	-	-	474,090	
68	6	8	474,090	-	-	474,090	
69	6	9	474,090	-	-	474,090	
70	6	10	474,090	-	-	474,090	
71	6	11	474,090	-	-	474,090	
72	6	12	474,090	14,223	42,454	445,859	14,223
73	7	1	445,859	-	-	445,859	
74	7	2	445,859	-	-	445,859	
75	7	3	445,859	-	-	445,859	
76	7	4	445,859	-	-	445,859	
77	7	5	445,859	-	-	445,859	
78	7	6	445,859	-	-	445,859	
79	7	7	445,859	-	-	445,859	
80	7	8	445,859	-	-	445,859	
81	7	9	445,859	-	-	445,859	
82	7	10	445,859	-	-	445,859	
83	7	11	445,859	-	-	445,859	
84	7	12	445,859	13,376	46,262	412,972	13,376
85	8	1	412,972	-	-	412,972	
86	8	2	412,972	-	-	412,972	
87	8	3	412,972	-	-	412,972	
88	8	4	412,972	-	-	412,972	
89	8	5	412,972	-	-	412,972	
90	8	6	412,972	-	-	412,972	
91	8	7	412,972	-	-	412,972	
92	8	8	412,972	-	-	412,972	
93	8	9	412,972	-	-	412,972	
94	8	10	412,972	-	-	412,972	
95	8	11	412,972	-	-	412,972	
96	8	12	412,972	12,389	50,063	375,298	12,389
97	9	1	375,298	-	-	375,298	
98	9	2	375,298	-	-	375,298	
99	9	3	375,298	-	-	375,298	
100	9	4	375,298	-	-	375,298	
101	9	5	375,298	-	-	375,298	
102	9	6	375,298	-	-	375,298	
103	9	7	375,298	-	-	375,298	
104	9	8	375,298	-	-	375,298	
105	9	9	375,298	-	-	375,298	
106	9	10	375,298	-	-	375,298	
107	9	11	375,298	-	-	375,298	
108	9	12	375,298	11,259	53,853	332,703	11,259
109	10	1	332,703	-	-	332,703	
110	10	2	332,703	-	-	332,703	

111	10	3	332,703	-	-	332,703	
112	10	4	332,703	-	-	332,703	
113	10	5	332,703	-	-	332,703	
114	10	6	332,703	-	-	332,703	
115	10	7	332,703	-	-	332,703	
116	10	8	332,703	-	-	332,703	
117	10	9	332,703	-	-	332,703	
118	10	10	332,703	-	-	332,703	
119	10	11	332,703	-	-	332,703	
120	10	12	332,703	9,981	57,628	285,057	9,981
121	11	1	285,057	-	-	285,057	
122	11	2	285,057	-	-	285,057	
123	11	3	285,057	-	-	285,057	
124	11	4	285,057	-	-	285,057	
125	11	5	285,057	-	-	285,057	
126	11	6	285,057	-	-	285,057	
127	11	7	285,057	-	-	285,057	
128	11	8	285,057	-	-	285,057	
129	11	9	285,057	-	-	285,057	
130	11	10	285,057	-	-	285,057	
131	11	11	285,057	-	-	285,057	
132	11	12	285,057	8,552	61,383	232,225	8,552
133	12	1	232,225	-	-	232,225	
134	12	2	232,225	-	-	232,225	
135	12	3	232,225	-	-	232,225	
136	12	4	232,225	-	-	232,225	
137	12	5	232,225	-	-	232,225	
138	12	6	232,225	-	-	232,225	
139	12	7	232,225	-	-	232,225	
140	12	8	232,225	-	-	232,225	
141	12	9	232,225	-	-	232,225	
142	12	10	232,225	-	-	232,225	
143	12	11	232,225	-	-	232,225	
144	12	12	232,225	6,967	65,114	174,078	6,967
145	13	1	174,078	-	-	174,078	
146	13	2	174,078	-	-	174,078	
147	13	3	174,078	-	-	174,078	
148	13	4	174,078	-	-	174,078	
149	13	5	174,078	-	-	174,078	
150	13	6	174,078	-	-	174,078	
151	13	7	174,078	-	-	174,078	
152	13	8	174,078	-	-	174,078	
153	13	9	174,078	-	-	174,078	
154	13	10	174,078	-	-	174,078	
155	13	11	174,078	-	-	174,078	
156	13	12	174,078	5,222	68,817	110,484	5,222
157	14	1	110,484	-	-	110,484	
158	14	2	110,484	-	-	110,484	
159	14	3	110,484	-	-	110,484	
160	14	4	110,484	-	-	110,484	
161	14	5	110,484	-	-	110,484	
162	14	6	110,484	-	-	110,484	
163	14	7	110,484	-	-	110,484	
164	14	8	110,484	-	-	110,484	
165	14	9	110,484	-	-	110,484	
166	14	10	110,484	-	-	110,484	
167	14	11	110,484	-	-	110,484	
168	14	12	110,484	3,315	72,485	41,313	3,315

169	15	1	41,313	-	-	41,313	
170	15	2	41,313	-	-	41,313	
171	15	3	41,313	-	-	41,313	
172	15	4	41,313	-	-	41,313	
173	15	5	41,313	-	-	41,313	
174	15	6	41,313	-	-	41,313	
175	15	7	41,313	-	-	41,313	
176	15	8	41,313	-	-	41,313	
177	15	9	41,313	-	-	41,313	
178	15	10	41,313	-	-	41,313	
179	15	11	41,313	-	-	41,313	
180	15	12	41,313	1,239	42,552	0	1,239
181	16	1	0	-	-	0	
182	16	2	0	-	-	0	
183	16	3	0	-	-	0	
184	16	4	0	-	-	0	
185	16	5	0	-	-	0	

### Amortization Schedule - First Mortgage

Loan Amt. \$7,551,929  
 Int. Rate 4.50%  
 Amort Period 420

Period	Year	Month	Beginning Balance	Interest	Principal	Monthly Payment	Ending Balance	Annual Interest
1	1	1	7,551,929	28,320	7,420	35,740	7,544,509	
2	1	2	7,544,509	28,292	7,448	35,740	7,537,061	
3	1	3	7,537,061	28,264	7,476	35,740	7,529,585	
4	1	4	7,529,585	28,236	7,504	35,740	7,522,081	
5	1	5	7,522,081	28,208	7,532	35,740	7,514,549	
6	1	6	7,514,549	28,180	7,560	35,740	7,506,988	
7	1	7	7,506,988	28,151	7,589	35,740	7,499,399	
8	1	8	7,499,399	28,123	7,617	35,740	7,491,782	
9	1	9	7,491,782	28,094	7,646	35,740	7,484,136	
10	1	10	7,484,136	28,066	7,675	35,740	7,476,462	
11	1	11	7,476,462	28,037	7,703	35,740	7,468,759	
12	1	12	7,468,759	28,008	7,732	35,740	7,461,026	337,977
13	2	1	7,461,026	27,979	7,761	35,740	7,453,265	
14	2	2	7,453,265	27,950	7,790	35,740	7,445,475	
15	2	3	7,445,475	27,921	7,819	35,740	7,437,655	
16	2	4	7,437,655	27,891	7,849	35,740	7,429,807	
17	2	5	7,429,807	27,862	7,878	35,740	7,421,928	
18	2	6	7,421,928	27,832	7,908	35,740	7,414,021	
19	2	7	7,414,021	27,803	7,937	35,740	7,406,083	
20	2	8	7,406,083	27,773	7,967	35,740	7,398,116	
21	2	9	7,398,116	27,743	7,997	35,740	7,390,119	
22	2	10	7,390,119	27,713	8,027	35,740	7,382,092	
23	2	11	7,382,092	27,683	8,057	35,740	7,374,035	
24	2	12	7,374,035	27,653	8,087	35,740	7,365,947	333,801
25	3	1	7,365,947	27,622	8,118	35,740	7,357,830	
26	3	2	7,357,830	27,592	8,148	35,740	7,349,681	
27	3	3	7,349,681	27,561	8,179	35,740	7,341,503	
28	3	4	7,341,503	27,531	8,209	35,740	7,333,293	
29	3	5	7,333,293	27,500	8,240	35,740	7,325,053	
30	3	6	7,325,053	27,469	8,271	35,740	7,316,782	
31	3	7	7,316,782	27,438	8,302	35,740	7,308,480	
32	3	8	7,308,480	27,407	8,333	35,740	7,300,147	
33	3	9	7,300,147	27,376	8,364	35,740	7,291,782	
34	3	10	7,291,782	27,344	8,396	35,740	7,283,387	
35	3	11	7,283,387	27,313	8,427	35,740	7,274,959	
36	3	12	7,274,959	27,281	8,459	35,740	7,266,500	329,433
37	4	1	7,266,500	27,249	8,491	35,740	7,258,010	
38	4	2	7,258,010	27,218	8,522	35,740	7,249,487	
39	4	3	7,249,487	27,186	8,554	35,740	7,240,933	
40	4	4	7,240,933	27,153	8,587	35,740	7,232,346	
41	4	5	7,232,346	27,121	8,619	35,740	7,223,728	
42	4	6	7,223,728	27,089	8,651	35,740	7,215,076	
43	4	7	7,215,076	27,057	8,683	35,740	7,206,393	
44	4	8	7,206,393	27,024	8,716	35,740	7,197,677	
45	4	9	7,197,677	26,991	8,749	35,740	7,188,928	
46	4	10	7,188,928	26,958	8,782	35,740	7,180,147	
47	4	11	7,180,147	26,926	8,814	35,740	7,171,332	
48	4	12	7,171,332	26,892	8,848	35,740	7,162,485	324,865
49	5	1	7,162,485	26,859	8,881	35,740	7,153,604	
50	5	2	7,153,604	26,826	8,914	35,740	7,144,690	
51	5	3	7,144,690	26,793	8,947	35,740	7,135,743	
52	5	4	7,135,743	26,759	8,981	35,740	7,126,762	
53	5	5	7,126,762	26,725	9,015	35,740	7,117,747	
54	5	6	7,117,747	26,692	9,048	35,740	7,108,699	
55	5	7	7,108,699	26,658	9,082	35,740	7,099,616	
56	5	8	7,099,616	26,624	9,116	35,740	7,090,500	
57	5	9	7,090,500	26,589	9,151	35,740	7,081,349	
58	5	10	7,081,349	26,555	9,185	35,740	7,072,164	

59	5	11	7,072,164	26,521	9,219	35,740	7,062,945	
60	5	12	7,062,945	26,486	9,254	35,740	7,053,691	320,086
61	6	1	7,053,691	26,451	9,289	35,740	7,044,402	
62	6	2	7,044,402	26,417	9,324	35,740	7,035,079	
63	6	3	7,035,079	26,382	9,358	35,740	7,025,720	
64	6	4	7,025,720	26,346	9,394	35,740	7,016,326	
65	6	5	7,016,326	26,311	9,429	35,740	7,006,898	
66	6	6	7,006,898	26,276	9,464	35,740	6,997,434	
67	6	7	6,997,434	26,240	9,500	35,740	6,987,934	
68	6	8	6,987,934	26,205	9,535	35,740	6,978,399	
69	6	9	6,978,399	26,169	9,571	35,740	6,968,828	
70	6	10	6,968,828	26,133	9,607	35,740	6,959,221	
71	6	11	6,959,221	26,097	9,643	35,740	6,949,578	
72	6	12	6,949,578	26,061	9,679	35,740	6,939,899	315,088
73	7	1	6,939,899	26,025	9,715	35,740	6,930,183	
74	7	2	6,930,183	25,988	9,752	35,740	6,920,431	
75	7	3	6,920,431	25,952	9,788	35,740	6,910,643	
76	7	4	6,910,643	25,915	9,825	35,740	6,900,818	
77	7	5	6,900,818	25,878	9,862	35,740	6,890,956	
78	7	6	6,890,956	25,841	9,899	35,740	6,881,057	
79	7	7	6,881,057	25,804	9,936	35,740	6,871,121	
80	7	8	6,871,121	25,767	9,973	35,740	6,861,148	
81	7	9	6,861,148	25,729	10,011	35,740	6,851,137	
82	7	10	6,851,137	25,692	10,048	35,740	6,841,089	
83	7	11	6,841,089	25,654	10,086	35,740	6,831,003	
84	7	12	6,831,003	25,616	10,124	35,740	6,820,879	309,861
85	8	1	6,820,879	25,578	10,162	35,740	6,810,717	
86	8	2	6,810,717	25,540	10,200	35,740	6,800,518	
87	8	3	6,800,518	25,502	10,238	35,740	6,790,279	
88	8	4	6,790,279	25,464	10,276	35,740	6,780,003	
89	8	5	6,780,003	25,425	10,315	35,740	6,769,688	
90	8	6	6,769,688	25,386	10,354	35,740	6,759,334	
91	8	7	6,759,334	25,348	10,393	35,740	6,748,942	
92	8	8	6,748,942	25,309	10,431	35,740	6,738,510	
93	8	9	6,738,510	25,269	10,471	35,740	6,728,040	
94	8	10	6,728,040	25,230	10,510	35,740	6,717,530	
95	8	11	6,717,530	25,191	10,549	35,740	6,706,981	
96	8	12	6,706,981	25,151	10,589	35,740	6,696,392	304,393
97	9	1	6,696,392	25,111	10,629	35,740	6,685,763	
98	9	2	6,685,763	25,072	10,668	35,740	6,675,095	
99	9	3	6,675,095	25,032	10,708	35,740	6,664,386	
100	9	4	6,664,386	24,991	10,749	35,740	6,653,638	
101	9	5	6,653,638	24,951	10,789	35,740	6,642,849	
102	9	6	6,642,849	24,911	10,829	35,740	6,632,020	
103	9	7	6,632,020	24,870	10,870	35,740	6,621,150	
104	9	8	6,621,150	24,829	10,911	35,740	6,610,239	
105	9	9	6,610,239	24,788	10,952	35,740	6,599,287	
106	9	10	6,599,287	24,747	10,993	35,740	6,588,295	
107	9	11	6,588,295	24,706	11,034	35,740	6,577,261	
108	9	12	6,577,261	24,665	11,075	35,740	6,566,185	298,674
109	10	1	6,566,185	24,623	11,117	35,740	6,555,069	
110	10	2	6,555,069	24,582	11,159	35,740	6,543,910	
111	10	3	6,543,910	24,540	11,200	35,740	6,532,710	
112	10	4	6,532,710	24,498	11,242	35,740	6,521,467	
113	10	5	6,521,467	24,456	11,285	35,740	6,510,183	
114	10	6	6,510,183	24,413	11,327	35,740	6,498,856	
115	10	7	6,498,856	24,371	11,369	35,740	6,487,487	
116	10	8	6,487,487	24,328	11,412	35,740	6,476,075	
117	10	9	6,476,075	24,285	11,455	35,740	6,464,620	
118	10	10	6,464,620	24,242	11,498	35,740	6,453,122	
119	10	11	6,453,122	24,199	11,541	35,740	6,441,582	
120	10	12	6,441,582	24,156	11,584	35,740	6,429,998	292,692
121	11	1	6,429,998	24,112	11,628	35,740	6,418,370	

122	11	2	6,418,370	24,069	11,671	35,740	6,406,699	
123	11	3	6,406,699	24,025	11,715	35,740	6,394,984	
124	11	4	6,394,984	23,981	11,759	35,740	6,383,225	
125	11	5	6,383,225	23,937	11,803	35,740	6,371,422	
126	11	6	6,371,422	23,893	11,847	35,740	6,359,575	
127	11	7	6,359,575	23,848	11,892	35,740	6,347,683	
128	11	8	6,347,683	23,804	11,936	35,740	6,335,747	
129	11	9	6,335,747	23,759	11,981	35,740	6,323,766	
130	11	10	6,323,766	23,714	12,026	35,740	6,311,740	
131	11	11	6,311,740	23,669	12,071	35,740	6,299,669	
132	11	12	6,299,669	23,624	12,116	35,740	6,287,553	286,436
133	12	1	6,287,553	23,578	12,162	35,740	6,275,391	
134	12	2	6,275,391	23,533	12,207	35,740	6,263,184	
135	12	3	6,263,184	23,487	12,253	35,740	6,250,931	
136	12	4	6,250,931	23,441	12,299	35,740	6,238,632	
137	12	5	6,238,632	23,395	12,345	35,740	6,226,287	
138	12	6	6,226,287	23,349	12,391	35,740	6,213,895	
139	12	7	6,213,895	23,302	12,438	35,740	6,201,458	
140	12	8	6,201,458	23,255	12,485	35,740	6,188,973	
141	12	9	6,188,973	23,209	12,531	35,740	6,176,442	
142	12	10	6,176,442	23,162	12,578	35,740	6,163,863	
143	12	11	6,163,863	23,114	12,626	35,740	6,151,238	
144	12	12	6,151,238	23,067	12,673	35,740	6,138,565	279,892
145	13	1	6,138,565	23,020	12,720	35,740	6,125,844	
146	13	2	6,125,844	22,972	12,768	35,740	6,113,076	
147	13	3	6,113,076	22,924	12,816	35,740	6,100,260	
148	13	4	6,100,260	22,876	12,864	35,740	6,087,396	
149	13	5	6,087,396	22,828	12,912	35,740	6,074,484	
150	13	6	6,074,484	22,779	12,961	35,740	6,061,523	
151	13	7	6,061,523	22,731	13,009	35,740	6,048,514	
152	13	8	6,048,514	22,682	13,058	35,740	6,035,456	
153	13	9	6,035,456	22,633	13,107	35,740	6,022,349	
154	13	10	6,022,349	22,584	13,156	35,740	6,009,193	
155	13	11	6,009,193	22,534	13,206	35,740	5,995,987	
156	13	12	5,995,987	22,485	13,255	35,740	5,982,732	273,047
157	14	1	5,982,732	22,435	13,305	35,740	5,969,427	
158	14	2	5,969,427	22,385	13,355	35,740	5,956,073	
159	14	3	5,956,073	22,335	13,405	35,740	5,942,668	
160	14	4	5,942,668	22,285	13,455	35,740	5,929,213	
161	14	5	5,929,213	22,235	13,505	35,740	5,915,708	
162	14	6	5,915,708	22,184	13,556	35,740	5,902,151	
163	14	7	5,902,151	22,133	13,607	35,740	5,888,544	
164	14	8	5,888,544	22,082	13,658	35,740	5,874,886	
165	14	9	5,874,886	22,031	13,709	35,740	5,861,177	
166	14	10	5,861,177	21,979	13,761	35,740	5,847,417	
167	14	11	5,847,417	21,928	13,812	35,740	5,833,604	
168	14	12	5,833,604	21,876	13,864	35,740	5,819,740	265,889
169	15	1	5,819,740	21,824	13,916	35,740	5,805,824	
170	15	2	5,805,824	21,772	13,968	35,740	5,791,856	
171	15	3	5,791,856	21,719	14,021	35,740	5,777,836	
172	15	4	5,777,836	21,667	14,073	35,740	5,763,763	
173	15	5	5,763,763	21,614	14,126	35,740	5,749,637	
174	15	6	5,749,637	21,561	14,179	35,740	5,735,458	
175	15	7	5,735,458	21,508	14,232	35,740	5,721,226	
176	15	8	5,721,226	21,455	14,285	35,740	5,706,940	
177	15	9	5,706,940	21,401	14,339	35,740	5,692,601	
178	15	10	5,692,601	21,347	14,393	35,740	5,678,209	
179	15	11	5,678,209	21,293	14,447	35,740	5,663,762	
180	15	12	5,663,762	21,239	14,501	35,740	5,649,261	258,401
181	16	1	5,649,261	21,185	14,555	35,740	5,634,706	
182	16	2	5,634,706	21,130	14,610	35,740	5,620,096	
183	16	3	5,620,096	21,075	14,665	35,740	5,605,431	
184	16	4	5,605,431	21,020	14,720	35,740	5,590,712	



185	16	5	5,590,712	20,965	14,775	35,740	5,575,937	
186	16	6	5,575,937	20,910	14,830	35,740	5,561,106	
187	16	7	5,561,106	20,854	14,886	35,740	5,546,221	
188	16	8	5,546,221	20,798	14,942	35,740	5,531,279	
189	16	9	5,531,279	20,742	14,998	35,740	5,516,281	
190	16	10	5,516,281	20,686	15,054	35,740	5,501,227	
191	16	11	5,501,227	20,630	15,110	35,740	5,486,117	
192	16	12	5,486,117	20,573	15,167	35,740	5,470,950	250,569
193	17	1	5,470,950	20,516	15,224	35,740	5,455,726	
194	17	2	5,455,726	20,459	15,281	35,740	5,440,445	
195	17	3	5,440,445	20,402	15,338	35,740	5,425,106	
196	17	4	5,425,106	20,344	15,396	35,740	5,409,711	
197	17	5	5,409,711	20,286	15,454	35,740	5,394,257	
198	17	6	5,394,257	20,228	15,512	35,740	5,378,745	
199	17	7	5,378,745	20,170	15,570	35,740	5,363,176	
200	17	8	5,363,176	20,112	15,628	35,740	5,347,548	
201	17	9	5,347,548	20,053	15,687	35,740	5,331,861	
202	17	10	5,331,861	19,994	15,746	35,740	5,316,115	
203	17	11	5,316,115	19,935	15,805	35,740	5,300,311	
204	17	12	5,300,311	19,876	15,864	35,740	5,284,447	242,377
205	18	1	5,284,447	19,817	15,923	35,740	5,268,524	
206	18	2	5,268,524	19,757	15,983	35,740	5,252,540	
207	18	3	5,252,540	19,697	16,043	35,740	5,236,497	
208	18	4	5,236,497	19,637	16,103	35,740	5,220,394	
209	18	5	5,220,394	19,576	16,164	35,740	5,204,231	
210	18	6	5,204,231	19,516	16,224	35,740	5,188,007	
211	18	7	5,188,007	19,455	16,285	35,740	5,171,722	
212	18	8	5,171,722	19,394	16,346	35,740	5,155,376	
213	18	9	5,155,376	19,333	16,407	35,740	5,138,968	
214	18	10	5,138,968	19,271	16,469	35,740	5,122,499	
215	18	11	5,122,499	19,209	16,531	35,740	5,105,969	
216	18	12	5,105,969	19,147	16,593	35,740	5,089,376	233,809
217	19	1	5,089,376	19,085	16,655	35,740	5,072,721	
218	19	2	5,072,721	19,023	16,717	35,740	5,056,004	
219	19	3	5,056,004	18,960	16,780	35,740	5,039,224	
220	19	4	5,039,224	18,897	16,843	35,740	5,022,381	
221	19	5	5,022,381	18,834	16,906	35,740	5,005,475	
222	19	6	5,005,475	18,771	16,969	35,740	4,988,505	
223	19	7	4,988,505	18,707	17,033	35,740	4,971,472	
224	19	8	4,971,472	18,643	17,097	35,740	4,954,375	
225	19	9	4,954,375	18,579	17,161	35,740	4,937,214	
226	19	10	4,937,214	18,515	17,225	35,740	4,919,989	
227	19	11	4,919,989	18,450	17,290	35,740	4,902,699	
228	19	12	4,902,699	18,385	17,355	35,740	4,885,344	224,848
229	20	1	4,885,344	18,320	17,420	35,740	4,867,924	
230	20	2	4,867,924	18,255	17,485	35,740	4,850,439	
231	20	3	4,850,439	18,189	17,551	35,740	4,832,888	
232	20	4	4,832,888	18,123	17,617	35,740	4,815,271	
233	20	5	4,815,271	18,057	17,683	35,740	4,797,588	
234	20	6	4,797,588	17,991	17,749	35,740	4,779,839	
235	20	7	4,779,839	17,924	17,816	35,740	4,762,024	
236	20	8	4,762,024	17,858	17,882	35,740	4,744,141	
237	20	9	4,744,141	17,791	17,949	35,740	4,726,192	
238	20	10	4,726,192	17,723	18,017	35,740	4,708,175	
239	20	11	4,708,175	17,656	18,084	35,740	4,690,090	
240	20	12	4,690,090	17,588	18,152	35,740	4,671,938	215,475
241	21	1	4,671,938	17,520	18,220	35,740	4,653,718	
242	21	2	4,653,718	17,451	18,289	35,740	4,635,429	
243	21	3	4,635,429	17,383	18,357	35,740	4,617,072	
244	21	4	4,617,072	17,314	18,426	35,740	4,598,646	
245	21	5	4,598,646	17,245	18,495	35,740	4,580,151	
246	21	6	4,580,151	17,176	18,564	35,740	4,561,587	
247	21	7	4,561,587	17,106	18,634	35,740	4,542,953	

248	21	8	4,542,953	17,036	18,704	35,740	4,524,249	
249	21	9	4,524,249	16,966	18,774	35,740	4,505,475	
250	21	10	4,505,475	16,896	18,844	35,740	4,486,630	
251	21	11	4,486,630	16,825	18,915	35,740	4,467,715	
252	21	12	4,467,715	16,754	18,986	35,740	4,448,729	205,671
253	22	1	4,448,729	16,683	19,057	35,740	4,429,672	
254	22	2	4,429,672	16,611	19,129	35,740	4,410,543	
255	22	3	4,410,543	16,540	19,200	35,740	4,391,342	
256	22	4	4,391,342	16,468	19,272	35,740	4,372,070	
257	22	5	4,372,070	16,395	19,345	35,740	4,352,725	
258	22	6	4,352,725	16,323	19,417	35,740	4,333,308	
259	22	7	4,333,308	16,250	19,490	35,740	4,313,818	
260	22	8	4,313,818	16,177	19,563	35,740	4,294,255	
261	22	9	4,294,255	16,103	19,637	35,740	4,274,618	
262	22	10	4,274,618	16,030	19,710	35,740	4,254,908	
263	22	11	4,254,908	15,956	19,784	35,740	4,235,124	
264	22	12	4,235,124	15,882	19,858	35,740	4,215,265	195,417
265	23	1	4,215,265	15,807	19,933	35,740	4,195,333	
266	23	2	4,195,333	15,732	20,008	35,740	4,175,325	
267	23	3	4,175,325	15,657	20,083	35,740	4,155,243	
268	23	4	4,155,243	15,582	20,158	35,740	4,135,085	
269	23	5	4,135,085	15,507	20,233	35,740	4,114,851	
270	23	6	4,114,851	15,431	20,309	35,740	4,094,542	
271	23	7	4,094,542	15,355	20,385	35,740	4,074,157	
272	23	8	4,074,157	15,278	20,462	35,740	4,053,695	
273	23	9	4,053,695	15,201	20,539	35,740	4,033,156	
274	23	10	4,033,156	15,124	20,616	35,740	4,012,540	
275	23	11	4,012,540	15,047	20,693	35,740	3,991,847	
276	23	12	3,991,847	14,969	20,771	35,740	3,971,077	184,691
277	24	1	3,971,077	14,892	20,848	35,740	3,950,228	
278	24	2	3,950,228	14,813	20,927	35,740	3,929,302	
279	24	3	3,929,302	14,735	21,005	35,740	3,908,296	
280	24	4	3,908,296	14,656	21,084	35,740	3,887,213	
281	24	5	3,887,213	14,577	21,163	35,740	3,866,050	
282	24	6	3,866,050	14,498	21,242	35,740	3,844,807	
283	24	7	3,844,807	14,418	21,322	35,740	3,823,485	
284	24	8	3,823,485	14,338	21,402	35,740	3,802,083	
285	24	9	3,802,083	14,258	21,482	35,740	3,780,601	
286	24	10	3,780,601	14,177	21,563	35,740	3,759,038	
287	24	11	3,759,038	14,096	21,644	35,740	3,737,395	
288	24	12	3,737,395	14,015	21,725	35,740	3,715,670	173,473
289	25	1	3,715,670	13,934	21,806	35,740	3,693,864	
290	25	2	3,693,864	13,852	21,888	35,740	3,671,976	
291	25	3	3,671,976	13,770	21,970	35,740	3,650,006	
292	25	4	3,650,006	13,688	22,052	35,740	3,627,953	
293	25	5	3,627,953	13,605	22,135	35,740	3,605,818	
294	25	6	3,605,818	13,522	22,218	35,740	3,583,600	
295	25	7	3,583,600	13,438	22,302	35,740	3,561,298	
296	25	8	3,561,298	13,355	22,385	35,740	3,538,913	
297	25	9	3,538,913	13,271	22,469	35,740	3,516,444	
298	25	10	3,516,444	13,187	22,553	35,740	3,493,891	
299	25	11	3,493,891	13,102	22,638	35,740	3,471,253	
300	25	12	3,471,253	13,017	22,723	35,740	3,448,530	161,740
301	26	1	3,448,530	12,932	22,808	35,740	3,425,722	
302	26	2	3,425,722	12,846	22,894	35,740	3,402,828	
303	26	3	3,402,828	12,761	22,979	35,740	3,379,849	
304	26	4	3,379,849	12,674	23,066	35,740	3,356,783	
305	26	5	3,356,783	12,588	23,152	35,740	3,333,631	
306	26	6	3,333,631	12,501	23,239	35,740	3,310,392	
307	26	7	3,310,392	12,414	23,326	35,740	3,287,066	
308	26	8	3,287,066	12,326	23,414	35,740	3,263,653	
309	26	9	3,263,653	12,239	23,501	35,740	3,240,151	
310	26	10	3,240,151	12,151	23,589	35,740	3,216,562	

311	26	11	3,216,562	12,062	23,678	35,740	3,192,884	
312	26	12	3,192,884	11,973	23,767	35,740	3,169,117	149,468
313	27	1	3,169,117	11,884	23,856	35,740	3,145,262	
314	27	2	3,145,262	11,795	23,945	35,740	3,121,316	
315	27	3	3,121,316	11,705	24,035	35,740	3,097,281	
316	27	4	3,097,281	11,615	24,125	35,740	3,073,156	
317	27	5	3,073,156	11,524	24,216	35,740	3,048,940	
318	27	6	3,048,940	11,434	24,306	35,740	3,024,634	
319	27	7	3,024,634	11,342	24,398	35,740	3,000,236	
320	27	8	3,000,236	11,251	24,489	35,740	2,975,747	
321	27	9	2,975,747	11,159	24,581	35,740	2,951,166	
322	27	10	2,951,166	11,067	24,673	35,740	2,926,493	
323	27	11	2,926,493	10,974	24,766	35,740	2,901,727	
324	27	12	2,901,727	10,881	24,859	35,740	2,876,869	136,632
325	28	1	2,876,869	10,788	24,952	35,740	2,851,917	
326	28	2	2,851,917	10,695	25,045	35,740	2,826,872	
327	28	3	2,826,872	10,601	25,139	35,740	2,801,732	
328	28	4	2,801,732	10,506	25,234	35,740	2,776,499	
329	28	5	2,776,499	10,412	25,328	35,740	2,751,171	
330	28	6	2,751,171	10,317	25,423	35,740	2,725,748	
331	28	7	2,725,748	10,222	25,518	35,740	2,700,229	
332	28	8	2,700,229	10,126	25,614	35,740	2,674,615	
333	28	9	2,674,615	10,030	25,710	35,740	2,648,905	
334	28	10	2,648,905	9,933	25,807	35,740	2,623,098	
335	28	11	2,623,098	9,837	25,903	35,740	2,597,195	
336	28	12	2,597,195	9,739	26,001	35,740	2,571,194	123,206
337	29	1	2,571,194	9,642	26,098	35,740	2,545,096	
338	29	2	2,545,096	9,544	26,196	35,740	2,518,900	
339	29	3	2,518,900	9,446	26,294	35,740	2,492,606	
340	29	4	2,492,606	9,347	26,393	35,740	2,466,213	
341	29	5	2,466,213	9,248	26,492	35,740	2,439,722	
342	29	6	2,439,722	9,149	26,591	35,740	2,413,131	
343	29	7	2,413,131	9,049	26,691	35,740	2,386,440	
344	29	8	2,386,440	8,949	26,791	35,740	2,359,649	
345	29	9	2,359,649	8,849	26,891	35,740	2,332,758	
346	29	10	2,332,758	8,748	26,992	35,740	2,305,765	
347	29	11	2,305,765	8,647	27,093	35,740	2,278,672	
348	29	12	2,278,672	8,545	27,195	35,740	2,251,477	109,163
349	30	1	2,251,477	8,443	27,297	35,740	2,224,180	
350	30	2	2,224,180	8,341	27,399	35,740	2,196,781	
351	30	3	2,196,781	8,238	27,502	35,740	2,169,279	
352	30	4	2,169,279	8,135	27,605	35,740	2,141,673	
353	30	5	2,141,673	8,031	27,709	35,740	2,113,965	
354	30	6	2,113,965	7,927	27,813	35,740	2,086,152	
355	30	7	2,086,152	7,823	27,917	35,740	2,058,235	
356	30	8	2,058,235	7,718	28,022	35,740	2,030,214	
357	30	9	2,030,214	7,613	28,127	35,740	2,002,087	
358	30	10	2,002,087	7,508	28,232	35,740	1,973,855	
359	30	11	1,973,855	7,402	28,338	35,740	1,945,517	
360	30	12	1,945,517	7,296	28,444	35,740	1,917,072	94,475
361	31	1	1,917,072	7,189	28,551	35,740	1,888,521	
362	31	2	1,888,521	7,082	28,658	35,740	1,859,863	
363	31	3	1,859,863	6,974	28,766	35,740	1,831,098	
364	31	4	1,831,098	6,867	28,873	35,740	1,802,224	
365	31	5	1,802,224	6,758	28,982	35,740	1,773,243	
366	31	6	1,773,243	6,650	29,090	35,740	1,744,152	
367	31	7	1,744,152	6,541	29,199	35,740	1,714,953	
368	31	8	1,714,953	6,431	29,309	35,740	1,685,644	
369	31	9	1,685,644	6,321	29,419	35,740	1,656,225	
370	31	10	1,656,225	6,211	29,529	35,740	1,626,696	
371	31	11	1,626,696	6,100	29,640	35,740	1,597,056	
372	31	12	1,597,056	5,989	29,751	35,740	1,567,305	79,113
373	32	1	1,567,305	5,877	29,863	35,740	1,537,442	

374	32	2	1,537,442	5,765	29,975	35,740	1,507,468	
375	32	3	1,507,468	5,653	30,087	35,740	1,477,381	
376	32	4	1,477,381	5,540	30,200	35,740	1,447,181	
377	32	5	1,447,181	5,427	30,313	35,740	1,416,868	
378	32	6	1,416,868	5,313	30,427	35,740	1,386,441	
379	32	7	1,386,441	5,199	30,541	35,740	1,355,900	
380	32	8	1,355,900	5,085	30,655	35,740	1,325,245	
381	32	9	1,325,245	4,970	30,770	35,740	1,294,474	
382	32	10	1,294,474	4,854	30,886	35,740	1,263,589	
383	32	11	1,263,589	4,738	31,002	35,740	1,232,587	
384	32	12	1,232,587	4,622	31,118	35,740	1,201,469	63,045
385	33	1	1,201,469	4,506	31,235	35,740	1,170,235	
386	33	2	1,170,235	4,388	31,352	35,740	1,138,883	
387	33	3	1,138,883	4,271	31,469	35,740	1,107,414	
388	33	4	1,107,414	4,153	31,587	35,740	1,075,827	
389	33	5	1,075,827	4,034	31,706	35,740	1,044,121	
390	33	6	1,044,121	3,915	31,825	35,740	1,012,296	
391	33	7	1,012,296	3,796	31,944	35,740	980,353	
392	33	8	980,353	3,676	32,064	35,740	948,289	
393	33	9	948,289	3,556	32,184	35,740	916,105	
394	33	10	916,105	3,435	32,305	35,740	883,800	
395	33	11	883,800	3,314	32,426	35,740	851,375	
396	33	12	851,375	3,193	32,547	35,740	818,827	46,238
397	34	1	818,827	3,071	32,669	35,740	786,158	
398	34	2	786,158	2,948	32,792	35,740	753,366	
399	34	3	753,366	2,825	32,915	35,740	720,451	
400	34	4	720,451	2,702	33,038	35,740	687,413	
401	34	5	687,413	2,578	33,162	35,740	654,250	
402	34	6	654,250	2,453	33,287	35,740	620,964	
403	34	7	620,964	2,329	33,411	35,740	587,552	
404	34	8	587,552	2,203	33,537	35,740	554,016	
405	34	9	554,016	2,078	33,662	35,740	520,353	
406	34	10	520,353	1,951	33,789	35,740	486,565	
407	34	11	486,565	1,825	33,915	35,740	452,649	
408	34	12	452,649	1,697	34,043	35,740	418,607	28,660
409	35	1	418,607	1,570	34,170	35,740	384,436	
410	35	2	384,436	1,442	34,298	35,740	350,138	
411	35	3	350,138	1,313	34,427	35,740	315,711	
412	35	4	315,711	1,184	34,556	35,740	281,155	
413	35	5	281,155	1,054	34,686	35,740	246,469	
414	35	6	246,469	924	34,816	35,740	211,653	
415	35	7	211,653	794	34,946	35,740	176,707	
416	35	8	176,707	663	35,077	35,740	141,630	
417	35	9	141,630	531	35,209	35,740	106,421	
418	35	10	106,421	399	35,341	35,740	71,080	
419	35	11	71,080	267	35,473	35,740	35,606	
420	35	12	35,606	134	35,606	35,740	0	10,274

**Amortization Schedule - Seller Land Note**

Period	Year	Month	Beginning Balance	Interest Due	Payment	Ending Balance	Annual Interest
Loan Amt.			\$725,000				
Int. Rate			3.00%				
Amort Period			360				
1	1	1	725,000	-	-	725,000	
2	1	2	725,000	-	-	725,000	
3	1	3	725,000	-	-	725,000	
4	1	4	725,000	-	-	725,000	
5	1	5	725,000	-	-	725,000	
6	1	6	725,000	-	-	725,000	
7	1	7	725,000	-	-	725,000	
8	1	8	725,000	-	-	725,000	
9	1	9	725,000	-	-	725,000	
10	1	10	725,000	-	-	725,000	
11	1	11	725,000	-	-	725,000	
12	1	12	725,000	21,750	6,529	740,221	21,750
13	2	1	740,221	-	-	740,221	
14	2	2	740,221	-	-	740,221	
15	2	3	740,221	-	-	740,221	
16	2	4	740,221	-	-	740,221	
17	2	5	740,221	-	-	740,221	
18	2	6	740,221	-	-	740,221	
19	2	7	740,221	-	-	740,221	
20	2	8	740,221	-	-	740,221	
21	2	9	740,221	-	-	740,221	
22	2	10	740,221	-	-	740,221	
23	2	11	740,221	-	-	740,221	
24	2	12	740,221	21,750	7,588	754,382	21,750
25	3	1	754,382	-	-	754,382	
26	3	2	754,382	-	-	754,382	
27	3	3	754,382	-	-	754,382	
28	3	4	754,382	-	-	754,382	
29	3	5	754,382	-	-	754,382	
30	3	6	754,382	-	-	754,382	
31	3	7	754,382	-	-	754,382	
32	3	8	754,382	-	-	754,382	
33	3	9	754,382	-	-	754,382	
34	3	10	754,382	-	-	754,382	
35	3	11	754,382	-	-	754,382	
36	3	12	754,382	21,750	8,649	767,483	21,750
37	4	1	767,483	-	-	767,483	
38	4	2	767,483	-	-	767,483	
39	4	3	767,483	-	-	767,483	
40	4	4	767,483	-	-	767,483	
41	4	5	767,483	-	-	767,483	
42	4	6	767,483	-	-	767,483	
43	4	7	767,483	-	-	767,483	
44	4	8	767,483	-	-	767,483	
45	4	9	767,483	-	-	767,483	
46	4	10	767,483	-	-	767,483	
47	4	11	767,483	-	-	767,483	
48	4	12	767,483	21,750	9,712	779,522	21,750
49	5	1	779,522	-	-	779,522	
50	5	2	779,522	-	-	779,522	
51	5	3	779,522	-	-	779,522	
52	5	4	779,522	-	-	779,522	

53	5	5	779,522	-	-	779,522	
54	5	6	779,522	-	-	779,522	
55	5	7	779,522	-	-	779,522	
56	5	8	779,522	-	-	779,522	
57	5	9	779,522	-	-	779,522	
58	5	10	779,522	-	-	779,522	
59	5	11	779,522	-	-	779,522	
60	5	12	779,522	21,750	10,775	790,497	21,750
61	6	1	790,497	-	-	790,497	
62	6	2	790,497	-	-	790,497	
63	6	3	790,497	-	-	790,497	
64	6	4	790,497	-	-	790,497	
65	6	5	790,497	-	-	790,497	
66	6	6	790,497	-	-	790,497	
67	6	7	790,497	-	-	790,497	
68	6	8	790,497	-	-	790,497	
69	6	9	790,497	-	-	790,497	
70	6	10	790,497	-	-	790,497	
71	6	11	790,497	-	-	790,497	
72	6	12	790,497	21,750	11,838	800,409	21,750
73	7	1	800,409	-	-	800,409	
74	7	2	800,409	-	-	800,409	
75	7	3	800,409	-	-	800,409	
76	7	4	800,409	-	-	800,409	
77	7	5	800,409	-	-	800,409	
78	7	6	800,409	-	-	800,409	
79	7	7	800,409	-	-	800,409	
80	7	8	800,409	-	-	800,409	
81	7	9	800,409	-	-	800,409	
82	7	10	800,409	-	-	800,409	
83	7	11	800,409	-	-	800,409	
84	7	12	800,409	21,750	12,900	809,259	21,750
85	8	1	809,259	-	-	809,259	
86	8	2	809,259	-	-	809,259	
87	8	3	809,259	-	-	809,259	
88	8	4	809,259	-	-	809,259	
89	8	5	809,259	-	-	809,259	
90	8	6	809,259	-	-	809,259	
91	8	7	809,259	-	-	809,259	
92	8	8	809,259	-	-	809,259	
93	8	9	809,259	-	-	809,259	
94	8	10	809,259	-	-	809,259	
95	8	11	809,259	-	-	809,259	
96	8	12	809,259	21,750	13,960	817,049	21,750
97	9	1	817,049	-	-	817,049	
98	9	2	817,049	-	-	817,049	
99	9	3	817,049	-	-	817,049	
100	9	4	817,049	-	-	817,049	
101	9	5	817,049	-	-	817,049	
102	9	6	817,049	-	-	817,049	
103	9	7	817,049	-	-	817,049	
104	9	8	817,049	-	-	817,049	
105	9	9	817,049	-	-	817,049	
106	9	10	817,049	-	-	817,049	
107	9	11	817,049	-	-	817,049	
108	9	12	817,049	21,750	15,017	823,782	21,750
109	10	1	823,782	-	-	823,782	
110	10	2	823,782	-	-	823,782	

111	10	3	823,782	-	-	823,782	
112	10	4	823,782	-	-	823,782	
113	10	5	823,782	-	-	823,782	
114	10	6	823,782	-	-	823,782	
115	10	7	823,782	-	-	823,782	
116	10	8	823,782	-	-	823,782	
117	10	9	823,782	-	-	823,782	
118	10	10	823,782	-	-	823,782	
119	10	11	823,782	-	-	823,782	
120	10	12	823,782	21,750	16,069	829,463	21,750
121	11	1	829,463	-	-	829,463	
122	11	2	829,463	-	-	829,463	
123	11	3	829,463	-	-	829,463	
124	11	4	829,463	-	-	829,463	
125	11	5	829,463	-	-	829,463	
126	11	6	829,463	-	-	829,463	
127	11	7	829,463	-	-	829,463	
128	11	8	829,463	-	-	829,463	
129	11	9	829,463	-	-	829,463	
130	11	10	829,463	-	-	829,463	
131	11	11	829,463	-	-	829,463	
132	11	12	829,463	21,750	17,116	834,096	21,750
133	12	1	834,096	-	-	834,096	
134	12	2	834,096	-	-	834,096	
135	12	3	834,096	-	-	834,096	
136	12	4	834,096	-	-	834,096	
137	12	5	834,096	-	-	834,096	
138	12	6	834,096	-	-	834,096	
139	12	7	834,096	-	-	834,096	
140	12	8	834,096	-	-	834,096	
141	12	9	834,096	-	-	834,096	
142	12	10	834,096	-	-	834,096	
143	12	11	834,096	-	-	834,096	
144	12	12	834,096	21,750	18,157	837,689	21,750
145	13	1	837,689	-	-	837,689	
146	13	2	837,689	-	-	837,689	
147	13	3	837,689	-	-	837,689	
148	13	4	837,689	-	-	837,689	
149	13	5	837,689	-	-	837,689	
150	13	6	837,689	-	-	837,689	
151	13	7	837,689	-	-	837,689	
152	13	8	837,689	-	-	837,689	
153	13	9	837,689	-	-	837,689	
154	13	10	837,689	-	-	837,689	
155	13	11	837,689	-	-	837,689	
156	13	12	837,689	21,750	19,189	840,250	21,750
157	14	1	840,250	-	-	840,250	
158	14	2	840,250	-	-	840,250	
159	14	3	840,250	-	-	840,250	
160	14	4	840,250	-	-	840,250	
161	14	5	840,250	-	-	840,250	
162	14	6	840,250	-	-	840,250	
163	14	7	840,250	-	-	840,250	
164	14	8	840,250	-	-	840,250	
165	14	9	840,250	-	-	840,250	
166	14	10	840,250	-	-	840,250	
167	14	11	840,250	-	-	840,250	
168	14	12	840,250	21,750	20,212	841,788	21,750

169	15	1	841,788	-	-	841,788	
170	15	2	841,788	-	-	841,788	
171	15	3	841,788	-	-	841,788	
172	15	4	841,788	-	-	841,788	
173	15	5	841,788	-	-	841,788	
174	15	6	841,788	-	-	841,788	
175	15	7	841,788	-	-	841,788	
176	15	8	841,788	-	-	841,788	
177	15	9	841,788	-	-	841,788	
178	15	10	841,788	-	-	841,788	
179	15	11	841,788	-	-	841,788	
180	15	12	841,788	21,750	30,583	832,954	21,750
181	16	1	832,954	-	-	832,954	
182	16	2	832,954	-	-	832,954	
183	16	3	832,954	-	-	832,954	
184	16	4	832,954	-	-	832,954	
185	16	5	832,954	-	-	832,954	
186	16	6	832,954	-	-	832,954	
187	16	7	832,954	-	-	832,954	
188	16	8	832,954	-	-	832,954	
189	16	9	832,954	-	-	832,954	
190	16	10	832,954	-	-	832,954	
191	16	11	832,954	-	-	832,954	
192	16	12	832,954	21,750	44,449	810,256	21,750
193	17	1	810,256	-	-	810,256	
194	17	2	810,256	-	-	810,256	
195	17	3	810,256	-	-	810,256	
196	17	4	810,256	-	-	810,256	
197	17	5	810,256	-	-	810,256	
198	17	6	810,256	-	-	810,256	
199	17	7	810,256	-	-	810,256	
200	17	8	810,256	-	-	810,256	
201	17	9	810,256	-	-	810,256	
202	17	10	810,256	-	-	810,256	
203	17	11	810,256	-	-	810,256	
204	17	12	810,256	21,750	50,895	781,111	21,750
205	18	1	781,111	-	-	781,111	
206	18	2	781,111	-	-	781,111	
207	18	3	781,111	-	-	781,111	
208	18	4	781,111	-	-	781,111	
209	18	5	781,111	-	-	781,111	
210	18	6	781,111	-	-	781,111	
211	18	7	781,111	-	-	781,111	
212	18	8	781,111	-	-	781,111	
213	18	9	781,111	-	-	781,111	
214	18	10	781,111	-	-	781,111	
215	18	11	781,111	-	-	781,111	
216	18	12	781,111	21,750	52,969	749,892	21,750
217	19	1	749,892	-	-	749,892	
218	19	2	749,892	-	-	749,892	
219	19	3	749,892	-	-	749,892	
220	19	4	749,892	-	-	749,892	
221	19	5	749,892	-	-	749,892	
222	19	6	749,892	-	-	749,892	
223	19	7	749,892	-	-	749,892	
224	19	8	749,892	-	-	749,892	
225	19	9	749,892	-	-	749,892	
226	19	10	749,892	-	-	749,892	



227	19	11	749,892	-	-	749,892	
228	19	12	749,892	21,750	55,013	716,629	21,750
229	20	1	716,629	-	-	716,629	
230	20	2	716,629	-	-	716,629	
231	20	3	716,629	-	-	716,629	
232	20	4	716,629	-	-	716,629	
233	20	5	716,629	-	-	716,629	
234	20	6	716,629	-	-	716,629	
235	20	7	716,629	-	-	716,629	
236	20	8	716,629	-	-	716,629	
237	20	9	716,629	-	-	716,629	
238	20	10	716,629	-	-	716,629	
239	20	11	716,629	-	-	716,629	
240	20	12	716,629	21,499	57,021	681,107	21,499
241	21	1	681,107	-	-	681,107	
242	21	2	681,107	-	-	681,107	
243	21	3	681,107	-	-	681,107	
244	21	4	681,107	-	-	681,107	
245	21	5	681,107	-	-	681,107	
246	21	6	681,107	-	-	681,107	
247	21	7	681,107	-	-	681,107	
248	21	8	681,107	-	-	681,107	
249	21	9	681,107	-	-	681,107	
250	21	10	681,107	-	-	681,107	
251	21	11	681,107	-	-	681,107	
252	21	12	681,107	20,433	58,991	642,548	20,433
253	22	1	642,548	-	-	642,548	
254	22	2	642,548	-	-	642,548	
255	22	3	642,548	-	-	642,548	
256	22	4	642,548	-	-	642,548	
257	22	5	642,548	-	-	642,548	
258	22	6	642,548	-	-	642,548	
259	22	7	642,548	-	-	642,548	
260	22	8	642,548	-	-	642,548	
261	22	9	642,548	-	-	642,548	
262	22	10	642,548	-	-	642,548	
263	22	11	642,548	-	-	642,548	
264	22	12	642,548	19,276	60,919	600,906	19,276
265	23	1	600,906	-	-	600,906	
266	23	2	600,906	-	-	600,906	
267	23	3	600,906	-	-	600,906	
268	23	4	600,906	-	-	600,906	
269	23	5	600,906	-	-	600,906	
270	23	6	600,906	-	-	600,906	
271	23	7	600,906	-	-	600,906	
272	23	8	600,906	-	-	600,906	
273	23	9	600,906	-	-	600,906	
274	23	10	600,906	-	-	600,906	
275	23	11	600,906	-	-	600,906	
276	23	12	600,906	18,027	62,799	556,134	18,027
277	24	1	556,134	-	-	556,134	
278	24	2	556,134	-	-	556,134	
279	24	3	556,134	-	-	556,134	
280	24	4	556,134	-	-	556,134	
281	24	5	556,134	-	-	556,134	
282	24	6	556,134	-	-	556,134	
283	24	7	556,134	-	-	556,134	
284	24	8	556,134	-	-	556,134	

285	24	9	556,134	-	-	556,134	
286	24	10	556,134	-	-	556,134	
287	24	11	556,134	-	-	556,134	
288	24	12	556,134	16,684	64,628	508,190	16,684
289	25	1	508,190	-	-	508,190	
290	25	2	508,190	-	-	508,190	
291	25	3	508,190	-	-	508,190	
292	25	4	508,190	-	-	508,190	
293	25	5	508,190	-	-	508,190	
294	25	6	508,190	-	-	508,190	
295	25	7	508,190	-	-	508,190	
296	25	8	508,190	-	-	508,190	
297	25	9	508,190	-	-	508,190	
298	25	10	508,190	-	-	508,190	
299	25	11	508,190	-	-	508,190	
300	25	12	508,190	15,246	66,401	457,034	15,246
301	26	1	457,034	-	-	457,034	
302	26	2	457,034	-	-	457,034	
303	26	3	457,034	-	-	457,034	
304	26	4	457,034	-	-	457,034	
305	26	5	457,034	-	-	457,034	
306	26	6	457,034	-	-	457,034	
307	26	7	457,034	-	-	457,034	
308	26	8	457,034	-	-	457,034	
309	26	9	457,034	-	-	457,034	
310	26	10	457,034	-	-	457,034	
311	26	11	457,034	-	-	457,034	
312	26	12	457,034	13,711	68,113	402,632	13,711
313	27	1	402,632	-	-	402,632	
314	27	2	402,632	-	-	402,632	
315	27	3	402,632	-	-	402,632	
316	27	4	402,632	-	-	402,632	
317	27	5	402,632	-	-	402,632	
318	27	6	402,632	-	-	402,632	
319	27	7	402,632	-	-	402,632	
320	27	8	402,632	-	-	402,632	
321	27	9	402,632	-	-	402,632	
322	27	10	402,632	-	-	402,632	
323	27	11	402,632	-	-	402,632	
324	27	12	402,632	12,079	69,758	344,953	12,079
325	28	1	344,953	-	-	344,953	
326	28	2	344,953	-	-	344,953	
327	28	3	344,953	-	-	344,953	
328	28	4	344,953	-	-	344,953	
329	28	5	344,953	-	-	344,953	
330	28	6	344,953	-	-	344,953	
331	28	7	344,953	-	-	344,953	
332	28	8	344,953	-	-	344,953	
333	28	9	344,953	-	-	344,953	
334	28	10	344,953	-	-	344,953	
335	28	11	344,953	-	-	344,953	
336	28	12	344,953	10,349	71,332	283,970	10,349
337	29	1	283,970	-	-	283,970	
338	29	2	283,970	-	-	283,970	
339	29	3	283,970	-	-	283,970	
340	29	4	283,970	-	-	283,970	
341	29	5	283,970	-	-	283,970	
342	29	6	283,970	-	-	283,970	

343	29	7	283,970	-	-	283,970	
344	29	8	283,970	-	-	283,970	
345	29	9	283,970	-	-	283,970	
346	29	10	283,970	-	-	283,970	
347	29	11	283,970	-	-	283,970	
348	29	12	283,970	8,519	72,828	219,660	8,519
349	30	1	219,660	-	-	219,660	
350	30	2	219,660	-	-	219,660	
351	30	3	219,660	-	-	219,660	
352	30	4	219,660	-	-	219,660	
353	30	5	219,660	-	-	219,660	
354	30	6	219,660	-	-	219,660	
355	30	7	219,660	-	-	219,660	
356	30	8	219,660	-	-	219,660	
357	30	9	219,660	-	-	219,660	
358	30	10	219,660	-	-	219,660	
359	30	11	219,660	-	-	219,660	
360	30	12	219,660	6,590	74,241	152,010	6,590
361	31	1	152,010	-	-	152,010	
362	31	2	152,010	-	-	152,010	
363	31	3	152,010	-	-	152,010	
364	31	4	152,010	-	-	152,010	
365	31	5	152,010	-	-	152,010	
366	31	6	152,010	-	-	152,010	
367	31	7	152,010	-	-	152,010	
368	31	8	152,010	-	-	152,010	
369	31	9	152,010	-	-	152,010	
370	31	10	152,010	-	-	152,010	
371	31	11	152,010	-	-	152,010	
372	31	12	152,010	4,560	75,563	81,007	4,560
373	32	1	81,007	-	-	81,007	
374	32	2	81,007	-	-	81,007	
375	32	3	81,007	-	-	81,007	
376	32	4	81,007	-	-	81,007	
377	32	5	81,007	-	-	81,007	
378	32	6	81,007	-	-	81,007	
379	32	7	81,007	-	-	81,007	
380	32	8	81,007	-	-	81,007	
381	32	9	81,007	-	-	81,007	
382	32	10	81,007	-	-	81,007	
383	32	11	81,007	-	-	81,007	
384	32	12	81,007	2,430	76,789	6,647	2,430
385	33	1	6,647	-	-	6,647	
386	33	2	6,647	-	-	6,647	
387	33	3	6,647	-	-	6,647	
388	33	4	6,647	-	-	6,647	
389	33	5	6,647	-	-	6,647	
390	33	6	6,647	-	-	6,647	
391	33	7	6,647	-	-	6,647	
392	33	8	6,647	-	-	6,647	
393	33	9	6,647	-	-	6,647	
394	33	10	6,647	-	-	6,647	
395	33	11	6,647	-	-	6,647	
396	33	12	6,647	199	6,847	0	199
397	34	1	0	-	-	0	
398	34	2	0	-	-	0	
399	34	3	0	-	-	0	
400	34	4	0	-	-	0	



**TAB # 6**  
**Pro Forma**

**OPERATING BUDGET & INCOME ANALYSIS**

Aspen Grove Villas I

Year 2021 Sacramento County

Rent:	Restriction	%AMI	Units	Square Feet/Unit	Total Sq. Ft.	Gross Rents	Utility Allowance	Monthly Net Rent	Annual Rent
1BR/1BA	LIHTC	50%	5	620	3,100	\$ 850	\$ 70	\$ 780	\$ 46,800
<b>1BR/1BA</b>	<b>LIHTC</b>	<b>30%</b>	<b>1</b>	<b>620</b>	<b>620</b>	<b>\$ 510</b>	<b>\$ 70</b>	<b>\$ 440</b>	<b>\$ 5,280</b>
2BR/1BA	LIHTC	80%	15	806	12,090	\$ 1,632	\$ 89	\$ 1,543	\$ 277,740
2BR/1BA	LIHTC	50%	28	806	22,568	\$ 1,020	\$ 89	\$ 931	\$ 312,816
<b>2BR/1BA</b>	<b>LIHTC</b>	<b>30%</b>	<b>5</b>	<b>806</b>	<b>4,030</b>	<b>\$ 612</b>	<b>\$ 89</b>	<b>\$ 523</b>	<b>\$ 31,380</b>
3BR/2BA	LIHTC	80%	14	1,064	14,896	\$ 1,885	\$ 105	\$ 1,780	\$ 299,040
3BR/2BA	LIHTC	60%	2	1,064	2,128	\$ 1,413	\$ 105	\$ 1,308	\$ 31,392
3BR/2BA	LIHTC	50%	2	1,064	2,128	\$ 1,178	\$ 105	\$ 1,073	\$ 25,752
<b>3BR/2BA</b>	<b>LIHTC</b>	<b>30%</b>	<b>2</b>	<b>1,064</b>	<b>2,128</b>	<b>\$ 706</b>	<b>\$ 105</b>	<b>\$ 601</b>	<b>\$ 14,424</b>
<b>3BR/2BA</b>	<b>n/a</b>	<b>MGR</b>	<b>1</b>	<b>1,064</b>	<b>1,064</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Total Rents			75		64,752				1,044,624
Community Room/Office					2,400				
% Loss to Efficiency				18%	14,741				
Construction Square Feet, excluding commercial					81,893				
<b>RA Overhang</b>									<b>0</b>
<b>Income from Operations</b>			PUPM						
Laundry				\$ 16.00					14,400
Other Income (App. Fees, Late, etc.)				\$ 4.00					3,600
Sub-Total				\$ 20.00					1,062,624
Less: Vacancies @			5.0%						53,131
<b>Total Income</b>									<b>1,009,493</b>
<b>Operating Expenses</b>			PUPA			Notes			
Other				\$ 5,850					438,750
<b>Total Expenses</b>				\$ 5,850					<b>438,750</b>
<b>Net Operating Income</b>									<b>570,743</b>
Reserves				\$250/unit					18,750
Services				\$650/unit per unit					48,100
Issuer and Monitoring Fee (Annual Admin. Fee)				0.05%					7,500
Mandatory Debt Service				0.420%					0
<b>Net Income Available for Debt Service</b>									<b>496,393</b>

DSC TEST 1.15

Loan Sizing	Tranche A	Tranche B
Loan Amount	7,600,630	0
Interest	4.50%	4.50%
Term	30	18
Amortization	35	35
Debt Service Coverage	1.15	1.15
Monthly Payment	35,970	0
Annual Payment	431,646	0
Cash Flow After D/S	64,747	

**TAB # 7**

**Low Income Housing Tax Credits (LIHTC)**

**N/A**

**TAB # 8**  
**Conflict of Interest Statement**





May 11, 2021

Sarah Bontrager  
Housing and Public Services Manager  
City of Elk Grove  
8401 Laguna Palms Way  
Elk Grove, CA 95758

**Reference:** Response to Request for Proposal for the Construction, Development and Operation of an Affordable Housing Project. Application for 4% Low Income Housing Tax Credits.

**Project:** Aspen Grove Villas, 8668 Poppy Ridge Road, Elk Grove, CA 95757

**Subject:** Conflict of Interest

Dear Ms. Bontrager,

This letter serves to confirm that there are no activities or relationships of the proposer that might create a conflict of interest for the proposer or the City.

Should you require any additional information, please do not hesitate to contact me at [psalib@crpaffordable.com](mailto:psalib@crpaffordable.com).

Sincerely,

DocuSigned by:  
*Paul Salib*  
4B2ABD89EF604C6...

Paul Salib  
Authorized Signatory

**TAB # 9**  
**Insurance**

**Re: 8668 Poppy Ridge Rd, Elk Grove, CA 95757**

March 19, 2021

To Whom This May Concern:

The following insurance limits will be in-place at the above referenced location:

<u>Commercial Liability</u>	
Each Occurrence Limit:	\$1,000,000
Personal Advertising Injury Limit (Any One Person/Organization):	\$1,000,000
Medical Expense (Any One Person):	\$5,000
Damages to Premises Rented To You (Any One Premises):	\$100,000
Products/Completed Operations Aggregated Limit:	\$2,000,000
General Aggregate Limit:	\$2,000,000

With respect to the below insurance requirements are comments are as follows:

#### 12. Insurance

Submit evidence of ability to insure as stated in Attachment B and summarized below.

TYPE	SINGLE LIMIT / OCCURRENCE	AGGREGATE	ENDORSEMENTS*
General Liability (1F)	\$2,000,000	\$2,000,000	Additional Insured Waiver of Subrogation Primary Non Contrib.
Auto Liability (2E)	\$1,000,000 Any Auto		Additional Insured
Work Comp (3A)	Statutory		Waiver of Subrogation
Employer's Liability	\$1,000,000 each		
Builder's Risk (5A)	Total value of loan	During construction until occupancy	Loss Payee Waiver of Subrogation
Hazard Insurance (7A)	Replacement value of affordable housing	At occupancy until loan maturity date	Loss Payee
Umbrella Coverage (8B)	\$5,000,000	\$5,000,000	Additional Insured Waiver of Subrogation Primary Non Contrib.

\*Must be actual endorsements. Typed statements on Certificates of Liability are unacceptable. This is a summary only. Please refer to Exhibit B for specific requirements.



Named #1 Best Practices  
Independent Insurance Agency



- **General Liability-** a policy is in place, the limits are referenced above
  - Note that most insurance carriers provide a \$1MM per occurrence with a \$2MM annual aggregate
- **Auto Liability-** should not be required, there are no employees or vehicles at this time
- **Workers Compensation-** should not be required, there are no employees at this time
- **Builder's Risk Coverage-** this is currently a vacant lot, prior to the start of a construction project a builder's risk policy would be put in place based on the specific project
- **Hazard Insurance-** this would be put in place at the applicable time of occupancy
- **Umbrella Coverage-** we provided the owner with a quote for a \$5MM umbrella, if this is required while the land is vacant the quote can be bound
  - If the umbrella is purchased this would bring the total general liability limit up to \$6MM per occurrence with a \$7,000,000 annual aggregate

If you have any questions do not hesitate to reach out.

Yours truly,

A handwritten signature in black ink, appearing to read 'Aaron Ziff', is positioned above the typed name.

Aaron Ziff  
Vice President  
York International Agency, LLC  
500 Mamaroneck Avenue, Suite 220  
Harrison, NY 10528  
914-457-1241 Direct  
914-376-2891 Fax  
aziff@yorkintl.com  
www.yorkintl.com



**TAB # 10**  
**Exceptions**  
**(N/A)**

Exceptions

---

Not Applicable

**TAB #11**  
**Supportive**  
**Information**





May 11, 2021

Sarah Bontrager  
Housing and Public Services Manager  
City of Elk Grove  
8401 Laguna Palms Way  
Elk Grove, CA 95758

**Reference: Response to Request for Proposal for the Construction, Development and Operation of an Affordable Housing Project. Application for 4% Low Income Housing Tax Credits.**

**Project: Commitment to Addressing Homelessness – Aspen Grove Villas, 8668 Poppy Ridge Road, Elk Grove, CA 95757**

Dear Ms. Bontrager,

Please accept this letter as our intention to work with the City to address homelessness. On May 7, 2021 we applied to the Sacramento Housing and Redevelopment Agency, Sacramento County in response to Request for Proposal # 2113-DS for Project Based Vouchers for Homeless Families and Individuals. If awarded, we will be able to fulfill our commitment to serve homeless families and individuals.

Should you require any additional information, please do not hesitate to contact me at [psalib@crpaffordable.com](mailto:psalib@crpaffordable.com).

Sincerely,

DocuSigned by:  
  
4B2ABD89EF604C6...

Paul Salib  
Authorized Signatory



May 11, 2021

Sarah Bontrager  
Housing and Public Services Manager  
City of Elk Grove  
8401 Laguna Palms Way  
Elk Grove, CA 95758

**Reference: Response to Request for Proposal for the Construction, Development and Operation of an Affordable Housing Project. Application for 4% Low Income Housing Tax Credits.**

**Project: Commitment to Affordable Rents and Occupancy: Aspen Grove Villas, 8668 Poppy Ridge Road, Elk Grove, CA 95757**

Dear Ms. Bontrager,

With reference to the terms of the RFP, this letter serves to confirm that the project will be deed-restricted to provide affordable rents and occupancy for a minimum of 55 years.

Should you require any additional information, please do not hesitate to contact me at [psalib@crpaffordable.com](mailto:psalib@crpaffordable.com).

Sincerely,

DocuSigned by:

*Paul Salib*

4B2ABD89EF604C6...

Paul Salib  
Authorized Signatory



May 11, 2021

Sarah Bontrager  
Housing and Public Services Manager  
City of Elk Grove  
8401 Laguna Palms Way  
Elk Grove, CA 95758

**Reference:** Response to Request for Proposal for the Construction, Development and Operation of an Affordable Housing Project. Application for 4% Low Income Housing Tax Credits.

**Project:** Commitment to Maximizing Funding Sources – Aspen Grove Villas, 8668 Poppy Ridge Road, Elk Grove, CA 95757

Dear Ms. Bontrager,

Please accept this letter as the project's commitment to maximize funding sources. In this current application to the City, we are requesting an award in the amount of \$1,875,000; \$25,000 per unit.

Given that our per-unit ask is below the maximum City loan unit-cost of \$35,000, we are hereby requesting 5% bonus points for the project's commitment to maximize funding sources.

Should you require any additional information, please do not hesitate to contact me at [psalib@crpaffordable.com](mailto:psalib@crpaffordable.com).

Sincerely,

DocuSigned by:

*Paul Salib*

4B2ABD89EF604C6...

Paul Salib

Authorized Signatory



May 11, 2021

Sarah Bontrager  
Housing and Public Services Manager  
City of Elk Grove  
8401 Laguna Palms Way  
Elk Grove, CA 95758

**Reference: Response to Request for Proposal for the Construction, Development and Operation of an Affordable Housing Project. Application for 4% Low Income Housing Tax Credits.**

**Project: On-Site Social Services: Aspen Grove Villas, 8668 Poppy Ridge Road, Elk Grove, CA 95757**

Dear Ms. Bontrager,

Please accept this letter as our commitment to comply with the terms of the RFP to provide on-site social services for resident support, no less than 15 hours per week, including up to 10 hours per week of after-school programming and/or senior activities.

Should you require any additional information, please do not hesitate to contact me at [psalib@crpaffordable.com](mailto:psalib@crpaffordable.com).

Sincerely,

DocuSigned by:  
*Paul Salib*  
4B2ABD89EF604C6...

Paul Salib  
Authorized Signatory



May 18, 2021

Elias Wise  
CRP Affordable Housing & Community Development  
4455 Morena Blvd Suite #107  
San Diego, CA 92117

Re: Analysis of Changes to Aspen Grove Villas: 8668 Poppy Ridge Road, Elk Grove, CA 95757

Dear Mr. Wise:

At your request, we have considered the impact of changes to the development scheme with respect to overall market feasibility, regarding the above-referenced development, Aspen Grove Villas (Subject), a proposed LIHTC development in Elk Grove, California. We originally prepared a TCAC-compliant market study and land appraisal for this project in January 2021, with additional revisions completed in March 2021. A copy is appended to this letter. The following charts outline the unit mix from the most recent report, and then the unit mix based upon the most current pro forma furnished for our review, and dated April 30, 2021.

## PROJECT OVERVIEW

### ORIGINAL PRO FORMA

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2020 LIHTC Maximum Allowable Gross Rent	% of Maximum Allowable Rents	
@30%								
1BR / 1BA	620	2	\$479	\$7	\$486	\$486	100%	
2BR / 1BA	806	12	\$571	\$11	\$582	\$582	100%	
3BR / 2BA	1,033	5	\$658	\$15	\$673	\$673	100%	
@50%								
1BR / 1BA	620	6	\$803	\$7	\$810	\$810	100%	
2BR / 1BA	806	40	\$960	\$11	\$971	\$971	100%	
3BR / 2BA	1,033	8	\$1,107	\$15	\$1,122	\$1,122	100%	
@60%								
1BR / 1BA	620	6	\$965	\$7	\$972	\$972	100%	
2BR / 1BA	806	10	\$1,154	\$11	\$1,165	\$1,165	100%	
3BR / 2BA	1,033	5	\$1,332	\$15	\$1,347	\$1,347	100%	
@80%								
1BR / 1BA	620	1	\$1,289	\$7	\$1,296	\$1,296	100%	
2BR / 1BA	806	13	\$1,543	\$11	\$1,554	\$1,554	100%	
3BR / 2BA	1,033	16	\$1,781	\$15	\$1,796	\$1,796	100%	
Non-Rental								
3BR / 2BA	1,033	2	-	-	-	-	-	
		<b>126</b>						

Notes (1) Utility allowance provided by the developer, based on project-specific calculation.

**CURRENT PRO FORMA**

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2021 LIHTC Maximum Allowable Gross Rent	% of Maximum Allowable Rents	
@30%								
1BR / 1BA	620	2	\$440	\$70	\$510	\$510	100%	
2BR / 1BA	806	6	\$523	\$89	\$612	\$612	100%	
3BR / 2BA	1,064	2	\$601	\$105	\$706	\$706	100%	
@50%								
1BR / 1BA	620	4	\$780	\$70	\$850	\$850	100%	
2BR / 1BA	806	22	\$931	\$89	\$1,020	\$1,020	100%	
3BR / 2BA	1,064	7	\$1,073	\$105	\$1,178	\$1,178	100%	
@80%								
2BR / 1BA	806	20	\$1,543	\$89	\$1,632	\$1,632	100%	
3BR / 2BA	1,064	11	\$1,780	\$105	\$1,885	\$1,885	100%	
<i>Non-Rental</i>								
3BR / 2BA	1,064	1	-	-	-	-	-	
		<b>75</b>						

Notes (1) Utility allowance provided by the Sacramento Housing and Redevelopment Agency, based on schedule dated 7/1/2020.

**SUMMARY OF CHANGES**

Provided below is a summary of changes regarding the Subject development:

1. Total unit count reduction from 126 to 75.
2. Use of higher housing authority utility allowance versus project-specific CUAC.
3. Implementation of 2021 rents limits, which are five percent higher than 2020 limits. The net impact of changes 2 and 3 results in a net reduction of tenant paid rents out of pocket.
4. Elimination of all 60 percent units and 1BR units at the 80 percent AMI threshold.
5. Three-bedroom unit sizes increased slightly.
6. Construction timeline accelerated a few months, with estimated completion now May 31, 2023 (was previously March 2023).

**IMPACT ON FEASIBILITY**

In general, the above changes do not have a dramatic impact on the original analysis; if anything, these changes result in even more favorable outcomes with respect to feasibility. Total unit count has been reduced, while allowable rents, and incomes, have increased five percent. The net impact is overall capture rate changes only marginally, if not decreases slightly. Although 60 percent AMI units have been eliminated, the Subject will continue to target a wide variety of incomes at three distinct AMI levels.

Net tenant out of pocket rents have actually decreased, as the increased utility allowance figures more than offset the five percent increase in maximum permitted rents. The project continues to offer a sizable advantage over market rents, in excess of 20 percent.

Slight change to three-bedroom unit size is negligible yet favorable as it represents increased square footage, and slight change to timeline does not impact the analysis in any meaningful way.

We believe the project continues to be a well-conceived development and will provide excellent quality housing in Elk Grove. The area is experiencing stable occupancy levels and waiting lists are common at the affordable properties. The average vacancy rate in the market is 2.0 percent, indicating a supply constrained market. The proposed affordable rents for all affordable units in the proposed development will have at least a 20 percent market advantage, well above the required ten percent threshold. As new construction the Subject is expected to be competitive in the market in terms of design and amenities. Additionally, capture rate calculations illustrate that demand in the area is strong and supports the construction of the Subject.

We appreciate this opportunity to be of service. Please contact us if you have any comments or questions.

Respectfully submitted,  
Novogradac Consulting LLP

A handwritten signature in black ink that reads "R. B. Denton". The signature is written in a cursive, flowing style.

Rachel B. Denton, MAI  
Partner  
Rachel.Denton@novoco.com

**A MARKET STUDY OF:**

# **ASPEN GROVE VILLAS**



# **A MARKET STUDY OF:**

# **ASPEN GROVE VILLAS**

8668 Poppy Ridge Road  
Elk Grove, Sacramento County, California 95757

Inspection Date: January 20, 2021  
Effective Date: January 20, 2021  
Report Date: March 19, 2021

Prepared for:  
Elias Wise  
CRP Affordable Housing & Community Development  
4455 Morena Boulevard, Suite 107  
San Diego, California 92117

Prepared by:  
Novogradac Consulting LLP  
6700 Antioch Road, Suite 450  
Merriam, Kansas 66204  
913-677-4600



March 19, 2021

Elias Wise  
CRP Affordable Housing & Community Development  
4455 Morena Boulevard, Suite 107  
San Diego, California 92117

Re: Market Study of Aspen Grove Villas  
Located at 8668 Poppy Ridge Road  
Elk Grove, California 95757

Dear Mr. Wise:

At your request, Novogradac Consulting LLP has performed a market study of the multifamily rental market in Elk Grove, Sacramento County, California relative to the above-referenced proposed affordable housing project.

The purpose of this market study is to assess the viability of Aspen Grove Villas (Subject), a proposed new construction Low Income Housing Tax Credit (LIHTC) development to be located at 8668 Poppy Ridge Road in Elk Grove, Sacramento County, California. The property will offer 124 one, two, and three-bedroom units restricted to households earning 30, 50, 60 and 80 percent of the AMI or below, in addition to two manager's units.

The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. This report incorporates LIHTC rent and income restrictions. The scope of this report includes the following and is compliant with TCAC market study guidelines:

- Executive Summary and Conclusions
- Project Description
- Delineation of the Market Area
- Market Area Economy
- Population, Household, and Income Trends
- Demand Estimate
- Absorption Rate Analysis
- Competitive Rental Market Analysis
- Required Addenda

The depth of discussion contained in the report is specific to the needs of the client, specifically the requirements of CDLAC/TCAC pursuant to the 2021 market study requirements. Novogradac Consulting LLP adheres to market study guidelines promulgated by the National Council of Housing Market Analysts (NCHMA). NCHMA is a professional organization chartered to promote the development of high quality market analysis for the affordable housing industry. Novogradac is a charter member of this organization. NCHMA has compiled model content standards for market studies. This report, which Novogradac certifies as a NCHMAcompliant comprehensive market analysis full narrative report, conforms to those standards; any slight modifications or departures from those standards are considered incidental. Novogradac is a disinterested third party. The report and the conclusions are subject to the *Assumptions and Limiting Conditions* attached.

CRP Affordable Housing & Community Development is the client in this engagement. We understand that they will use this document to assist in obtaining financing. Intended users are those transaction participants who are interested parties and have knowledge of the Section 42 LIHTC program. These could include local housing authorities, state allocating agencies, state lending authorities, LIHTC construction and permanent lenders, and LIHTC syndicators. As our client, CRP Affordable Housing & Community Development owns this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential users under a separate agreement.

The authors of this report certify that there exists no identity of interest between the analysts and the entity for which the report is prepared, the applicant or its principals (general partners, members, etc.). The recommendations and conclusions are based solely on the professional opinions and best efforts of the analysts.

Brad Weinberg inspected the site and comparable data on January 20, 2021, which will serve, which will serve as the effective date of this report. In accordance with TCAC regulations, we have provided details pertaining to our experience within the Subject market. Novogradac Consulting LLP has completed well over 50 market studies and appraisals in the Sacramento County area. Similarly, we have completed well over 50 site inspections within this market area. Brad Weinberg has more than 21 years of experience and Rachel Denton has 18 years of experience preparing market studies for TCAC and other state agencies. Sara Nachbar has over seven years of experience and Matt Egerstrom has more than three years of experience analyzing LIHTC multifamily housing, conventional multifamily housing, and commercial properties.

Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac Consulting LLP can be of further assistance. It has been our pleasure to assist you with this project.


Respectfully submitted,  
Novogradac Consulting LLP



Rachel Denton, MAI  
Partner  
Rachel.Denton@Novoco.com



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# **I. EXECUTIVE SUMMARY AND CONCLUSIONS**

## EXECUTIVE SUMMARY AND CONCLUSIONS

### A. Project Summary

This Subject is a proposed new construction LIHTC development located at 8668 Poppy Ridge Road, in Elk Grove, Sacramento County, California 95757. The Subject will offer 124 one, two, and three-bedroom units restricted to households earning 30, 50, 60 and 80 percent of the AMI or below in addition to two manager's units. The Subject will consist of three, three-story garden-style residential buildings in addition to one, one-story community building and leasing office. The following table illustrates the proposed rents and unit mix.

PROPOSED RENTS							
Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2020 LIHTC Maximum Allowable Gross Rent	% of Maximum Allowable Rents
				@30%			
1BR / 1BA	620	2	\$479	\$7	\$486	\$486	100%
2BR / 1BA	806	12	\$571	\$11	\$582	\$582	100%
3BR / 2BA	1,033	5	\$658	\$15	\$673	\$673	100%
				@50%			
1BR / 1BA	620	6	\$803	\$7	\$810	\$810	100%
2BR / 1BA	806	40	\$960	\$11	\$971	\$971	100%
3BR / 2BA	1,033	8	\$1,107	\$15	\$1,122	\$1,122	100%
				@60%			
1BR / 1BA	620	6	\$965	\$7	\$972	\$972	100%
2BR / 1BA	806	10	\$1,154	\$11	\$1,165	\$1,165	100%
3BR / 2BA	1,033	5	\$1,332	\$15	\$1,347	\$1,347	100%
				@80%			
1BR / 1BA	620	1	\$1,289	\$7	\$1,296	\$1,296	100%
2BR / 1BA	806	13	\$1,543	\$11	\$1,554	\$1,554	100%
3BR / 2BA	1,033	16	\$1,781	\$15	\$1,796	\$1,796	100%
				<i>Non-Rental</i>			
3BR / 2BA	1,033	2	-	-	-	-	-
		<b>126</b>					

Notes (1) Utility allowance provided by the developer, based on project-specific calculation.

### B. Description of Site and Adjacent Parcels

This Subject is a proposed new construction LIHTC development located at 8668 Poppy Ridge Road, in Elk Grove, Elk Grove County, California 95757. The site is located along the south side of Poppy Ridge Road. The Subject site is located within Census Tract 0096.38, which is not a 2021 Qualified Census Tract. The Subject site is 3.88 acres, or 169,013 square feet, and exhibits level topography. The Subject site is accessed via the south side of Poppy Ridge Road, which is a light-to-moderately trafficked neighborhood roadway.

According to the City of Elk Grove, the Subject site is zoned Southeast Policy Special Planning Area (SEPA-SPA), which is an area-specific form-based zoning designation. Within the overall zoning district, the Subject site is located on a parcel designated for high density residential uses, with multifamily uses permitted by right. The maximum permitted density for sites designated for high density residential uses within the SEPA-SPA zoning district is 40 units per acre. Parking requirements are one space for each unit with one or fewer bedrooms, and two spaces per unit for any units with two or more bedrooms. Further reduction of required parking is achievable by offering affordable units, with the parking reduction subject to city approval. As proposed, the Subject will offer 126 units, which equates to a density of 32.5 units per acre. Further Phase II will offer 201 parking spaces, or 1.6 spaces per unit. Assuming a parking variance is granted, the Subject represents and legal and conforming use as proposed.

The Subject site is located in southern Elk Grove in a developing mixed-use area with single-family residential, vacant, undeveloped land, and commercial uses in addition to limited institutional uses such as schools and libraries. According to Zillow, homes in the Subject's neighborhood have recently sold for \$525,000 to \$775,000. Land uses to the north of the Subject consist of single-family homes in good to excellent condition, commercial uses, including various car dealerships, and commercial and service retail located along Elk Grove Boulevard. Land uses to the east of the Subject consist of vacant, undeveloped land and California State Route 99. Land uses to the south of the Subject consist of vacant, undeveloped land and single-family homes in good to excellent condition. Land uses to the west of the Subject consist of vacant, undeveloped land, Cosumnes River College – Elk Grove Center, single-family homes in good to excellent condition, and an academic campus that houses Elizabeth Pinkerton Middle School and Cosumnes Oaks High School.

Land north of the Subject site is zoned RD-5 (Low Density Residential). Land use to the south, east and west is zoned Southeast Policy Special Planning Area (SEPA-SPA), similar to the Subject. Within this zoning designation, the land to the east of the Subject consists of parcels designated for office use, the land to the south of the Subject consists of parcels designated for low-density residential and high density residential, while the land to the west of the Subject consists of parcels designated for low density and medium density residential uses.

### C. Primary Market Area

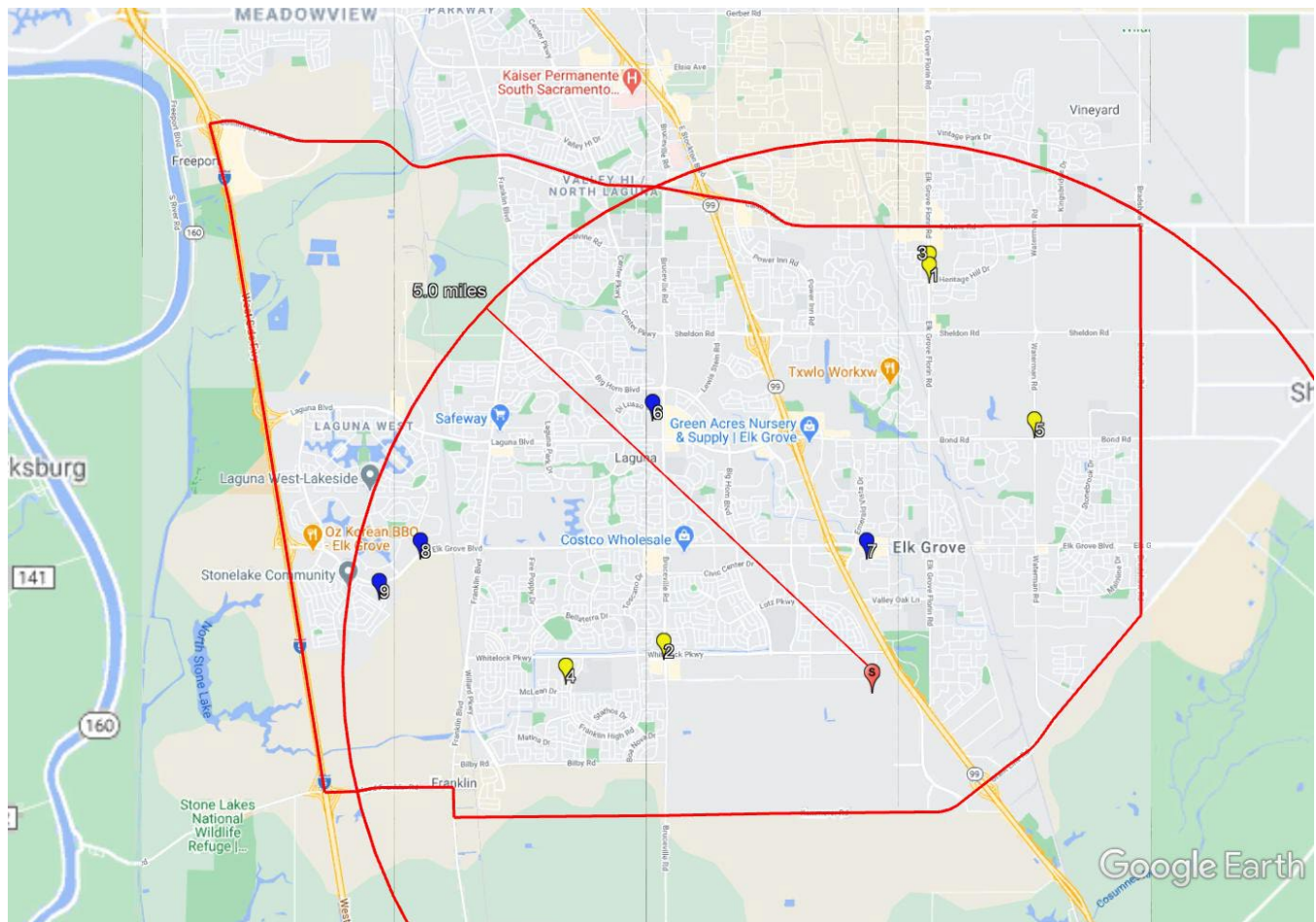
For the purpose of this study, it is necessary to define the market area, or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood oriented” and are generally very reluctant to move from the area where they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below market rents. The primary market area (PMA) for the Subject generally consists of the suburb of Elk Grove and surrounding areas in the southern suburbs of Sacramento. The approximate PMA boundaries for the Subject are defined as follows:

- North:** Cosumnes River Boulevard/Calvine Road
- South:** Grant Line Road/Kammerer Road/Hood Franklin Road
- East:** Bradshaw Road
- West:** Interstate 5

The PMA boundaries and overall market health assessment are based upon an analysis of demographic and socioeconomic characteristics, target tenant population, political jurisdictional boundaries, natural boundaries, experience of nearby comparable developments, accessibility to mass transit or key transportation corridors and commute patterns, and market perceptions. We recognize several sub-markets exist within this PMA; however, market data demonstrates that a significant amount of the renter base considers housing opportunities within these boundaries. Given the opportunity to locate good quality affordable housing, the renter base will move within these areas. We anticipate the majority of demand will be generated from this geographic area. However, leakage is expected from outside the PMA from other parts of Elk Grove, and surrounding communities.

The secondary market area (SMA) for the Subject is the Sacramento-Roseville-Folsom, California Metropolitan Statistical Area (MSA) which consists of Sacramento, Placer, Yolo and El Dorado Counties. A map outlining the PMA can be found following.

### Primary Market Area Map



### D. Market Feasibility

The demographic data, demand analysis, existing supply of housing, as well as interviews with real estate professionals demonstrate an ongoing need for the development of market rate and affordable housing in the PMA over the foreseeable term. Economic trends locally and regionally are favorable relative to the rest of the state and nation. Additionally, the area's market rate housing has high occupancy levels and many of the affordable housing developments maintain waiting lists. Therefore, we believe the construction of the Subject is feasible within this market and will have a positive impact upon the community.

### E. Strengths/Weaknesses

There are no apparent weaknesses of the Subject's site, development scheme, rents, or market. We are not aware of any nuisances that may negatively impact the marketability of the project. Unit sizes, configuration, and number of units are appropriate for the area. The Subject is a proposed new construction development and will be compatible with surrounding uses. There are no physical barriers present that will negatively affect marketability of the Subject.



Strengths of the Subject include:

- The site is located in relatively close proximity to retail, entertainment, schools, recreation, and public transportation.
- We are unaware of any site nuisances that could impact the marketability of the Subject. The Subject's location and surrounding uses are suitable for multifamily development and will attract renter households.
- The Subject will provide quality and appropriate on-site amenities for the intended tenant base. We believe these amenities will be competitive when compared to the market rate and LIHTC comparables.
- The population and number of households increased in the PMA from 2000 to 2020. Further, the population and number of households are both expected to continue to grow, which will result in more demand for market rate and affordable housing units.
- Market rate and LIHTC properties in the Subject's PMA are experiencing a low instance of concessions, and affordable properties maintain waiting lists. The Subject will offer affordable multifamily housing units which are in high demand.
- Construction of the Subject will positively impact the surrounding neighborhood by improving the Subject's overall site appeal.
- The Subject's proposed LIHTC rents are below comparable market rents, providing a tenant rent advantage for low to moderate-income households.
- There are no physical barriers in the immediate neighborhood that would prevent persons from moving to the Subject.
- There are no single-family homes of the same quality for equal or less rent near the Subject that will affect its marketability.

#### F. Summary of Rent Comparables

We performed a competitive rental analysis of the local market. We surveyed both market rate and affordable housing rental properties. The Subject will consist of 126 one, two, and three-bedroom units. We performed an extensive search for comparable properties within the PMA. According to TCAC guidelines, market rate properties situated within one mile of the Subject are the best comparables due to similarities in the local market conditions.

To evaluate the competitive position of the Subject, we surveyed a total of 1,679 units in nine rental properties. We performed an extensive search for comparable properties within a one-mile radius. The Subject is located in southern Elk Grove. All of the comparables are located in the city of Elk Grove within 4.8 miles from the Subject site.

We have included five LIHTC comparables located between 2.0 and 4.0 miles from the Subject, all of which are located in the PMA. We have included four market rate comparables located between 1.4 and 4.8 miles from the Subject, all of which are located in the PMA. None of the market rate comparables are located within one mile of the Subject. Due to the developing nature of the Subject's market area, there are limited multifamily developments in the immediate neighborhood. All of these comparables are located in generally similar locations. We have provided additional surrounding land use pictures to supplement our analysis, which is presented in the Addendum to this report. *We certify that we are unaware of any additional market*

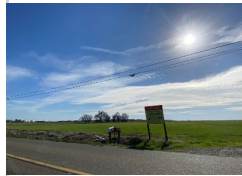
*rate comparables within one mile of the Subject and that the comparables chosen are the closest comparables we could locate.*




In order to find properties comparable to the Subject we physically drove the market area to find comparable developments as well as utilized several other outlets. These included a review of area listings of apartments closest to the Subject, the review of apartment websites such as [www.rent.com](http://www.rent.com), [www.apartments.com](http://www.apartments.com), [www.hotpads.com](http://www.hotpads.com), [www.apartmentfinder.com](http://www.apartmentfinder.com), [www.craigslist.org](http://www.craigslist.org), and [www.padmapper.com](http://www.padmapper.com). Additionally, we identified comparable properties through discussions with area property managers regarding competition among properties.

Unit sizes are reported on a net basis for comparable properties, which is the typical basis reported within the apartment industry. Additionally, unit size may not be reflective of the appeal of the unit; an example being two apartments with differing floor plans wherein the smaller size unit may appear to be larger to the observer due to floor plan layout and lighting. In some cases where multiple floor plans were available for identical unit sizes, an average unit size and rent was applied.



A summary of comparable properties used in the analysis is included on the following pages.

Exhibit A - Comparable Property Analysis														
Effective Rent Date		1/20/2021										Note: Rents shown in Exhibit A are asking rents. Conceded rents are shown in Exhibit B.		
#	Property	Age / Type	Units	Unit Types	Rent Range (Low)	Rent Range (High)	Area	Rent PSF (Low)	Rent PSF (High)	Utils Incl.	Occ.	Amenities	Remarks	
S	Aspen Grove Villas 8668 Poppy Ridge Road Elk Grove, CA 95757 Sacramento County	2023 Garden (3 stories)	2	1BR / 1BA (Garden) @30%	\$479	\$479	620	\$0.77	\$0.77	Water Heat	N/A	Basketball Court	Balcony/Patio	Location:
			6	1BR / 1BA (Garden) @50%	\$803	\$803	620	\$1.30	\$1.30	Water		Clubhouse/Meeting Room/Community R	Blinds	Tenant Characteristics: Mixed tenancy
			6	1BR / 1BA (Garden) @60%	\$965	\$965	620	\$1.56	\$1.56	Sewer		Courtyard	Carpeting	Annual Turnover: N/A
			1	1BR / 1BA (Garden) @80%	\$1,289	\$1,289	620	\$2.08	\$2.08	Trash		Central Laundry	Central A/C	Section 8 Tenants: N/A
			12	2BR / 1BA (Garden) @30%	\$571	\$571	806	\$0.71	\$0.71			Off-Street Parking	Dishwasher	Leasing Pace:
			40	2BR / 1BA (Garden) @50%	\$960	\$960	806	\$1.19	\$1.19			On-Site Management	Oven	Parking Spaces Per Unit: 1.6
			10	2BR / 1BA (Garden) @60%	\$1,154	\$1,154	806	\$1.43	\$1.43			Picnic Area	Refrigerator	Leasing Pace:
			13	2BR / 1BA (Garden) @80%	\$1,543	\$1,543	806	\$1.91	\$1.91			Playground	Adult Education	
			5	3BR / 2BA (Garden) @30%	\$658	\$658	1033	\$0.64	\$0.64			Recreation Areas		
			8	3BR / 2BA (Garden) @50%	\$1,107	\$1,107	1033	\$1.07	\$1.07			Service Coordination		
			5	3BR / 2BA (Garden) @60%	\$1,332	\$1,332	1033	\$1.29	\$1.29			Swimming Pool		
			16	3BR / 2BA (Garden) @80%	\$1,781	\$1,781	1033	\$1.72	\$1.72			Limited Access		
			2	3BR / 2BA (Garden) Non-Rental	\$0	\$0	1033	\$0.00	\$0.00					
			126	TAX CREDIT: @30%, @50%, @60%, @80%, Non-Rental										Other Comments: This Subject is a proposed new construction LIHTC development located at 8668 Poppy Ridge Road, in Elk Grove, Sacramento County, California 95757. The Subject will offer 124 one, two, and three-bedroom units restricted to households earning 30, 50, 60 and 80 percent of the AMI or below in addition to two manager's units. The Subject will consist of seven three-story garden-style residential buildings in addition to one, one-story community building and leasing office. The developer anticipates beginning construction in September 2021 with an expected market entry date of March 2023.
1	Crossings At Elk Grove 8575 Elk Grove Florin Road Elk Grove, CA 95624 Sacramento County Brianna 916-525-2926	2007 Garden (3 stories)	1	1BR / 1BA (Garden) @50%	\$707	\$707	770	\$0.92	\$0.92	Water	100.0%	Business Center/Computer Lab	Balcony/Patio	Location: 4.0 miles
			5	1BR / 1BA (Garden) @60%	\$864	\$864	770	\$1.12	\$1.12	Sewer		Carport	Blinds	Tenant Characteristics: Mixed tenancy
			28	2BR / 2BA (Garden) @50%	\$844	\$844	965	\$0.87	\$0.87	Trash		Clubhouse/Meeting Room/Community R	Carpeting	Annual Turnover: 22%
			35	2BR / 2BA (Garden) @60%	\$1,032	\$1,032	965	\$1.07	\$1.07			Central Laundry	Central A/C	Section 8 Tenants: 13%
			1	2BR / 2BA (Garden) Non-Rental	\$0	\$0	965	\$0.00	\$0.00			Off-Street Parking	Coat Closet	Leasing Pace: Pre-leased to 3 weeks
			20	3BR / 2BA (Garden) @50%	\$971	\$971	1100	\$0.88	\$0.88			On-Site Management	Dishwasher	
			20	3BR / 2BA (Garden) @60%	\$1,189	\$1,189	1100	\$1.08	\$1.08			Picnic Area	Exterior Storage	
			2	4BR / 2BA (Garden) @50%	\$1,074	\$1,074	1200	\$0.90	\$0.90			Playground	Garbage Disposal	
			4	4BR / 2BA (Garden) @60%	\$1,317	\$1,317	1200	\$1.10	\$1.10			Recreation Areas	Oven	
			116	TAX CREDIT: @50%, @60%, Non-Rental Rent Increases: Kept at max Concessions: None WAITING LIST: Yes										Other Comments: The contact reported strong demand for affordable housing in the area and the property currently has a waiting list with a typical wait of up to two years. The contact reported that they have had minimal disruption due to the pandemic to date, and that the vast majority of tenants are current on rent. The information as detailed in the profile was gathered through an interview with the property manager, as well as our physical inspection of the site.



<p>2 Montego Falls 9950 Bruceville Road Elk Grove, CA 95757 Sacramento County Angelique 916-683-3200</p> 	<p>2009 Garden (3 stories)</p>	<p>N/A 1BR / 1BA (Garden) @50% 25 1BR / 1BA (Garden) @60% N/A 2BR / 2BA (Garden) @50% 82 2BR / 2BA (Garden) @60% N/A 3BR / 2BA (Garden) @50% 25 3BR / 2BA (Garden) @60%</p> <p>132 TAX CREDIT: @50%, @60% Rent Increases: Kept at max Concessions: None WAITING LIST: No</p>	<p>\$704 \$861 \$840 \$1,028 \$967 \$1,185</p>	<p>\$704 \$861 \$840 \$1,028 \$967 \$1,185</p>	<p>678 678 963 963 1231 1304</p>	<p>\$1.04 \$1.27 \$0.87 \$1.07 \$0.79 \$0.91</p>	<p>\$1.04 \$1.27 \$0.87 \$1.07 \$0.79 \$0.91</p>	<p>Water Sewer Trash</p>	<p>100.0%</p>	<p>Business Center/Computer Lab Clubhouse/Meeting Room/Community R Garage (fee: \$100.00) Central Laundry Off-Street Parking On-Site Management Playground Swimming Pool</p>	<p>Balcony/Patio Blinds Carpeting Central A/C Coat Closet Dishwasher Ceiling Fan Garbage Disposal Oven Refrigerator Washer/Dryer hookup</p>	<p>Location: 2.0 miles Tenant Characteristics: Mixed tenancy Annual Turnover: 20% Section 8 Tenants: 5% Leasing Pace: Within one week</p> <p>Other Comments: The contact reported the property typically stays fully occupied but operates on a first come, first served basis and does not maintain a waiting list. Management was unable to provide the distribution of units by AMI level; however, they confirmed the number of units by bedroom type. The contact reported that the pandemic has not had a significant impact on property operations to date. The information as detailed in the profile was gathered through an interview with the property manager, as well as our physical inspection of the site.</p>
<p>3 Stoneridge At Elk Grove 8515 Elk Grove Florin Road Elk Grove, CA 95624 Sacramento County Letty 916-682-6994</p> 	<p>2007 Garden (3 stories)</p>	<p>12 2BR / 2BA (Garden) @50% 29 2BR / 2BA (Garden) @60% 1 2BR / 2BA (Garden) Non-Rental 21 3BR / 2BA (Garden) @50% 27 3BR / 2BA (Garden) @60% 3 4BR / 2BA (Garden) @50% 3 4BR / 2BA (Garden) @60%</p> <p>96 TAX CREDIT: @50%, @60%, Non-Rental Rent Increases: Kept at max Concessions: None WAITING LIST: Yes</p>	<p>\$844 \$1,032 \$0 \$971 \$1,189 \$1,074 \$1,317</p>	<p>\$844 \$1,032 \$0 \$971 \$1,189 \$1,074 \$1,317</p>	<p>956 956 956 1100 1100 1300 1300</p>	<p>\$0.88 \$1.08 \$0.00 \$0.88 \$1.08 \$0.83 \$1.01</p>	<p>\$0.88 \$1.08 \$0.00 \$0.88 \$1.08 \$0.83 \$1.01</p>	<p>Water Sewer Trash</p>	<p>99.0%</p>	<p>Business Center/Computer Lab Carport Clubhouse/Meeting Room/Community R Central Laundry Off-Street Parking On-Site Management Picnic Area Playground Recreation Areas Service Coordination Swimming Pool Patrol Perimeter Fencing</p>	<p>Balcony/Patio Blinds Carpeting Central A/C Coat Closet Dishwasher Exterior Storage Garbage Disposal Oven Refrigerator Walk-In Closet Washer/Dryer hookup</p>	<p>Location: 4.1 miles Tenant Characteristics: Mixed tenancy Annual Turnover: 19% Section 8 Tenants: 10% Leasing Pace: Pre-leased to 1 week</p> <p>Other Comments: The contact reported there is a pending applicant for the vacant unit. The contact reported an extensive waiting list of approximately two years. The contact reported that the pandemic has caused minimal issues for the property to date and that nearly all tenants are current on rent. The information as detailed in the profile was gathered through an interview with the property manager, as well as our physical inspection of the site.</p>
<p>4 The Ridge Apartments 8151 Civic Center Drive Elk Grove, CA 95757 Sacramento County Maggie 916-667-8383</p> 	<p>2012 Garden (3 stories)</p>	<p>30 1BR / 1BA (Garden) @50% 30 1BR / 1BA (Garden) @60% 42 2BR / 2BA (Garden) @50% 40 2BR / 2BA (Garden) @60% 2 2BR / 2BA (Garden) Non-Rental 30 3BR / 2BA (Garden) @50% 30 3BR / 2BA (Garden) @60%</p> <p>204 TAX CREDIT: @50%, @60%, Non-Rental Rent Increases: Kept at max Concessions: None WAITING LIST: No</p>	<p>\$704 \$861 \$840 \$1,028 \$0 \$966 \$1,184</p>	<p>\$704 \$861 \$840 \$1,028 \$0 \$966 \$1,184</p>	<p>678 678 963 963 963 1232 1232</p>	<p>\$1.04 \$1.27 \$0.87 \$1.07 \$0.00 \$0.78 \$0.96</p>	<p>\$1.04 \$1.27 \$0.87 \$1.07 \$0.00 \$0.78 \$0.96</p>	<p>Water Sewer Trash</p>	<p>100.0%</p>	<p>Business Center/Computer Lab Clubhouse/Meeting Room/Community R Central Laundry Off-Street Parking On-Site Management Picnic Area Playground Swimming Pool</p>	<p>Balcony/Patio Blinds Carpeting Central A/C Coat Closet Dishwasher Garbage Disposal Oven Refrigerator Washer/Dryer hookup</p>	<p>Location: 2.9 miles Tenant Characteristics: Mixed tenancy Annual Turnover: 15% Section 8 Tenants: 10% Leasing Pace: Pre-leased</p> <p>Other Comments: The contact reported the property typically stays fully occupied. The property does not maintain a waiting list but does keep an interest list for up to 60 days. The contact reported that the pandemic has not had a significant impact on property operations to date. The information as detailed in the profile was gathered through an interview with the property manager, as well as our physical inspection of the site.</p>

<p>5 Waterman Square 9150 Waterman Road Elk Grove, CA 95624 Sacramento County Rochelle 916-686-0647</p> 	<p>2008 Garden (3 stories)</p>	<p>18 2BR / 2BA (Garden) @50% 30 2BR / 2BA (Garden) @60% 11 3BR / 2BA (Garden) @50% 16 3BR / 2BA (Garden) @60% 4 4BR / 2BA (Garden) @50% 4 4BR / 2BA (Garden) @60%</p> <p>83 TAX CREDIT: @50%, @60% Rent Increases: Kept at max Concessions: None WAITING LIST: Yes</p>	<p>\$784 \$955 \$895 \$1,090 \$982 \$1,190</p>	<p>\$784 \$955 \$895 \$1,090 \$982 \$1,190</p>	<p>855 855 1014 1014 1250 1250</p>	<p>\$0.92 \$1.12 \$0.88 \$1.07 \$0.79 \$0.95</p>	<p>\$0.92 \$1.12 \$0.88 \$1.07 \$0.79 \$0.95</p>	<p>Water Sewer Trash</p>	<p>98.8%</p>	<p>Clubhouse/Meeting Room/Community R Central Laundry Off-Street Parking On-Site Management Picnic Area Playground Swimming Pool Limited Access</p>	<p>Balcony/Patio Blinds Carpeting Central A/C Coat Closet Dishwasher Garbage Disposal Microwave Oven Refrigerator</p>	<p>Location: 3.0 miles Tenant Characteristics: Mixed tenancy Annual Turnover: 15% Section 8 Tenants: 20% Leasing Pace: Within one week</p> <p>Other Comments: The contact reported demand for affordable housing in the area is strong. The contact reported that while some tenants required payment plans in the spring and early summer to employment impacts of the pandemic, that nearly all tenants are now current on rent. The information as detailed in the profile was gathered through an interview with the property manager, as well as our physical inspection of the site.</p>
<p>6 Bella Vista Apartments 6810 Dilusso Drive Elk Grove, CA 95758 Sacramento County Marlene 916-683-3201</p> 	<p>1999 Garden (3 stories)</p>	<p>66 1BR / 1BA (Garden) Market 132 2BR / 2BA (Garden) Market 43 3BR / 2BA (Garden) Market</p> <p>241 MARKET Rent Increases: Increased 3-9% since 4Q19 Concessions: None WAITING LIST: No</p>	<p>\$1,597 \$1,685 \$2,175</p>	<p>\$1,652 \$1,807 \$2,234</p>	<p>681 1067 1232</p>	<p>\$2.35 \$1.58 \$1.77</p>	<p>\$2.43 \$1.69 \$1.81</p>		<p>97.9%</p>	<p>Business Center/Computer Lab Carpport Clubhouse/Meeting Room/Community R Exercise Facility Garage (fee: \$100.00) Central Laundry Off-Street Parking On-Site Management Picnic Area Swimming Pool Wi-Fi Intercom (Buzzer) Patrol Perimeter Fencing</p>	<p>Balcony/Patio Blinds Carpeting Central A/C Coat Closet Dishwasher Ceiling Fan Garbage Disposal Microwave Oven Refrigerator Vaulted Ceilings Walk-In Closet Washer/Dryer Washer/Dryer hookup Stainless steel appliances</p>	<p>Location: 3.4 miles Tenant Characteristics: Mixed tenancy Annual Turnover: 25% Section 8 Tenants: 0% Leasing Pace: Within one week</p> <p>Other Comments: The contact reported occupancy rates ranged between 95 and 97 percent during 2019. Rent ranges are based on unit location within complex, floor level, as well as upgrades which may include accent walls and stainless steel appliances. The contact reported that the pandemic had a greater impact on the property in March, April and May 2020, but that the majority of tenants are now current on rent as they either have gone back to work or received stimulus and unemployment funds. The information as detailed in the profile was gathered through an interview with the property manager, as well as our physical inspection of the site.</p>
<p>7 Emerald Vista Apartments 8661 Elk Grove Boulevard Elk Grove, CA 95624 Sacramento County Kendall 916-686-4909</p> 	<p>1989 Garden (2 stories)</p>	<p>24 1BR / 1BA (Garden) Market 24 2BR / 1BA (Garden) Market 8 2BR / 2BA (Garden) Market 65 2BR / 2BA (Garden) Market 8 2BR / 2BA (Garden) Market 16 2BR / 2BA (Garden) Market</p> <p>145 MARKET Rent Increases: Increased 9-14% since 4Q19 Concessions: None WAITING LIST: No</p>	<p>\$1,295 \$1,425 \$1,615 \$1,625 \$1,635 \$1,645</p>	<p>\$1,295 \$1,425 \$1,615 \$1,625 \$1,635 \$1,645</p>	<p>727 830 916 929 936 1003</p>	<p>\$1.78 \$1.72 \$1.76 \$1.75 \$1.75 \$1.64</p>	<p>\$1.78 \$1.72 \$1.76 \$1.75 \$1.75 \$1.64</p>	<p>Water Sewer Trash</p>	<p>97.2%</p>	<p>Carpport Jacuzzi Off-Street Parking On-Site Management Swimming Pool Limited Access Perimeter Fencing</p>	<p>Balcony/Patio Blinds Carpeting Central A/C Coat Closet Dishwasher Ceiling Fan Fireplace Garbage Disposal Microwave Oven Refrigerator Washer/Dryer hookup</p>	<p>Location: 1.4 miles Tenant Characteristics: Mixed tenancy Annual Turnover: 20% Section 8 Tenants: 0% Leasing Pace: Pre-leased</p> <p>Other Comments: The property accepts Housing Choice vouchers; however, there are no vouchers in use at the property currently. Management reported that the property has performed well to date during the pandemic, with minimal collection loss. The information as detailed in the profile was gathered through an interview with the property manager, as well as our physical inspection of the site.</p>

<p>8 Lake Point 9589 Four Winds Drive Elk Grove, CA 95758 Sacramento County Merced 916-714-7111</p> 	<p>2005 Garden (2 stories)</p>	40	1BR / 1BA (Garden) Market	\$1,830	\$1,830	784	\$2.33	\$2.33		97.0%	<p>Business Center/Computer Lab Clubhouse/Meeting Room/Community R Exercise Facility Garage (fee: \$100.00) Jacuzzi Off-Street Parking On-Site Management Picnic Area Playground Swimming Pool Perimeter Fencing</p>	<p>Balcony/Patio Blinds Carpeting Central A/C Coat Closet Dishwasher Exterior Storage Ceiling Fan Garbage Disposal Microwave Oven Refrigerator Walk-In Closet Washer/Dryer Washer/Dryer hookup</p>	<p>Location: 4.5 miles Tenant Characteristics: Mixed tenancy Annual Turnover: 21% Section 8 Tenants: 0% Leasing Pace: Within one week</p>
		232	MARKET Rent Increases: Increased 5-11% since 4Q19 Concessions: None WAITING LIST: No										
<p>9 Stonelake Apartments 10270 East Taron Drive Elk Grove, CA 95757 Sacramento County Sabrina 916-691-1112</p> 	<p>2004 Garden (2 stories)</p>	128	1BR / 1BA (Garden) Market	\$1,905	\$1,905	773	\$2.46	\$2.46		96.5%	<p>Basketball Court Business Center/Computer Lab Car Wash Clubhouse/Meeting Room/Community R Exercise Facility Garage (fee: \$135.00) Off-Street Parking On-Site Management Playground Swimming Pool Limited Access</p>	<p>Balcony/Patio Blinds Carpeting Central A/C Coat Closet Dishwasher Exterior Storage Ceiling Fan Fireplace Garbage Disposal Microwave Oven Refrigerator Walk-In Closet Washer/Dryer Washer/Dryer hookup</p>	<p>Location: 4.8 miles Tenant Characteristics: Mixed tenancy Annual Turnover: 20% Section 8 Tenants: 0% Leasing Pace: Within two weeks</p>
		430	MARKET Rent Increases: Increased 19-34% since 4Q19 Concessions: None WAITING LIST: No										

### G. Existing and Planned Affordable Housing

We reviewed TCAC, CDLAC, and HUD development lists for projects funded over the past several years as being best representative of current and planned affordable housing conditions throughout the PMA. According to CDLAC's Allocation Awards List and TCAC's Funded Project List there have been no recent developments allocated tax credits within the PMA. Based on our research of recent multifamily development land sales in the area, there appear to be additional affordable developments in the early planning stages; however, these developments have not been allocated funding as of the date of this report. However, it should be noted that we are aware of Phase I of the Subject development, which will offer 172 LIHTC units restricted to families earning 30, 50, 60, and 80 percent of the AMI or below, in addition to two manager's units. As of the date of this report, the development has not received LIHTC allocation.

We attempted to contact the City of Elk Grove Development Services Department to locate any multifamily developments that are proposed, under construction, or recently completed that would compete with the Subject in Elk Grove. However, as of the date of this report, our phone calls and emails have not been returned. As such, we performed an online search in addition to searching the CoStar database for any such multifamily developments. We found evidence of two proposed market rate multifamily developments in the area. Information on these properties is also provided following.

- Toscano Apartments is a proposed market rate multifamily development that will be located in the Laguna West neighborhood of Elk Grove. As proposed, the property will offer 206 market rate one, two and three-bedroom units. The project is expected to break ground in 2021, with anticipated completion in 2022. Due to all units being market rate, we do not anticipate that the Subject will compete with Toscano Apartments upon completion.
- Laguna Main Street is a proposed market rate multifamily development that will be located in the Laguna West neighborhood of Elk Grove, located one block from Toscano Apartments. As proposed, the property will offer 150 market rate one, two and three-bedroom units. The project is expected to break ground in 2021, with anticipated completion in 2022. Due to all units being market rate, we do not anticipate that the Subject will compete with Toscano Apartments upon completion.

The following chart identifies LIHTC developments within the Subject's PMA. A search of the HUD LIHTC database and TCAC's LIHTC lists of projects placed in service was performed.

EXISTING AFFORDABLE PROPERTIES IN THE PMA

Property Name	Distance	Rent Structure	Tenancy	Total Units	Competitive Units	BR Types	Occupancy	Waiting List (Y/N)	Rents	Amenities
Agave at Elk Grove	3.1 miles	LIHTC	Family	188	188	2, 3, 4	97.9%	No	\$841 - \$1,314	Business center, community room
Vintage at Laguna	4.9 miles	LIHTC	Senior	158	0	1, 2	100.0%	Yes	\$399 - \$1,047	Elevators
Geneva Pointe Apartments	5.2 miles	LIHTC	Family	152	152	1, 2, 3	98.7%	Yes	\$704 - \$1,184	Business center, community room
Crossings at Elk Grove *	4.0 miles	LIHTC	Family	116	116	1, 2, 3, 4	100.0%	Yes	\$707 - \$1,317	Business center, community room
Stoneridge at Elk Grove *	4.1 miles	LIHTC	Family	96	96	2, 3, 4	99.0%	Yes	\$844 - \$1,317	Business center, community room
Waterman Square *	3.0 miles	LIHTC	Family	84	84	2, 3, 4	98.8%	Yes	\$784 - \$1,190	Community room
Seasons at Laguna Ridge	1.2 miles	LIHTC	Senior	222	222	1, 2	N/Av	N/Av	N/Av	N/Av
Montego Falls Apartments *	2.0 miles	LIHTC	Family	132	132	1, 2, 3	100.0%	No	\$704 - \$1,185	Business center, community room
Terracina at Elk Grove	1.4 miles	LIHTC	Family	124	124	N/Av	N/Av	N/Av	N/Av	N/Av
The Ridge Apartments *	2.9 miles	LIHTC	Family	204	204	1, 2, 3	100.0%	No	\$704 - \$1,184	Business center, community room
Vintage at Laguna II	4.9 miles	LIHTC	Senior	69	0	1, 2	100.0%	Yes	\$399 - \$1,047	Elevators
Avery Gardens	2.6 miles	LIHTC	Family	64	64	N/Av	N/Av	N/Av	N/Av	N/Av
Bow Street Apartments	5.0 miles	LIHTC	Family	98	98	N/Av	N/Av	N/Av	N/Av	N/Av
<b>Total</b>				<b>1,707</b>	<b>1,480</b>		<b>99.4%</b>			

\* Used as a comparable property

All of the affordable properties in the PMA are experiencing good occupancy levels averaging 99.4 percent and maintain waiting lists. The comparable LIHTC properties are detailed further in the *Competitive Rental Market* section of the TCAC Market Study. It should be noted that we were unable to reach property managers at some of these properties.



## H. Conclusions

- The Subject will provide affordable multifamily housing and will represent excellent quality apartments that are in demand in the area. The site is located within close proximity to all major shopping, entertainment, educational, and recreational amenities. The construction of the Subject, as proposed, will positively impact the neighborhood and the availability of affordable multifamily housing in the Subject's PMA. The neighborhood is well suited for this type of housing.
- Within the PMA, projected increases in total population and households bode well for demand for the Subject. Further, 26.9 percent of households in the PMA are renter households. Overall, with 57.6 percent of renter households in the PMA earning less than \$75,000 annually, the Subject will be well-positioned to compete in the area.
- The technology, education, healthcare, government, and retail trade industries are all represented among the major employers in the city of Elk Grove. Overall, the variety of industries represented among the major employers in the city of Elk Grove indicates that the economy in the area is diverse. The Subject's location allows tenants to commute to a variety of larger economic hubs that provide employment opportunities of various skill levels. Employment opportunities are numerous at various skill levels. The MSA surpassed its pre-recessionary employment in 2015, one year after the nation. For the 12-month period ending in December 2020 the MSA exhibited a 5.5 percent decrease in total employment, which compares to a 5.6 percent decrease in national employment for the same period of analysis. Based upon the historical performance of the MSA leading up to the current recession, we believe that the MSA will likely recover at a rate similar to the nation. While the timing of the end of the pandemic and resulting economic turmoil remains uncertain, we believe with the release of vaccinations in late 2020, with deployment of these vaccines to accelerate in 2021, that the recovery will commence later in 2021.
- The Subject's annual capture rate at each AMI level and bedroom type are good to excellent, demonstrating ample demand for housing within the PMA and especially for affordable housing. The overall annual capture and penetration rates are detailed in the following table.

<b>DEMAND CONCLUSION</b>	
Calculation	As Proposed
@30%	3.3%
@50%	6.1%
@60%	2.1%
@80%	2.6%
All Units	6.0%
Penetration Rate	19.7%

We anticipate a good response to the Subject due to the high occupancy levels at both the market rate and affordable comparables and extensive waiting lists at affordable properties in the primary market area. Based on the capture rates illustrated in the *Demand Estimate* section of this report, we anticipate the Subject will reach a stabilized occupancy of 97 percent within approximately four to five months of completion, if the property is properly marketed and pre-leasing begins approximately two to three months prior to completion of construction.

- The comparables reported vacancy rates ranging from zero to 3.5 percent, with an overall weighted average of 2.0 percent. Managers at three of the five LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 0.3 percent, well below the 3.0 percent average reported by the market rate properties. Further, three of the five LIHTC comparables maintain waiting lists. The average LIHTC vacancy rate of 0.3 percent is considered exceptionally low, and indicative



of supply constrained conditions. All of the market rate properties reported vacancy rates of 3.5 percent or lower. Taking into consideration the vacancy rates of the comparables, as well as the strong demand for affordable housing in the area, we anticipate vacancy at the Subject property will be five percent or less annually.

- We have estimated the achievable market rents within the adjusted range of the comparables utilized in the TCAC grids.

#### ACHIEVABLE MARKET RENT ADVANTAGE

Unit Type	Highest Proposed LIHTC Rent	NOVOCO's Estimated Achievable Net Market Rent	Percent Advantage Over Highest LIHTC Rent
1BR/1BA	\$1,289	\$1,700	-24.2%
2BR/1BA	\$1,543	\$2,000	-22.9%
3BR/2BA	\$1,781	\$2,325	-23.4%

As illustrated, the Subject's highest proposed LIHTC rents are significantly lower (22.9 to 24.2 percent) than NOVOCO's estimated achievable market rents.

- TCAC requires the Subject's LIHTC rents to be at least ten percent less than the adjusted weighted average of the comparables. The following table illustrates the results of the rent comparison grids at the Subject's highest proposed LIHTC rents.

#### TEN PERCENT RENT TEST

Unit Type	Highest Proposed LIHTC Rent	Comparable Properties Weighted Average Market Rent	Percent Advantage Over Highest LIHTC Rent
1BR/1BA	\$1,289	\$1,699	-24.1%
2BR/1BA	\$1,543	\$2,112	-26.9%
3BR/2BA	\$1,781	\$2,324	-23.4%

The Subject's highest proposed LIHTC rent for one-bedroom units is 24.1 percent less than the adjusted weighted average comparable market rents for the same unit type. The Subject's highest proposed LIHTC rent for two-bedroom units is 26.9 percent lower than weighted market rents of those properties used in the comparison. The Subject's highest proposed three-bedroom LIHTC rent is 23.4 percent lower than weighted market rents of those properties used in the comparison. Thus, the Subject's rents are below ten percent of the average market rents and all meet the required benchmark.

- TCAC requires that the unit value ratio for each of the Subject's unit types be at or below the values for the same unit types in the comparable rental properties. This analysis is illustrated on the rent comparability matrices and summarized below.

#### UNIT VALUE RATIO

Unit Type	Highest Proposed LIHTC Rent	Subject Unit Size	\$/SF	Comparable Properties Weighted Average \$/SF	Percent Advantage of Subject
1BR/1BA	\$1,289	620	\$2.08	\$2.27	-8.4%
2BR/1BA	\$1,543	806	\$1.91	\$1.96	-2.5%
3BR/2BA	\$1,781	1,033	\$1.72	\$1.87	-7.7%

The value ratios of the Subject's affordable one, two and three-bedroom units are between 2.5 and 8.4 percent less than the comparables' weighted average rents per square foot. Thus, all of the Subject's unit value ratios meet the required benchmark.

## **II. PROJECT DESCRIPTION**

## PROJECT DESCRIPTION

Our description of the Subject is based upon information provided by the sponsor and architect. We anticipate the information supplied is accurate.

**Sponsor's Name:** The sponsor is CRP Affordable Housing & Community Development.

**Development Name:** Aspen Grove Villas (Subject).

**Site Location:** This Subject is a proposed new construction LIHTC development located at 8668 Poppy Ridge Road, in Elk Grove, Sacramento County, California 95757. The site is located along the south side of Poppy Ridge Road. The Subject site is located within Census Tract 0096.38, which is not a 2021 Qualified Census Tract.

### Aerial Image:



**Size:** The Subject site is 3.88 acres, or 169,013 square feet.

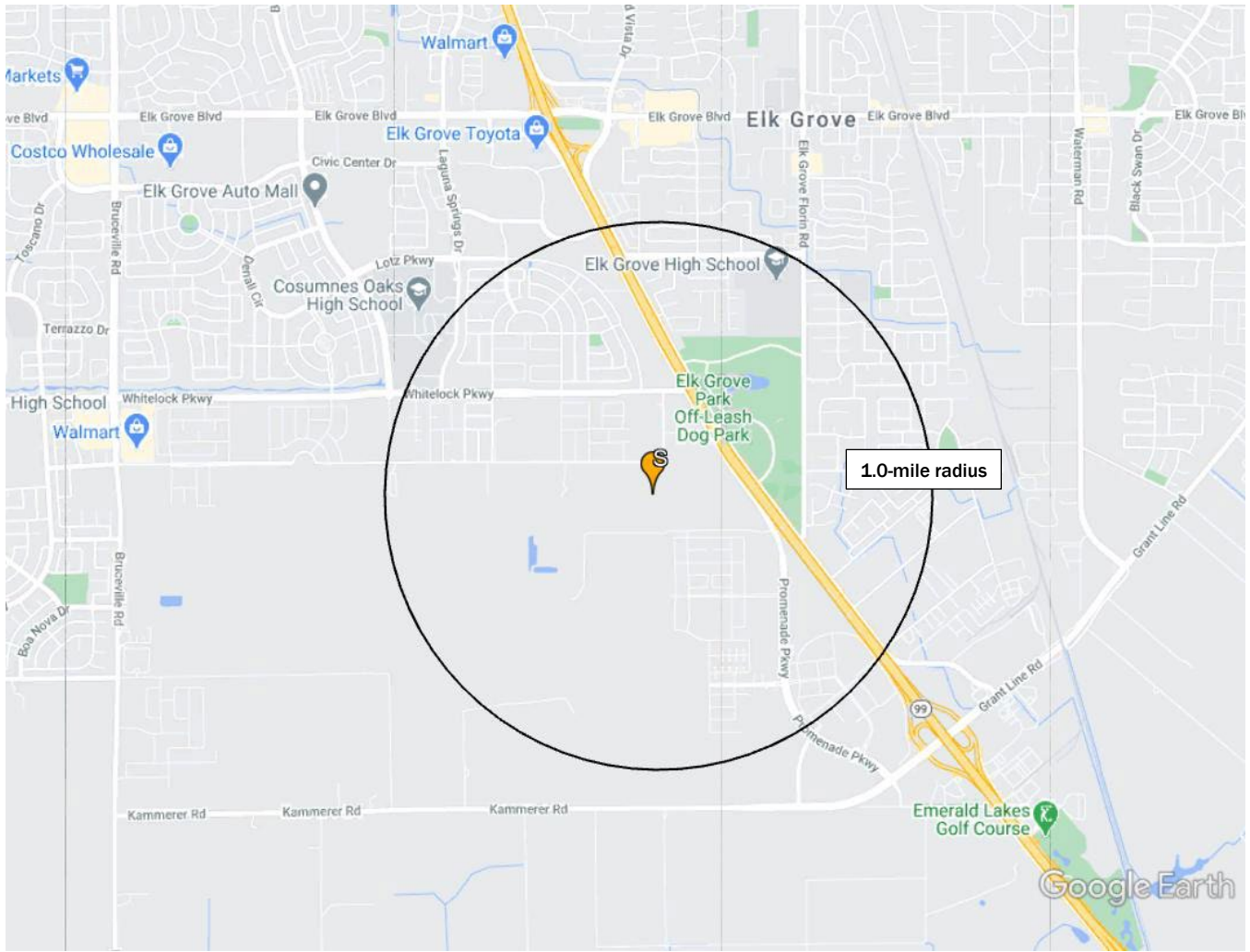
**Zoning:** According to the City of Elk Grove, the Subject site is zoned Southeast Policy Special Planning Area (SEPA-SPA), which is an area-specific form-based zoning designation. Within the overall zoning district, the Subject site is located on a parcel designated for high density residential uses, with multifamily uses permitted by right. The maximum permitted density for sites designated for high density residential uses within the SEPA-SPA zoning district is 40 units per acre. Parking requirements are one space for each unit with one or fewer bedrooms, and two spaces per unit for any units with two or more bedrooms. Further reduction of required parking is achievable by offering affordable units, with the parking reduction subject to city approval. As proposed, the Subject will offer 126 units, which equates to a density of 32.5 units per acre. Further Phase II will offer 201 parking spaces, or 1.6 spaces per unit. Assuming a parking variance is granted, the Subject represents and legal and conforming use as proposed.

**Contiguous Land Use and Zoning:**

The Subject site is located in southern Elk Grove in a developing mixed-use area with single-family residential, vacant, undeveloped land, and commercial uses in addition to limited institutional uses such as schools and libraries. According to Zillow, homes in the Subject's neighborhood have recently sold for \$525,000 to \$775,000. Land uses to the north of the Subject consist of single-family homes in good to excellent condition, commercial uses, including various car dealerships, and commercial and service retail located along Elk Grove Boulevard. Land uses to the east of the Subject consists of vacant, undeveloped land and California State Route 99. Land uses to the south of the Subject consist of vacant, undeveloped land and single-family homes in good to excellent condition. Land uses to the west of the Subject consist of vacant, undeveloped land, Cosumnes River College – Elk Grove Center, single-family homes in good to excellent condition, and an academic campus that houses Elizabeth Pinkerton Middle School and Cosumnes Oaks High School.

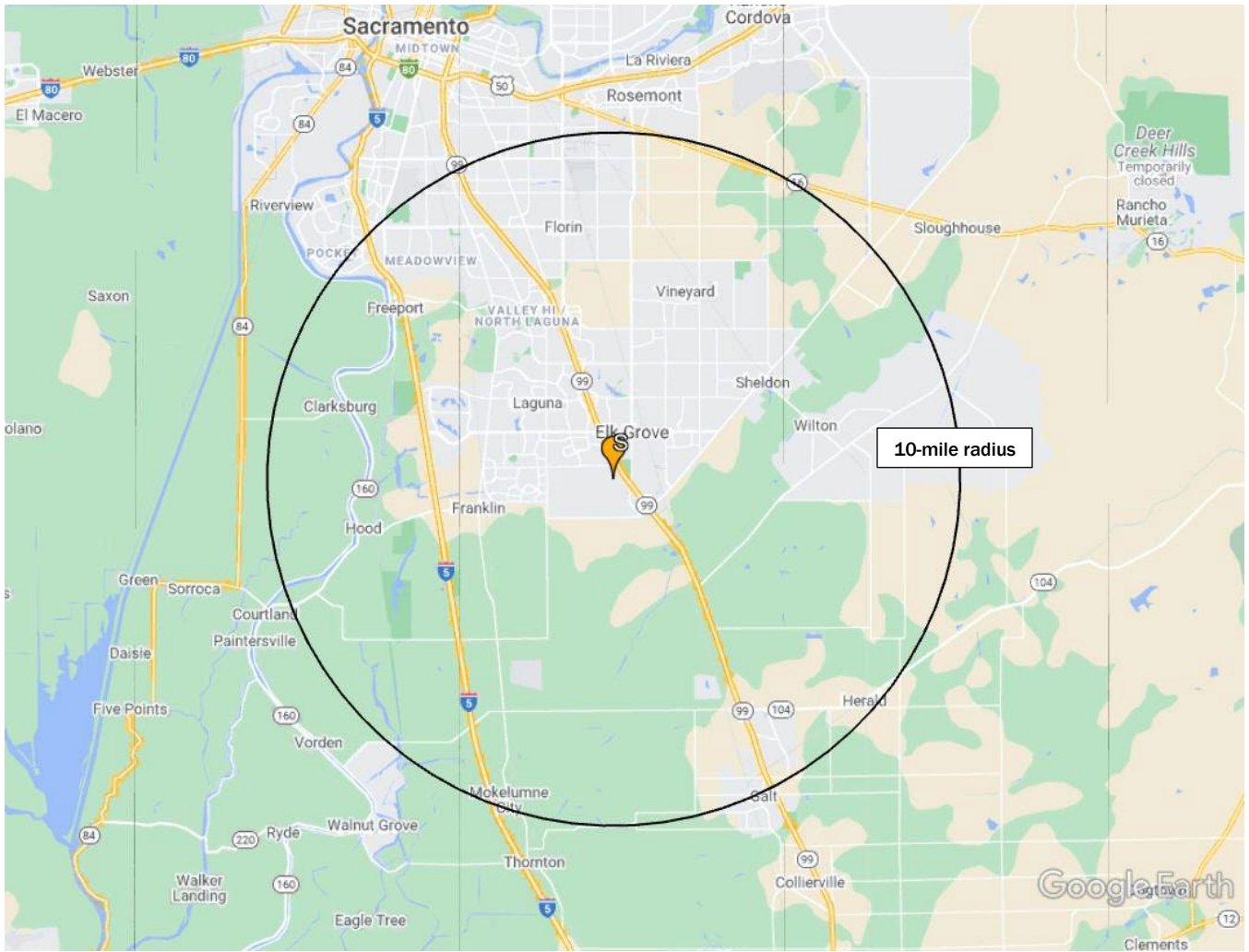
Land north of the Subject site is zoned RD-5 (Low Density Residential). Land use to the south, east and west is zoned Southeast Policy Special Planning Area (SEPA-SPA), similar to the Subject. Within this zoning designation, the land to the east of the Subject consists of parcels designated for office use, the land to the south of the Subject consists of parcels designated for low-density residential and high density residential, while the land to the west of the Subject consists of parcels designated for low density and medium density residential uses.

### Map of Subject Site I:





**Map of Subject Site II:**



**Photographs of Subject Site and Street Views**



View southeast of Subject site



View south of Subject site



View east on Poppy Ridge Road



View west on Poppy Ridge Road

**Unit Mix:**

The Subject will contain a total of 124 one, two, and three-bedroom units restricted to households earning 30, 50, 60 and 80 percent AMI level, in addition to two non-revenue generating manager's units. The Subject's proposed unit mix is detailed in the following table.

**PROPOSED RENTS**

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2020 LIHTC Maximum Allowable Gross Rent	% of Maximum Allowable Rents
				@30%			
1BR / 1BA	620	2	\$479	\$7	\$486	\$486	100%
2BR / 1BA	806	12	\$571	\$11	\$582	\$582	100%
3BR / 2BA	1,033	5	\$658	\$15	\$673	\$673	100%
				@50%			
1BR / 1BA	620	6	\$803	\$7	\$810	\$810	100%
2BR / 1BA	806	40	\$960	\$11	\$971	\$971	100%
3BR / 2BA	1,033	8	\$1,107	\$15	\$1,122	\$1,122	100%
				@60%			
1BR / 1BA	620	6	\$965	\$7	\$972	\$972	100%
2BR / 1BA	806	10	\$1,154	\$11	\$1,165	\$1,165	100%
3BR / 2BA	1,033	5	\$1,332	\$15	\$1,347	\$1,347	100%
				@80%			
1BR / 1BA	620	1	\$1,289	\$7	\$1,296	\$1,296	100%
2BR / 1BA	806	13	\$1,543	\$11	\$1,554	\$1,554	100%
3BR / 2BA	1,033	16	\$1,781	\$15	\$1,796	\$1,796	100%
				<i>Non-Rental</i>			
3BR / 2BA	1,033	2	-	-	-	-	-
		<b>126</b>					

Notes (1) Utility allowance provided by the developer, based on project-specific calculation.

**Unit Sizes:**

The following table illustrates the unit mix and proposed unit sizes.

**UNIT MIX AND SQUARE FOOTAGE**

Unit Type	Number of Units	Unit Size (SF)	Net Leasable Area (SF)
1BR / 1BA	15	620	9,300
2BR / 1BA	75	806	60,450
3BR / 2BA	36	1,033	37,188
<b>TOTAL</b>	<b>126</b>		<b>106,938</b>

**Current Occupancy Levels, Rents, Tenant Incomes:**

The Subject will be new construction. There are no current occupancy levels, rents, or tenant incomes to report.

**Target Population and Occupancy Type:**

All of the Subject's units will be restricted to income-qualified households ranging in size from one to six persons. Based on the proposed unit mix, the annual household income levels will range from \$14,580 to \$80,160.



<b>New Construction or Rehabilitation:</b>	The project will be new construction.
<b>Date of Construction:</b>	The developer anticipates beginning construction in September 2021 with an expected market entry date of March 2023.
<b>Utility Structure:</b>	The landlord will be responsible for cold water, sewer, and trash expenses as well as all common area expenses. The tenant will be responsible for all electric expenses including electric cooking, electric heating, electric water heating and general electric expenses including central air conditioning. It should be noted that the Subject's utilities are project-specific, as the developer intends to incorporate a solar component to the property. The comparables have been adjusted based upon the utility allowance schedule provided by the Sacramento Housing and Redevelopment Agency, dated July 1, 2020, which is the most recent available. A copy of the utility allowance schedule is included in <i>Addendum D</i> .
<b>Construction Details:</b>	The Subject will consist of three, three-story garden-style residential buildings in addition to one, one-story community building and leasing office. We have reviewed the architectural plans, created by Hedenkamp Architecture and Planning and provided by the developer. A copy is included in <i>Addendum E</i> .
<b>Proposed Unit Amenities:</b>	The Subject's in-unit amenities will include a balcony/patio, blinds, carpeting and vinyl flooring, and central heating and air conditioning. Appliances will include a refrigerator, range/oven and dishwasher.
<b>Proposed Development Amenities:</b>	The Subject will feature a basketball court, community room, courtyard, central laundry, on-site management, a picnic area, a playground, recreation areas, service coordination and a swimming pool.
<b>Parking:</b>	The Subject will offer 201 off-street surface parking spaces for no additional fee, which equates to approximately 1.6 parking spaces per unit.
<b>Conclusion:</b>	The Subject will consist of a new construction 126-unit LIHTC development. Of the Subject's 126 units, 124 will be LIHTC-restricted to households earning 30, 50, 60 and 80 percent of the AMI or less. The remaining two units will be non-revenue generating manager's units.

### **III. DELINEATION OF MARKET AREA**

## **DELINEATION OF MARKET AREA**

### **PRIMARY AND SECONDARY MARKET AREA**

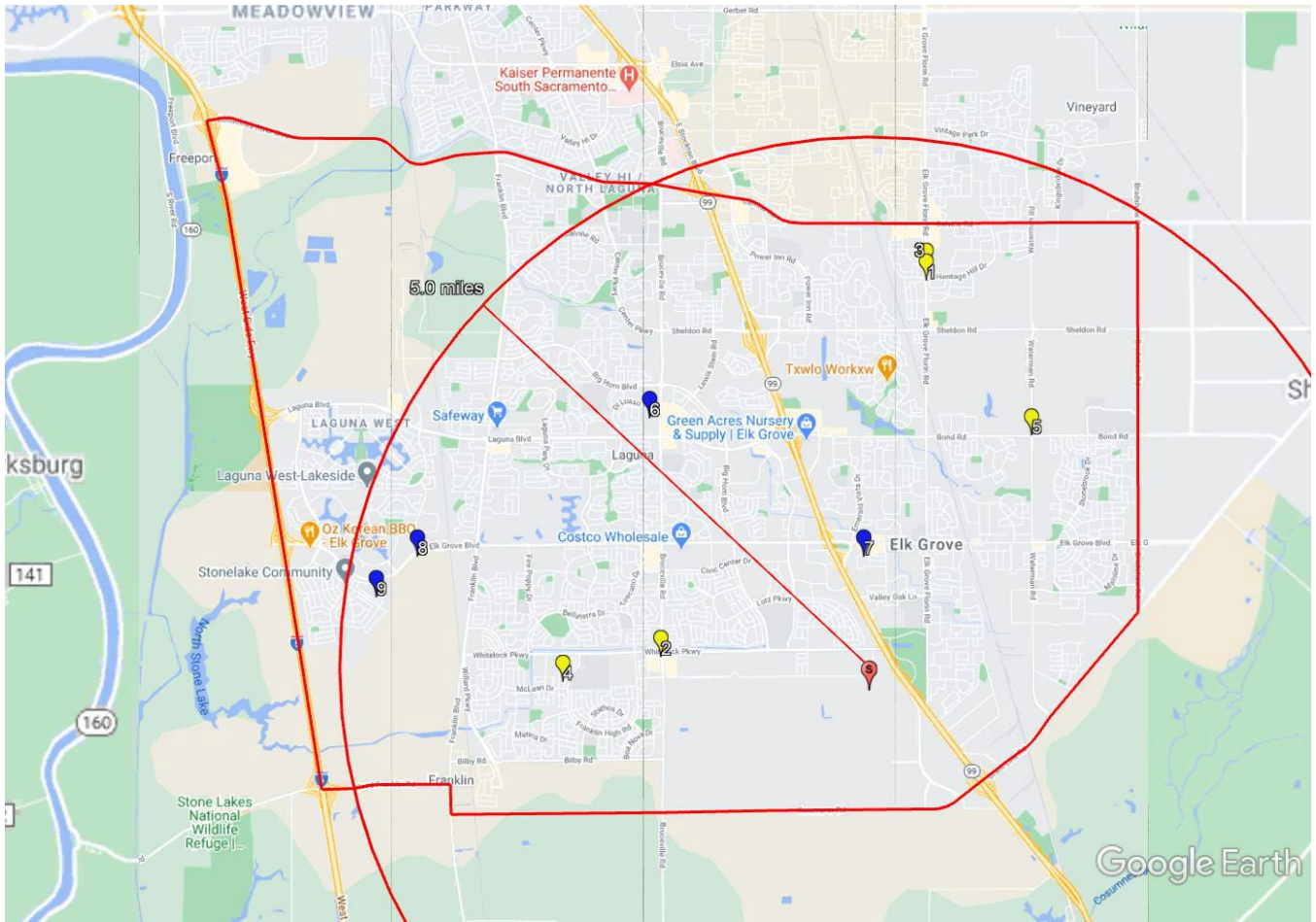
For the purpose of this study, it is necessary to define the market area, or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood oriented” and are generally very reluctant to move from the area where they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below market rents. The primary market area (PMA) for the Subject generally consists of the suburb of Elk Grove and surrounding areas in the southern suburbs of Sacramento. The approximate PMA boundaries for the Subject are defined as follows:

- North:** Cosumnes River Boulevard/Calvine Road
- South:** Grant Line Road/Kammerer Road/Hood Franklin Road
- East:** Bradshaw Road
- West:** Interstate 5

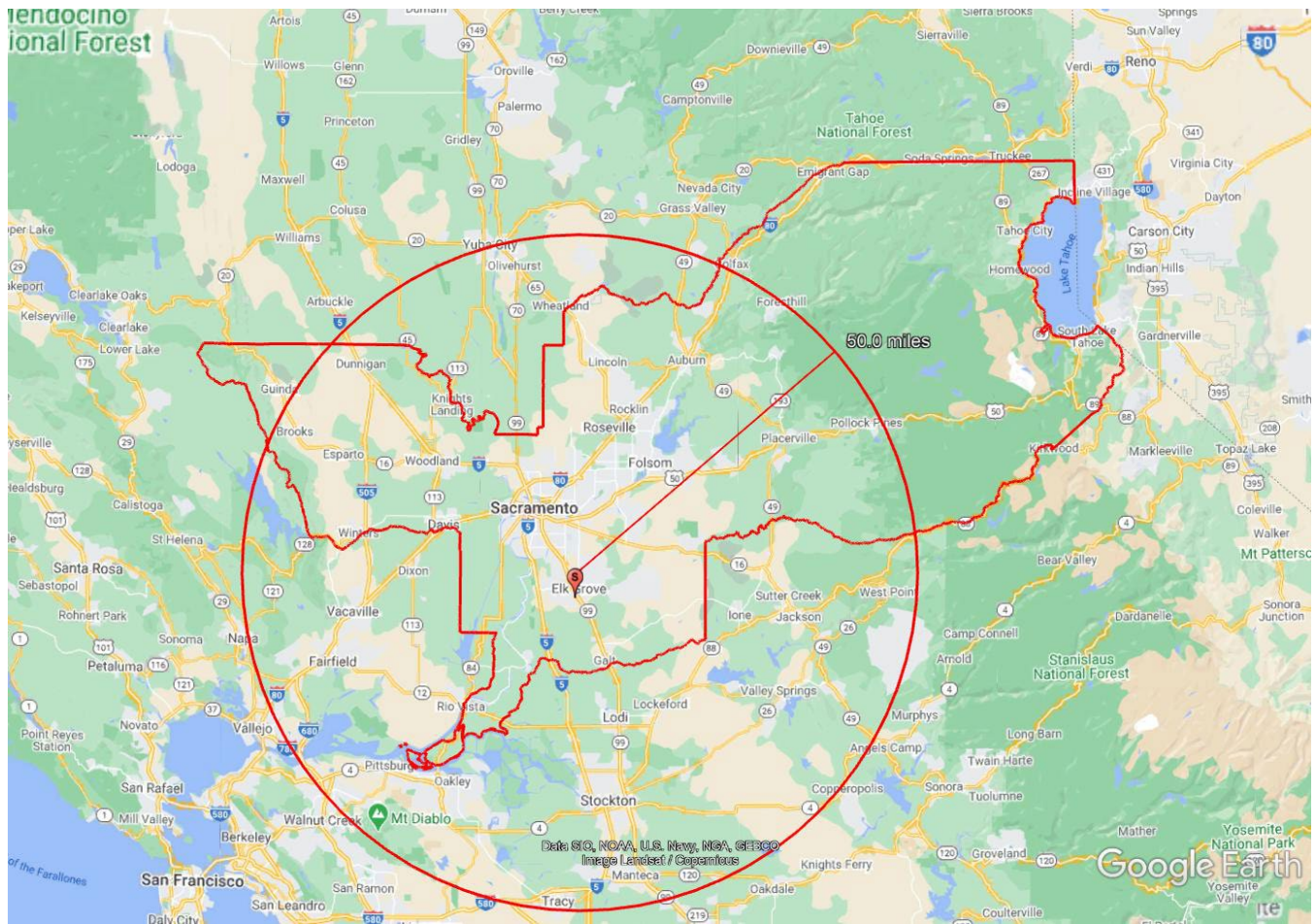
The PMA boundaries and overall market health assessment are based upon an analysis of demographic and socioeconomic characteristics, target tenant population, political jurisdictional boundaries, natural boundaries, experience of nearby comparable developments, accessibility to mass transit or key transportation corridors and commute patterns, and market perceptions. We recognize several sub-markets exist within this PMA; however, market data demonstrates that a significant amount of the renter base considers housing opportunities within these boundaries. Given the opportunity to locate good quality affordable housing, the renter base will move within these areas. We anticipate the majority of demand will be generated from this geographic area. However, leakage is expected from outside the PMA from other parts of Elk Grove, and surrounding communities.

The secondary market area (SMA) for the Subject is the Sacramento-Roseville-Folsom, California Metropolitan Statistical Area (MSA) which consists of Sacramento, Placer, Yolo and El Dorado Counties. A map outlining the PMA can be found following.

### Primary Market Area Map

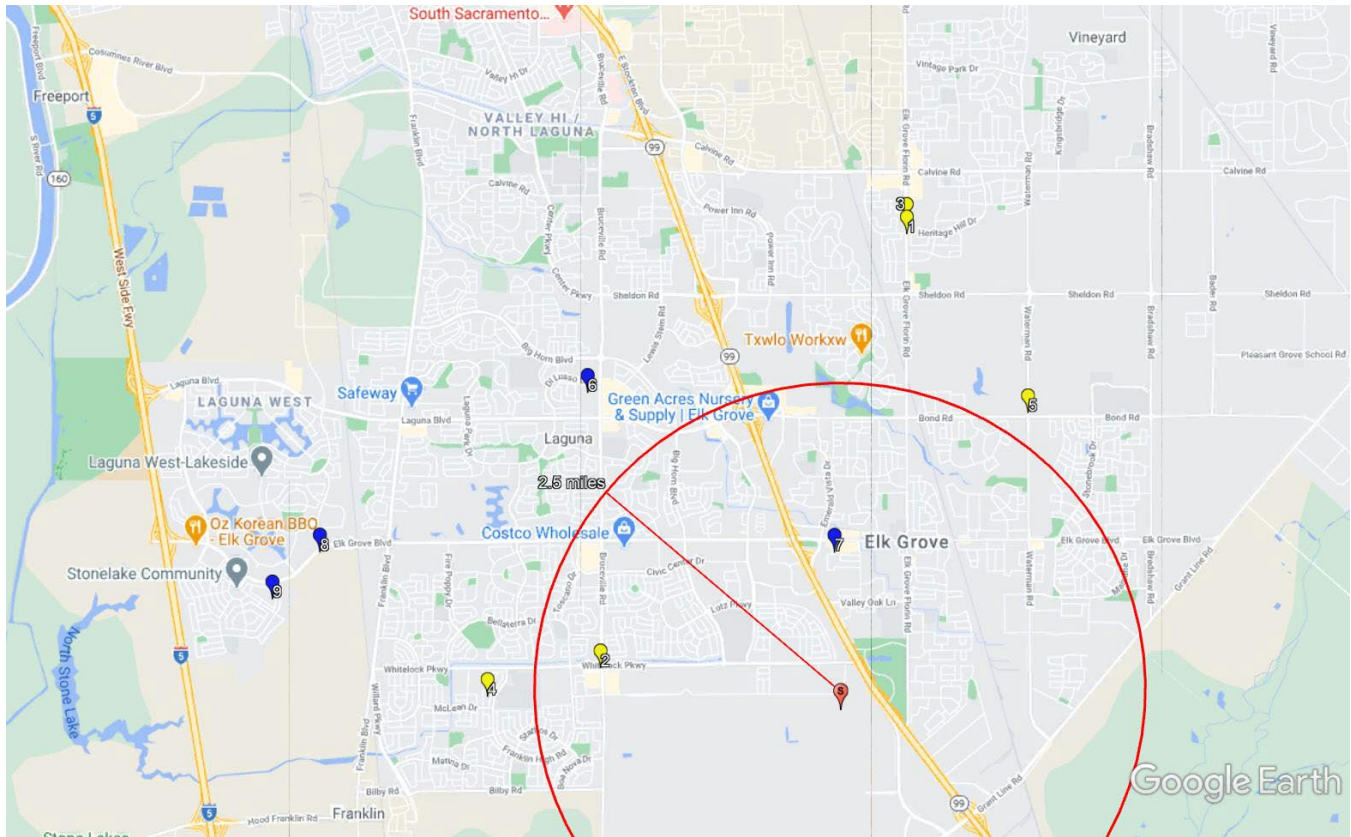


## Secondary Market Area Map





## Comparable Properties Map

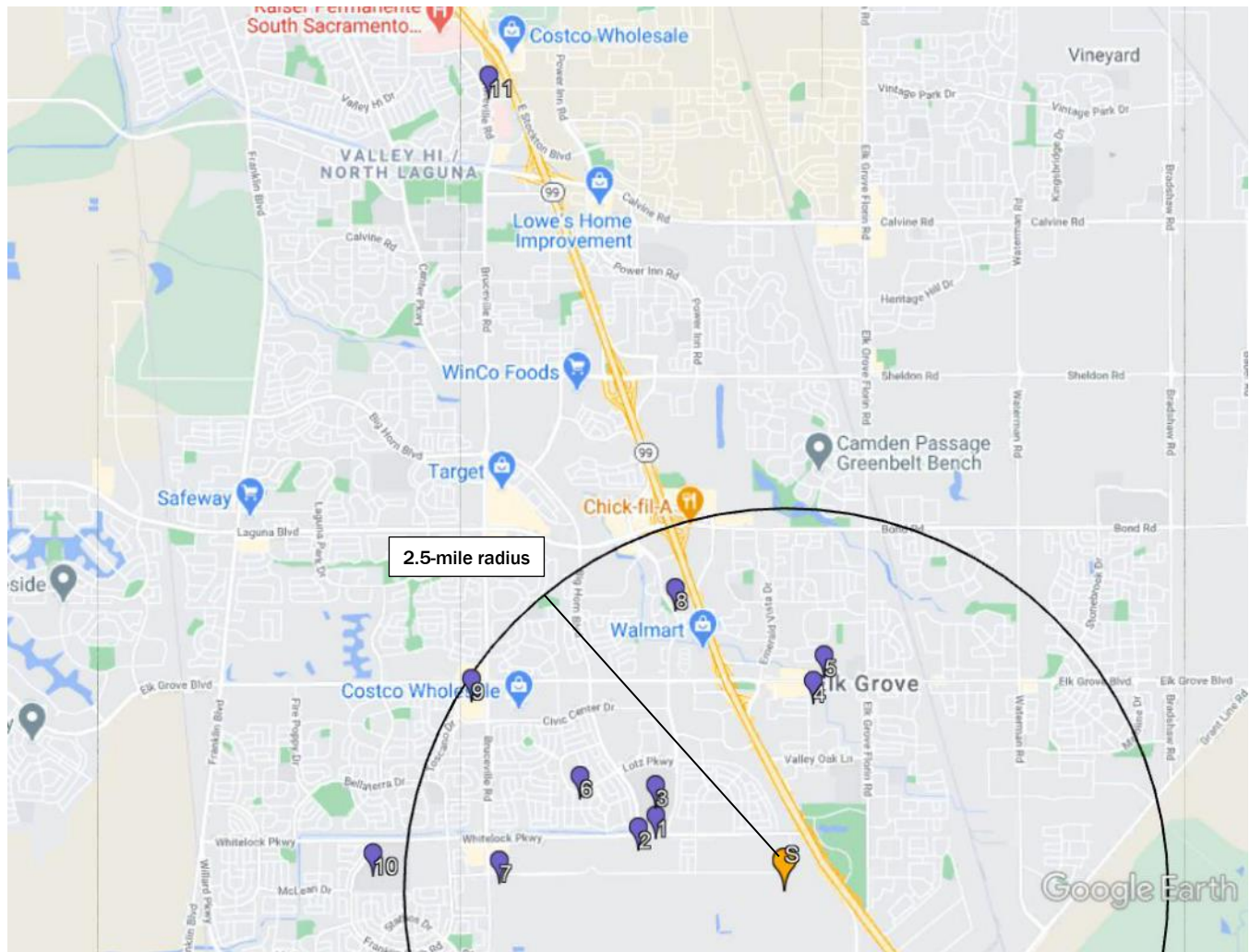


### COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Tenancy	Distance to Subject
1	Crossings At Elk Grove	Elk Grove	LIHTC	Family	4.0 miles
2	Montego Falls	Elk Grove	LIHTC	Family	2.0 miles
3	Stoneridge At Elk Grove	Elk Grove	LIHTC	Family	4.1 miles
4	The Ridge Apartments	Elk Grove	LIHTC	Family	2.9 miles
5	Waterman Square	Elk Grove	LIHTC	Family	3.0 miles
6	Bella Vista Apartments	Elk Grove	Market	Family	3.4 miles
7	Emerald Vista Apartments	Elk Grove	Market	Family	1.4 miles
8	Lake Point	Elk Grove	Market	Family	4.5 miles
9	Stonelake Apartments	Elk Grove	Market	Family	4.8 miles

**Locational Amenities Map**

The Subject will be located in close proximity to many amenities and services. The following map and table below display the distances and location of various services from the site.



**LOCATIONAL AMENITIES**

Map #	Service or Amenity	Distance from Subject
1	Elizabeth Pinkerton Middle School	1.0 mile
2	E-Tran Bus Stop (Route 110)	1.0 mile
3	Cosumnes Oaks High School	1.1 miles
4	Cosumnes Fire Station #71	1.4 miles
5	Post Office	1.5 miles
6	Zehnder Ranch Elementary School	1.5 miles
7	Walmart Supercenter	1.9 miles
8	Elk Grove Police Department	2.1 miles
9	Umpqua Bank	2.5 miles
10	Franklin Community Library	2.7 miles
11	Sierra Vista Hospital	5.7 miles

## SITE CHARACTERISTICS

The location of a multifamily property can have a substantial negative or positive impact upon the performance, safety, and appeal of the project. The site description discusses the physical features of the site, as well as the layout, access issues and traffic flow.

**Location:** The Subject site is located at 8668 Poppy Ridge Road, Elk Grove, Sacramento County, California.

### Aerial Image:



**Shape:** The site is rectangular in shape.

**Size:** The Subject site is 3.88 acres, or 169,013 square feet.

**Existing Improvements:** There are no current improvements on the Subject site.

**Frontage:** The site has frontage along the south side of Poppy Ridge Road.

**Topography:** The site is generally level.



<b>Vegetation:</b>	The Subject site features native grasses and vegetation.
<b>Proximity to Adverse Conditions:</b>	At this time, we are unaware of any detrimental influences that would impact the value of the Subject.
<b>Drainage:</b>	Drainage appears adequate; however, no specific tests were performed.
<b>Soil and Subsoil Conditions:</b>	We were not provided with soil surveys.
<b>Flood Plain:</b>	According to <a href="http://www.floodinsights.com">www.floodinsights.com</a> Community Panel number 06067C0319H, dated August 16, 2012, the Subject is located in Zone X, an area outside of the 100 and 500-year floodplains. Further analysis by Novogradac is beyond the scope of the report.
<b>Environmental:</b>	The client provided a Phase I Environmental Site Assessment (ESA) for the Subject, dated September 14, 2020, prepared by CBRE Assessment and Consulting Services. According to the Phase I ESA, there are no Recognized Environmental Conditions (RECs), Historical Recognized Environmental Conditions (HRECs) or Controlled Recognized Environmental Conditions (CRECs) present at the Subject site. During our site inspection, we walked the Subject's grounds and did not observe any obvious indicators of adverse property condition issues. However, Novogradac Consulting LLP does not offer expertise in this field and cannot opine as to the adequacy of the soil conditions or drainage. Further analysis is beyond the scope of this report.

#### **Photographs of Subject Site and Neighborhood:**



View southeast of Subject site



View south of Subject site



Undeveloped land in the Subject's neighborhood



Undeveloped land in the Subject's neighborhood



Undeveloped land in the Subject's neighborhood



Car dealership north of the Subject site



Retail plaza in the Subject's neighborhood



Single-family home in the Subject's neighborhood





Single-family home in the Subject's neighborhood



Single-family homes in the Subject's neighborhood



Single-family homes in the Subject's neighborhood



Single-family homes in the Subject's neighborhood



Undeveloped land in the Subject's neighborhood



Undeveloped land in the Subject's neighborhood

### **Access and Traffic Flow**

The Subject site is accessed via the south side of Poppy Ridge Road, which is a light-to-moderately trafficked neighborhood roadway. The Subject site is located three blocks south of Whitlock Parkway, a primary east-west thoroughfare in the Subject's neighborhood that provides westbound access to various retail and commercial amenities located at the intersection of Whitlock Parkway and Bruceville Road. Whitlock Parkway

terminates at California State Route 99 just to the east of the Subject site. Overall accessibility to the neighborhood and site is considered good.

### Visibility/Views

The Subject has good visibility from Poppy Ridge Road. Views from the Subject site consist of single-family homes in good to excellent condition to the north, undeveloped land to the east, single-family homes in good to excellent condition and undeveloped land to the south, and undeveloped land to the west. Overall, views from the Subject site are considered average.

### Crime Statistics

The following table illustrates crime statistics for the PMA and the MSA as compared to the nation.

<b>2020 CRIME INDICES</b>		
	<b>PMA</b>	<b>MSA</b>
<b>Total Crime*</b>	<b>101</b>	<b>106</b>
<b>Personal Crime*</b>	<b>102</b>	<b>99</b>
Murder	61	88
Rape	65	84
Robbery	89	97
Assault	114	101
<b>Property Crime*</b>	<b>100</b>	<b>107</b>
Burglary	110	105
Larceny	100	99
Motor Vehicle Theft	79	175

Source: Esri Demographics 2020, Novogradac Consulting LLP, March 2021

\*Unweighted aggregations

The table above illustrates crime indices 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 crime index average. A crime index of 75 in a PMA would be 25 percent below the national average while a crime rate of 200 would be twice that of the national average. As indicated in the table above, all of the crime indices in the PMA are similar to the MSA and nation on an overall basis. Observations of the PMA and interviews with market participants and property managers reflect limited local crime perceptions or problems, consistent with the data above. The Subject will offer limited access as proposed.

### Summary

The Subject will provide excellent-quality affordable housing for families that is in strong demand in the area. The site is located in a developing mixed-use area with residential, commercial uses, institutional uses such as schools and libraries, and vacant, undeveloped land. All major shopping, schools, and recreational amenities are located within a reasonable proximity to the Subject. The construction of the Subject, as proposed, will positively impact the neighborhood and the availability of affordable rental housing in the PMA. The neighborhood is well suited for this type of housing.

## **IV. MARKET AREA ECONOMY**

## MARKET AREA ECONOMY

The following discussion includes an analysis of the market area economy. This section will present and analyze information regarding employment by industry, the major current employers, and unemployment trends. The Subject is located in southern Elk Grove in Sacramento County, California. Elk Grove is located within the Sacramento-Roseville-Folsom, California Metropolitan Statistical Area (MSA) which consists of Sacramento, Placer, Yolo and El Dorado Counties.

It should be noted that the Market Study Requirements call for demographic information describing population and household trends to come specifically from one of the national propriety data providers. However, there is no indication that this is also required to be the data source for the market area economy discussion. Novogradac Consulting LLP obtained economic information from the Bureau of Labor Statistics, the California Employment Development Department, ESRI and Ribbon Demographics. These data sources are considered to be the most reliable and current.

### Employment by Industry

The following table illustrates the distribution of employment sectors by industry within the PMA and the nation.

**2020 EMPLOYMENT BY INDUSTRY**

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Healthcare/Social Assistance	13,993	17.8%	22,313,586	15.1%
Public Administration	11,993	15.3%	7,071,492	4.8%
Educational Services	7,372	9.4%	14,320,448	9.7%
Retail Trade	6,868	8.7%	14,356,334	9.7%
Prof/Scientific/Tech Services	5,457	6.9%	12,049,828	8.2%
Manufacturing	4,207	5.4%	15,550,554	10.6%
Transportation/Warehousing	4,073	5.2%	6,959,787	4.7%
Finance/Insurance	3,840	4.9%	7,169,665	4.9%
Construction	3,331	4.2%	10,829,187	7.4%
Other Services	3,293	4.2%	6,772,309	4.6%
Accommodation/Food Services	3,218	4.1%	8,202,612	5.6%
Admin/Support/Waste Mgmt Svcs	2,505	3.2%	5,786,624	3.9%
Information	1,926	2.5%	2,723,217	1.8%
Real Estate/Rental/Leasing	1,712	2.2%	3,082,197	2.1%
Wholesale Trade	1,706	2.2%	3,744,789	2.5%
Arts/Entertainment/Recreation	1,415	1.8%	2,329,497	1.6%
Utilities	951	1.2%	1,274,383	0.9%
Agric/Forestry/Fishing/Hunting	576	0.7%	1,852,333	1.3%
Mgmt of Companies/Enterprises	45	0.1%	210,175	0.1%
Mining	38	0.0%	729,605	0.5%
<b>Total Employment</b>	<b>78,519</b>	<b>100.0%</b>	<b>147,328,622</b>	<b>100.0%</b>

Source: Esri Demographics 2020, Novogradac Consulting LLP, March 2021

Employment in the PMA is concentrated in the healthcare/social assistance, public administration, and educational services industries, which collectively comprise 42.5 percent of local employment. The large share of PMA employment in the healthcare and public administration industries is notable as these industries are historically stable, and tend to exhibit greater resilience during economic downturns. Relative to the overall nation, the PMA features comparatively greater employment in the public administration, healthcare/social assistance, and information industries. Conversely, the PMA is underrepresented in the manufacturing, construction, and accommodation/food services industries.

The ESRI data is based upon 2010 Census information, which is trended to forecast current data. The California Employment Development Department publishes 2019 data for Sacramento County that we believe presents a better indication of employment by sector and is shown in the following chart. Data for 2020 was not available for the county.

#### EMPLOYMENT BY INDUSTRY: SACRAMENTO COUNTY

Industry	2014	%	2015	%	2016	%
<b>Total, All Industries</b>	<b>599,800</b>	<b>100.0%</b>	<b>621,300</b>	<b>100.0%</b>	<b>644,000</b>	<b>100.0%</b>
<b>Total Farm</b>	<b>2,600</b>	<b>0.4%</b>	<b>2,700</b>	<b>0.4%</b>	<b>2,200</b>	<b>0.3%</b>
<b>Total Nonfarm</b>	<b>597,200</b>	<b>99.6%</b>	<b>618,600</b>	<b>99.6%</b>	<b>641,800</b>	<b>99.7%</b>
<b>Goods Producing</b>	<b>49,900</b>	<b>8.3%</b>	<b>51,900</b>	<b>8.4%</b>	<b>54,300</b>	<b>8.4%</b>
Mining and Logging	200	0.0%	100	0.0%	200	0.0%
Construction	28,500	4.8%	31,000	5.0%	32,900	5.1%
Manufacturing	21,300	3.6%	20,800	3.3%	21,100	3.3%
<b>Service Providing</b>	<b>547,300</b>	<b>91.2%</b>	<b>566,700</b>	<b>91.2%</b>	<b>587,500</b>	<b>91.2%</b>
Trade, Transportation & Utilities	87,500	14.6%	90,800	14.6%	94,100	14.6%
Information	10,200	1.7%	10,000	1.6%	9,700	1.5%
Financial Activities	31,200	5.2%	32,700	5.3%	33,200	5.2%
Professional & Business Services	88,100	14.7%	88,400	14.2%	94,400	14.7%
Educational & Health Services	93,300	15.6%	102,000	16.4%	109,500	17.0%
Leisure & Hospitality	56,000	9.3%	58,700	9.4%	60,800	9.4%
Other Services	20,300	3.4%	20,800	3.3%	21,200	3.3%
Government	160,700	26.8%	163,300	26.3%	164,700	25.6%
Industry	2017	%	2018	%	2019	%
<b>Total, All Industries</b>	<b>648,300</b>	<b>100.0%</b>	<b>665,500</b>	<b>100.0%</b>	<b>677,600</b>	<b>100.0%</b>
<b>Total Farm</b>	<b>3,200</b>	<b>0.5%</b>	<b>2,600</b>	<b>0.4%</b>	<b>2,500</b>	<b>0.4%</b>
<b>Total Nonfarm</b>	<b>645,000</b>	<b>99.5%</b>	<b>662,800</b>	<b>99.6%</b>	<b>675,000</b>	<b>99.6%</b>
<b>Goods Producing</b>	<b>56,700</b>	<b>8.7%</b>	<b>60,000</b>	<b>9.0%</b>	<b>62,600</b>	<b>9.2%</b>
Mining and Logging	100	0.0%	200	0.0%	200	0.0%
Construction	35,500	5.5%	38,600	5.8%	40,900	6.0%
Manufacturing	21,100	3.3%	21,200	3.2%	21,500	3.2%
<b>Service Providing</b>	<b>588,300</b>	<b>90.7%</b>	<b>602,900</b>	<b>90.6%</b>	<b>612,400</b>	<b>90.4%</b>
Trade, Transportation & Utilities	96,100	14.8%	99,400	14.9%	99,700	14.7%
Information	8,500	1.3%	8,400	1.3%	7,900	1.2%
Financial Activities	33,400	5.2%	33,200	5.0%	33,200	4.9%
Professional & Business Services	94,900	14.6%	96,000	14.4%	96,500	14.2%
Educational & Health Services	106,800	16.5%	112,200	16.9%	116,300	17.2%
Leisure & Hospitality	62,500	9.6%	65,200	9.8%	67,300	9.9%
Other Services	22,400	3.5%	23,300	3.5%	23,700	3.5%
Government	163,800	25.3%	165,300	24.8%	167,900	24.8%

Source: CEDD, retrieved 3/2021

Jobs within the government, educational and health services, retail trade, and trade, transportation, and utilities sectors represent 56.7 percent of employment as of 2019.

## Major Employers

The following chart identifies the major employers in the city of Elk Grove. The Subject's surrounding area offers numerous employment opportunities at various skill levels.

### MAJOR EMPLOYERS City of Elk Grove, CA

Employer Name	Industry	# Of Employees
Apple Computers, Inc.	Technology	5,000
Elk Grove Unified School District	Education	4,055
CA Correctional Health Care Services	Healthcare	1,124
Cosumnes Community Services District	Government	779
Walmart, Inc.	Retail Trade	515
Kaiser Permanente Medicat Centers	Healthcare	443
Raley's/Bel Air Markets	Retail Trade	398
Alldata LLC.	Technology	376
City of Elk Grove	Government	347
Nissan of Elk Grove	Retail Trade	301
<b>Total</b>		<b>13,338</b>

Source: City of Elk Grove 2019 Comprehensive Annual Financial Report, retrieved 3/2021

The technology, education, healthcare, government, and retail trade industries are all represented among the major employers in the city of Elk Grove. Overall, the variety of industries represented indicates that the economy in the area is diverse.

## Employment Expansion/Contractions

We contacted the Greater Sacramento Economic Council regarding recently announced business expansions in the area. We were directed to the organization's website for information regarding recent employment expansions in the area. We supplemented this data with additional research. According to our research there have been two recently announced business expansions, which are detailed following:

- In January 2021, Siemens Mobility announced plans to expand its existing train repair operations facility in south Sacramento. The expansion is projected to create 50 new jobs upon completion. A specific timeline for the expansion was not available as of the date of this report.
- In March 2019, technology firm Applied Spectra announced plans to relocate its headquarters from the San Francisco area to West Sacramento. The specific number of jobs related to the relocation was not available.

We reviewed WARN (Worker Adjustment and Retraining Notification Act) notices filed with the State of California Employment Development Department. According to this source, there have been a number of notices filed during 2020 year-to-date due to the onset of the COVID-19 pandemic and resulting economic turmoil. These WARN notices are detailed in the following table. Due to the volume of notices we present data filed since July 2020 through 2021 year-to-date.



**WARN LISTINGS**  
**Sacramento County, CA**

Company	Industry	Employees Affected	Layoff Date
GroceryWorks, LLC	Retail Trade	66	1/19/2021
Public House Downtown LLC	Accommodation/Food Services	45	1/11/2021
Sun G. Wong Enterprises, Inc. dba Iron Horse Tavern	Accommodation/Food Services	101	1/11/2021
Tavern on the Hill, LLC dba Iron Horse Tavern	Accommodation/Food Services	69	1/11/2021
Tres Hermanos Y Amigo 1, LLC	Accommodation/Food Services	53	1/11/2021
Tres Hermanos Y Amigo 2, LLC	Accommodation/Food Services	64	1/11/2021
Tres Hermanos Y Amigo 3, LLC	Accommodation/Food Services	62	1/11/2021
Wok in the Park, LLC	Accommodation/Food Services	69	1/11/2021
Blackstone Gaming	Gaming	1	1/7/2021
PT Gaming, LLC - Capitol Casino Sacramento Facility	Gaming	30	1/5/2021
GroceryWorks.com Operating Company, LLC.	Retail Trade	47	12/24/2020
LTF Club Management Company, LLC dba Life Time In Roseville	Arts/Entertainment/Recreation	333	12/22/2020
Southwest Airlines - Sacramento International Airport	Transportation	208	12/11/2020
Natomas Sports Club	Arts/Entertainment/Recreation	89	11/9/2020
WASH Multifamily Laundry Systems, LLC	Professional Services	1	11/9/2020
Crescent Hotels and Resorts, LLC	Accommodation/Food Services	30	11/5/2020
Aldo US Inc., Store 2077	Retail Trade	10	10/28/2020
Taste, Inc.	Accommodation/Food Services	8	10/20/2020
Hyatt Corporation dba Hyatt Regency Sacramento	Accommodation/Food Services	242	10/9/2020
Deja Vu Showgirls - Sacramento LLC	Accommodation/Food Services	90	10/5/2020
TriWest	Accommodation/Food Services	56	10/2/2020
Liquibox	Manufacturing	22	9/28/2020
McClatchy Company, LLC	Publishing	199	9/25/2020
Liquibox	Manufacturing	22	9/24/2020
LTF Club Management Company, LLC dba Life Time In Folsom	Arts/Entertainment/Recreation	325	9/16/2020
Islands Restaurants	Accommodation/Food Services	47	9/14/2020
Paradies Shops, LLC	Retail Trade	37	9/3/2020
Transform SR LLC - 06178	Accommodation/Food Services	5	8/28/2020
RC Willey Home Furnishings - Delta Shores	Retail Trade	57	8/21/2020
Embassy Suites Employer	Accommodation/Food Services	46	8/20/2020
Paradies Shops LLC	Retail Trade	40	8/18/2020
The Niello Company	Retail Trade	139	8/18/2020
Southern Glazers Wine and Spirits, LLC	Retail Trade	30	8/11/2020
SSP America	Accommodation/Food Services	171	8/10/2020
ADESA California, LLC	Retail Trade	147	8/7/2020
Hawaiian Airlines - Sacramento International Airport	Transportation	2	8/4/2020
Philips Image Guided Therapy Corporation	Manufacturing	120	7/31/2020
Inspire Communités	Real Estate/Rental/Leasing	5	7/31/2020
Parkwest Casino Cordova	Gaming	99	7/27/2020
PT Gaming, LLC dba Capitol Casino	Gaming	43	7/24/2020
Parkwest Casino Lotus	Gaming	167	7/24/2020
Goodwill Industries of Sacramento Valley and Northern Nevada, Inc.	Retail Trade	170	7/22/2020
King's Casino Management Corp.	Gaming	319	7/6/2020
Hyatt Regency Sacramento	Accommodation/Food Services	203	7/1/2020
<b>Total</b>		<b>4,089</b>	

Source: California Economic Development Department, March 2021

As seen in the previous table, there have been notices filed for a total of 4,089 layoffs during this period. A number of these layoffs are anticipated to be temporary in nature, especially those in the accommodation/food services industry.

### Economic Analysis – Sacramento-Roseville-Folsom, CA MSA

The following is the most recent employment trends outlook produced by the California Employment Development Department for the MSA.

“Between December 2020 and January 2021, combined employment in the counties of El Dorado, Placer, Sacramento, and Yolo, decreased by 8,900 to total 972,900 jobs.

- Trade, transportation, and utilities lost 5,600 jobs in January, after adding 11,000 jobs in December. Over the month, employment declined in retail trade (down 3,900 jobs) and transportation, warehousing, and utilities (down 1,700 jobs).
- Leisure and hospitality (down 1,600 jobs) continued to decline from December to January.
- Professional and business services reported a month-over drop of 1,500 jobs. Within the industry, job losses occurred in administrative and support and waste services (down 1,000 jobs) and professional, scientific, and technical services (down 600 jobs).
- On the upside, education and health services reported a gain of 3,900 jobs. Job additions were in health care and social assistance (up 4,200 jobs). Educational services cut back 300 jobs.

Between January 2020 and January 2021, total jobs in the region decreased by 60,000 or 5.8 percent.

- Leisure and hospitality led year-over decline for the region, shedding 32,700 jobs. Accommodation and food serviced dropped 24,300 jobs. Arts, entertainment, and recreation reduced by 8,400 jobs.
- Other services fell by 9,000 jobs since last January.
- Government lost 8,600 jobs. Job declines were in local government (down 8,700 jobs) and state government (down 200 jobs). Meanwhile, federal government added 300 jobs.
- Construction (up 3,500 jobs) and trade, transportation, and utilities (up 1,100 jobs) were the only major industry sectors to experience year-over job gains.”

### Employment and Unemployment Trends

The following table illustrates the employment and unemployment trends for the Sacramento-Roseville-Folsom, California MSA, and the nation.

#### EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Sacramento-Roseville-Folsom, CA Metropolitan Statistical Area				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2004	943,678	-	5.5%	-	139,252,000	-	5.5%	-
2005	962,618	2.0%	4.9%	-0.6%	141,730,000	1.8%	5.1%	-0.5%
2006	974,939	1.3%	4.7%	-0.2%	144,427,000	1.9%	4.6%	-0.5%
2007	980,957	0.6%	5.3%	0.6%	146,047,000	1.1%	4.6%	0.0%
2008	971,038	-1.0%	7.1%	1.8%	145,363,000	-0.5%	5.8%	1.2%
2009	937,063	-3.5%	10.9%	3.8%	139,878,000	-3.8%	9.3%	3.5%
2010	920,064	-1.8%	12.4%	1.5%	139,064,000	-0.6%	9.6%	0.3%
2011	921,612	0.2%	11.8%	-0.5%	139,869,000	0.6%	9.0%	-0.7%
2012	939,883	2.0%	10.3%	-1.5%	142,469,000	1.9%	8.1%	-0.9%
2013	955,822	1.7%	8.7%	-1.6%	143,929,000	1.0%	7.4%	-0.7%
2014	970,318	1.5%	7.1%	-1.5%	146,305,000	1.7%	6.2%	-1.2%
2015	991,158	2.1%	5.9%	-1.3%	148,833,000	1.7%	5.3%	-0.9%
2016	1,011,968	2.1%	5.3%	-0.6%	151,436,000	1.7%	4.9%	-0.4%
2017	1,026,382	1.4%	4.6%	-0.7%	153,337,000	1.3%	4.4%	-0.5%
2018	1,048,225	2.1%	3.8%	-0.7%	155,761,000	1.6%	3.9%	-0.4%
2019	1,061,395	1.3%	3.6%	-0.2%	157,538,000	1.1%	3.7%	-0.2%
2020 YTD Average*	993,729	-6.4%	8.7%	5.1%	147,794,750	-6.2%	8.1%	4.4%
Dec-2019	1,069,620	-	3.2%	-	158,504,000	-	3.4%	-
Dec-2020	1,010,465	-5.5%	7.9%	4.7%	149,613,000	-5.6%	6.5%	3.1%

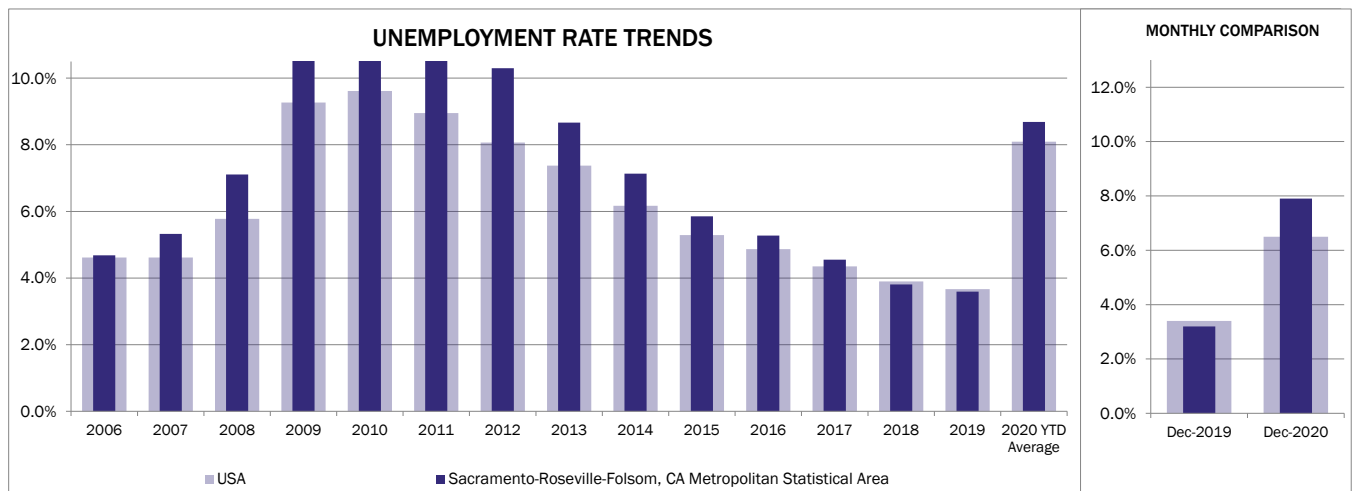
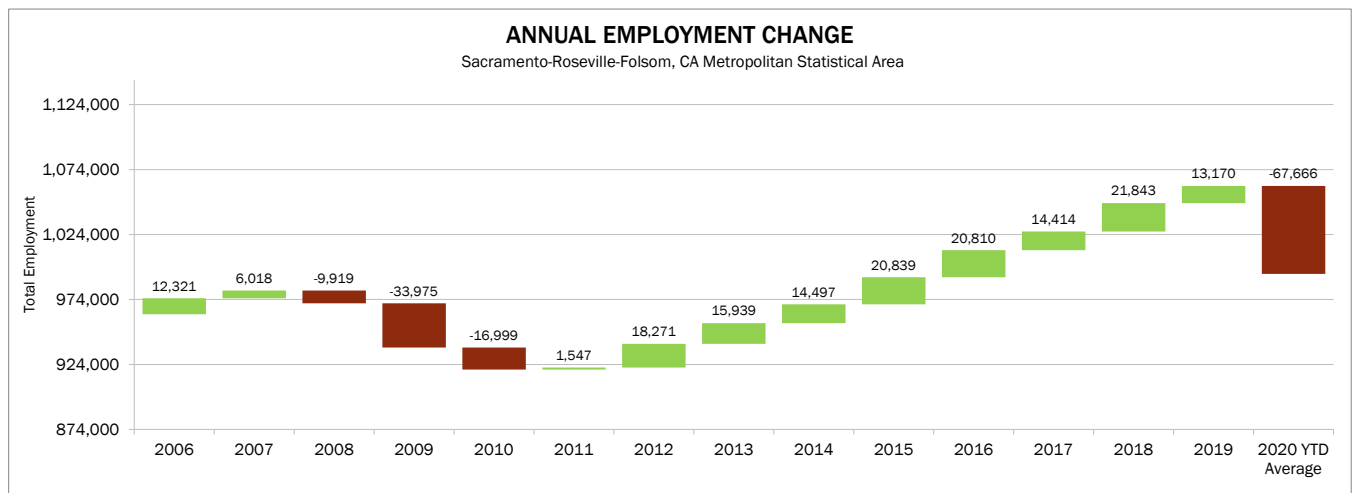
Source: U.S. Bureau of Labor Statistics, March 2021

\*2020 data is through December

As seen in the previous table, the MSA recovered all employment lost during the Great Recession by 2015, with employment growth continuing through year-end 2019. The majority of employment markets nationally have exhibited decreasing employment in 2020 due to the onset of the COVID-19 pandemic in spring 2020. For the 12-month period ending in December 2020 the MSA exhibited a 5.5 percent decrease in total employment, which compares to a 5.6 percent decrease in national employment for the same period of analysis.

The unemployment rate in the MSA was 7.9 percent as of December 2020, which compares to a national unemployment rate of 6.5 percent. The unemployment rate in the MSA increased 4.7 percentage points between December 2019 and December 2020, compared to a 3.1 percentage point increase nationally. Based upon the historical performance of the MSA leading up to the current recession, we believe that the MSA will likely recover at a rate similar to the nation. While the timing of the end of the pandemic and resulting economic turmoil remains uncertain, we believe with the release of vaccinations in late 2020, with deployment of these vaccines to accelerate in 2021, that the recovery will commence later in 2021.

The following graphs illustrate the unemployment trends and changes in employment levels in the MSA.



Nationwide, states are in various phases of re-opening. The State of California initially commenced reopening of specific economic sectors in June 2020. Sacramento County and the state of California have reopened and currently allow most businesses to remain open with certain guidelines.

### Employment Trends in Relation of the Subject

Total employment levels increased substantially in the MSA from 2011 through year-end 2019. Similar to the nation, the MSA has exhibited decreasing employment in 2020 due to the pandemic-induced recession. The most prevalent type of employment in the area is in the healthcare/social assistance, public administration, and educational services industries. The Subject has a similar location in terms of access to employment when compared to other affordable housing developments in the PMA.

### Wages by Occupation

The following table details the wages by occupation for the second quarter 2019 for the Sacramento-Roseville-Folsom California MSA, which is the most recent available.

#### SACRAMENTO-ROSEVILLE-FOLSOM, CA METROPOLITAN STATISTICAL AREA - 2ND QTR 2019 AREA WAGE ESTIMATES

Occupation	Number of Employees	Mean Hourly Wage	Mean Annual Wage
<b>All Occupations</b>	<b>1,013,730</b>	<b>\$28.07</b>	<b>\$58,390</b>
Management Occupations	57,820	\$57.36	\$119,310
Business and Financial Operations Occupations	81,380	\$37.25	\$77,480
Computer and Mathematical Occupations	33,970	\$46.25	\$96,190
Architecture and Engineering Occupations	17,850	\$48.12	\$100,080
Life, Physical, and Social Science Occupations	15,540	\$37.81	\$78,650
Community and Social Service Occupations	19,270	\$28.46	\$59,190
Legal Occupations	9,010	\$56.32	\$117,150
Educational Instruction and Library Occupations	60,420	\$30.77	\$64,000
Arts, Design, Entertainment, Sports, and Media Occupations	11,810	\$29.14	\$60,610
Healthcare Practitioners and Technical Occupations	51,160	\$52.60	\$109,410
Healthcare Support Occupations	58,160	\$16.04	\$33,370
Protective Service Occupations	24,480	\$29.28	\$60,900
Food Preparation and Serving Related Occupations	91,100	\$13.83	\$28,770
Building and Grounds Cleaning and Maintenance Occupations	31,670	\$17.23	\$35,830
Personal Care and Service Occupations	25,370	\$15.74	\$32,740
Sales and Related Occupations	91,670	\$21.32	\$44,350
Office and Administrative Support Occupations	135,700	\$21.28	\$44,270
Farming, Fishing, and Forestry Occupations	4,250	\$14.49	\$30,150
Construction and Extraction Occupations	52,640	\$27.90	\$58,030
Installation, Maintenance, and Repair Occupations	33,320	\$26.24	\$54,580
Production Occupations	30,920	\$20.52	\$42,670
Transportation and Material Moving Occupations	76,230	\$18.12	\$37,680

Source: Department Of Labor, Occupational Employment Statistics, 5/2019, retrieved 3/2021

The table above shows the average hourly and annual wages by occupation classification. The classification with the lowest average hourly wage is food preparation and serving related occupations at \$13.83 per hour. The highest average hourly wage, of \$57.36, is for those in management occupations. Qualifying incomes for the Subject's affordable units will range between \$14,580 to \$80,160. This encompasses a significant amount of the employment based on wages in the area. An element not reflected in the data is that many positions represent part-time employment, and starting rates are typically lower than mean wage rates. We expect that part-time employment and entry-level positions will be common amongst the Subject's tenant base.

## Commuting Patterns

The following table shows the travel time to work for the PMA according to ESRI data.

COMMUTING PATTERNS		
ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	1,099	1.4%
Travel Time 5-9 min	4,783	6.2%
Travel Time 10-14 min	7,267	9.4%
Travel Time 15-19 min	9,309	12.1%
Travel Time 20-24 min	9,742	12.6%
Travel Time 25-29 min	5,761	7.5%
Travel Time 30-34 min	14,114	18.3%
Travel Time 35-39 min	3,269	4.2%
Travel Time 40-44 min	4,669	6.1%
Travel Time 45-59 min	9,815	12.7%
Travel Time 60-89 min	4,240	5.5%
Travel Time 90+ min	2,951	3.8%
<b>Weighted Average</b>	<b>33 minutes</b>	

Source: US Census 2020, Novogradac Consulting LLP, March 2021

As shown in the preceding table, only 42 percent of PMA commuters travel under 24 minutes, indicating many households work outside of the PMA, likely in nearby downtown Sacramento and other regional employment centers. The average commute time across the overall nation is approximately 28 minutes.

## Conclusion

The technology, education, healthcare, government, and retail trade industries are all represented among the major employers in the city of Elk Grove. Overall, the variety of industries represented among the major employers in the city of Elk Grove indicates that the economy in the area is diverse. The Subject's location allows tenants to commute to a variety of larger economic hubs that provide employment opportunities of various skill levels. Employment opportunities are numerous at various skill levels. The MSA surpassed its pre-recessionary employment in 2015, one year after the nation. For the 12-month period ending in December 2020 the MSA exhibited a 5.5 percent decrease in total employment, which compares to a 5.6 percent decrease in national employment for the same period of analysis. Based upon the historical performance of the MSA leading up to the current recession, we believe that the MSA will likely recover at a rate similar to the nation. While the timing of the end of the pandemic and resulting economic turmoil remains uncertain, we believe with the release of vaccinations in late 2020, with deployment of these vaccines to accelerate in 2021, that the recovery will commence later in 2021.

## **V. DEMOGRAPHIC ANALYSIS**

## DEMOGRAPHIC ANALYSIS

In this section, we compare population, household, and income trends in the PMA and the Sacramento-Roseville-Folsom, California Metropolitan Statistical Area (MSA) for the general population. ESRI Business Systems and HISTA Ribbon Demographics, national proprietary data providers, provide all information to us. It should be noted that current year 2021 data is not available from ESRI as of the effective date of this report. As such, 2020 data has been illustrated.

According to the developer, the estimated date of market entry for the Subject will be March 2023. All estimates have been projected to that date. The data is presented for both the PMA and the MSA in which the project is located.

## POPULATION TRENDS

### Total Population

The following table illustrates total population in the PMA, MSA, and nation from 2000 through 2025, including the projected population at the time of market entry.

Year	POPULATION					
	PMA		MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	94,237	-	1,795,766	-	280,304,282	-
2010	169,772	8.0%	2,149,127	2.0%	308,745,538	1.0%
2020	190,762	1.2%	2,364,919	1.0%	333,793,107	0.8%
Proj. Mkt Entry	194,799	0.8%	2,421,604	0.9%	340,314,800	0.7%
2025	198,332	0.8%	2,471,204	0.9%	346,021,282	0.7%

Source: Esri Demographics 2020, Novogradac Consulting LLP, March 2021

Population within the PMA increased significantly from 2000 to 2010, compared to an increase of 2.0 percent in the MSA and 1.0 percent in the nation as a whole. Between 2010 and 2020, the population in the PMA increased approximately 1.2 percent annually, which is a slightly faster rate when compared to the MSA and the nation as a whole. The population is forecasted to continue to increase similar to the MSA and nation, through the date of market entry and 2025 at a rate of 0.8 percent annually.

### Population by Age Group

The following tables illustrate population by age group in the PMA and MSA from 2000 through 2025. This includes the projected population at the time of market entry.

#### POPULATION BY AGE GROUP

Age Cohort	PMA				
	2000	2010	2020	Projected Mkt Entry	2025
0-4	8,448	12,629	13,049	13,594	14,070
5-9	8,912	14,105	13,770	13,975	14,154
10-14	8,403	15,317	14,020	14,182	14,323
15-19	7,057	14,669	12,675	12,541	12,423
20-24	4,355	10,178	11,715	10,769	9,942
25-29	6,089	10,428	15,807	14,768	13,859
30-34	8,452	11,291	15,134	17,796	20,126
35-39	10,073	13,065	13,636	15,774	17,644
40-44	8,993	13,544	12,214	12,882	13,466
45-49	6,872	13,575	12,517	11,786	11,146
50-54	5,318	11,773	12,270	11,566	10,950
55-59	3,250	9,067	12,230	11,353	10,586
60-64	2,411	6,943	10,185	10,351	10,497
65-69	1,913	4,448	7,713	8,237	8,696
70-74	1,403	3,260	5,719	6,162	6,550
75-79	1,083	2,382	3,548	4,173	4,719
80-84	669	1,628	2,333	2,522	2,688
85+	535	1,470	2,225	2,369	2,495
<b>Total</b>	<b>94,236</b>	<b>169,772</b>	<b>190,760</b>	<b>194,799</b>	<b>198,334</b>

Source: Esri Demographics 2020, Novogradac Consulting LLP, March 2021

#### POPULATION BY AGE GROUP

Age Cohort	MSA				
	2000	2010	2020	Projected Mkt Entry	2025
0-4	124,597	144,004	146,427	151,017	155,033
5-9	141,433	145,077	150,648	153,151	155,342
10-14	139,781	150,005	152,825	155,436	157,720
15-19	133,683	161,818	150,881	153,018	154,888
20-24	121,004	155,987	161,072	156,971	153,383
25-29	119,604	151,305	181,752	174,151	167,501
30-34	128,847	139,926	169,239	181,823	192,834
35-39	146,918	138,886	158,464	170,171	180,415
40-44	146,548	144,630	142,568	153,059	162,238
45-49	131,790	157,344	141,955	142,141	142,304
50-54	113,555	153,707	143,651	139,903	136,624
55-59	80,541	134,643	152,137	144,206	137,267
60-64	64,051	113,387	144,004	144,159	144,294
65-69	56,601	79,167	123,130	129,531	135,132
70-74	50,675	59,125	96,775	104,952	112,107
75-79	44,502	47,488	62,887	74,723	85,080
80-84	28,632	36,219	41,357	46,284	50,595
85+	22,978	36,409	45,147	46,907	48,447
<b>Total</b>	<b>1,795,740</b>	<b>2,149,127</b>	<b>2,364,919</b>	<b>2,421,604</b>	<b>2,471,204</b>

Source: Esri Demographics 2020, Novogradac Consulting LLP, March 2021



## HOUSEHOLD TRENDS

### Total Number of Households

The following table illustrates the total number of households in the PMA, MSA, and nation.

Year	PMA		MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	30,340	-	665,130	-	105,081,032	-
2010	52,622	7.3%	787,700	1.8%	116,716,293	1.1%
2020	58,877	1.2%	858,043	0.9%	126,083,847	0.8%
Proj Mkt Entry	59,938	0.7%	877,134	0.8%	128,523,657	0.7%
2025	60,867	0.7%	893,839	0.8%	130,658,491	0.7%

Source: Esri Demographics 2020, Novogradac Consulting LLP, March 2021

Within the PMA, the number of households increased 7.3 percent annually from 2000 to 2010, compared to a 1.8 percent and 1.1 percent increase in both the MSA and the nation as a whole, respectively. The number of households increased at an annual rate of 1.2 percent between 2010 and 2020, which is slightly higher compared to that of the MSA and that of the nation as a whole. At the time of market entry, there are projected to be 59,938 households in the PMA, which represents a 0.7 percent annual increase from 2020. The number of households is forecast to continue increasing through 2025, when the PMA is projected to contain 60,867 households. Within the MSA, it is estimated that the total number of households will be 877,134 at the time of market entry. Households within the MSA are expected to increase at a slightly faster annual rate compared to the PMA through 2025.

### Household by Tenure

The following table illustrates total households by tenure for the general population in the PMA and the MSA.

Year	TENURE PATTERNS - TOTAL POPULATION							
	PMA				Sacramento-Roseville-Folsom, CA Metropolitan Statistical Area			
	Owner-Occupied Units		Renter-Occupied Units		Owner-Occupied Units		Renter-Occupied Units	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
2000	24,963	82.3%	5,377	17.7%	407,288	61.2%	257,842	38.8%
2010	38,192	72.6%	14,430	27.4%	478,525	60.7%	309,175	39.3%
2020	43,064	73.1%	15,813	26.9%	526,928	61.4%	331,115	38.6%
Projected Mkt Entry	44,007	73.4%	15,931	26.6%	540,889	61.7%	336,245	38.3%
2025	44,833	73.7%	16,034	26.3%	553,105	61.9%	340,734	38.1%

Source: Esri Demographics 2020, Novogradac Consulting LLP, March 2021

As indicated in the table above, the percentage of renter-occupied housing units within the PMA in 2020 was 26.9 percent of total households, which is lower than the MSA at 38.6 percent. Within the PMA, the total number of renter-occupied households is projected to increase through market entry and 2025, while decreasing slightly as a percentage of total households.

### Average Household Size

The following table illustrates average household size.

AVERAGE HOUSEHOLD SIZE						
Year	PMA		MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	3.07	-	2.64	-	2.59	-
2010	3.20	0.4%	2.68	0.1%	2.57	-0.1%
2020	3.21	0.0%	2.71	0.1%	2.58	0.0%
Proj. Mkt Entry	3.22	0.1%	2.72	0.1%	2.58	0.0%
2025	3.23	0.1%	2.72	0.1%	2.59	0.0%

Source: Esri Demographics 2020, Novogradac Consulting LLP, March 2021

As illustrated in the table above, average household size within the PMA increased from 2000 to 2010 at a rate of 0.4 percent annually and remained stable from 2010 through 2020. The average household size within the PMA is projected to increase slightly through the date of market entry and 2025. Additionally, the average household size within the MSA is projected to increase slightly through the date of market entry and 2025.

### Renter Households by Number of Persons in the Household

The following tables show household size by renter tenure.

RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA						
Household Size	2020		Projected Mkt Entry		2025	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
1 Person	3,366	21.3%	3,381	21.2%	3,395	21.2%
2 Persons	3,095	19.6%	3,060	19.2%	3,029	18.9%
3 Persons	2,888	18.3%	2,884	18.1%	2,881	18.0%
4 Persons	2,611	16.5%	2,607	16.4%	2,604	16.2%
5+ Persons	3,853	24.4%	3,998	25.1%	4,125	25.7%
Total Households	<b>15,813</b>	<b>100%</b>	<b>15,931</b>	<b>100%</b>	<b>16,034</b>	<b>100%</b>

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, March 2021

The Subject will primarily accommodate households with one to six persons. In the PMA, five-plus and one-person renter households represent the largest groups of renter households in 2020, with 24.4 and 21.3 percent of renter households, respectively. Given the Subject will offer one, two and three-bedroom units, the Subject will be able to accommodate the vast majority of the renter households, based on size, within the PMA.

## INCOME TRENDS

### Household Income Distribution

The following tables illustrate the change in household income distribution of the general population from 2020 through 2025 for the PMA and MSA.

#### HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2020		Projected Mkt Entry		2025	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,711	2.9%	1,628	2.7%	1,556	2.6%
\$10,000-19,999	2,749	4.7%	2,533	4.2%	2,344	3.9%
\$20,000-29,999	3,054	5.2%	2,911	4.9%	2,785	4.6%
\$30,000-39,999	3,195	5.4%	3,003	5.0%	2,835	4.7%
\$40,000-49,999	2,965	5.0%	2,936	4.9%	2,911	4.8%
\$50,000-59,999	3,376	5.7%	3,087	5.2%	2,834	4.7%
\$60,000-74,999	5,594	9.5%	5,255	8.8%	4,958	8.1%
\$75,000-99,999	8,418	14.3%	8,221	13.7%	8,048	13.2%
\$100,000-124,999	7,195	12.2%	7,189	12.0%	7,184	11.8%
\$125,000-149,999	5,839	9.9%	6,025	10.1%	6,188	10.2%
\$150,000-199,999	7,174	12.2%	7,690	12.8%	8,142	13.4%
\$200,000+	7,607	12.9%	9,460	15.8%	11,082	18.2%
<b>Total</b>	<b>58,877</b>	<b>100.0%</b>	<b>59,938</b>	<b>100.0%</b>	<b>60,867</b>	<b>100.0%</b>

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, March 2021

#### HOUSEHOLD INCOME DISTRIBUTION - MSA

Income Cohort	2020		Projected Mkt Entry		2025	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	41,263	4.8%	39,626	4.5%	38,193	4.3%
\$10,000-19,999	64,903	7.6%	60,802	6.9%	57,214	6.4%
\$20,000-29,999	64,333	7.5%	62,160	7.1%	60,258	6.7%
\$30,000-39,999	60,157	7.0%	58,193	6.6%	56,475	6.3%
\$40,000-49,999	60,495	7.1%	57,985	6.6%	55,789	6.2%
\$50,000-59,999	58,425	6.8%	57,125	6.5%	55,987	6.3%
\$60,000-74,999	81,751	9.5%	80,272	9.2%	78,977	8.8%
\$75,000-99,999	107,371	12.5%	108,664	12.4%	109,795	12.3%
\$100,000-124,999	87,262	10.2%	88,947	10.1%	90,422	10.1%
\$125,000-149,999	65,991	7.7%	70,034	8.0%	73,571	8.2%
\$150,000-199,999	74,420	8.7%	82,073	9.4%	88,770	9.9%
\$200,000+	91,672	10.7%	111,254	12.7%	128,388	14.4%
<b>Total</b>	<b>858,043</b>	<b>100.0%</b>	<b>877,134</b>	<b>100.0%</b>	<b>893,839</b>	<b>100.0%</b>

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, March 2021

As demonstrated by the tables, in 2020 approximately 38.4 percent of the population in the PMA earned less than \$75,000 annually, compared to 50.3 percent in the MSA.

### Renter Household Income Distribution

The following tables illustrate the overall household income distribution adjusted for tenure.

#### RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2020		Projected Mkt Entry March 2023		2025	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	716	4.5%	683	4.3%	654	4.1%
\$10,000-19,999	1,523	9.6%	1,406	8.8%	1,303	8.1%
\$20,000-29,999	1,442	9.1%	1,363	8.6%	1,294	8.1%
\$30,000-39,999	1,543	9.8%	1,477	9.3%	1,420	8.9%
\$40,000-49,999	1,112	7.0%	1,134	7.1%	1,154	7.2%
\$50,000-59,999	1,207	7.6%	1,093	6.9%	994	6.2%
\$60,000-74,999	1,572	9.9%	1,491	9.4%	1,420	8.9%
\$75,000-99,999	2,220	14.0%	2,231	14.0%	2,240	14.0%
\$100,000-124,999	1,495	9.5%	1,584	9.9%	1,661	10.4%
\$125,000-149,999	1,066	6.7%	1,162	7.3%	1,246	7.8%
\$150,000-199,999	1,231	7.8%	1,415	8.9%	1,576	9.8%
\$200,000+	686	4.3%	892	5.6%	1,072	6.7%
<b>Total</b>	<b>15,813</b>	<b>100.0%</b>	<b>15,931</b>	<b>100.0%</b>	<b>16,034</b>	<b>100.0%</b>

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, March 2021

#### RENTER HOUSEHOLD INCOME DISTRIBUTION - MSA

Income Cohort	2020		Projected Mkt Entry March 2023		2025	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	26,921	8.1%	25,859	7.7%	24,929	7.3%
\$10,000-19,999	42,678	12.9%	40,079	11.9%	37,804	11.1%
\$20,000-29,999	37,170	11.2%	35,984	10.7%	34,946	10.3%
\$30,000-39,999	32,995	10.0%	31,909	9.5%	30,959	9.1%
\$40,000-49,999	30,020	9.1%	29,155	8.7%	28,398	8.3%
\$50,000-59,999	26,787	8.1%	26,601	7.9%	26,438	7.8%
\$60,000-74,999	32,849	9.9%	32,972	9.8%	33,080	9.7%
\$75,000-99,999	35,429	10.7%	37,228	11.1%	38,803	11.4%
\$100,000-124,999	23,583	7.1%	25,180	7.5%	26,577	7.8%
\$125,000-149,999	14,906	4.5%	16,851	5.0%	18,553	5.4%
\$150,000-199,999	14,665	4.4%	17,448	5.2%	19,884	5.8%
\$200,000+	13,112	4.0%	16,979	5.0%	20,363	6.0%
<b>Total</b>	<b>331,115</b>	<b>100.0%</b>	<b>336,245</b>	<b>100.0%</b>	<b>340,734</b>	<b>100.0%</b>

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, March 2021

The largest income cohort among renter households in the PMA as of 2020 is the \$75,000 to \$99,999 cohort, followed by the \$60,000 to \$74,999 cohort and the \$30,000 to \$39,999 cohort. Approximately 57.5 percent of renter households earn less than \$75,000 annually and 40.1 percent of renter households earn less than \$50,000 annually in the PMA.

### Renter Household Income Distribution by Household Size

The tables on the following pages illustrate renter household income distribution by household size within the PMA and MSA for 2020, 2025, and market entry.

#### RENTER HOUSEHOLD INCOME BY HOUSEHOLD SIZE

Income Cohort	PMA 2020				
	1	2	3	4	5+
\$0-9,999	223	110	102	130	151
\$10,000-19,999	751	240	177	186	169
\$20,000-29,999	330	436	261	192	223
\$30,000-39,999	453	266	297	241	286
\$40,000-49,999	239	317	172	212	172
\$50,000-59,999	206	258	195	211	337
\$60,000-74,999	223	326	496	225	302
\$75,000-99,999	273	402	396	432	717
\$100,000-124,999	311	207	286	238	453
\$125,000-149,999	101	134	260	153	418
\$150,000-199,999	135	201	197	227	471
\$200,000+	121	198	49	164	154
<b>Total</b>	<b>3,366</b>	<b>3,095</b>	<b>2,888</b>	<b>2,611</b>	<b>3,853</b>
Income Cohort	PMA Projected Mkt Entry				
	1	2	3	4	5+
\$0-9,999	213	107	97	122	143
\$10,000-19,999	697	227	160	165	157
\$20,000-29,999	319	416	224	189	216
\$30,000-39,999	455	254	271	216	281
\$40,000-49,999	255	300	178	205	197
\$50,000-59,999	191	238	175	186	303
\$60,000-74,999	216	289	470	211	305
\$75,000-99,999	278	413	410	427	703
\$100,000-124,999	323	215	297	244	504
\$125,000-149,999	110	141	284	187	440
\$150,000-199,999	155	224	235	255	546
\$200,000+	171	235	82	201	204
<b>Total</b>	<b>3,381</b>	<b>3,060</b>	<b>2,884</b>	<b>2,607</b>	<b>3,998</b>
Income Cohort	PMA 2025				
	1	2	3	4	5+
\$0-9,999	205	105	93	115	136
\$10,000-19,999	649	215	146	146	147
\$20,000-29,999	309	399	191	186	209
\$30,000-39,999	457	243	249	194	277
\$40,000-49,999	269	286	183	198	218
\$50,000-59,999	177	221	158	164	274
\$60,000-74,999	209	257	447	199	308
\$75,000-99,999	282	423	423	422	690
\$100,000-124,999	334	222	306	250	549
\$125,000-149,999	118	147	305	217	459
\$150,000-199,999	172	244	269	280	611
\$200,000+	214	267	111	233	247
<b>Total</b>	<b>3,395</b>	<b>3,029</b>	<b>2,881</b>	<b>2,604</b>	<b>4,125</b>

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, March 2021

**RENTER HOUSEHOLD INCOME BY HOUSEHOLD SIZE**

<b>MSA 2020</b>						
<b>Income Cohort</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5+</b>	
\$0-9,999	12,946	5,948	3,156	2,478	2,393	
\$10,000-19,999	22,146	8,441	4,477	3,351	4,263	
\$20,000-29,999	13,806	8,813	5,594	4,362	4,595	
\$30,000-39,999	10,638	8,151	5,499	3,794	4,913	
\$40,000-49,999	9,703	7,827	5,124	3,103	4,263	
\$50,000-59,999	7,439	8,163	3,962	3,324	3,899	
\$60,000-74,999	9,361	8,171	6,587	4,073	4,657	
\$75,000-99,999	8,122	9,812	6,309	5,080	6,106	
\$100,000-124,999	5,714	6,665	4,605	2,956	3,643	
\$125,000-149,999	3,421	4,043	2,632	2,458	2,352	
\$150,000-199,999	3,444	3,770	2,913	2,153	2,385	
\$200,000+	4,023	3,117	2,058	2,102	1,812	
<b>Total</b>	<b>110,763</b>	<b>82,921</b>	<b>52,916</b>	<b>39,234</b>	<b>45,281</b>	

<b>MSA Projected Mkt Entry</b>						
<b>Income Cohort</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5+</b>	
\$0-9,999	12,515	5,647	3,005	2,373	2,319	
\$10,000-19,999	21,032	7,883	4,171	3,068	3,925	
\$20,000-29,999	13,687	8,406	5,321	4,166	4,404	
\$30,000-39,999	10,516	7,843	5,206	3,644	4,701	
\$40,000-49,999	9,483	7,501	4,959	3,022	4,190	
\$50,000-59,999	7,582	7,935	3,927	3,328	3,829	
\$60,000-74,999	9,479	8,029	6,630	4,085	4,750	
\$75,000-99,999	8,719	10,141	6,616	5,278	6,474	
\$100,000-124,999	6,117	6,975	4,890	3,169	4,028	
\$125,000-149,999	3,956	4,474	2,950	2,821	2,650	
\$150,000-199,999	4,272	4,447	3,442	2,443	2,844	
\$200,000+	5,342	4,006	2,629	2,618	2,385	
<b>Total</b>	<b>112,700</b>	<b>83,286</b>	<b>53,744</b>	<b>40,016</b>	<b>46,499</b>	

<b>MSA 2025</b>						
<b>Income Cohort</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5+</b>	
\$0-9,999	12,137	5,384	2,872	2,282	2,254	
\$10,000-19,999	20,057	7,394	3,903	2,820	3,630	
\$20,000-29,999	13,583	8,050	5,082	3,994	4,237	
\$30,000-39,999	10,409	7,573	4,949	3,513	4,515	
\$40,000-49,999	9,290	7,216	4,814	2,951	4,127	
\$50,000-59,999	7,707	7,736	3,896	3,332	3,767	
\$60,000-74,999	9,582	7,904	6,667	4,095	4,832	
\$75,000-99,999	9,242	10,429	6,885	5,451	6,796	
\$100,000-124,999	6,470	7,247	5,140	3,356	4,364	
\$125,000-149,999	4,425	4,851	3,228	3,139	2,910	
\$150,000-199,999	4,997	5,039	3,905	2,697	3,246	
\$200,000+	6,496	4,783	3,128	3,070	2,886	
<b>Total</b>	<b>114,395</b>	<b>83,606</b>	<b>54,469</b>	<b>40,700</b>	<b>47,564</b>	

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, March 2021

**Conclusion**

Within the PMA, projected increases in total population and households bode well for demand for the Subject. Further, 26.9 percent of households in the PMA are renter households. Overall, with 57.6 percent of renter households in the PMA earning less than \$75,000 annually, the Subject will be well-positioned to compete in the area.

## **VI. DEMAND ESTIMATE**

## DEMAND ESTIMATE

Our estimate of demand will be based on current households and the projected household growth. We will assume that lower income households will pay up to 40 percent of household income for their gross rent. Demand will be calculated for each proposed rent level and each bedroom size. Income qualified households will not be double counted.

The results provide an indication of the total number of households that are age and income qualified and currently renters. This analysis includes several assumptions that are necessary because more detailed demographic data is not available. These assumptions include: (1) an even distribution of the number of households within each census income range; (2) an even distribution of the number of households across the household size spectrum; and (3) that the number of persons per unit will be distributed as illustrated on the bedroom *Demand Estimate*.

### DEMAND FROM EXISTING HOUSEHOLDS

We estimated demand from existing households for each bedroom size and each AMI level for the Subject development. In order to avoid double counting of income-qualified households, we also estimated demand by combining the households at each AMI level to eliminate overlapping income cohorts. A description of the steps involved in the estimate of demand is detailed below.

#### Number of Existing Households for the Current Year

As noted in the Population and Household Trends Section of this report, the total number of households in the primary market area is 58,877 in 2020. This is a beginning point for analysis.

#### -Number of Renters

Information provided to us by ESRI and Ribbon Demographics indicates that in 2020, of the 58,877 housing units, 15,813 are renter households and 43,064 are owner-occupied households. Renter households therefore make up 26.9 percent of the occupied housing units. We will multiply this percentage by the total households noted above.

#### Number of Income Qualified Renter Households

The Subject represents 148 affordable LIHTC units. LIHTC maximum rent and income limits are based on the area median gross income (AMI), adjusted for household size, for the Subject location. HUD estimates the relevant income levels, with annual updates. The rents are calculated by HUD assuming that the gross rent a household pays is 30 percent of its household income at the relevant AMI level (30, 50, 60 and 80 percent AMI for the Subject). HUD assumes household size to be 1.5 persons per bedroom for LIHTC rent calculation purposes.

If the tenant pays utilities in addition to the rent, the rent is reduced by a utility allowance, which is generally estimated by the local Housing Authority. In this case, the Subject's utilities are based on a property-specific calculation.

By multiplying the total number of renter households by the percentage of income eligible households, we can estimate the number of income eligible renter households in the local market area. This analysis assumes an even distribution of the number of households within each census income range, since more detailed data is not available.



### Setting the Minimum and Maximum Eligible Income Ranges

The calculations to establish the number of income eligible potential tenants for the Subject are as follows:

First, we estimate the Subject minimum and maximum income levels for the proposed affordable units. HUD determines maximum income guidelines for tax credit properties based on the area median income. Minimum income levels were calculated based on the assumption that lower income individuals should pay no more than 40 percent of their income to gross rent. Often, lower income individuals pay a higher percentage of income to rent due to their income level. Although higher income households generally spend a smaller portion of their income on rent, the area is not dominated by high incomes.

Secondly, we illustrate the household population segregated by income band to determine those who are income qualified to reside in the Subject property.

Third, we combine the allowable income range with the income distribution analysis to determine the number of potential income qualified households. In some cases, the LIHTC income eligible band overlaps with more than one census income range. In those cases, the prorated share of more than one census range will be calculated. This provides an estimate of the total number of households and the percentage of households that are income eligible.

The developer has proposed affordable rents at the development to be set at the 30, 50, 60 and 80 percent AMI levels, calculated in accordance with HUD and LIHTC guidelines. HUD establishes the maximum income level for the Subject based on household size. For demand calculation purposes, we will assume 2.0 persons per bedroom when establishing maximum income eligibility. The regulations promulgated by TCAC indicate that the minimum income level scenario should assume that a household is not paying more than 40 percent of its income on housing, using the developer's lowest priced unit's proposed rent. The maximum and minimum eligible household income limits for the Subject's LIHTC units is as follows.

#### FAMILY INCOME LIMITS

Unit Type	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
	Allowable	Allowable	Allowable	Allowable	Allowable	Allowable	Allowable	Allowable
	Income	Income	Income	Income	Income	Income	Income	Income
	@30%		@50%		@60%		@80%	
1BR	\$14,580	\$20,730	\$24,300	\$34,550	\$29,160	\$41,460	\$38,880	\$55,280
2BR	\$17,460	\$25,890	\$29,130	\$43,150	\$34,950	\$51,780	\$46,620	\$69,040
3BR	\$20,190	\$30,060	\$33,660	\$50,100	\$40,410	\$60,120	\$53,880	\$80,160

The number of eligible households by income cohort is illustrated in the following table. As previously stated, this assumes an even distribution of persons within each Census income range.

#### FAMILY INCOME DISTRIBUTION 2020

Income Cohort	Total Renter Households	@30%			@50%			@60%			@80%			All Units		
		cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort
\$0-9,999	716															
\$10,000-19,999	1,523	5,418	54.2%	825												
\$20,000-29,999	1,442	9,999	100.0%	1,442	5,698	57.0%	822	838	8.4%	121				9,999	100.0%	1,442
\$30,000-39,999	1,543	61	0.6%	9	9,999	100.0%	1,543	9,999	100.0%	1,543	1,118	11.2%	173	9,999	100.0%	1,543
\$40,000-49,999	1,112				9,999	100.0%	1,112	9,999	100.0%	1,112	9,999	100.0%	1,112	9,999	100.0%	1,112
\$50,000-59,999	1,207				101	1.0%	12	9,999	100.0%	1,207	9,999	100.0%	1,207	9,999	100.0%	1,207
\$60,000-74,999	1,572							121	0.8%	13	14,999	100.0%	1,572	14,999	100.0%	1,572
\$75,000-99,999	2,220										5,161	20.6%	458	5,161	20.6%	458
\$100,000-124,999	1,495															
\$125,000-149,999	1,066															
\$150,000-199,999	1,231															
\$200,000+	686															
<b>Total</b>	<b>15,813</b>		<b>14.4%</b>	<b>2,277</b>		<b>22.1%</b>	<b>3,489</b>		<b>25.3%</b>	<b>3,996</b>		<b>28.6%</b>	<b>4,522</b>		<b>51.6%</b>	<b>8,160</b>

Based on this analysis, using 2020 income and demographic data, approximately 14.4 percent of renter households will income-qualify at the 30 percent AMI level, 22.1 percent at the 50 percent AMI level, 25.3 percent at the 60 percent AMI level, and 28.6 percent at the 80 percent AMI level. Overall, 51.6 percent of renter households in the PMA are income eligible to reside at the Subject. We will apply the percentages to the year 2020 calculations of the number of renter households that are income eligible at each AMI level.

### Rent Overburdened

There are numerous sources of information regarding turnover rate, or the percent of persons who move in a year. The most reliable source is that of the market participants in the Subject's market area. As discussed in the *Competitive Rental Market* section, we interviewed comparable properties on the turnover rate experienced on an annual basis. Reported turnover ranged from 15 to 25 percent, with an average of 20 percent. Additionally, according to 2014-2018 American Community Survey information, approximately 44.8 percent of renter households pay more than 35 percent of income to rent within the Subject's PMA and are therefore considered rent overburdened. As a result, we utilize a 25 percent turnover rate for the area. This rate considers both sources of potential turnover for the Subject.

### Number of Appropriate Sized Households

In order to determine the number of appropriate sized households at each bedroom type, first we analyzed the number of persons in each household by renter tenure, as detailed on the following table.

<b>PMA RENTER HOUSEHOLD SIZE DISTRIBUTION</b>		
<b>2020</b>		
<i>Household Size</i>	<i>Total Households</i>	<i>Percent</i>
1 persons	3,366	21.3%
2 persons	3,095	19.6%
3 persons	2,888	18.3%
4 persons	2,611	16.5%
5+ persons	3,853	24.4%
<b>Total</b>	<b>15,813</b>	<b>100.0%</b>

Second, we made assumptions based on the average household size in the market; to estimate the distribution of households by unit type. Following are these assumptions.

<b>HOUSEHOLD DISTRIBUTION</b>		
<b>1 BR</b>	80%	Of one-person households in 1BR units
	20%	Of one-person households in 2BR units
<b>2 BR</b>	100%	Of two-person households in 2BR units
	100%	Of three-person households in 2BR units
	10%	Of four-person households in 2BR units
<b>3 BR</b>	90%	Of four-person households in 3BR units
	100%	Of five-person households in 3BR units

Third, we multiplied the percentage of renter households at each household size by the distribution of those households within each bedroom type. The sum of these percentages is the appropriate percentage of renter households for each bedroom type.

Appropriate Sized Renter Households						
One-Bedroom Unit		21.3%	*	80.0%	=	17.0%
	=					<b>17.0%</b>
Two-Bedroom Unit		21.3%	*	20.0%	=	4.3%
	+	19.6%	*	100.0%	=	19.6%
	+	18.3%	*	100.0%	=	18.3%
	+	16.5%	*	10.0%	=	1.7%
	=					<b>43.7%</b>
Three-Bedroom Unit	+	16.5%	*	90.0%	=	14.9%
	+	24.4%	*	100.0%	=	24.4%
	=					<b>39.2%</b>
Total						<b>100.0%</b>

## ANNUAL DEMAND FROM NEW HOUSEHOLDS

### New Renter Households at Market Entry

According to ESRI, 2020 Estimates and Projections, the number of renter households in the PMA will increase from 15,813 to 15,931 between 2020 and the date of market entry, which is an increase of 118 households.

### Estimate the Annual Renter Household Growth

According to ESRI, 2020 Estimates and Projections, the number of renter households in the PMA will increase from 15,813 to 16,034 households between 2020 and 2025, averaging an increase of 44 renter households annually.

### Number of Income – Qualified Renter Households

We have already estimated this in the prior section to be approximately 14.4 percent of renter households will income-qualify at the 30 percent AMI level, 22.1 percent at the 50 percent AMI level, 25.3 percent at the 60 percent AMI level, and 28.6 percent at the 80 percent AMI level. Overall, 51.6 percent of renter households in the PMA are income eligible to reside at the Subject. We will apply the percentages to the year 2020 calculations of the number of renter households that are income eligible at each AMI level.

### Number of Appropriate Sized Households

We have already estimated this in the prior section; we will apply these same percentages here.

## TOTAL DEMAND FROM EXISTING AND NEW RENTER HOUSEHOLDS

The steps have been detailed and all inputs have been determined in order to calculate the annual demand from existing rental households at each AMI level and bedroom type. Our calculations and conclusions are as follows:

**30 Percent AMI Level**

Demand for Units at 30% AMI Level					
Number of Existing Households for the Current Year					58,877
Number of Existing Renter Households for the Current Year					15,813
Number of Income Qualified Renter Households	15,813	*	14.4%	=	2,277
Movership or Turnover Rate	2,277	*	25.0%	=	569
Number of Appropriate Sized Renter Households					
One-Bedroom Unit	569	*	17.0%		97
Two-Bedroom Unit	569	*	43.7%		249
Three-Bedroom Unit	569	*	39.2%		223
Estimated Annual Demand from Existing Rental Households					
One-Bedroom Unit					97
Two-Bedroom Unit					249
Three-Bedroom Unit					223
TOTAL					569
Number of new, additional Renter Households by					
March 2023	Mkt Entry		2020		
	15,931	-	15,813	=	118
Annual Renter Household Growth	118	/	2.7	=	44
Number of Income Qualified Renter Households	44	*	14.4%	=	6
Number of Appropriate Sized Renter Households					
One-Bedroom Unit	6	*	17.0%	=	1
Two-Bedroom Unit	6	*	43.7%	=	3
Three-Bedroom Unit	6	*	39.2%	=	2
Estimated Annual Demand from New Rental Households					
One-Bedroom Unit					1
Two-Bedroom Unit					3
Three-Bedroom Unit					2
TOTAL					6
Total Demand from Existing and New Households					
	Existing	+	New	=	Total
One-Bedroom Unit	97	+	1	=	98
Two-Bedroom Unit	249	+	3	=	252
Three-Bedroom Unit	223	+	2	=	226
TOTAL					576
Capture Rate - 30% AMI Level					
	Developer's Unit Mix	/	Total Demand	=	Total
One-Bedroom Unit	2	/	98	=	2.0%
Two-Bedroom Unit	12	/	252	=	4.8%
Three-Bedroom Unit	5	/	226	=	2.2%
OVERALL	19	/	576	=	3.3%

## 50 Percent AMI Level

Demand for Units at 50% AMI Level					
Number of Existing Households for the Current Year					58,877
Number of Existing Renter Households for the Current Year					15,813
Number of Income Qualified Renter Households	15,813	*	22.1%	=	3,489
Movership or Turnover Rate	3,489	*	25.0%	=	872
Number of Appropriate Sized Renter Households					
One-Bedroom Unit	872	*	17.0%		149
Two-Bedroom Unit	872	*	43.7%		382
Three-Bedroom Unit	872	*	39.2%		342
Estimated Annual Demand from Existing Rental Households					
One-Bedroom Unit					149
Two-Bedroom Unit					382
Three-Bedroom Unit					342
TOTAL					872
Number of new, additional Renter Households by					
March 2023	Mkt Entry		2020		
	15,931	-	15,813	=	118
Annual Renter Household Growth	118	/	2.7	=	44
Number of Income Qualified Renter Households	44	*	22.1%	=	10
Number of Appropriate Sized Renter Households					
One-Bedroom Unit	10	*	17.0%	=	2
Two-Bedroom Unit	10	*	43.7%	=	4
Three-Bedroom Unit	10	*	39.2%	=	4
Estimated Annual Demand from New Rental Households					
One-Bedroom Unit					2
Two-Bedroom Unit					4
Three-Bedroom Unit					4
TOTAL					10
Total Demand from Existing and New Households					
	Existing	+	New	=	Total
One-Bedroom Unit	149	+	2	=	150
Two-Bedroom Unit	382	+	4	=	386
Three-Bedroom Unit	342	+	4	=	346
TOTAL					882
Capture Rate - 50% AMI Level					
	Developer's Unit Mix	/	Total Demand	=	Total
One-Bedroom Unit	6	/	150	=	4.0%
Two-Bedroom Unit	40	/	386	=	10.4%
Three-Bedroom Unit	8	/	346	=	2.3%
OVERALL	54	/	882	=	6.1%

**60 Percent AMI Level**

Demand for Units at 60% AMI Level					
Number of Existing Households for the Current Year					58,877
Number of Existing Renter Households for the Current Year					15,813
Number of Income Qualified Renter Households	15,813	*	25.3%	=	3,996
Movership or Turnover Rate	3,996	*	25.0%	=	999
Number of Appropriate Sized Renter Households					
One-Bedroom Unit	999	*	17.0%		170
Two-Bedroom Unit	999	*	43.7%		437
Three-Bedroom Unit	999	*	39.2%		392
Estimated Annual Demand from Existing Rental Households					
One-Bedroom Unit					170
Two-Bedroom Unit					437
Three-Bedroom Unit					392
TOTAL					999

Number of new, additional Renter Households by March 2023	<u>Mkt Entry</u> 15,931	-	<u>2020</u> 15,813	=	118
Annual Renter Household Growth	118	/	2.7	=	44
Number of Income Qualified Renter Households	44	*	25.3%	=	11
Number of Appropriate Sized Renter Households					
One-Bedroom Unit	11	*	17.0%	=	2
Two-Bedroom Unit	11	*	43.7%	=	5
Three-Bedroom Unit	11	*	39.2%	=	4
Estimated Annual Demand from New Rental Households					
One-Bedroom Unit					2
Two-Bedroom Unit					5
Three-Bedroom Unit					4
TOTAL					11

Total Demand from Existing and New Households	Existing	+	New	=	Total
One-Bedroom Unit	170	+	2	=	172
Two-Bedroom Unit	437	+	5	=	442
Three-Bedroom Unit	392	+	4	=	396
TOTAL					1,010

Capture Rate - 60% AMI Level	Developer's Unit Mix	/	Total Demand	=	Total
One-Bedroom Unit	6	/	172	=	3.5%
Two-Bedroom Unit	10	/	442	=	2.3%
Three-Bedroom Unit	5	/	396	=	1.3%
OVERALL	21	/	1,010	=	2.1%

**80 Percent AMI Level**

<b>Demand for Units at 80% AMI Level</b>					
Number of Existing Households for the Current Year					58,877
Number of Existing Renter Households for the Current Year					15,813
Number of Income Qualified Renter Households	15,813	*	28.6%	=	4,522
Movership or Turnover Rate	4,522	*	25.0%	=	1,130
<b>Number of Appropriate Sized Renter Households</b>					
One-Bedroom Unit	1,130	*	17.0%		193
Two-Bedroom Unit	1,130	*	43.7%		495
Three-Bedroom Unit	1,130	*	39.2%		443
<b>Estimated Annual Demand from Existing Rental Households</b>					
One-Bedroom Unit					193
Two-Bedroom Unit					495
Three-Bedroom Unit					443
TOTAL					1,130
<b>Number of new, additional Renter Households by</b>					
		<u>Mkt Entry</u>		<u>2020</u>	
March 2023	15,931	-	15,813	=	118
Annual Renter Household Growth	118	/	2.7	=	44
Number of Income Qualified Renter Households	44	*	28.6%	=	13
<b>Number of Appropriate Sized Renter Households</b>					
One-Bedroom Unit	13	*	17.0%	=	2
Two-Bedroom Unit	13	*	43.7%	=	6
Three-Bedroom Unit	13	*	39.2%	=	5
<b>Estimated Annual Demand from New Rental Households</b>					
One-Bedroom Unit					2
Two-Bedroom Unit					6
Three-Bedroom Unit					5
TOTAL					13
<b>Total Demand from Existing and New Households</b>					
	Existing	+	New	=	Total
One-Bedroom Unit	193	+	2	=	195
Two-Bedroom Unit	495	+	6	=	500
Three-Bedroom Unit	443	+	5	=	448
TOTAL					1,143
<b>Capture Rate - 80% AMI Level</b>					
	Developer's Unit Mix	/	Total Demand	=	Total
One-Bedroom Unit	1	/	195	=	0.5%
Two-Bedroom Unit	13	/	500	=	2.6%
Three-Bedroom Unit	16	/	448	=	3.6%
OVERALL	30	/	1,143	=	2.6%

**All Units**

Demand for All Units					
Number of Existing Households for the Current Year					58,877
Number of Existing Renter Households for the Current Year					15,813
Number of Income Qualified Renter Households	15,813	*	51.6%	=	8,160
Movership or Turnover Rate	8,160	*	25.0%	=	2,040
Number of Appropriate Sized Renter Households					
One-Bedroom Unit	2,040	*	17.0%		347
Two-Bedroom Unit	2,040	*	43.7%		892
Three-Bedroom Unit	2,040	*	39.2%		800
Estimated Annual Demand from Existing Rental Households					
One-Bedroom Unit					347
Two-Bedroom Unit					892
Three-Bedroom Unit					800
TOTAL					2,040

Number of new, additional Renter Households by March 2023	<u>Mkt Entry</u> 15,931	-	<u>2020</u> 15,813	=	118
Annual Renter Household Growth	118	/	2.7	=	44
Number of Income Qualified Renter Households	44	*	51.6%	=	23

Number of Appropriate Sized Renter Households					
One-Bedroom Unit	23	*	17.0%	=	4
Two-Bedroom Unit	23	*	43.7%	=	10
Three-Bedroom Unit	23	*	39.2%	=	9
Estimated Annual Demand from New Rental Households					
One-Bedroom Unit					4
Two-Bedroom Unit					10
Three-Bedroom Unit					9
TOTAL					23

Total Demand from Existing and New Households	Existing	+	New	=	Total
One-Bedroom Unit	347	+	4	=	351
Two-Bedroom Unit	892	+	10	=	902
Three-Bedroom Unit	800	+	9	=	809
TOTAL					2,063

Capture Rate - All Units	Developer's Unit Mix	/	Total Demand	=	Total
One-Bedroom Unit	15	/	351	=	4.3%
Two-Bedroom Unit	75	/	902	=	8.3%
Three-Bedroom Unit	34	/	809	=	4.2%
OVERALL	124	/	2,063	=	6.0%



This calculation derives an estimate of capture required to lease the Subject. Total demand, both currently present and moving into the market, is adjusted for income eligibility and renter status. The demand estimate calculates the number of one, two and three-bedroom units that are needed in the market to satisfy the number of renter households' living in these unit sizes. In this case, it represents 2,063 units. The capture rate is the percentage that the Subject will capture of this demand. A number below 100 percent is a positive indicator and represents an expected absorption rate of less than one year. A number greater than 100 percent indicates an absorption pace longer than one year. The above calculation generates an overall capture rate of 6.0 percent, which indicates an expected absorption rate of less than one year. More importantly, it indicates a level of unmet demand will still exist.

## PENETRATION RATE ANALYSIS

We also performed a penetration rate analysis. As indicated in the following table, there are numerous affordable properties in the Subject's PMA. The units that will compete for occupancy with the Subject have been included in our analysis. There are no proposed competitive developments in the PMA at present and we have not removed any units from the development pipeline. However, it should be noted that we are aware of Phase I of the Subject development, which will offer 172 LIHTC units restricted to families earning 30, 50, 60, and 80 percent of the AMI or below, in addition to two manager's units. As of the date of this report, the development has not received LIHTC allocation. As such, these units have not been deducted.

### LIHTC PROPERTIES IN THE PMA

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units
Agave at Elk Grove	LIHTC	Family	188	188
Vintage at Laguna	LIHTC	Senior	158	0
Geneva Pointe Apartments	LIHTC	Family	152	152
Crossings at Elk Grove *	LIHTC	Family	116	116
Stoneridge at Elk Grove *	LIHTC	Family	96	96
Waterman Square *	LIHTC	Family	84	84
Seasons at Laguna Ridge	LIHTC	Senior	222	222
Montego Falls Apartments *	LIHTC	Family	132	132
Terracina at Elk Grove	LIHTC	Family	124	124
The Ridge Apartments *	LIHTC	Family	204	204
Vintage at Laguna II	LIHTC	Senior	69	0
Avery Gardens	LIHTC	Family	64	64
Bow Street Apartments	LIHTC	Family	98	98
<b>Total</b>			<b>1,707</b>	<b>1,480</b>

\* Used as a comparable property

PENETRATION RATE	
Number of Proposed Competitive LIHTC Units in the PMA	0
	+
Number of Existing Competitive Family LIHTC Units in the PMA	1,480
	+
Number of Proposed LIHTC Units at the Subject	124
	=
<b>Total</b>	<b>1,604</b>
	/
Income Eligible Households - All AMI Levels	8,160
	=
<b>Overall Penetration Rate</b>	<b>19.7%</b>

The overall market penetration rate is derived by taking the number of affordable units proposed or under construction within the PMA (if applicable), combined with the number of affordable units, and the number of the Subject's units divided by the number of income eligible households. The overall penetration rate for the market is 19.7 percent as proposed.

### Conclusion

These calculations derive an estimate of annual capture rate required to lease the Subject. Total demand, both currently present and moving into the market, is adjusted for income eligibility and renter status. The demand estimate remaining is the number of units that will be unsatisfied in the market without construction of the Subject. These un-accommodated units of demand will be forced to leave the market without construction of additional units.

The Subject's annual capture rate at each AMI level and bedroom type are good to excellent, demonstrating adequate demand for housing within the PMA and especially for affordable housing. The overall annual capture and penetration rates in place are detailed in the following table.

<b>DEMAND CONCLUSION</b>	
Calculation	As Proposed
@30%	3.3%
@50%	6.1%
@60%	2.1%
@80%	2.6%
All Units	6.0%
Penetration Rate	19.7%

The data above does not reflect developments under construction or planned to enter the market prior to the Subject's estimated market entry date. However, given the strong demand illustrated above, we do not anticipate that any proposed properties will hinder the Subject's ability to maintain occupancy. Affordable and market rate rental housing of all types is in strong demand within this market.

This calculation derives an estimate of capture required to lease the Subject. Total demand, both currently present and moving into the market, is adjusted for income eligibility and renter status. The demand estimate calculates the number of one, two and three-bedroom units that are needed in the market to satisfy the number of renter households' living in these unit sizes. In this case, it represents 2,063 units. The capture rate is the percentage that the Subject will capture of this demand. A number below 100 percent is a positive indicator and represents an expected absorption rate of less than one year. A number greater than 100 percent indicates an absorption pace longer than one year. The above calculation generates an overall capture rate of 6.0 percent, which indicates an expected absorption rate of less than one year. More importantly, it indicates a level of unmet demand will still exist.

## **VII. ABSORPTION RATE**

## ABSORPTION RATE

The *Demand Estimate* indicates that there are sufficient income eligible households in the Subject's PMA. The high cost of market rate multifamily rental units, the excellent occupancy rates, and low incidence of concessions in the market indicates strong demand for affordable housing. This is further confirmed from interviews with affordable housing developers and property managers reporting exceptionally strong demand for affordable housing within the Sacramento County area. According to our rent survey and our analysis of the low-income housing demand, demand for housing of all types is strong. As an affordable housing development with the advantage of below market rate rents, absorption is expected to be rapid.

Due to the age of the comparable properties, absorption data was not available. We have expanded our search within the MSA to properties located within 10 miles of the Subject. In total, we were able to obtain absorption information from three properties, detailed following.

<b>ABSORPTION</b>					
Property Name	Rent	Tenancy	Year	Total Units	Absorption (units/month)
H16 Midtown Apartments	Market	Family	2020	95	20
Bidwell Pointe	LIHTC	Family	2019	140	54
Evivia Midtown Apartments	Market	Family	2016	118	12
<b>Average</b>					<b>29</b>

The absorption rates range from 12 to 54 units per month, with an average of 29 units. We placed greatest weight on the LIHTC comparable in the previous table. Given the above information, as well as the low vacancy rates and extensive waiting lists among the comparables, we believe that the Subject would absorb at a pace of approximately 30 units per month for an absorption period between four and five months. This assumes the Subject property is properly marketed and pre-leasing begins approximately three months prior to completion of construction.

## **VIII. COMPETITIVE RENTAL MARKET**

## COMPETITIVE RENTAL MARKET

We performed a competitive rental analysis of the local market. We surveyed both market rate and affordable housing rental properties. The Subject will consist of 126 one, two, and three-bedroom units. We performed an extensive search for comparable properties within the PMA. According to TCAC guidelines, market rate properties situated within one mile of the Subject are the best comparables due to similarities in the local market conditions.

To evaluate the competitive position of the Subject, we surveyed a total of 1,679 units in nine rental properties. We performed an extensive search for comparable properties within a one-mile radius. The Subject is located in southern Elk Grove. All of the comparables are located in the city of Elk Grove within 4.8 miles from the Subject site.

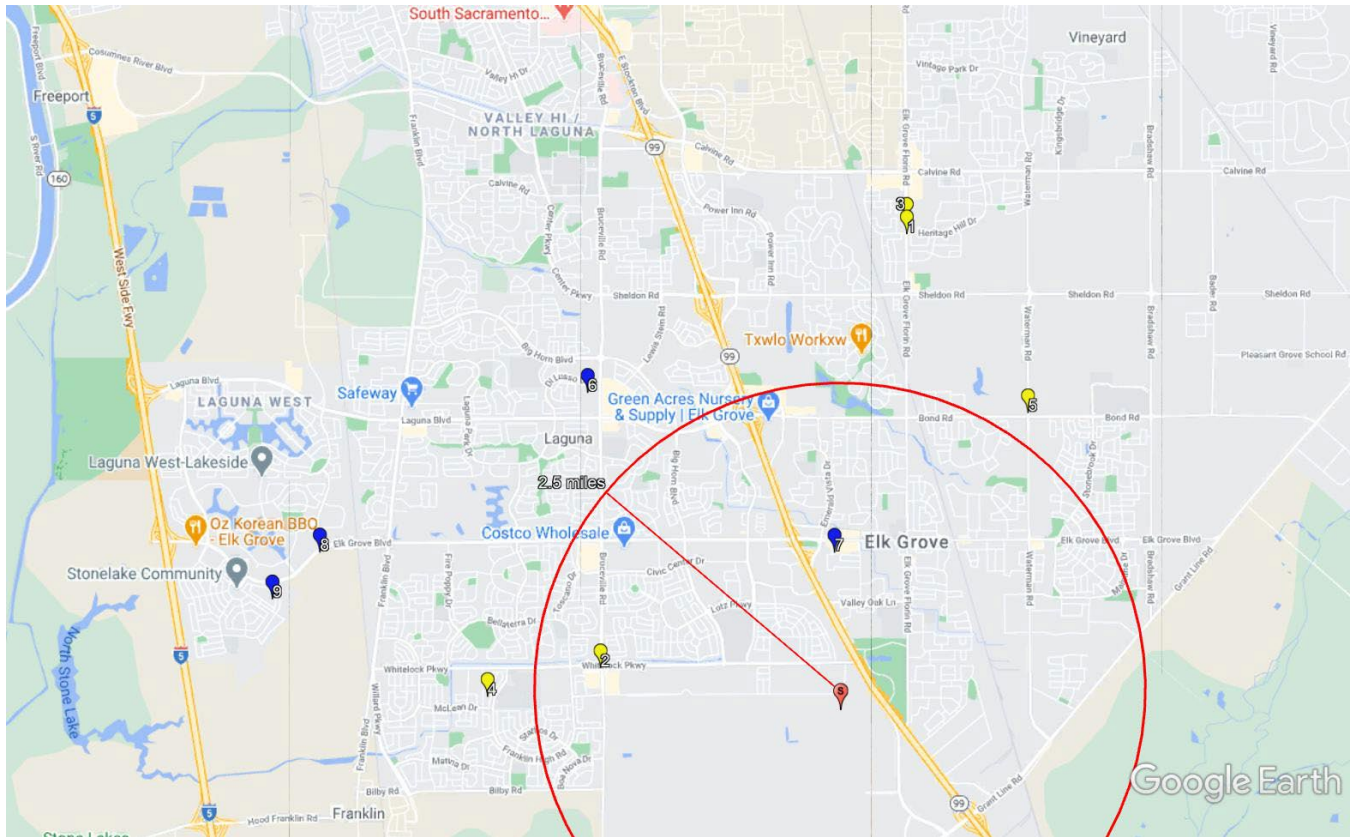
We have included five LIHTC comparables located between 2.0 and 4.0 miles from the Subject, all of which are located in the PMA. We have included four market rate comparables located between 1.4 and 4.8 miles from the Subject, all of which are located in the PMA. None of the market rate comparables are located within one mile of the Subject. Due to the developing nature of the Subject's market area, there are limited multifamily developments in the immediate neighborhood. All of these comparables are located in generally similar locations. We have provided additional surrounding land use pictures to supplement our analysis, which is presented in the *Addendum* to this report. *We certify that we are unaware of any additional market rate comparables within one mile of the Subject and that the comparables chosen are the closest comparables we could locate.*

In order to find properties comparable to the Subject we physically drove the market area to find comparable developments as well as utilized several other outlets. These included a review of area listings of apartments closest to the Subject, the review of apartment websites such as [www.rent.com](http://www.rent.com), [www.apartments.com](http://www.apartments.com), [www.hotpads.com](http://www.hotpads.com), [www.apartmentfinder.com](http://www.apartmentfinder.com), [www.craigslist.org](http://www.craigslist.org), and [www.padmapper.com](http://www.padmapper.com). Additionally, we identified comparable properties through discussions with area property managers regarding competition among properties.

Unit sizes are reported on a net basis for comparable properties, which is the typical basis reported within the apartment industry. Additionally, unit size may not be reflective of the appeal of the unit; an example being two apartments with differing floor plans wherein the smaller size unit may appear to be larger to the observer due to floor plan layout and lighting. In some cases where multiple floor plans were available for identical unit sizes, an average unit size and rent was applied.

Provided on the following pages is a map of the comparable market rate and LIHTC properties used in the rental analysis, in relation to the Subject, as well as individual comparable property profiles for both the market rate and LIHTC developments used in our analysis.

### Comparable Properties Map



### COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Tenancy	Distance to Subject
1	Crossings At Elk Grove	Elk Grove	LIHTC	Family	4.0 miles
2	Montego Falls	Elk Grove	LIHTC	Family	2.0 miles
3	Stoneridge At Elk Grove	Elk Grove	LIHTC	Family	4.1 miles
4	The Ridge Apartments	Elk Grove	LIHTC	Family	2.9 miles
5	Waterman Square	Elk Grove	LIHTC	Family	3.0 miles
6	Bella Vista Apartments	Elk Grove	Market	Family	3.4 miles
7	Emerald Vista Apartments	Elk Grove	Market	Family	1.4 miles
8	Lake Point	Elk Grove	Market	Family	4.5 miles
9	Stonelake Apartments	Elk Grove	Market	Family	4.8 miles

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	Aspen Grove Villas 8668 Poppy Ridge Road Elk Grove, CA 95757 Sacramento County		Garden 3-stories 2023 / n/a Family	@30%, @50%, @60%, @80%	1BR / 1BA	2	1.6%	620	@30%	\$479	Yes	N/A	N/A	N/A
					1BR / 1BA	6	4.8%	620	@50%	\$803	Yes	N/A	N/A	N/A
					1BR / 1BA	6	4.8%	620	@60%	\$965	Yes	N/A	N/A	N/A
					1BR / 1BA	1	0.8%	620	@80%	\$1,289	Yes	N/A	N/A	N/A
					2BR / 1BA	12	9.5%	806	@30%	\$571	Yes	N/A	N/A	N/A
					2BR / 1BA	40	31.8%	806	@50%	\$960	Yes	N/A	N/A	N/A
					2BR / 1BA	10	7.9%	806	@60%	\$1,154	Yes	N/A	N/A	N/A
					2BR / 1BA	13	10.3%	806	@80%	\$1,543	Yes	N/A	N/A	N/A
					3BR / 2BA	5	4.0%	1,033	@30%	\$658	Yes	N/A	N/A	N/A
					3BR / 2BA	8	6.4%	1,033	@50%	\$1,107	Yes	N/A	N/A	N/A
					3BR / 2BA	5	4.0%	1,033	@60%	\$1,332	Yes	N/A	N/A	N/A
					3BR / 2BA	16	12.7%	1,033	@80%	\$1,781	Yes	N/A	N/A	N/A
					3BR / 2BA	2	1.6%	1,033	Non-Rental	\$0	N/A	N/A	N/A	N/A
											126			
1	Crossings At Elk Grove 8575 Elk Grove Florin Road Elk Grove, CA 95624 Sacramento County	4.0 miles	Garden 3-stories 2007 / n/a Family	@50%, @60%	1BR / 1BA	1	0.9%	770	@50%	\$721	Yes	Yes	0	0.0%
					1BR / 1BA	5	4.3%	770	@60%	\$878	Yes	Yes	0	0.0%
					2BR / 2BA	28	24.1%	965	@50%	\$861	Yes	Yes	0	0.0%
					2BR / 2BA	35	30.2%	965	@60%	\$1,049	Yes	Yes	0	0.0%
					2BR / 2BA	1	0.9%	965	Non-Rental	\$17	N/A	No	0	0.0%
					3BR / 2BA	20	17.2%	1,100	@50%	\$992	Yes	Yes	0	0.0%
					3BR / 2BA	20	17.2%	1,100	@60%	\$1,210	Yes	Yes	0	0.0%
					4BR / 2BA	2	1.7%	1,200	@50%	\$1,099	Yes	Yes	0	0.0%
					4BR / 2BA	4	3.5%	1,200	@60%	\$1,342	Yes	Yes	0	0.0%
											116			
2	Montego Falls 9950 Bruceville Road Elk Grove, CA 95757 Sacramento County	2.0 miles	Garden 3-stories 2009 / n/a Family	@50%, @60%	1BR / 1BA	N/A	N/A	678	@50%	\$718	Yes	No	0	N/A
					1BR / 1BA	25	18.9%	678	@60%	\$875	Yes	No	0	0.0%
					2BR / 2BA	N/A	N/A	963	@50%	\$857	Yes	No	0	N/A
					2BR / 2BA	82	62.1%	963	@60%	\$1,045	Yes	No	0	0.0%
					3BR / 2BA	N/A	N/A	1,231	@50%	\$988	Yes	No	0	N/A
					3BR / 2BA	25	18.9%	1,304	@60%	\$1,206	Yes	No	0	0.0%
3	Stoneridge At Elk Grove 8515 Elk Grove Florin Road Elk Grove, CA 95624 Sacramento County	4.1 miles	Garden 3-stories 2007 / n/a Family	@50%, @60%	2BR / 2BA	12	12.5%	956	@50%	\$861	Yes	Yes	0	0.0%
					2BR / 2BA	29	30.2%	956	@60%	\$1,049	Yes	Yes	0	0.0%
					2BR / 2BA	1	1.0%	956	Non-Rental	-	N/A	n/a	0	0.0%
					3BR / 2BA	21	21.9%	1,100	@50%	\$992	Yes	Yes	1	4.8%
					3BR / 2BA	27	28.1%	1,100	@60%	\$1,210	Yes	Yes	0	0.0%
					4BR / 2BA	3	3.1%	1,300	@50%	\$1,099	Yes	Yes	0	0.0%
					4BR / 2BA	3	3.1%	1,300	@60%	\$1,342	Yes	Yes	0	0.0%
											96			
4	The Ridge Apartments 8151 Civic Center Drive Elk Grove, CA 95757 Sacramento County	2.9 miles	Garden 3-stories 2012 / n/a Family	@50%, @60%	1BR / 1BA	30	14.7%	678	@50%	\$718	Yes	No	0	0.0%
					1BR / 1BA	30	14.7%	678	@60%	\$875	Yes	No	0	0.0%
					2BR / 2BA	42	20.6%	963	@50%	\$857	Yes	No	0	0.0%
					2BR / 2BA	40	19.6%	963	@60%	\$1,045	Yes	No	0	0.0%
					2BR / 2BA	2	1.0%	963	Non-Rental	\$17	N/A	No	0	0.0%
					3BR / 2BA	30	14.7%	1,232	@50%	\$987	Yes	No	0	0.0%
					3BR / 2BA	30	14.7%	1,232	@60%	\$1,205	Yes	No	0	0.0%
						204								
5	Waterman Square 9150 Waterman Road Elk Grove, CA 95624 Sacramento County	3.0 miles	Garden 3-stories 2008 / n/a Family	@50%, @60%	2BR / 2BA	18	21.7%	855	@50%	\$801	No	Yes	0	0.0%
					2BR / 2BA	30	36.1%	855	@60%	\$972	No	Yes	0	0.0%
					3BR / 2BA	11	13.3%	1,014	@50%	\$916	No	Yes	0	0.0%
					3BR / 2BA	16	19.3%	1,014	@60%	\$1,111	No	Yes	1	6.3%
					4BR / 2BA	4	4.8%	1,250	@50%	\$1,007	No	Yes	0	0.0%
					4BR / 2BA	4	4.8%	1,250	@60%	\$1,215	No	Yes	0	0.0%
						83								
6	Bella Vista Apartments 6810 Dilusso Drive Elk Grove, CA 95758 Sacramento County	3.4 miles	Garden 3-stories 1999 / 2017 Family	Market	1BR / 1BA	66	27.4%	681	Market	\$1,745	N/A	No	1	1.5%
					2BR / 2BA	132	54.8%	1,067	Market	\$1,871	N/A	No	2	1.5%
					3BR / 2BA	43	17.8%	1,232	Market	\$2,337	N/A	No	2	4.7%
						241								
7	Emerald Vista Apartments 8661 Elk Grove Boulevard Elk Grove, CA 95624 Sacramento County	1.4 miles	Garden 2-stories 1989 / 2010 Family	Market	1BR / 1BA	24	16.6%	727	Market	\$1,309	N/A	No	0	0.0%
					2BR / 1BA	24	16.6%	830	Market	\$1,442	N/A	No	0	0.0%
					2BR / 2BA	8	5.5%	916	Market	\$1,632	N/A	No	0	0.0%
					2BR / 2BA	65	44.8%	929	Market	\$1,642	N/A	No	2	3.1%
					2BR / 2BA	8	5.5%	936	Market	\$1,652	N/A	No	1	12.5%
2BR / 2BA	16	11.0%	1,003	Market	\$1,662	N/A	No	1	6.3%					
						145								
8	Lake Point 9589 Four Winds Drive Elk Grove, CA 95758 Sacramento County	4.5 miles	Garden 2-stories 2005 / n/a Family	Market	1BR / 1BA	40	17.2%	784	Market	\$1,950	N/A	No	0	0.0%
					2BR / 2BA	56	24.1%	1,058	Market	\$2,170	N/A	No	3	5.4%
					2BR / 2BA	20	8.6%	1,119	Market	\$2,188	N/A	No	0	0.0%
					2BR / 2BA	76	32.8%	1,146	Market	\$2,329	N/A	No	4	5.3%
					3BR / 2BA	40	17.2%	1,263	Market	\$2,657	N/A	No	0	0.0%
						232								
9	Stonelake Apartments 10270 East Taron Drive Elk Grove, CA 95757 Sacramento County	4.8 miles	Garden 2-stories 2004 / 2019 Family	Market	1BR / 1BA	128	29.8%	773	Market	\$2,025	N/A	No	5	3.9%
					2BR / 2BA	112	26.1%	1,136	Market	\$2,570	N/A	No	3	2.7%
					2BR / 2BA	126	29.3%	1,198	Market	\$2,654	N/A	No	3	2.4%
					3BR / 2BA	64	14.9%	1,240	Market	\$3,192	N/A	No	4	6.3%
						430								
												15	3.5%	



# PROPERTY PROFILE REPORT

## Crossings At Elk Grove

Effective Rent Date	1/20/2021
Location	8575 Elk Grove Florin Road Elk Grove, CA 95624 Sacramento County
Distance	4 miles
Units	116
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2007 / N/A
Marketing Began	N/A
Leasing Began	9/01/2007
Last Unit Leased	12/01/2007
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Brianna
Phone	916-525-2926



### Market Information

Program	@50%, @60%, Non-Rental
Annual Turnover Rate	22%
Units/Month Absorbed	39
HCV Tenants	13%
Leasing Pace	Pre-leased to 3 weeks
Annual Chg. in Rent	Kept at max
Concession	None
Waiting List	Yes, up to two years

### Utilities

A/C	not included -- central
Cooking	not included -- gas
Water Heat	not included -- gas
Heat	not included -- gas
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	1	770	\$707	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Garden (3 stories)	5	770	\$864	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	28	965	\$844	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	35	965	\$1,032	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	1	965	\$0	\$0	Non-Rental	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	20	1,100	\$971	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	20	1,100	\$1,189	\$0	@60%	Yes	0	0.0%	yes	None
4	2	Garden (3 stories)	2	1,200	\$1,074	\$0	@50%	Yes	0	0.0%	yes	None
4	2	Garden (3 stories)	4	1,200	\$1,317	\$0	@60%	Yes	0	0.0%	yes	None

## Crossings At Elk Grove, continued

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$707	\$0	\$707	\$14	\$721	1BR / 1BA	\$864	\$0	\$864	\$14	\$878
2BR / 2BA	\$844	\$0	\$844	\$17	\$861	2BR / 2BA	\$1,032	\$0	\$1,032	\$17	\$1,049
3BR / 2BA	\$971	\$0	\$971	\$21	\$992	3BR / 2BA	\$1,189	\$0	\$1,189	\$21	\$1,210
4BR / 2BA	\$1,074	\$0	\$1,074	\$25	\$1,099	4BR / 2BA	\$1,317	\$0	\$1,317	\$25	\$1,342
Non-Rental	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent						
2BR / 2BA	N/A	\$0	N/A	\$17	\$17						

### Amenities

In-Unit	Blinds	Security	Services
Balcony/Patio	Blinds	Intercom (Phone)	None
Carpeting	Central A/C	Patrol	
Coat Closet	Dishwasher	Perimeter Fencing	
Exterior Storage	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property	Carport	Premium	Other
Business Center/Computer Lab	Central Laundry	None	None
Clubhouse/Meeting Room/Community	On-Site Management		
Off-Street Parking	Playground		
Picnic Area	Service Coordination		
Recreation Areas			
Swimming Pool			

### Comments

The contact reported strong demand for affordable housing in the area and the property currently has a waiting list with a typical wait of up to two years. The contact reported that they have had minimal disruption due to the pandemic to date, and that the vast majority of tenants are current on rent. The information as detailed in the profile was gathered through an interview with the property manager, as well as our physical inspection of the site.

Trend Report

Vacancy Rates

2Q13	4Q19	2Q20	1Q21
2.6%	0.9%	0.9%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$650	\$0	\$650	\$664
2019	4	0.0%	\$707	\$0	\$707	\$721
2020	2	0.0%	\$707	\$0	\$707	\$721
2021	1	0.0%	\$707	\$0	\$707	\$721

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$782	\$0	\$782	\$799
2019	4	0.0%	\$844	\$0	\$844	\$861
2020	2	0.0%	\$844	\$0	\$844	\$861
2021	1	0.0%	\$844	\$0	\$844	\$861

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	5.0%	\$904	\$0	\$904	\$925
2019	4	0.0%	\$971	\$0	\$971	\$992
2020	2	0.0%	\$971	\$0	\$971	\$992
2021	1	0.0%	\$971	\$0	\$971	\$992

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$991	\$0	\$991	\$1,016
2019	4	0.0%	\$1,074	\$0	\$1,074	\$1,099
2020	2	0.0%	\$1,074	\$0	\$1,074	\$1,099
2021	1	0.0%	\$1,074	\$0	\$1,074	\$1,099

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$793	\$0	\$793	\$807
2019	4	0.0%	\$864	\$0	\$864	\$878
2020	2	0.0%	\$864	\$0	\$864	\$878
2021	1	0.0%	\$864	\$0	\$864	\$878

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	2.9%	\$953	\$65	\$888	\$905
2019	4	2.9%	\$1,032	\$0	\$1,032	\$1,049
2020	2	0.0%	\$1,032	\$0	\$1,032	\$1,049
2021	1	0.0%	\$1,032	\$0	\$1,032	\$1,049

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	5.0%	\$1,102	\$107	\$995	\$1,016
2019	4	0.0%	\$1,189	\$0	\$1,189	\$1,210
2020	2	5.0%	\$1,189	\$0	\$1,189	\$1,210
2021	1	0.0%	\$1,189	\$0	\$1,189	\$1,210

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$1,170	\$0	\$1,170	\$1,195
2019	4	0.0%	\$1,317	\$0	\$1,317	\$1,342
2020	2	0.0%	\$1,317	\$0	\$1,317	\$1,342
2021	1	0.0%	\$1,317	\$0	\$1,317	\$1,342

Trend: Non-Rental

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	4	0.0%	N/A	\$0	N/A	\$17
2020	2	0.0%	N/A	\$0	N/A	\$17
2021	1	0.0%	N/A	\$0	N/A	\$17

Trend: Comments

2Q13	Management reported a current waiting list of 20 households for all unit types, and further stated that two applications are pending on the vacant three-bedroom units. The property partners with local non-profit, Central Valley Coalition, to provide budgeting, nutrition, resume building, and computer skills classes to tenants. Additionally, the property offers seasonal events for tenants.
4Q19	The contact reported the rents have been set at the maximum allowable for the past two years. She noted a strong demand for affordable housing in the area and the property currently has a waiting list with a typical wait of up to two years. The contact stated the current vacancy has an application pending approval.
2Q20	The contact reported strong demand for affordable housing in the area and the property currently has a waiting list with a typical wait of up to two years. The current vacancy has an application pending from the waiting list.
1Q21	The contact reported strong demand for affordable housing in the area and the property currently has a waiting list with a typical wait of up to two years. The contact reported that they have had minimal disruption due to the pandemic to date, and that the vast majority of tenants are current on rent. The information as detailed in the profile was gathered through an interview with the property manager, as well as our physical inspection of the site.

## PROPERTY PROFILE REPORT

## Montego Falls

Effective Rent Date	1/20/2021
Location	9950 Bruceville Road Elk Grove, CA 95757 Sacramento County
Distance	2 miles
Units	132
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2009 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Angelique
Phone	916-683-3200



## Market Information

Program	@50%, @60%
Annual Turnover Rate	20%
Units/Month Absorbed	22
HCV Tenants	5%
Leasing Pace	Within one week
Annual Chg. in Rent	Kept at max
Concession	None
Waiting List	None

## Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- gas
Heat	not included -- gas
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

## Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	678	\$704	\$0	@50%	No	0	N/A	yes	None
1	1	Garden (3 stories)	25	678	\$861	\$0	@60%	No	0	0.0%	yes	None
2	2	Garden (3 stories)	N/A	963	\$840	\$0	@50%	No	0	N/A	yes	None
2	2	Garden (3 stories)	82	963	\$1,028	\$0	@60%	No	0	0.0%	yes	None
3	2	Garden (3 stories)	N/A	1,231	\$967	\$0	@50%	No	0	N/A	yes	None
3	2	Garden (3 stories)	25	1,304	\$1,185	\$0	@60%	No	0	0.0%	yes	None

## Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$704	\$0	\$704	\$14	\$718	1BR / 1BA	\$861	\$0	\$861	\$14	\$875
2BR / 2BA	\$840	\$0	\$840	\$17	\$857	2BR / 2BA	\$1,028	\$0	\$1,028	\$17	\$1,045
3BR / 2BA	\$967	\$0	\$967	\$21	\$988	3BR / 2BA	\$1,185	\$0	\$1,185	\$21	\$1,206

Amenities

<b>In-Unit</b>		<b>Security</b>	<b>Services</b>
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Oven	Refrigerator		
Washer/Dryer hookup			
<b>Property</b>		<b>Premium</b>	<b>Other</b>
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Garage(\$100.00)	Central Laundry		
Off-Street Parking	On-Site Management		
Playground	Swimming Pool		

Comments

The contact reported the property typically stays fully occupied but operates on a first come, first served basis and does not maintain a waiting list. Management was unable to provide the distribution of units by AMI level; however, they confirmed the number of units by bedroom type. The contact reported that the pandemic has not had a significant impact on property operations to date. The information as detailed in the profile was gathered through an interview with the property manager, as well as our physical inspection of the site.

Trend Report

Vacancy Rates

1Q11	2Q12	4Q19	1Q21
2.3%	6.8%	0.0%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	N/A	\$724	\$0	\$724	\$738
2012	2	N/A	\$650	\$0	\$650	\$664
2019	4	N/A	\$704	\$0	\$704	\$718
2021	1	N/A	\$704	\$0	\$704	\$718

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	N/A	\$750	\$0	\$750	\$767
2012	2	N/A	\$782	\$0	\$782	\$799
2019	4	N/A	\$840	\$0	\$840	\$857
2021	1	N/A	\$840	\$0	\$840	\$857

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	N/A	\$869	\$0	\$869	\$890
2012	2	N/A	\$904	\$0	\$904	\$925
2019	4	N/A	\$967	\$0	\$967	\$988
2021	1	N/A	\$967	\$0	\$967	\$988

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	N/A	\$761	\$0	\$761	\$775
2012	2	N/A	\$793	\$0	\$793	\$807
2019	4	N/A	\$861	\$0	\$861	\$875
2021	1	0.0%	\$861	\$0	\$861	\$875

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	N/A	\$915	\$0	\$915	\$932
2012	2	N/A	\$953	\$0	\$953	\$970
2019	4	N/A	\$1,028	\$0	\$1,028	\$1,045
2021	1	0.0%	\$1,028	\$0	\$1,028	\$1,045

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	N/A	\$1,057	\$0	\$1,057	\$1,078
2012	2	N/A	\$1,102	\$0	\$1,102	\$1,123
2019	4	N/A	\$1,185	\$0	\$1,185	\$1,206
2021	1	0.0%	\$1,185	\$0	\$1,185	\$1,206

Trend: Comments

1Q11	The contact indicated that many prospective tenants are over-qualified and indicated that there is enough supply to meet demand in the area. The property leases in-unit washer/dryers for \$40 per month.
2Q12	Contact provided no additional information.
4Q19	The contact reported the property typically stays fully occupied but operates on a first come, first served basis and does not maintain a waiting list.
1Q21	The contact reported the property typically stays fully occupied but operates on a first come, first served basis and does not maintain a waiting list. Management was unable to provide the distribution of units by AMI level; however, they confirmed the number of units by bedroom type. The contact reported that the pandemic has not had a significant impact on property operations to date. The information as detailed in the profile was gathered through an interview with the property manager, as well as our physical inspection of the site.

# PROPERTY PROFILE REPORT

## Stoneridge At Elk Grove

Effective Rent Date	1/20/2021
Location	8515 Elk Grove Florin Road Elk Grove, CA 95624 Sacramento County
Distance	4.1 miles
Units	96
Vacant Units	1
Vacancy Rate	1.0%
Type	Garden (3 stories)
Year Built/Renovated	2007 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Geneva Pointe and Terracina
Tenant Characteristics	Mixed tenancy
Contact Name	Letty
Phone	916-682-6994



### Market Information

Program	@50%, @60%, Non-Rental
Annual Turnover Rate	19%
Units/Month Absorbed	N/A
HCV Tenants	10%
Leasing Pace	Pre-leased to 1 week
Annual Chg. in Rent	Kept at max
Concession	None
Waiting List	Yes; two years

### Utilities

A/C	not included -- central
Cooking	not included -- gas
Water Heat	not included -- gas
Heat	not included -- gas
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	12	956	\$844	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	29	956	\$1,032	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	1	956	N/A	\$0	Non-Rental	n/a	0	0.0%	N/A	None
3	2	Garden (3 stories)	21	1,100	\$971	\$0	@50%	Yes	1	4.8%	yes	None
3	2	Garden (3 stories)	27	1,100	\$1,189	\$0	@60%	Yes	0	0.0%	yes	None
4	2	Garden (3 stories)	3	1,300	\$1,074	\$0	@50%	Yes	0	0.0%	yes	None
4	2	Garden (3 stories)	3	1,300	\$1,317	\$0	@60%	Yes	0	0.0%	yes	None

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$844	\$0	\$844	\$17	\$861	2BR / 2BA	\$1,032	\$0	\$1,032	\$17	\$1,049
3BR / 2BA	\$971	\$0	\$971	\$21	\$992	3BR / 2BA	\$1,189	\$0	\$1,189	\$21	\$1,210
4BR / 2BA	\$1,074	\$0	\$1,074	\$25	\$1,099	4BR / 2BA	\$1,317	\$0	\$1,317	\$25	\$1,342
Non-Rental	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent						
2BR / 2BA	N/A	\$0	N/A	\$17	N/A						

Amenities

<b>In-Unit</b>		<b>Security</b>	<b>Services</b>
Balcony/Patio	Blinds	Patrol	None
Carpeting	Central A/C	Perimeter Fencing	
Coat Closet	Dishwasher		
Exterior Storage	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
<b>Property</b>		<b>Premium</b>	<b>Other</b>
Business Center/Computer Lab	Carport	None	None
Clubhouse/Meeting Room/Community	Central Laundry		
Off-Street Parking	On-Site Management		
Picnic Area	Playground		
Recreation Areas	Service Coordination		
Swimming Pool			

Comments

The contact reported there is a pending applicant for the vacant unit. The contact reported an extensive waiting list of approximately two years. The contact reported that the pandemic has caused minimal issues for the property to date and that nearly all tenants are current on rent. The information as detailed in the profile was gathered through an interview with the property manager, as well as our physical inspection of the site.



Trend Report

Vacancy Rates

2Q14	4Q19	2Q20	1Q21
0.0%	1.0%	1.0%	1.0%

Trend: @50%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$768	\$0	\$768	\$785
2019	4	0.0%	\$844	\$0	\$844	\$861
2020	2	0.0%	\$844	\$0	\$844	\$861
2021	1	0.0%	\$844	\$0	\$844	\$861

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$884	\$0	\$884	\$905
2019	4	0.0%	\$971	\$0	\$971	\$992
2020	2	4.8%	\$971	\$0	\$971	\$992
2021	1	4.8%	\$971	\$0	\$971	\$992

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$968	\$0	\$968	\$993
2019	4	0.0%	\$1,074	\$0	\$1,074	\$1,099
2020	2	0.0%	\$1,074	\$0	\$1,074	\$1,099
2021	1	0.0%	\$1,074	\$0	\$1,074	\$1,099

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$888	\$0	\$888	\$905
2019	4	0.0%	\$1,032	\$0	\$1,032	\$1,049
2020	2	0.0%	\$1,032	\$0	\$1,032	\$1,049
2021	1	0.0%	\$1,032	\$0	\$1,032	\$1,049

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	3.7%	\$995	\$0	\$995	\$1,016
2019	4	3.7%	\$1,189	\$0	\$1,189	\$1,210
2020	2	0.0%	\$1,189	\$0	\$1,189	\$1,210
2021	1	0.0%	\$1,189	\$0	\$1,189	\$1,210

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$1,170	\$0	\$1,170	\$1,195
2019	4	0.0%	\$1,317	\$0	\$1,317	\$1,342
2020	2	0.0%	\$1,317	\$0	\$1,317	\$1,342
2021	1	0.0%	\$1,317	\$0	\$1,317	\$1,342

Trend: Non-Rental

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	N/A	\$0	N/A	N/A
2019	4	0.0%	N/A	\$0	N/A	N/A
2020	2	0.0%	N/A	\$0	N/A	N/A
2021	1	0.0%	N/A	\$0	N/A	N/A

Trend: Comments

2Q14	The contact reported a waiting list is kept for the two and four-bedroom units, but was unable to comment on its length. The contact also stated that only the four-bedroom rents are set at the maximum allowable levels.
4Q19	The contact reported there is a pending applicant for the vacant unit. The contact reported strong demand and an extensive waiting list of approximately two years.
2Q20	The contact reported there is a pending applicant for the vacant unit. The contact reported an extensive waiting list of approximately two years.
1Q21	The contact reported there is a pending applicant for the vacant unit. The contact reported an extensive waiting list of approximately two years. The contact reported that the pandemic has caused minimal issues for the property to date and that nearly all tenants are current on rent. The information as detailed in the profile was gathered through an interview with the property manager, as well as our physical inspection of the site.

# PROPERTY PROFILE REPORT

## The Ridge Apartments

Effective Rent Date	1/20/2021
Location	8151 Civic Center Drive Elk Grove, CA 95757 Sacramento County
Distance	2.9 miles
Units	204
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2012 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mix of couples and families from Sacramento County
Contact Name	Maggie
Phone	916-667-8383



### Market Information

Program	@50%, @60%, Non-Rental
Annual Turnover Rate	15%
Units/Month Absorbed	N/A
HCV Tenants	10%
Leasing Pace	Preleased to one week
Annual Chg. in Rent	Kept at max
Concession	None
Waiting List	None

### Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- gas
Heat	not included -- gas
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	30	678	\$704	\$0	@50%	No	0	0.0%	yes	None
1	1	Garden (3 stories)	30	678	\$861	\$0	@60%	No	0	0.0%	yes	None
2	2	Garden (3 stories)	42	963	\$840	\$0	@50%	No	0	0.0%	yes	None
2	2	Garden (3 stories)	40	963	\$1,028	\$0	@60%	No	0	0.0%	yes	None
2	2	Garden (3 stories)	2	963	\$0	\$0	Non-Rental	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	30	1,232	\$966	\$0	@50%	No	0	0.0%	yes	None
3	2	Garden (3 stories)	30	1,232	\$1,184	\$0	@60%	No	0	0.0%	yes	None

## The Ridge Apartments, continued

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$704	\$0	\$704	\$14	\$718	1BR / 1BA	\$861	\$0	\$861	\$14	\$875
2BR / 2BA	\$840	\$0	\$840	\$17	\$857	2BR / 2BA	\$1,028	\$0	\$1,028	\$17	\$1,045
3BR / 2BA	\$966	\$0	\$966	\$21	\$987	3BR / 2BA	\$1,184	\$0	\$1,184	\$21	\$1,205
Non-Rental	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent						
2BR / 2BA	N/A	\$0	N/A	\$17	\$17						

### Amenities

In-Unit	Security	Services
Balcony/Patio	None	None
Carpeting		
Coat Closet		
Garbage Disposal		
Refrigerator		
Property	Premium	Other
Business Center/Computer Lab	None	None
Central Laundry		
On-Site Management		
Playground		

### Comments

The contact reported the property typically stays fully occupied. The property does not maintain a waiting list but does keep an interest list for up to 60 days. The contact reported that the pandemic has not had a significant impact on property operations to date. The information as detailed in the profile was gathered through an interview with the property manager, as well as our physical inspection of the site.

# The Ridge Apartments, continued

## Trend Report

### Vacancy Rates

1Q11	4Q19	1Q21
N/A	0.0%	0.0%

### Trend: @50%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	N/A	\$624	\$0	\$624	\$638
2019	4	0.0%	\$704	\$0	\$704	\$718
2021	1	0.0%	\$704	\$0	\$704	\$718

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	N/A	\$750	\$0	\$750	\$767
2019	4	0.0%	\$840	\$0	\$840	\$857
2021	1	0.0%	\$840	\$0	\$840	\$857

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	N/A	\$867	\$0	\$867	\$888
2019	4	0.0%	\$966	\$0	\$966	\$987
2021	1	0.0%	\$966	\$0	\$966	\$987

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	N/A	\$761	\$0	\$761	\$775
2019	4	0.0%	\$861	\$0	\$861	\$875
2021	1	0.0%	\$861	\$0	\$861	\$875

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	N/A	\$915	\$0	\$915	\$932
2019	4	0.0%	\$1,028	\$0	\$1,028	\$1,045
2021	1	0.0%	\$1,028	\$0	\$1,028	\$1,045

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	N/A	\$1,057	\$0	\$1,057	\$1,078
2019	4	0.0%	\$1,184	\$0	\$1,184	\$1,205
2021	1	0.0%	\$1,184	\$0	\$1,184	\$1,205

### Trend: Non-Rental

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	N/A	N/A	\$0	N/A	N/A
2019	4	0.0%	N/A	\$0	N/A	\$17
2021	1	0.0%	N/A	\$0	N/A	\$17

### Trend: Comments

1Q11 N/A

4Q19 The contact reported the property typically stays fully occupied. The property does not maintain a waiting list but does keep an interest list for up to 60 days.

1Q21 The contact reported the property typically stays fully occupied. The property does not maintain a waiting list but does keep an interest list for up to 60 days. The contact reported that the pandemic has not had a significant impact on property operations to date. The information as detailed in the profile was gathered through an interview with the property manager, as well as our physical inspection of the site.

Photos



## PROPERTY PROFILE REPORT

## Waterman Square

Effective Rent Date	1/20/2020
Location	9150 Waterman Road Elk Grove, CA 95624 Sacramento County
Distance	3 miles
Units	83
Vacant Units	1
Vacancy Rate	1.2%
Type	Garden (3 stories)
Year Built/Renovated	2008 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified.
Tenant Characteristics	Mixed tenancy from the local area and out of town.
Contact Name	Rochelle
Phone	916-686-0647



## Market Information

Program	@50%, @60%
Annual Turnover Rate	15%
Units/Month Absorbed	N/A
HCV Tenants	20%
Leasing Pace	Within one week
Annual Chg. in Rent	Kept at max
Concession	None
Waiting List	Yes, up to two years

## Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

## Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	18	855	\$784	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (3 stories)	30	855	\$955	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (3 stories)	11	1,014	\$895	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (3 stories)	16	1,014	\$1,090	\$0	@60%	Yes	1	6.2%	no	None
4	2	Garden (3 stories)	4	1,250	\$982	\$0	@50%	Yes	0	0.0%	no	None
4	2	Garden (3 stories)	4	1,250	\$1,190	\$0	@60%	Yes	0	0.0%	no	None

## Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$784	\$0	\$784	\$17	\$801	2BR / 2BA	\$955	\$0	\$955	\$17	\$972
3BR / 2BA	\$895	\$0	\$895	\$21	\$916	3BR / 2BA	\$1,090	\$0	\$1,090	\$21	\$1,111
4BR / 2BA	\$982	\$0	\$982	\$25	\$1,007	4BR / 2BA	\$1,190	\$0	\$1,190	\$25	\$1,215

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Limited Access	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Property		Premium	Other
Clubhouse/Meeting Room/Community	Central Laundry	None	None
Off-Street Parking	On-Site Management		
Picnic Area	Playground		
Swimming Pool			

Comments

The contact reported demand for affordable housing in the area is strong. The contact reported that while some tenants required payment plans in the spring and early summer to employment impacts of the pandemic, that nearly all tenants are now current on rent. The information as detailed in the profile was gathered through an interview with the property manager, as well as our physical inspection of the site.

**Trend Report**

Vacancy Rates

4Q17	4Q19	2Q20	1Q21
0.0%	0.0%	1.2%	1.2%

**Trend: @50%**

**2BR / 2BA**

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	0.0%	\$785	\$0	\$785	\$802
2019	4	0.0%	\$784	\$0	\$784	\$801
2020	2	0.0%	\$784	\$0	\$784	\$801
2021	1	0.0%	\$784	\$0	\$784	\$801

**Trend: @60%**

**2BR / 2BA**

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	0.0%	\$940	\$0	\$940	\$957
2019	4	0.0%	\$955	\$0	\$955	\$972
2020	2	0.0%	\$955	\$0	\$955	\$972
2021	1	0.0%	\$955	\$0	\$955	\$972

**3BR / 2BA**

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	0.0%	\$883	\$0	\$883	\$904
2019	4	0.0%	\$895	\$0	\$895	\$916
2020	2	0.0%	\$895	\$0	\$895	\$916
2021	1	0.0%	\$895	\$0	\$895	\$916

**3BR / 2BA**

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	0.0%	\$1,050	\$0	\$1,050	\$1,071
2019	4	0.0%	\$1,090	\$0	\$1,090	\$1,111
2020	2	6.2%	\$1,090	\$0	\$1,090	\$1,111
2021	1	6.2%	\$1,090	\$0	\$1,090	\$1,111

**4BR / 2BA**

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	0.0%	\$957	\$0	\$957	\$982
2019	4	0.0%	\$982	\$0	\$982	\$1,007
2020	2	0.0%	\$982	\$0	\$982	\$1,007
2021	1	0.0%	\$982	\$0	\$982	\$1,007

**4BR / 2BA**

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	0.0%	\$1,150	\$0	\$1,150	\$1,175
2019	4	0.0%	\$1,190	\$0	\$1,190	\$1,215
2020	2	0.0%	\$1,190	\$0	\$1,190	\$1,215
2021	1	0.0%	\$1,190	\$0	\$1,190	\$1,215

**Trend: Comments**

- 4Q17 The contact said the waiting list is two years long. This property accepts Housing Choice Vouchers.
- 4Q19 The contact stated the rents have not increased in 2019 and are still set at the 2018 maximum allowable rents. She was unsure when they would increase but expects them to change before the end of the year. The contact estimated 20 percent of Housing Choice Vouchers currently in use.
- 2Q20 The contact reported demand for affordable housing in the area is strong.
- 1Q21 The contact reported demand for affordable housing in the area is strong. The contact reported that while some tenants required payment plans in the spring and early summer to employment impacts of the pandemic, that nearly all tenants are now current on rent. The information as detailed in the profile was gathered through an interview with the property manager, as well as our physical inspection of the site.





Photos







## PROPERTY PROFILE REPORT

## Bella Vista Apartments

Effective Rent Date	1/20/2021
Location	6810 Dilusso Drive Elk Grove, CA 95758 Sacramento County
Distance	3.4 miles
Units	241
Vacant Units	5
Vacancy Rate	2.1%
Type	Garden (3 stories)
Year Built/Renovated	1999 / 2017
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Laguna Creek
Tenant Characteristics	Mixed tenancy
Contact Name	Marlene
Phone	916-683-3201



## Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one week
Annual Chg. in Rent	Increased 3-9% since 4Q19
Concession	None
Waiting List	None

## Utilities

A/C	not included -- central
Cooking	not included -- gas
Water Heat	not included -- gas
Heat	not included -- gas
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	not included

## Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	66	681	\$1,625	\$0	Market	No	1	1.5%	N/A	AVG*
1	1	Garden (3 stories)	0	681	\$1,652	\$0	Market	No	0	N/A	N/A	HIGH
1	1	Garden (3 stories)	0	681	\$1,597	\$0	Market	No	0	N/A	N/A	LOW
2	2	Garden (3 stories)	132	1,067	\$1,746	\$0	Market	No	2	1.5%	N/A	AVG*
2	2	Garden (3 stories)	0	1,067	\$1,807	\$0	Market	No	0	N/A	N/A	HIGH
2	2	Garden (3 stories)	0	1,067	\$1,685	\$0	Market	No	0	N/A	N/A	LOW
3	2	Garden (3 stories)	43	1,232	\$2,205	\$0	Market	No	2	4.7%	N/A	AVG*
3	2	Garden (3 stories)	0	1,232	\$2,234	\$0	Market	No	0	N/A	N/A	HIGH
3	2	Garden (3 stories)	0	1,232	\$2,175	\$0	Market	No	0	N/A	N/A	LOW

## Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,597 - \$1,652	\$0	\$1,597 - \$1,652	\$120	\$1,717 - \$1,772
2BR / 2BA	\$1,685 - \$1,807	\$0	\$1,685 - \$1,807	\$125	\$1,810 - \$1,932
3BR / 2BA	\$2,175 - \$2,234	\$0	\$2,175 - \$2,234	\$132	\$2,307 - \$2,366

Amenities

<b>In-Unit</b>		<b>Security</b>	<b>Services</b>
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Carpeting	Central A/C	Patrol	
Coat Closet	Dishwasher	Perimeter Fencing	
Ceiling Fan	Garbage Disposal		
Microwave	Oven		
Refrigerator	Vaulted Ceilings		
Walk-In Closet	Washer/Dryer		
Washer/Dryer hookup			
<b>Property</b>		<b>Premium</b>	<b>Other</b>
Business Center/Computer Lab	Carport	None	Stainless steel appliances
Clubhouse/Meeting Room/Community	Exercise Facility		
Garage(\$100.00)	Central Laundry		
Off-Street Parking	On-Site Management		
Picnic Area	Swimming Pool		
Wi-Fi			

Comments

The contact reported occupancy rates ranged between 95 and 97 percent during 2019. Rent ranges are based on unit location within complex, floor level, as well as upgrades which may include accent walls and stainless steel appliances. The contact reported that the pandemic had a greater impact on the property in March, April and May 2020, but that the majority of tenants are now current on rent as they either have gone back to work or received stimulus and unemployment funds. The information as detailed in the profile was gathered through an interview with the property manager, as well as our physical inspection of the site.

Trend Report

Vacancy Rates

2Q13	4Q17	4Q19	1Q21
2.1%	7.1%	3.3%	2.1%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	3.0%	\$925	\$26	\$899	\$1,019
2017	4	N/A	\$1,440 - \$1,465	\$0	\$1,440 - \$1,465	\$1,560 - \$1,585
2019	4	3.0%	\$1,509 - \$1,530	\$0	\$1,509 - \$1,530	\$1,629 - \$1,650
2021	1	1.5%	\$1,597 - \$1,652	\$0	\$1,597 - \$1,652	\$1,717 - \$1,772

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.8%	\$1,130	\$55	\$1,075	\$1,200
2017	4	N/A	\$1,630 - \$1,705	\$0	\$1,630 - \$1,705	\$1,755 - \$1,830
2019	4	3.0%	\$1,538 - \$1,685	\$0	\$1,538 - \$1,685	\$1,663 - \$1,810
2021	1	1.5%	\$1,685 - \$1,807	\$0	\$1,685 - \$1,807	\$1,810 - \$1,932

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	4.7%	\$1,330	\$55	\$1,275	\$1,407
2017	4	N/A	\$1,770 - \$1,910	\$0	\$1,770 - \$1,910	\$1,902 - \$2,042
2019	4	4.7%	\$2,053 - \$2,175	\$0	\$2,053 - \$2,175	\$2,185 - \$2,307
2021	1	4.7%	\$2,175 - \$2,234	\$0	\$2,175 - \$2,234	\$2,307 - \$2,366

Trend: Comments

2Q13	No additional comments.
4Q17	No Housing Choice Vouchers are accepted at this property. The range in prices is due to an ongoing renovation project so updated units are more expensive. The concessions currently offered are deposits waived based on credit score.
4Q19	The contact reported occupancy rates have ranged between 95 and 97 percent during 2019. Rent ranges are based on unit location within complex, floor level, as well as upgrades which may include accent walls and stainless steel appliances.
1Q21	The contact reported occupancy rates ranged between 95 and 97 percent during 2019. Rent ranges are based on unit location within complex, floor level, as well as upgrades which may include accent walls and stainless steel appliances. The contact reported that the pandemic had a greater impact on the property in March, April and May 2020, but that the majority of tenants are now current on rent as they either have gone back to work or received stimulus and unemployment funds. The information as detailed in the profile was gathered through an interview with the property manager, as well as our physical inspection of the site.



Photos





# PROPERTY PROFILE REPORT

## Emerald Vista Apartments

Effective Rent Date	1/20/2021
Location	8661 Elk Grove Boulevard Elk Grove, CA 95624 Sacramento County
Distance	1.4 miles
Units	145
Vacant Units	4
Vacancy Rate	2.8%
Type	Garden (2 stories)
Year Built/Renovated	1989 / 2010
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Kendall
Phone	916-686-4909



### Market Information

Program	Market
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Prelease to two weeks
Annual Chg. in Rent	Increased 9-14% since 4Q19
Concession	None
Waiting List	None

### Utilities

A/C	not included -- central
Cooking	not included -- gas
Water Heat	not included -- gas
Heat	not included -- gas
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	24	727	\$1,295	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	24	830	\$1,425	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (2 stories)	8	916	\$1,615	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (2 stories)	65	929	\$1,625	\$0	Market	No	2	3.1%	N/A	None
2	2	Garden (2 stories)	8	936	\$1,635	\$0	Market	No	1	12.5%	N/A	None
2	2	Garden (2 stories)	16	1,003	\$1,645	\$0	Market	No	1	6.2%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,295	\$0	\$1,295	\$14	\$1,309
2BR / 1BA	\$1,425	\$0	\$1,425	\$17	\$1,442
2BR / 2BA	\$1,615 - \$1,645	\$0	\$1,615 - \$1,645	\$17	\$1,632 - \$1,662

Amenities

<b>In-Unit</b>		<b>Security</b>	<b>Services</b>
Balcony/Patio	Blinds	Limited Access	None
Carpeting	Central A/C	Perimeter Fencing	
Coat Closet	Dishwasher		
Ceiling Fan	Fireplace		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Washer/Dryer hookup			
<b>Property</b>		<b>Premium</b>	<b>Other</b>
Carport	Jacuzzi	None	None
Off-Street Parking	On-Site Management		
Swimming Pool			

Comments

The property accepts Housing Choice vouchers; however, there are no vouchers in use at the property currently. Management reported that the property has performed well to date during the pandemic, with minimal collection loss. The information as detailed in the profile was gathered through an interview with the property manager, as well as our physical inspection of the site.

Trend Report

Vacancy Rates

1Q11	4Q19	2Q20	1Q21
0.0%	1.4%	2.1%	2.8%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	0.0%	\$850	\$0	\$850	\$864
2019	4	0.0%	\$1,195	\$0	\$1,195	\$1,209
2020	2	0.0%	\$1,295	\$0	\$1,295	\$1,309
2021	1	0.0%	\$1,295	\$0	\$1,295	\$1,309

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	0.0%	\$935	\$0	\$935	\$952
2019	4	4.2%	\$1,325	\$0	\$1,325	\$1,342
2020	2	0.0%	\$1,425	\$0	\$1,425	\$1,442
2021	1	0.0%	\$1,425	\$0	\$1,425	\$1,442

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2011	1	0.0%	\$965 - \$1,035	\$0	\$965 - \$1,035	\$982 - \$1,052
2019	4	1.0%	\$1,415 - \$1,445	\$0	\$1,415 - \$1,445	\$1,432 - \$1,462
2020	2	3.1%	\$1,615 - \$1,645	\$0	\$1,615 - \$1,645	\$1,632 - \$1,662
2021	1	4.1%	\$1,615 - \$1,645	\$0	\$1,615 - \$1,645	\$1,632 - \$1,662

Trend: Comments

1Q11	The waiting list consists of three households. The property accepts Housing Choice vouchers; however, there are no vouchers in use at the property currently.
4Q19	N/A
2Q20	The waiting list consists of two households. The property accepts Housing Choice vouchers; however, there are no vouchers in use at the property currently.
1Q21	The property accepts Housing Choice vouchers; however, there are no vouchers in use at the property currently. Management reported that the property has performed well to date during the pandemic, with minimal collection loss. The information as detailed in the profile was gathered through an interview with the property manager, as well as our physical inspection of the site.

Photos



## PROPERTY PROFILE REPORT

## Lake Point

Effective Rent Date	1/20/2021
Location	9589 Four Winds Drive Elk Grove, CA 95758 Sacramento County
Distance	4.5 miles
Units	232
Vacant Units	7
Vacancy Rate	3.0%
Type	Garden (2 stories)
Year Built/Renovated	2005 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Stone Lake
Tenant Characteristics	Mixed tenancy
Contact Name	Mercedes
Phone	916-714-7111



## Market Information

Program	Market
Annual Turnover Rate	21%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one week
Annual Chg. in Rent	Increased 5-11% since 4Q19
Concession	None
Waiting List	None

## Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- gas
Heat	not included -- gas
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	not included

## Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	40	784	\$1,830	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (2 stories)	56	1,058	\$2,045	\$0	Market	No	3	5.4%	N/A	None
2	2	Garden (2 stories)	20	1,119	\$2,063	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (2 stories)	76	1,146	\$2,204	\$0	Market	No	4	5.3%	N/A	None
3	2	Garden (2 stories)	40	1,263	\$2,525	\$0	Market	No	0	0.0%	N/A	None

## Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,830	\$0	\$1,830	\$120	\$1,950
2BR / 2BA	\$2,045 - \$2,204	\$0	\$2,045 - \$2,204	\$125	\$2,170 - \$2,329
3BR / 2BA	\$2,525	\$0	\$2,525	\$132	\$2,657

Amenities

<b>In-Unit</b>		<b>Security</b>	<b>Services</b>
Balcony/Patio	Blinds	Perimeter Fencing	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer		
Washer/Dryer hookup			
<b>Property</b>		<b>Premium</b>	<b>Other</b>
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Garage(\$100.00)		
Jacuzzi	Off-Street Parking		
On-Site Management	Picnic Area		
Playground	Swimming Pool		

Comments

The property utilizes LRO pricing software to set daily rates. The contact had no additional comments at the time of interview. The information as detailed in the profile was gathered through an interview with the property manager, as well as our physical inspection of the site.

Trend Report

Vacancy Rates

3Q10	1Q11	4Q19	1Q21
5.6%	6.9%	1.7%	3.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	5.0%	\$1,030	\$55	\$975	\$1,095
2011	1	7.5%	\$985	\$0	\$985	\$1,105
2019	4	0.0%	\$1,730	\$0	\$1,730	\$1,850
2021	1	0.0%	\$1,830	\$0	\$1,830	\$1,950

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	5.3%	\$1,175 - \$1,295	\$0 - \$96	\$1,175 - \$1,199	\$1,300 - \$1,324
2011	1	6.6%	\$1,180 - \$1,280	\$0	\$1,180 - \$1,280	\$1,305 - \$1,405
2019	4	2.6%	\$1,861 - \$1,999	\$0 - \$100	\$1,861 - \$1,961	\$1,986 - \$2,086
2021	1	4.6%	\$2,045 - \$2,204	\$0	\$2,045 - \$2,204	\$2,170 - \$2,329

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	3	7.5%	\$1,450	\$51	\$1,399	\$1,531
2011	1	7.5%	\$1,400	\$0	\$1,400	\$1,532
2019	4	0.0%	\$2,325	\$0	\$2,325	\$2,457
2021	1	0.0%	\$2,525	\$0	\$2,525	\$2,657

Trend: Comments

3Q10	Contact indicated that five of the vacant units have pending applications. The current concession consists of reduced rates. Currently, the one-bedroom units are on special for \$975, the medium two-bedroom units are on special for \$1,195, the large two-bedroom units are on special for \$1,199, and the three-bedroom units are on special for \$1,399.
1Q11	The contact indicated that the property recently began using the LRO system, which is a computer-generated program that dictates the market rents at the property. Rates fluctuate on a daily basis depending on the property's vacancy rate, and market conditions; thus, eliminating the need for concessions. The provided rents are for units that are available at the property. The contact also indicated that the property is typically 95 percent occupied or higher. However, management has had difficulty incorporating the LRO system into the daily functions of leasing units at the property. The contact indicated that several new residents have lost homes due to foreclosures.
4Q19	The contact reported occupancy rates have remained stable so far in 2019. The property utilizes LRO pricing software to set daily rates. The contact noted a \$100 monthly concession on the larger two-bedroom units at this time.
1Q21	The property utilizes LRO pricing software to set daily rates. The contact had no additional comments at the time of interview. The information as detailed in the profile was gathered through an interview with the property manager, as well as our physical inspection of the site.



## PROPERTY PROFILE REPORT

## Stonelake Apartments

Effective Rent Date	1/20/2021
Location	10270 East Taron Drive Elk Grove, CA 95757 Sacramento County
Distance	4.8 miles
Units	430
Vacant Units	15
Vacancy Rate	3.5%
Type	Garden (2 stories)
Year Built/Renovated	2004 / 2019
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Castellino
Tenant Characteristics	Mixed tenancy
Contact Name	Sabrina
Phone	916-691-1112



## Market Information

Program	Market
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one to two weeks
Annual Chg. in Rent	Increased 19-34% since 4Q19
Concession	None
Waiting List	None

## Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- gas
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	not included

## Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	128	773	\$1,905	\$0	Market	No	5	3.9%	N/A	None
2	2	Garden (2 stories)	112	1,136	\$2,445	\$0	Market	No	3	2.7%	N/A	None
2	2	Garden (2 stories)	126	1,198	\$2,529	\$0	Market	No	3	2.4%	N/A	None
3	2	Garden (2 stories)	64	1,240	\$3,060	\$0	Market	No	4	6.2%	N/A	None

## Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,905	\$0	\$1,905	\$120	\$2,025
2BR / 2BA	\$2,445 - \$2,529	\$0	\$2,445 - \$2,529	\$125	\$2,570 - \$2,654
3BR / 2BA	\$3,060	\$0	\$3,060	\$132	\$3,192



Amenities

<b>In-Unit</b>		<b>Security</b>	<b>Services</b>
Balcony/Patio	Blinds	Limited Access	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Fireplace	Garbage Disposal		
Microwave	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer	Washer/Dryer hookup		
<b>Property</b>		<b>Premium</b>	<b>Other</b>
Basketball Court	Business Center/Computer Lab	None	None
Car Wash	Clubhouse/Meeting Room/Community		
Exercise Facility	Garage(\$135.00)		
Off-Street Parking	On-Site Management		
Playground	Swimming Pool		

Comments

Management reported that the 2019 upgrades include resurfaced cabinets, flooring, carpet, and appliances. The contact reported that the impact of the pandemic on the property has been limited to date. The information as detailed in the profile was gathered through an interview with the property manager, as well as our physical inspection of the site.

## Trend Report

## Vacancy Rates

4Q09	4Q19	1Q21
3.5%	4.0%	3.5%

## Trend: Market

## 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	4	0.0%	\$1,005	\$0	\$1,005	\$1,125
2019	4	3.1%	\$1,610	\$0	\$1,610	\$1,730
2021	1	3.9%	\$1,905	\$0	\$1,905	\$2,025

## 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	4	3.8%	\$1,235 - \$1,285	\$0	\$1,235 - \$1,285	\$1,360 - \$1,410
2019	4	3.8%	\$1,795 - \$1,920	\$0	\$1,795 - \$1,920	\$1,920 - \$2,045
2021	1	2.5%	\$2,445 - \$2,529	\$0	\$2,445 - \$2,529	\$2,570 - \$2,654

## 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	4	9.4%	\$1,395 - \$1,405	\$0	\$1,395 - \$1,405	\$1,527 - \$1,537
2019	4	6.2%	\$2,020	\$0	\$2,020	\$2,152
2021	1	6.2%	\$3,060	\$0	\$3,060	\$3,192

## Trend: Comments

4Q09	Management indicated the property offers 6-18 month leases. Management also stated that specials are included in rents and change daily. Rents at the property have decreased over the last year, but management was unable to disclose an amount. The property maintains a waiting list for the larger two-bedroom units.
4Q19	The contact reported occupancy rates have remained in the mid to high 90 percent range so far during 2019. She stated renovations have been ongoing at the property since 2018. Upgrades include resurfaced cabinets, flooring, carpet, and appliances. The contact was unable to estimate how many units have been renovated so far but stated the goal is to upgrade all units over time.
1Q21	Management reported that the 2019 upgrades include resurfaced cabinets, flooring, carpet, and appliances. The contact reported that the impact of the pandemic on the property has been limited to date. The information as detailed in the profile was gathered through an interview with the property manager, as well as our physical inspection of the site.

Photos



**1BR LIHTC Units**

Date of Market Study: 1/20/2021 Prepared By: Novgradac Consulting LLP	Aspen Grove Villas 8668 Poppy Ridge Road Elk Grove	Montego Falls 9950 Bruceville Road Elk Grove 916-683-3200		The Ridge Apartments 8151 Civic Center Drive Elk Grove 916-667-8383		Crossings At Elk Grove 8575 Elk Grove Florin Road Elk Grove 916-525-2926		Totals & Weighted Averages	Differential
	Characteristic	Char	Adj	Char	Adj	Char	Adj		
Type ("M"arket, "L"ow Income)	L	L		L		L			
Distance in Miles from Subject		2.0		2.9		4.0			
Number of Units		25		30		5		60	
Vacancy Rate		0.0%		0.0%		0.0%			
Waiting List ("Y"es or "N"o)		No		No		Yes			
Turnover Rate		20		15		22			
Unit Size in SF	620	678		678		770		686	
Aggregate Size in SF		16950		20340		3850		41,140	
Base Rent	\$1,289	\$861		\$861		\$864		\$861	49.7%
Aggregate Rent		\$21,525		\$25,830		\$4,320		\$51,675	
Value Ratio (\$/SF)	\$2.08	\$1.27		\$1.27		\$1.12		\$1.26	65.5%
# of stories	3	3		3		3			
Elevator ("Y"es or "N"o)	N	N		N		N			
# of Bedrooms	1	1		1		1			
# of Bathrooms	1	1		1		1			
Unit Size Adjustment	620	678		678		770			
Rent Concessions	N	N		N		N			
Age (built or last renovated)	2023	2009		2012		2007			
Utilities Paid by Tenant									
Electricity	T	T		T		T			
Heat ("G"as or "E"lectric)	T/E	T/G		T/G		T/G			
Hot Water (G or E)	T/E	T/G		T/G		T/G			
Cooking (G or E)	T/E	T/E		T/E		T/G			
TV ("C"able or "S"atellite)	N	N		N		N			
Water	L	L		L		L			
Trash	L	L		L		L			
Unit Amenities									
Central Heat/Cool	X	X		X		X			
Blinds	X	X		X		X			
Carpet	X	X		X		X			
Ceiling Fan		X							
Skylight									
Storage Closet						X			
Coat Closet		X		X		X			
Walk-In Closet						X			
Fireplace									
Patio/Balcony	X	X		X		X			
Appliances									
Refrigerator	X	X		X		X			
Stove/Oven	X	X		X		X			
Dishwasher	X	X		X		X			
Garbage Disposal		X		X		X			
Microwave									
Washer/Dryer									
Washer/Dryer Hook-ups		X		X		X			
Parking/Transportation									
Surface Parking	X	X		X		X			
Carport						X			
Underground Parking									
Detached Garage									
Attached Garage		X							
Tuck-under Garage									
Parking Garage									
Project Amenities									
Clubhouse/Community Room	X	X		X		X			
Swimming Pool	X	X		X		X			
Spa/Jacuzzi									
Exercise Room									
Picnic Area									
Tot Lot/Playground	X	X		X		X			
Tennis Court									
Basketball Court	X								
Volleyball Court									
On Site Manager	X	X		X		X			
Laundry Room	X	X		X		X			
Computer Room		X		X		X			
Business Center		X		X		X			
Car Wash Area									
Security									
Gated						X			
Courtesy Patrol						X			
Surveillance Camera									
Adjusted Rent	\$1,289	\$861		\$861		\$864		\$861	49.7%
Aggregate Adjusted Rent		\$21,525		\$25,830		\$4,320		\$51,675	
Adjusted Value Ratio (\$/SF)	\$2.08	\$1.27		\$1.27		\$1.12		\$1.26	65.5%
Adjusted Rent/Base Rent				100%		100%		100%	





**1BR Market Units**

Date of Market Study: 1/20/2021 Prepared By: Novogradac Consulting LLP	Aspen Grove Villas 8668 Poppy Ridge Road Elk Grove	Bella Vista Apartments 6810 Dilusso Drive Elk Grove 916-683-3201	Lake Point 9589 Four Winds Drive Elk Grove 916-714-7111	Stonelake Apartments 10270 East Taron Drive Elk Grove 916-691-1112	Totals & Weighted Averages		Differential
	Characteristic	Char	Adj	Char	Adj	Char	
Type ("M"arket, "L"ow Income)	L	M	M	M	M		
Distance in Miles from Subject		3.4	4.5	4.8			
Number of Units	1	66	40	128		234	
Vacancy Rate	N/A	1.5%	0.0%	3.9%			
Waiting List ("Y"es or "N"o)		No	No	No			
Turnover Rate	N/A	25	21	20			
Unit Size in SF	620	681	784	773		749	
Aggregate Size in SF		44,946	31,360	98,944		175,250	
Base Rent	\$1,289	\$1,625	\$1,830	\$1,905		\$1,813	-28.9%
Aggregate Rent		\$107,250	\$73,200	\$243,840		\$424,290	
Value Ratio (\$/SF)	\$2.08	\$2.39	\$2.33	\$2.46		\$2.42	-14.1%
# of stories	3	3	2	2			
Elevator ("Y"es or "N"o)							
# of Bedrooms	1	1	1	1			
# of Bathrooms	1	1	1	1			
Unit Size Adjustment	620	681	784	773	(\$36)	(\$50)	(\$50)
Rent Concessions	N	N	N	N			
Age (built or last renovated)	2023	1999 / 2017	2005	2004 / 2019	\$100		
Utilities Paid by Tenant							
Electricity	T	T	T	T			
Heat ("G"as or "E"lectric)	T/E	T/G	T/G	T/E			
Hot Water (G or E)	T/E	T/G	T/G	T/G			
Cooking (G or E)	T/E	T/G	T/E	T/E			
TV ("C"able or "S"atellite)	N	N	N	N			
Water	L	T	T	T			
Trash	L	T	T	T			
Unit Amenities							
Central Heat/Cool	X	X	X	X			
Blinds	X	X	X	X			
Carpet	X	X	X	X			
Ceiling Fan		X	X	X	-\$5	-\$5	-\$5
Skylight							
Storage Closet			X	X	-\$5	-\$5	-\$5
Coat Closet		X	X	X	-\$5	-\$5	-\$5
Walk-In Closet		X	X	X	-\$5	-\$5	-\$5
Fireplace				X			-\$5
Patio/Balcony	X	X	X	X			
Appliances							
Refrigerator	X	X	X	X			
Stove/Oven	X	X	X	X			
Dishwasher	X	X	X	X			
Garbage Disposal		X	X	X	-\$5	-\$5	-\$5
Microwave		X	X	X	-\$5	-\$5	-\$5
Washer/Dryer		X	X	X	-\$30	-\$30	-\$30
Washer/Dryer Hook-ups		X	X	X	-\$5	-\$5	-\$5
Parking/Transportation							
Surface Parking	X	X	X	X			
Carport		X			-\$5		
Underground Parking							
Detached Garage							
Attached Garage		X	X	X	-\$5	-\$5	-\$5
Tuck-under Garage							
Parking Garage							
Project Amenities							
Clubhouse/Community Room	X	X	X	X			
Swimming Pool	X	X	X	X			
Spa/Jacuzzi			X	X	-\$5	-\$5	-\$5
Exercise Room		X	X	X	-\$5	-\$5	-\$5
Picnic Area							
Tot Lot/Playground	X		X	X	\$5		
Tennis Court							
Basketball Court	X				\$5		
Volleyball Court							
On Site Manager	X	X	X	X			
Laundry Room	X	X			\$5	\$5	\$5
Computer Room		X	X	X	-\$5	-\$5	-\$5
Business Center		X	X	X	-\$5	-\$5	-\$5
Car Wash Area							
Security							
Gated		X	X	X	-\$5	-\$5	-\$5
Courtesy Patrol		X			-\$5		
Surveillance Camera							
Adjusted Rent	\$1,289		\$1,504	\$1,795		\$1,770	\$1,699
Aggregate Adjusted Rent			\$99,238	\$71,800		\$226,560	\$397,598
Adjusted Value Ratio (\$/SF)	\$2.08		\$2.21	\$2.29		\$2.29	\$2.27
Adjusted Rent/Base Rent			93%	98%		93%	

**2BR Market Units**

Date of Market Study: 1/20/2021 Prepared By: Novogradac Consulting LLP	Aspen Grove Villas 8668 Poppy Ridge Road Elk Grove	Emerald Vista Apartments 8661 Elk Grove Boulevard  Elk Grove 916-686-4909		Lake Point 9589 Four Winds Drive  Elk Grove 916-714-7111		Stonelake Apartments 10270 East Taron Drive  Elk Grove 916-691-1112		Totals & Weighted Averages	Differential
	Characteristic	Char	Adj	Char	Adj	Char	Adj		
Type ("M"arket, "L"ow Income)	L	Market		Market		Market			
Distance in Miles from Subject	1.4	1.4		4.5		4.8			
Number of Units	13	24		56		112		192	
Vacancy Rate	N/A	0.0%		5.4%		2.7%			
Waiting List ("Y"es or "N"o)	N/A	No		No		No			
Turnover Rate	N/A	20		21		20			
Unit Size in SF	806	830		1,058		1,136		1,075	
Aggregate Size in SF		19,920		59,248		127,232		206,400	
Base Rent	\$1,543	\$1,425		\$2,045		\$2,445		\$2,201	-29.9%
Aggregate Rent		\$34,200		\$114,520		\$273,840		\$422,560	
Value Ratio (\$/SF)	\$1.91	\$1.72		\$1.93		\$2.15		\$2.05	-6.5%
# of stories	3	2		2		2			
Elevator ("Y"es or "N"o)									
# of Bedrooms	2	2		2		2			
# of Bathrooms	1	1		2	-\$10	2	-\$10		
Unit Size Adjustment	806	830	(\$10)	1,058	(\$50)	1,136	(\$50)		
Rent Concessions	N	N		N		N			
Age (built or last renovated)	2023	2010	\$100	2005	\$100	2004 / 2019			
Utilities Paid by Tenant									
Electricity	T	T		T		T			
Heat ("G"as or "E"lectric)	T/E	T/G		T/G		T/E			
Hot Water (G or E)	T/E	T/G		T/G		T/G			
Cooking (G or E)	T/E	T/G		T/E		T/E			
TV ("C"able or "S"atellite)	N	N		N		N			
Water	L	L		T		T			
Trash	L	L		T		T			
Unit Amenities									
Central Heat/Cool	X	X		X		X			
Blinds	X	X		X		X			
Carpet	X	X		X		X			
Ceiling Fan		X	-\$5	X	-\$5	X	-\$5		
Skylight									
Storage Closet				X	-\$5	X	-\$5		
Coat Closet		X	-\$5	X	-\$5	X	-\$5		
Walk-In Closet				X	-\$5	X	-\$5		
Fireplace		X	-\$5			X	-\$5		
Patio/Balcony	X	X		X		X			
Appliances									
Refrigerator	X	X		X		X			
Stove/Oven	X	X		X		X			
Dishwasher	X	X		X		X			
Garbage Disposal		X	-\$5	X	-\$5	X	-\$5		
Microwave		X	-\$5	X	-\$5	X	-\$5		
Washer/Dryer				X	-\$30	X	-\$30		
Washer/Dryer Hook-ups		X	-\$5	X	-\$5	X	-\$5		
Parking/Transportation									
Surface Parking	X	X		X		X			
Carport		X	-\$5						
Underground Parking									
Detached Garage									
Attached Garage				X	-\$5	X	-\$5		
Tuck-under Garage									
Parking Garage									
Project Amenities									
Clubhouse/Community Room	X		\$5	X		X			
Swimming Pool	X	X		X		X			
Spa/Jacuzzi		X	-\$5	X	-\$5	X	-\$5		
Exercise Room				X	-\$5	X	-\$5		
Picnic Area									
Tot Lot/Playground	X		\$5	X		X			
Tennis Court									
Basketball Court	X		\$5		\$5	X			
Volleyball Court									
On Site Manager	X	X		X		X			
Laundry Room	X		\$5		\$5	X	\$5		
Computer Room				X	-\$5	X	-\$5		
Business Center				X	-\$5	X	-\$5		
Car Wash Area									
Security									
Gated		X	-\$5	X	-\$5				
Courtesy Patrol									
Surveillance Camera									
Adjusted Rent	\$1,543		\$1,490		\$2,000		\$2,300	\$2,111	-26.9%
Aggregate Adjusted Rent			\$35,753		\$112,000		\$257,600	\$405,353	
Adjusted Value Ratio (\$/SF)	\$1.91		\$1.79		\$1.89		\$2.02	\$1.96	-2.5%



**3BR Market Units**

Date of Market Study: 1/20/2021 Prepared By: Novogradac Consulting LLP	Aspen Grove Villas 8668 Poppy Ridge Road Elk Grove	Bella Vista Apartments 6810 Dilusso Drive Elk Grove 916-683-3201	Lake Point 9589 Four Winds Drive Elk Grove 916-714-7111	Stonelake Apartments 10270 East Taron Drive Elk Grove 916-691-1112	Totals & Weighted Averages		Differential	
	Characteristic	Char	Adj	Char	Adj	Char		Adj
Type ("M"arket, "L"ow Income)	L	M		M		M		
Distance in Miles from Subject		3.4		4.5		4.8		
Number of Units	16	43		40		64		147
Vacancy Rate	N/A	4.7%		0.0%		6.2%		
Waiting List ("Y"es or "N"o)		No		No		No		
Turnover Rate	N/A	25		21		20		
Unit Size in SF	1,033	1,232		1,263		1,240		1244
Aggregate Size in SF		52,976		50,520		79,360		182,856
Base Rent	\$1,781	\$2,205		\$2,525		\$2,525		\$2,431
Aggregate Rent		\$94,815		\$101,000		\$161,600		\$357,415
Value Ratio (\$/SF)	\$1.72	\$1.79		\$2.00		\$2.04		\$1.95
# of stories	3	3		2		2		
Elevator ("Y"es or "N"o)								
# of Bedrooms	3	3		3		3		
# of Bathrooms	2	2		2		2		
Unit Size Adjustment	1,033	1,232	(\$50)	1,263	(\$50)	1,240	(\$50)	
Rent Concessions	N	N		N		N		
Age (built or last renovated)	2023	1999 / 2017		2005	\$100	2004 / 2019		
Utilities Paid by Tenant								
Electricity	T	T		T		T		
Heat ("G"as or "E"lectric)	T/E	T/G		T/G		T/E		
Hot Water (G or E)	T/E	T/G		T/G		T/G		
Cooking (G or E)	T/E	T/G		T/E		T/E		
TV ("C"able or "S"atellite)	N	N		N		N		
Water	L	T		T		T		
Trash	L	T		T		T		
Unit Amenities								
Central Heat/Cool	X	X		X		X		
Blinds	X	X		X		X		
Carpet	X	X		X		X		
Ceiling Fan		X	-\$5	X	-\$5	X	-\$5	
Skylight								
Storage Closet				X	-\$5	X	-\$5	
Coat Closet		X	-\$5	X	-\$5	X	-\$5	
Walk-In Closet		X	-\$5	X	-\$5	X	-\$5	
Fireplace						X	-\$5	
Patio/Balcony	X	X		X		X		
Appliances								
Refrigerator	X	X		X		X		
Stove/Oven	X	X		X		X		
Dishwasher	X	X		X		X		
Garbage Disposal		X	-\$5	X	-\$5	X	-\$5	
Microwave		X	-\$5	X	-\$5	X	-\$5	
Washer/Dryer		X	-\$30	X	-\$30	X	-\$30	
Washer/Dryer Hook-ups		X	-\$5	X	-\$5	X	-\$5	
Parking/Transportation								
Surface Parking	X	X		X		X		
Carport		X	-\$5					
Underground Parking								
Detached Garage								
Attached Garage		X	-\$5	X	-\$5	X	-\$5	
Tuck-under Garage								
Parking Garage								
Project Amenities								
Clubhouse/Community Room	X	X		X		X		
Swimming Pool	X	X		X		X		
Spa/Jacuzzi				X	-\$5			
Exercise Room		X	-\$5	X	-\$5	X	-\$5	
Picnic Area								
Tot Lot/Playground	X		\$5	X		X		
Tennis Court								
Basketball Court	X		\$5		\$5	X		
Volleyball Court								
On Site Manager	X	X		X		X		
Laundry Room	X	X			\$5		\$5	
Computer Room		X	-\$5	X	-\$5	X	-\$5	
Business Center		X	-\$5	X	-\$5	X	-\$5	
Car Wash Area								
Security								
Gated		X	-\$5	X	-\$5			
Courtesy Patrol		X	-\$5					
Surveillance Camera								
Adjusted Rent	\$1,781		\$2,070		\$2,490		\$2,390	\$2,324
Aggregate Adjusted Rent			\$89,010		\$99,600		\$152,960	\$341,570
Adjusted Value Ratio (\$/SF)	\$1.72		\$1.68		\$1.97		\$1.93	\$1.87
Adjusted Rent/Base Rent			94%		99%		95%	

## **RENT COMPARABILITY MATRIX - EXPLANATION OF ADJUSTMENTS**

The following details the adjustments made in the Rent Comparability Matrices.

### **Number of Stories/Elevator**

The Subject will consist of 148 one, two, and three-bedroom units contained in three, three-story garden-style buildings. The comparable units consist of two and three-story garden-style buildings. Therefore, no adjustments are warranted.

### **Unit Type/ Number of Bedrooms**

All of the comparables offer a similar number of bedrooms as compared to the Subject and no adjustments are warranted.

### **Number of Bathrooms**

The Subject will offer one bathroom in its one-bedroom units, one bathroom in its two-bedroom units, and two bathrooms in its three-bedroom units. Some comparables offer two bathrooms in two-bedroom units and were adjusted downward \$10.

### **Unit Interior Square Footage**

The Subject and the comparables vary in square footage. Most market observers agree that with all other variables being equal, a larger unit is more desirable than a smaller unit. However, the value of the additional square footage is mitigated to some degree by the similarity in perceived unit function (i.e. a 600 square foot one-bedroom unit functions similarly to a 700 square foot one-bedroom unit) reflective of economies of scale. In other words, there is a diminishing return of value for additional square footage, as each additional square foot does not necessarily equal additional functional utility. Matched pairs are the preferred method to use for derivation of an adjustment, particularly in the case of differences in square footage. However, no matched pairs were available in the market. Therefore, we have applied a market standard that has been observed in similar markets as follows: the square foot difference between the Comparable and the Subject is divided by four and then multiplied by the rent per square foot of the Comparable. In other words, we are estimating that the additional square footage is worth approximately 25 percent of the rent per square foot in comparison to the base square footage. We additionally capped the square footage adjustment at \$50.

### **Rent Concessions**

Concessions are calculated on a monthly basis and the corresponding negative adjustments are reflected in the matrices. None of comparables are currently offering concessions; as such, no additional adjustments are necessary.

### **Age (Built or Last Renovated)**

The comparables range in year built or last renovated from 2005 to 2019. The Subject will be new construction and in excellent condition, which is similar to superior to the comparable properties. Emerald Vista Apartments and was originally built in the late 1980's and subsequently renovated in 2010, respectively, and exhibits good overall condition, which is inferior to the Subject upon completion. Similarly, Lake Point was constructed in 2005 with no subsequent renovations and is in good condition. The remaining comparables exhibit excellent overall condition, which is similar to the Subject upon completion. Given slightly inferior appeal/condition of the properties in good condition we made upward adjustments of \$100 to the properties constructed in the late 1980's and the unrenovated comparable built in 2005.

### **Utilities Paid by Tenant**

The landlord will be responsible for cold water, sewer, and trash expenses as well as all common area expenses. The tenant will be responsible for all electric expenses including electric cooking, electric water heating, electric heating and general electric expenses including central air conditioning. The utility allowance was based upon the utility allowance schedule provided by the Sacramento Housing and Redevelopment

Agency, dated July 1, 2020. It should be noted that adjustments as a result of utility structure are not considered true rental adjustments, as they are simply a way to equalize the asking rents of the comparables for utilities, so there is a true apples to apples comparison with the Subject in terms of total shelter cost. Further, there is limited subjectivity when making these adjustments, given that they are based on a published utility allowance schedule, local to the Subject's market.

### **Unit Amenities**

The Subject's in-unit amenities will include a balcony/patio, blinds, carpeting and vinyl flooring, and central heating and air conditioning. Appropriate adjustments are applied to all of the comparables to account for differences in unit amenities from the Subject based on conversations with local property managers. Amenities requiring adjustments are ceiling fans, coat closets, walk-in closets and fireplaces. Overall, the Subject will offer a competitive amenities package compared to the market rate competition.

### **Appliances**

The Subject's appliance package will include a refrigerator, range/oven and dishwasher. Appliances requiring adjustments include disposals and microwaves. Appropriate adjustments of \$5 are applied to all of the market rate comparables to account for differences in appliances as compared to the Subject based on conversations with local property managers. In addition, three of the comparables offer in-unit washer/dryers, Bella Vista Apartments, Lake Point and Stonelake Apartments. We used a cost/benefit methodology to determine the level of adjustment for washer/dryer and laundry facilities. An \$800 washer and dryer would cost approximately \$22 per month over a three-year lifespan of the appliance. If a household does three loads of wash a week in a central laundry facility for \$3.00 per load, the cost would be approximately \$36 per month. We applied a \$30 downward adjustment to the three properties offering an in-unit washer/dryer.

### **Parking/Transportation**

The Subject will offer 201 off-street surface parking spaces for no additional fee. All comparables offer surface parking for no additional fee; as such, no adjustments have been applied to these properties. Several comparables also offer forms of covered parking such as carports and garages. We applied a \$5 downward adjustment to properties offering free carports or garage parking for an additional fee.

### **Project Amenities**

The Subject will feature a basketball court, community room, courtyard, central laundry, on-site management, a picnic area, a playground, recreation areas, service coordination and a swimming pool. Appropriate adjustments \$5 to \$10 are applied to all of the comparables to account for differences in project amenities from the Subject. Amenities requiring adjustment include a community room, jacuzzi, exercise room, playground, basketball court, central laundry and business center/computer lab. Overall, the Subject offers generally similar to superior project amenities in comparison to the majority of the comparables.

### **Security**

The Subject will offer limited access as security features. We applied \$5 adjustments to the comparables as appropriate to account for differing security features.

## MARKET CHARACTERISTICS

For detailed information pertaining to market characteristics, such as rent history, concessions, and turnover, please refer to the property profiles presented at the beginning of this section of the report.

### Market Vacancy

The following tables details vacancy levels at comparable properties included in the survey.

#### OVERALL VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Crossings At Elk Grove	LIHTC	Family	116	0	0.0%
Montego Falls	LIHTC	Family	132	0	0.0%
Stoneridge At Elk Grove	LIHTC	Family	96	1	1.0%
The Ridge Apartments	LIHTC	Family	204	0	0.0%
Waterman Square	LIHTC	Family	83	1	1.2%
Bella Vista Apartments	Market	Family	241	5	2.1%
Emerald Vista Apartments	Market	Family	145	4	2.8%
Lake Point	Market	Family	232	7	3.0%
Stonelake Apartments	Market	Family	430	15	3.5%
<b>Total LIHTC</b>			<b>631</b>	<b>2</b>	<b>0.3%</b>
<b>Total Market Rate</b>			<b>1,048</b>	<b>31</b>	<b>3.0%</b>
<b>Overall Total</b>			<b>1,679</b>	<b>33</b>	<b>2.0%</b>

#### VACANCY BY BEDROOM TYPE

Property Name	Rent Structure	Tenancy	1BR	2BR	3BR	4BR	Overall
Crossings At Elk Grove	LIHTC	Family	0.0%	0.0%	0.0%	0.0%	0.0%
Montego Falls	LIHTC	Family	0.0%	0.0%	0.0%	-	0.0%
Stoneridge At Elk Grove	LIHTC	Family	-	0.0%	2.1%	0.0%	1.0%
The Ridge Apartments	LIHTC	Family	0.0%	0.0%	0.0%	-	0.0%
Waterman Square	LIHTC	Family	-	0.0%	3.7%	0.0%	1.2%
Bella Vista Apartments	Market	Family	1.5%	1.5%	4.7%	-	2.1%
Emerald Vista Apartments	Market	Family	0.0%	3.3%	-	-	2.8%
Lake Point	Market	Family	0.0%	4.6%	0.0%	-	3.0%
Stonelake Apartments	Market	Family	3.9%	2.5%	6.3%	-	3.5%
Vintage Creek Apartments	Market	Family	0.0%	2.5%	-	-	2.0%

The comparables reported vacancy rates ranging from zero to 3.5 percent, with an overall weighted average of 2.0 percent. Managers at three of the five LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 0.3 percent, well below the 3.0 percent average reported by the market rate properties. Further, three of the five LIHTC comparables maintain waiting lists. The average LIHTC vacancy rate of 0.3 percent is considered exceptionally low, and indicative of supply constrained conditions. All of the market rate properties reported vacancy rates of 3.5 percent or lower. Taking into consideration the vacancy rates of the comparables, as well as the strong demand for affordable housing in the area, we anticipate vacancy at the Subject property will be five percent or less annually.

### Reasonability of Rents

The following table shows the Subject's proposed unit mix, size, and rent structure.

PROPOSED RENTS							
Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2020 LIHTC Maximum Allowable Gross Rent	% of Maximum Allowable Rents
@30%							
1BR / 1BA	620	2	\$479	\$7	\$486	\$486	100%
2BR / 1BA	806	12	\$571	\$11	\$582	\$582	100%
3BR / 2BA	1,033	5	\$658	\$15	\$673	\$673	100%
@50%							
1BR / 1BA	620	6	\$803	\$7	\$810	\$810	100%
2BR / 1BA	806	40	\$960	\$11	\$971	\$971	100%
3BR / 2BA	1,033	8	\$1,107	\$15	\$1,122	\$1,122	100%
@60%							
1BR / 1BA	620	6	\$965	\$7	\$972	\$972	100%
2BR / 1BA	806	10	\$1,154	\$11	\$1,165	\$1,165	100%
3BR / 2BA	1,033	5	\$1,332	\$15	\$1,347	\$1,347	100%
@80%							
1BR / 1BA	620	1	\$1,289	\$7	\$1,296	\$1,296	100%
2BR / 1BA	806	13	\$1,543	\$11	\$1,554	\$1,554	100%
3BR / 2BA	1,033	16	\$1,781	\$15	\$1,796	\$1,796	100%
<i>Non-Rental</i>							
3BR / 2BA	1,033	2	-	-	-	-	-
		<b>126</b>					

Notes (1) Utility allowance provided by the developer, based on project-specific calculation.

The following tables compare the Subject's proposed LIHTC rents with the market rents of surveyed properties. We have included the adjusted market rents for comparison purposes.

COMPARABLE PROPERTIES ADJUSTED MARKET RENTS				
Unit Type	Highest Proposed LIHTC Rent	Surveyed Min	Surveyed Max	Surveyed Average
1BR/1BA	\$1,289	\$1,504	\$1,795	\$1,699
2BR/1BA	\$1,543	\$2,000	\$2,300	\$2,111
3BR/2BA	\$1,781	\$2,070	\$2,490	\$2,324

The Subject's LIHTC rents are below the comparable adjusted market rents, providing a tenant rent advantage. The Subject will be new construction and in superior condition relative to two of the five comparable properties. The comparables' adjusted market rents better reflect the achievable rent levels in the area, as adjustments account for condition, amenities, and utility structure. Therefore, the Subject's proposed rents will provide a positive price value relationship over market rate developments and are achievable. It should be noted that the comparables were not adjusted upward in excess of 10 percent.

### Comparable LIHTC Rents

An analysis of achievable LIHTC rents is beyond the scope of the TCAC guidelines. Therefore, we do not draw any conclusions as to the reasonableness of the Subject's proposed LIHTC rents. We inform the reader that other users of this document may place great importance on underwriting the LIHTC rents. Further analysis may be required, and the outcome of that analysis is unknown.

### Achievable Market Rents

The achievable market rents were determined by comparing the aesthetic quality, amenities, unit sizes, etc. to that of the market rate projects in the area. Novogradac Consulting LLP concluded that the Subject will be competitive with the market rate competition and so achievable rents are within the market rental range. Achievable rents represent net market rate rent levels that we believe a project of the Subject's condition and quality could reasonably achieve.

Two of the five market rate comparable properties used in our analysis will be inferior to the Subject in terms of age and condition and slightly inferior to slightly superior in terms of amenities. The Subject is most similar to Bella Vista Apartments, Lake Point and Stonelake Apartments in terms of age/condition and building design.

As such, we have estimated the achievable market rents within the adjusted range of the comparables utilized in the TCAC grids.

ACHIEVABLE MARKET RENT ADVANTAGE			
Unit Type	Highest Proposed LIHTC Rent	NOVOCO's Estimated Achievable Net Market Rent	Percent Advantage Over Highest LIHTC Rent
1BR/1BA	\$1,289	\$1,700	-24.2%
2BR/1BA	\$1,543	\$2,000	-22.9%
3BR/2BA	\$1,781	\$2,325	-23.4%

As illustrated, the Subject's highest proposed LIHTC rents are significantly lower (22.9 to 24.2 percent) than NOVOCO's estimated achievable market rents.

### Rent Comparability – Market Rents and Subject Proposed LIHTC Rents

The analysis to be performed is the ten percent test. The table below illustrates the affordability of the Subject's proposed LIHTC rents. At all AMI levels, the Subject's rents are at least ten percent below market rents. The following table compares the Subject's LIHTC rents to the weighted average comparable market rate units.

TEN PERCENT RENT TEST			
Unit Type	Highest Proposed LIHTC Rent	Comparable Properties Weighted Average Market Rent	Percent Advantage Over Highest LIHTC Rent
1BR/1BA	\$1,289	\$1,699	-24.1%
2BR/1BA	\$1,543	\$2,112	-26.9%
3BR/2BA	\$1,781	\$2,324	-23.4%

The Subject's highest proposed LIHTC rent for one-bedroom units is 24.1 percent less than the adjusted weighted average comparable market rents for the same unit type. The Subject's highest proposed LIHTC rent for two-bedroom units is 26.9 percent lower than weighted market rents of those properties used in the comparison. The Subject's highest proposed three-bedroom LIHTC rent is 23.4 percent lower than weighted market rents of those properties used in the comparison. Thus, the Subject's rents are below ten percent of the average market rents and all meet the required benchmark.

### Unit Value Ratio

TCAC requires that the unit value ratio for each of the Subject's unit types be at or below the values for the same unit types in the comparable rental properties. This analysis is illustrated on the rent comparability matrices and is summarized below.

**UNIT VALUE RATIO**

Unit Type	Highest Proposed LIHTC Rent	Subject Unit Size	\$/SF	Comparable Properties Weighted Average \$/SF	Percent Advantage of Subject
1BR/1BA	\$1,289	620	\$2.08	\$2.27	-8.4%
2BR/1BA	\$1,543	806	\$1.91	\$1.96	-2.5%
3BR/2BA	\$1,781	1,033	\$1.72	\$1.87	-7.7%

The value ratios of the Subject's affordable one, two and three-bedroom units are between 2.5 and 8.4 percent less than the comparables' weighted average rents per square foot. Thus, all of the Subject's unit value ratios meet the required benchmark.

**Summary Evaluation of the Project**

According to our survey, the market for affordable developments within the PMA is excellent. The area is experiencing stable occupancy levels and waiting lists are common at the affordable properties. The average vacancy rate in the market is 2.0 percent, indicating a supply constrained market. The proposed affordable rents for all affordable units in the proposed development will have at least a ten percent market advantage. As new construction the Subject is expected to be competitive in the market. Additionally, the *Demand Estimate* section illustrates that demand in the area is strong and supports the construction of the Subject. Upon completion, the Subject will provide excellent quality affordable housing in Elk Grove.

## EXISTING AND PLANNED AFFORDABLE HOUSING

The following chart identifies LIHTC developments within the Subject's PMA. A search of the HUD LIHTC database and TCAC's LIHTC lists of projects placed in service was performed.

EXISTING AFFORDABLE PROPERTIES IN THE PMA

Property Name	Distance	Rent Structure	Tenancy	Total Units	Competitive Units	BR Types	Occupancy	Waiting List (Y/N)	Rents	Amenities
Agave at Elk Grove	3.1 miles	LIHTC	Family	188	188	2, 3, 4	97.9%	No	\$841 - \$1,314	Business center, community room
Vintage at Laguna	4.9 miles	LIHTC	Senior	158	0	1, 2	100.0%	Yes	\$399 - \$1,047	Elevators
Geneva Pointe Apartments	5.2 miles	LIHTC	Family	152	152	1, 2, 3	98.7%	Yes	\$704 - \$1,184	Business center, community room
Crossings at Elk Grove *	4.0 miles	LIHTC	Family	116	116	1, 2, 3, 4	100.0%	Yes	\$707 - \$1,317	Business center, community room
Stoneridge at Elk Grove *	4.1 miles	LIHTC	Family	96	96	2, 3, 4	99.0%	Yes	\$844 - \$1,317	Business center, community room
Waterman Square *	3.0 miles	LIHTC	Family	84	84	2, 3, 4	98.8%	Yes	\$784 - \$1,190	Community room
Seasons at Laguna Ridge	1.2 miles	LIHTC	Senior	222	222	1, 2	N/Av	N/Av	N/Av	N/Av
Montego Falls Apartments *	2.0 miles	LIHTC	Family	132	132	1, 2, 3	100.0%	No	\$704 - \$1,185	Business center, community room
Terracina at Elk Grove	1.4 miles	LIHTC	Family	124	124	N/Av	N/Av	N/Av	N/Av	N/Av
The Ridge Apartments *	2.9 miles	LIHTC	Family	204	204	1, 2, 3	100.0%	No	\$704 - \$1,184	Business center, community room
Vintage at Laguna II	4.9 miles	LIHTC	Senior	69	0	1, 2	100.0%	Yes	\$399 - \$1,047	Elevators
Avery Gardens	2.6 miles	LIHTC	Family	64	64	N/Av	N/Av	N/Av	N/Av	N/Av
Bow Street Apartments	5.0 miles	LIHTC	Family	98	98	N/Av	N/Av	N/Av	N/Av	N/Av
<b>Total</b>				<b>1,707</b>	<b>1,480</b>		<b>99.4%</b>			

\* Used as a comparable property

All of the affordable properties in the PMA are experiencing good occupancy levels averaging 99.4 percent and maintain waiting lists. The comparable LIHTC properties are detailed further in the *Competitive Rental Market* section of the TCAC Market Study. It should be noted that we were unable to reach property managers at some of these properties.

### Sacramento Housing and Redevelopment Agency

We contacted the Sacramento Housing and Redevelopment Agency (SHRA) regarding the Housing Choice Voucher program administered by the agency. According to a representative with the agency, SHRA administers approximately 12,900 Section 8 Housing Choice Vouchers. The waiting list is currently closed and is approximately three years in length. The gross payment standards set by the SHRA are listed in the following table and are above the Subject's proposed gross rents, making voucher tenants eligible to live at the Subject and not have to pay additional rent out of pocket.

PAYMENT STANDARDS

Unit Type	Payment Standard	Subject's Highest Gross Rent
One-Bedroom	\$1,929	\$1,296
Two-Bedroom	\$2,431	\$2,554
Three-Bedroom	\$3,477	\$1,796

Source: SHRA, effective 1/1/2021

### Proposed Construction

We reviewed TCAC, CDLAC, and HUD development lists for projects funded over the past several years as being best representative of current and planned affordable housing conditions throughout the PMA. According to CDLAC's Allocation Awards List and TCAC's Funded Project List there have been no recent developments allocated tax credits within the PMA. Based on our research of recent multifamily development land sales in the area, there appear to be additional affordable developments in the early planning stages; however, these developments have not been allocated funding as of the date of this report. However, it should be noted that we are aware of Phase I of the Subject development, which will offer 172 LIHTC units restricted to families earning 30, 50, 60, and 80 percent of the AMI or below, in addition to two manager's units. As of the date of this report, the development has not received LIHTC allocation.



We attempted to contact the City of Elk Grove Development Services Department to locate any multifamily developments that are proposed, under construction, or recently completed that would compete with the Subject in Elk Grove. However, as of the date of this report, our phone calls and emails have not been returned. As such, we performed an online search in addition to searching the CoStar database for any such multifamily developments. We found evidence of two proposed market rate multifamily developments in the area. Information on these properties is detailed following.

- Toscano Apartments is a proposed market rate multifamily development that will be located in the Laguna West neighborhood of Elk Grove. As proposed, the property will offer 206 market rate one, two and three-bedroom units. The project is expected to break ground in 2021, with anticipated completion in 2022. Due to all units being market rate, we do not anticipate that the Subject will compete with Toscano Apartments upon completion.
- Laguna Main Street is a proposed market rate multifamily development that will be located in the Laguna West neighborhood of Elk Grove, located one block from Toscano Apartments. As proposed, the property will offer 150 market rate one, two and three-bedroom units. The project is expected to break ground in 2021, with anticipated completion in 2022. Due to all units being market rate, we do not anticipate that the Subject will compete with Toscano Apartments upon completion.

### Building Permits

Historical building permit information for Sacramento County obtained from the U.S. Census Bureau is presented in the following chart.

**BUILDING PERMITS: SACRAMENTO COUNTY 2000 - 2019**

Year	Single-family and Duplex	Three and Four-Family	Five or More Family	Total Units
2000	6,297	87	1,288	7,672
2001	7,449	67	1,591	9,107
2002	9,416	3	2,309	11,728
2003	10,664	4	3,292	13,960
2004	10,373	34	2,472	12,879
2005	8,646	109	2,790	11,545
2006	4,440	141	1,849	6,430
2007	3,444	49	619	4,112
2008	1,960	16	1,077	3,053
2009	928	34	20	982
2010	826	22	314	1,162
2011	739	6	541	1,286
2012	1,233	0	313	1,546
2013	1,782	7	112	1,901
2014	1,686	4	71	1,761
2015	2,341	16	653	3,010
2016	2,787	4	559	3,350
2017	3,205	0	1,623	4,828
2018	3,616	11	1,040	4,667
2019	4,057	34	1,497	5,588
<b>Total</b>	<b>85,889</b>	<b>648</b>	<b>24,030</b>	<b>110,567</b>

Source: US Census Bureau Building Permits, March 2021

There have been 24,030 permits for multifamily (5+ units) development issued in Sacramento County over the last 19 years, which accounts for 21.7 percent of total permits issued. Between 2016 and 2019, multifamily (5+ units) permits have account for 27.6 percent of total permits issued.

**Conclusion**

All the data combined with interviews of real estate professionals demonstrate an ongoing need for the creation and maintenance of market rate and affordable housing in the PMA over the foreseeable term. Additionally, the area's affordable housing developments maintain waiting lists for a majority of unit types. Therefore, we anticipate that the Subject and the existing affordable properties will not hinder each other's ability to maintain full occupancy. Further, based upon our research there are no competitive units that are currently proposed in the Subject's market area. Based upon our *Demand Estimate*, we believe that the Subject will not adversely impact the performance of these units, with an ample number of income-qualified households in the PMA when considering current and proposed supply.

All of the market rate and LIHTC properties used for comparison in this report are located within the Subject's PMA. The Subject's affordable rents offer a significant tenant rent advantage over the market rate developments surveyed. The Subject will have a positive impact on the surrounding neighborhood and will not adversely affect existing or proposed market rate or affordable housing located in the area.

**ADDENDUM A**  
***Assumptions & Limiting Conditions***

## **ASSUMPTIONS & LIMITING CONDITIONS**

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the consultant has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the consultant assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and marketable.
3. All information contained in the report, which others furnished, was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
4. The report was made assuming responsible ownership and capable management of the property. The analyses and projections are based on the basic assumption that the development will be managed and staffed by competent personnel and that the property will be professionally advertised and aggressively promoted
5. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
6. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil, or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
7. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the consultant did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
8. A consulting analysis market study for a property is made as of a certain day. Due to the principles of change and anticipation, the value estimate is only valid as of the date of valuation. The real estate market is non-static and change and market anticipation is analyzed as of a specific date in time and is only valid as of the specified date.
9. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the author or the firm with which he or she is connected. Neither all nor any part of the report or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organizations of which the appraiser is a member be identified without written consent of the appraiser.
10. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional appraisal organization with which the appraiser is affiliated: specifically, the Appraisal Institute.

11. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the subject property unless satisfactory additional arrangements are made prior to the need for such services.
12. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
13. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
14. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which conclusions contained in this report is based.
15. On all proposed developments, subject to satisfactory completion, repairs, or alterations, the consulting report is contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time with good quality materials.
16. All general codes, ordinances, regulations, or statutes affecting the property have been and will be enforced and the property is not subject to flood plain or utility restrictions or moratoriums except as reported to the consultant and contained in this report.
17. The party for whom this report is prepared has reported to the consultant there are no original existing condition or development plans that would subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.
18. Unless stated otherwise, no percolation tests have been performed on this property. In making the appraisal, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use, as detailed in this report.
19. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The consultant does not warrant the condition or adequacy of such systems.
20. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the appraised property. The appraiser reserves the right to review and/or modify this appraisal if said insulation exists on the Subject property.
21. Acceptance of and/or use of this report constitute acceptance of all assumptions and the above conditions. Estimates presented in this report are not valid for syndication purposes

**ADDENDUM B**  
*Data Sources*

## DATA SOURCES

Sources used in this study include data that is both written and oral, published and unpublished, and proprietary and non-proprietary. Real estate developers, housing officials, local housing, and planning authority employees, property managers and other housing industry participants were interviewed. In addition, we conducted a survey of existing, comparable properties.

This report incorporates published data supplied by various agencies and organizations including:

- U.S. Census Bureau
- City of Elk Grove
- ESRI Demographics 2020
- Ribbon Demographics 2020
- Department of Housing and Urban Development (HUD)
- Sacramento Housing and Redevelopment Agency
- Sacramento Housing and Redevelopment Agency Utility Allowance
- California Employment Development Department
- California Tax Credit Allocation Committee Market Study Requirements (2021)
- U.S. Bureau of Labor Statistics
- Realtytrac.com
- CoStar.com
- Trulia.com
- Apartments.com
- Padmapper.com
- Craigslist.com

**ADDENDUM C**  
***Demographic Reports***

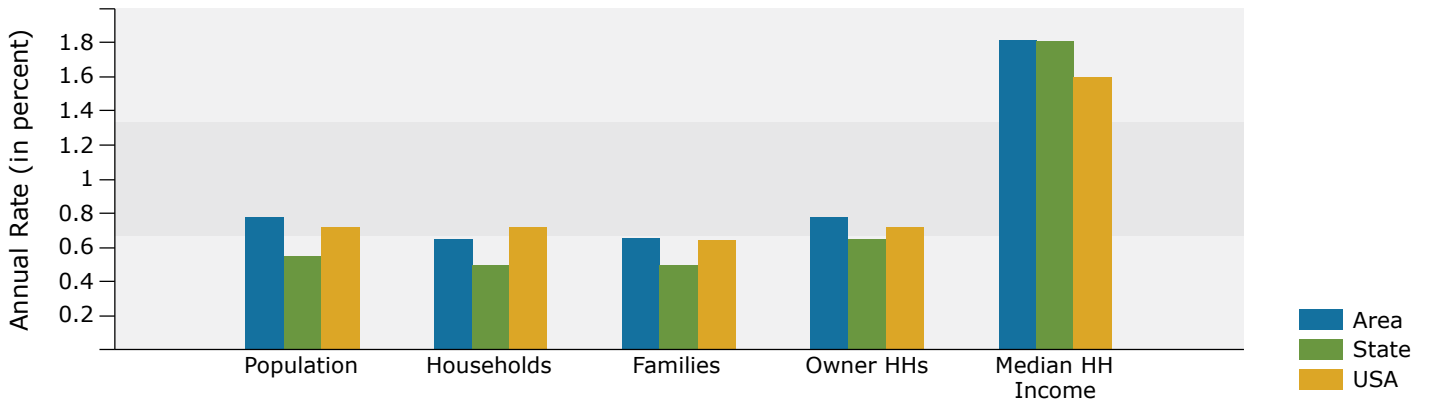


<b>Summary</b>	<b>Census 2010</b>		<b>2020</b>		<b>2025</b>	
Population	169,771		190,762		198,332	
Households	52,591		58,880		60,819	
Families	42,351		46,834		48,406	
Average Household Size	3.20		3.21		3.23	
Owner Occupied Housing Units	38,182		43,090		44,803	
Renter Occupied Housing Units	14,409		15,790		16,016	
Median Age	33.3		34.7		35.1	
<b>Trends: 2020-2025 Annual Rate</b>	<b>Area</b>		<b>State</b>		<b>National</b>	
Population	0.78%		0.55%		0.72%	
Households	0.65%		0.50%		0.72%	
Families	0.66%		0.50%		0.64%	
Owner HHs	0.78%		0.65%		0.72%	
Median Household Income	1.82%		1.81%		1.60%	
<b>Households by Income</b>	<b>2020</b>			<b>2025</b>		
		Number	Percent	Number	Percent	
<\$15,000		2,870	4.9%	2,667	4.4%	
\$15,000 - \$24,999		2,673	4.5%	2,295	3.8%	
\$25,000 - \$34,999		2,413	4.1%	2,072	3.4%	
\$35,000 - \$49,999		4,254	7.2%	3,663	6.0%	
\$50,000 - \$74,999		9,260	15.7%	8,413	13.8%	
\$75,000 - \$99,999		9,027	15.3%	8,807	14.5%	
\$100,000 - \$149,999		14,179	24.1%	15,065	24.8%	
\$150,000 - \$199,999		8,326	14.1%	10,007	16.5%	
\$200,000+		5,878	10.0%	7,830	12.9%	
Median Household Income		\$96,263		\$105,356		
Average Household Income		\$114,129		\$130,204		
Per Capita Income		\$34,849		\$39,518		
<b>Population by Age</b>	<b>Census 2010</b>		<b>2020</b>		<b>2025</b>	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	12,629	7.4%	13,049	6.8%	14,070	7.1%
5 - 9	14,105	8.3%	13,770	7.2%	14,154	7.1%
10 - 14	15,317	9.0%	14,020	7.3%	14,323	7.2%
15 - 19	14,669	8.6%	12,675	6.6%	12,423	6.3%
20 - 24	10,178	6.0%	11,715	6.1%	9,942	5.0%
25 - 34	21,719	12.8%	30,941	16.2%	33,985	17.1%
35 - 44	26,609	15.7%	25,850	13.6%	31,110	15.7%
45 - 54	25,348	14.9%	24,787	13.0%	22,096	11.1%
55 - 64	16,010	9.4%	22,415	11.8%	21,083	10.6%
65 - 74	7,708	4.5%	13,432	7.0%	15,246	7.7%
75 - 84	4,010	2.4%	5,881	3.1%	7,407	3.7%
85+	1,470	0.9%	2,225	1.2%	2,495	1.3%
<b>Race and Ethnicity</b>	<b>Census 2010</b>		<b>2020</b>		<b>2025</b>	
	Number	Percent	Number	Percent	Number	Percent
White Alone	72,775	42.9%	73,184	38.4%	71,241	35.9%
Black Alone	21,695	12.8%	23,986	12.6%	24,340	12.3%
American Indian Alone	1,066	0.6%	1,116	0.6%	1,124	0.6%
Asian Alone	45,637	26.9%	56,886	29.8%	62,823	31.7%
Pacific Islander Alone	2,310	1.4%	2,946	1.5%	3,360	1.7%
Some Other Race Alone	12,574	7.4%	15,593	8.2%	16,967	8.6%
Two or More Races	13,713	8.1%	17,051	8.9%	18,477	9.3%
Hispanic Origin (Any Race)	32,077	18.9%	39,508	20.7%	43,192	21.8%

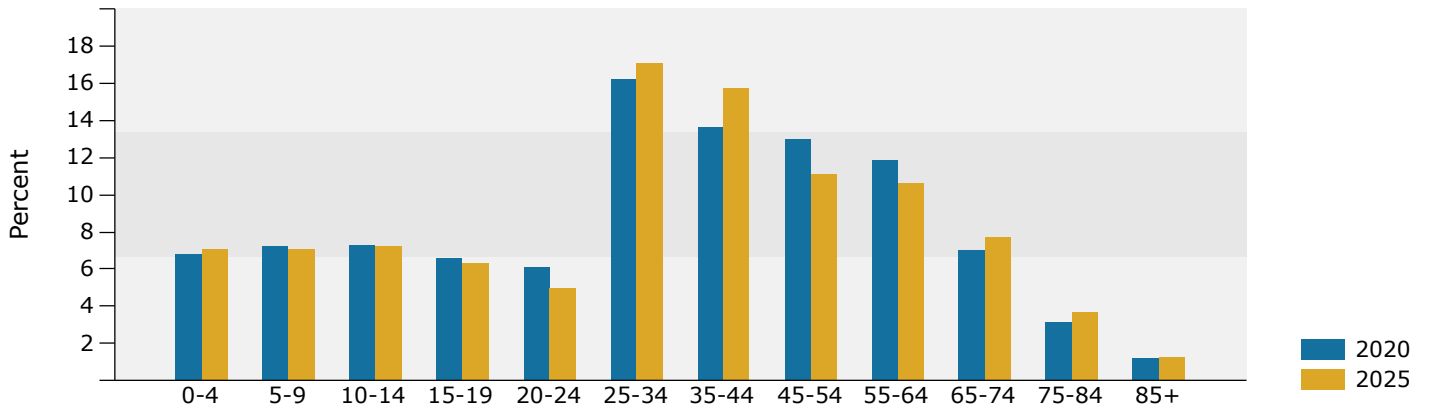
**Data Note:** Income is expressed in current dollars.

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2020 and 2025.

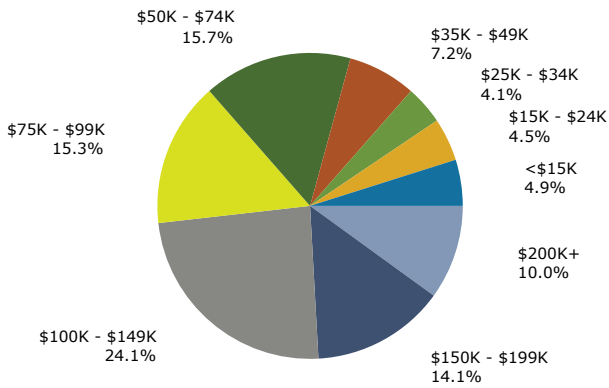
## Trends 2020-2025



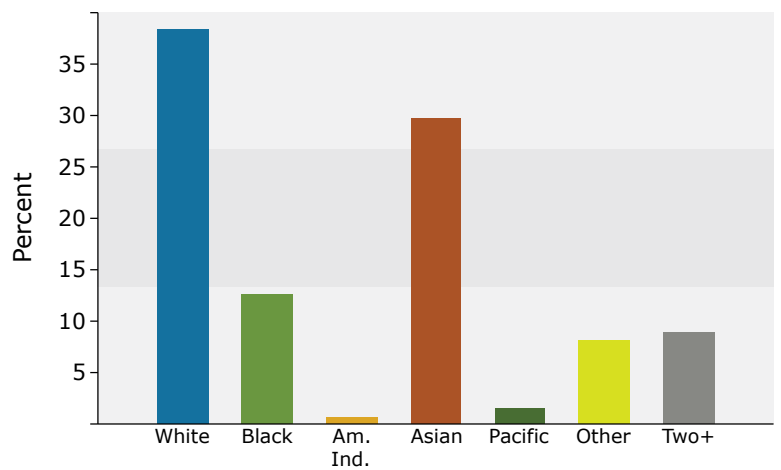
## Population by Age



## 2020 Household Income



## 2020 Population by Race



2020 Percent Hispanic Origin: 20.7%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2020 and 2025.

**ADDENDUM D**  
***Utility Allowance Schedule***



Sacramento Housing and Redevelopment Agency  
Utility Allowance Calculator

Effective  
7/01/2020

Property		Date			Apartment/ Walk UP		
Utility or Service	Type	0 BD	1 BD	2 BD	3 BD	4 BD	5 BD
Heating	Gas	<input type="checkbox"/> 0	<input type="checkbox"/> 0	<input type="checkbox"/> 0	<input type="checkbox"/> 0	<input type="checkbox"/> 0	<input type="checkbox"/> 0
	Oil/Electric	<input checked="" type="checkbox"/> 11	<input checked="" type="checkbox"/> 12	<input checked="" type="checkbox"/> 16	<input checked="" type="checkbox"/> 19	<input checked="" type="checkbox"/> 22	<input checked="" type="checkbox"/> 25
Cooking	Gas	<input type="checkbox"/> 0	<input type="checkbox"/> 0	<input type="checkbox"/> 0	<input type="checkbox"/> 0	<input type="checkbox"/> 0	<input type="checkbox"/> 0
	Oil/Electric	<input checked="" type="checkbox"/> 5	<input checked="" type="checkbox"/> 6	<input checked="" type="checkbox"/> 8	<input checked="" type="checkbox"/> 11	<input checked="" type="checkbox"/> 14	<input checked="" type="checkbox"/> 16
*Other Electric (Lighting Etc.)	Fee	19	22	30	39	48	56
**Air Conditioning	If YES Check	<input checked="" type="checkbox"/> 8	<input checked="" type="checkbox"/> 9	<input checked="" type="checkbox"/> 12	<input checked="" type="checkbox"/> 16	<input checked="" type="checkbox"/> 19	<input checked="" type="checkbox"/> 23
Water Heating	Gas	<input type="checkbox"/> 0	<input type="checkbox"/> 0	<input type="checkbox"/> 0	<input type="checkbox"/> 0	<input type="checkbox"/> 0	<input type="checkbox"/> 0
	Oil/Electric	<input checked="" type="checkbox"/> 11	<input checked="" type="checkbox"/> 13	<input checked="" type="checkbox"/> 17	<input checked="" type="checkbox"/> 21	<input checked="" type="checkbox"/> 25	<input checked="" type="checkbox"/> 28
***Other(infrastructure Fee)	Fee	20	20	20	20	20	20
<b>Utility Allowance Total</b>		<b>\$ 74.00</b>	<b>\$ 82.00</b>	<b>\$ 103.00</b>	<b>\$ 126.00</b>	<b>\$ 148.00</b>	<b>\$ 168.00</b>

**Please make sure to include a copy of this completed tool along with your pre-inspection documentation**

\* Other electric fee includes wall outlet electricity, lighting etc.; excludes heating, cooking, air conditioning and water heating, must be included in all allowances where tenants pay electricity

\*\* Air conditioning refers to landlord supplied fixed air conditioning

\*\*\* Electric system infrastructure charge per *Utility Allowance Schedule form HUD-52667* published by SHRA on 7/1/2020

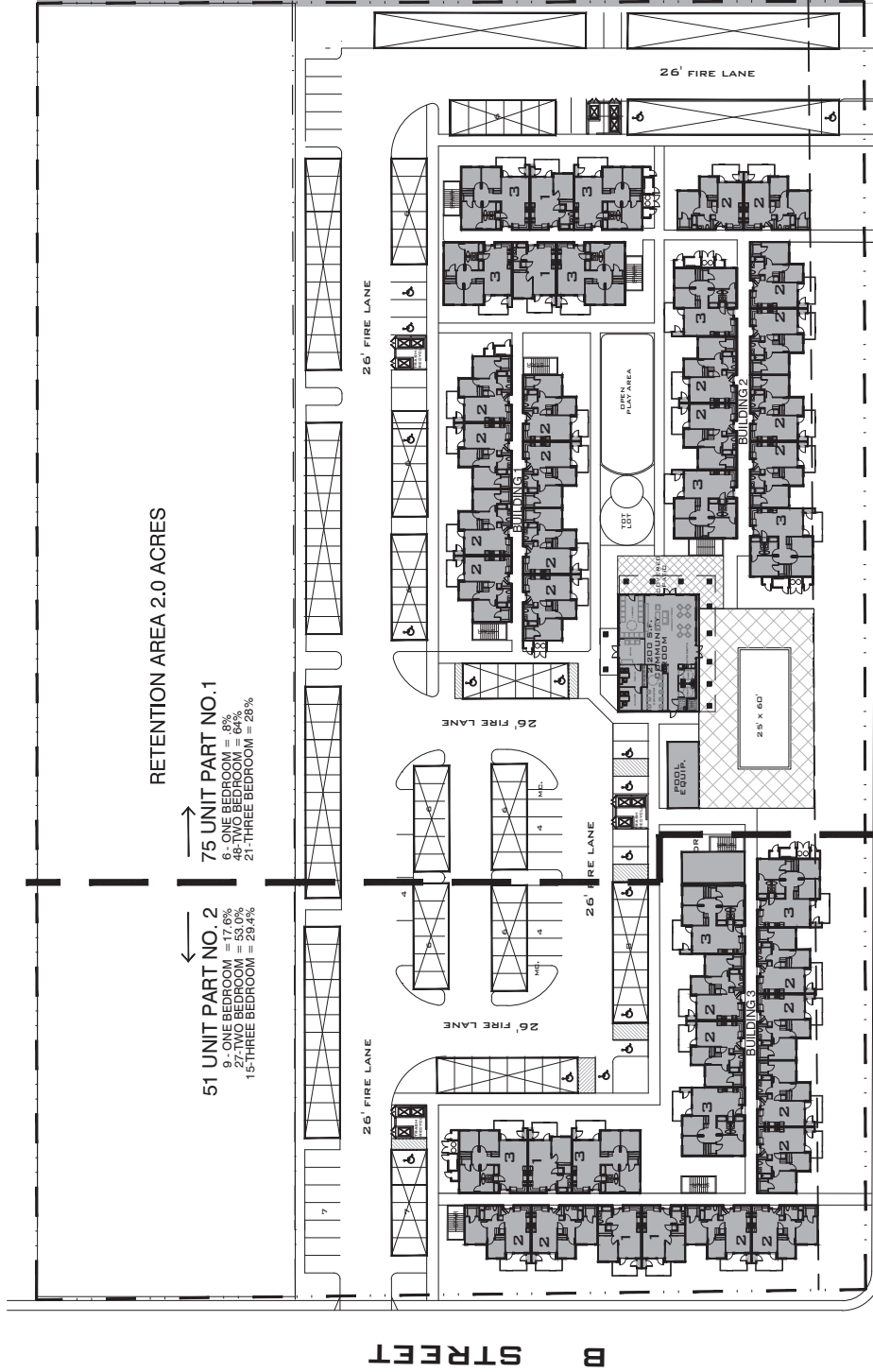
*This SHRA UA Calculator "Tool" is subject to change. Each property is responsible for ensuring the correct charge/amount of UA is collected per the actual on-site utilities in use. These Utility Allowances are not to be used for tenants that are receiving assistance from the Housing Choice Voucher Program (HCV) Program.*

**ADDENDUM E**  
***Floor Plans and Site Elevations***

# ASPEN GROVE VILLAS

126 UNIT AFFORDABLE FAMILY APARTMENTS CITY OF ELK GROVE, CA

522



RETENTION AREA 2.0 ACRES

51 UNIT PART NO. 2  
 9 - ONE BEDROOM = 17.6%  
 27 - TWO BEDROOM = 53.0%  
 15 - THREE BEDROOM = 29.4%

75 UNIT PART NO. 1  
 6 - ONE BEDROOM = 8%  
 48 - TWO BEDROOM = 64%  
 21 - THREE BEDROOM = 28%

**PROPERTY SUMMARY**  
 GROSS SITE AREA = 5.88 ACRES  
 RETENTION BASIN = 2.0 ACRES  
 NET SITE AREA = 3.88 ACRES DENSITY IS 48 DU/ACRE  
 TOTAL PARKING REQUIRED 237 SPACES PER CA. 65915  
 PARKING PROVIDED: 201 SPACES - 1.6/UNIT  
 PROJECT WILL NEED AFFORDABLE INCENTIVE  
 TO REDUCE TO 1.6 PER UNIT FROM 1.88 PER UNIT.  
**TOTAL DEVELOPMENT - 126 UNITS**

**PART NO. 1**  
 ALL UNITS IN THREE STORY BUILDING ON GRADE  
 6 - ONE BEDROOM UNITS @ 620 S.F. = 3,720 S.F. PARKING 6 CARS  
 48 - TWO BEDROOM UNITS @ 806 S.F. = 38,688 S.F. PARKING 96 CARS  
 21 - THREE BEDROOM UNITS @ 1,064 S.F. = 22,344 S.F. PARKING 42 CARS  
 TOTAL RESIDENTIAL AREA 74,2978 S.F. 144 CARS  
 OFFICE & COMMUNITY BUILDING = 2,400 S.F.

**PART NO. 2**  
 ALL UNITS IN THREE STORY BUILDING ON GRADE  
 9 - ONE BEDROOM UNITS @ 620 S.F. = 5,580 S.F. PARKING 9 CARS  
 27 - TWO BEDROOM UNITS @ 806 S.F. = 21,762 S.F. PARKING 54 CARS  
 15 - THREE BEDROOM UNITS @ 1,064 S.F. = 15,960 S.F. PARKING 30 CARS  
 TOTAL RESIDENTIAL AREA 74,2978 S.F. 93 CARS



GRAPHIC SCALE  
**SITE PLAN**  
 MARCH 19, 2021

**HEDENKAMP**  
  
**ARCHITECTURE & PLANNING**

**ARCHITECT**  
 WILLIAM B. HEDENKAMP  
 4455 MORENA BOULEVARD, SUITE 114  
 SAN DIEGO, CALIFORNIA 92117  
 PHONE: 619.316.4472

**LOTZ PARKWAY**  
 SPONSOR/DEVELOPER/ADMIN: GENERAL PARTNER:  
 CRP AFFORDABLE HOUSING AND COMMUNITY DEVELOPMENT  
 4455 MORENA BOULEVARD, SUITE 107  
 SAN DIEGO, CA 92117

**ADDENDUM F**  
*Market Study Index*



## 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.

		Page Number(s)
<b>Executive Summary</b>		
1.	Precise statement of key conclusions	2-13
2.	Market strengths and weaknesses impacting project	4-5
3.	Recommendations and/or modification to project discussion	4
4.	Discussion of subject property's impact on existing housing	11
5.	Absorption projection with issues impacting performance	12
6.	Discussion of risks or other mitigating circumstances impacting project	12
<b>Project Description</b>		
7.	Number of bedrooms and baths proposed, income limitation, proposed rents and utility allowances	22
8.	Utilities (and utility sources) included in rent	23
9.	Occupancy type and target population description	23
10.	Project design description	23
11.	Description of service amenities	23
12.	Date of construction/preliminary completion	23
13.	If rehabilitation or demolition of occupied housing, existing unit breakdown and rents	N/A
14.	Reference of status or date of architectural plans and name of architect	23
15.	Copy of floor plans and elevations	Addendum E
<b>Delineation of Market Area</b>		
16.	Primary Market Area and Secondary Market Area description	25-27
17.	Scaled for distance map of the suggested market area	26-27
18.	Site amenities description and map	29
19.	Description of site characteristics	30-31
20.	Photographs of site and neighborhood	19-21, 32-33
21.	Visibility and accessibility evaluation	34
22.	Crime statistics	34
<b>Market Area Economy</b>		
23.	Employment by industry	36-37
24.	Major employers	38
25.	Historical unemployment rate	40-41
26.	Five-year employment growth	39-40



27.	Employment Trends	40-41
28.	Typical wages by occupation	42
29.	Discussion of commuting patterns of area workers	43
<b>Population, Household and Income Trends</b>		
30.	Population and household estimates and projections	45-47
31.	Households by tenure	47
32.	Distribution of income	49-52
<b>Demand Estimate</b>		
33.	Evaluation of proposed rent levels	56-57
34.	Existing household demand	59-60
35.	New household demand	59-60
36.	Commuter demand	59-60
37.	Calculation and analysis of Capture Rate	60-64
38.	Calculation and analysis of Penetration Rate	65-67
39.	Identification of risks	67-68
40.	Conclusion of Demand analysis	67-68
<b>Absorption Rate</b>		
41.	Definition and Justification	71
42.	Estimated time to reach occupancy and percentage of units	71
<b>Competitive Rental Market</b>		
43.	Derivation of achievable market rent and Market Advantage	115-116
44.	Derivation of achievable Restricted Rent	115-116
45.	List and contact information of all considered properties	Exhibit A
46.	Profiles and narrative of comparable properties	76-105
47.	Map of comparable properties	74
48.	Comparable property photos	76-105
49.	Comparison of subject property to comparable properties	75-116
50.	Existing rental housing evaluation	75-116
51.	Rent comparability matrices	106-111
52.	Market Vacancy Rates	114-115
53.	Availability of Housing Choice Vouchers	119
54.	Identification of waiting lists	76-105
55.	Explanation of adjustments	112-114
56.	Description of overall rental market including share of market-rate and affordable properties	75-116
57.	List of existing a LIHTC properties	117
58.	Discussion of future changes in housing stock including homeownership	118-120
59.	Tax credit and other planned or under construction rental communities in market area	118-120
<b>Other Requirements</b>		
60.	Market Study Index	Addendum F
61.	Date of field work / preparation date of report	Transmittal
62.	Resume	Addendum G
63.	Utility allowance schedule	Addendum D
64.	Floor plans and elevations	Addendum E
65.	Demographic reports used	Addendum C
66.	Bibliographical list of the data sources used	Addendum B

**ADDENDUM G**  
***Photographs of Comparable Properties Outside of One Mile***

**Photos Of Comparables Outside One Mile**

Per TCAC Market Study Requirements, we must provide photos of surrounding uses of market rate comparables located more than mile from the Subject. All of the market rate comparables are located more than one mile from the Subject.

**Bella Vista Apartments**



Single-family homes to the north



Dilusso Drive facing east



Bruceville Road facing south



Single-family homes to the west

**Emerald Vista Apartments**



House of worship to the north



Elk Grove Boulevard facing east



Retail plaza to the south



Elk Grove Boulevard facing west



**Lake Point**



Lake Pointe Drive facing northeast



Four Winds Drive facing east



Elk Grove Boulevard facing south



Four Winds Drive facing west

**Stonelake Apartments**



View north on East Taron Road



Single-family homes to the east



Single-family homes to the south



Elk Grove Boulevard facing southwest

**ADDENDUM H**  
***Qualifications of Consultants***

## **PREVIOUS EXPERIENCE IN MARKET AREA**

In accordance with TCAC regulations, we have provided details pertaining to our experience within the Subject market. Novogradac Consulting LLP has completed well over 50 market studies and appraisals in the Sacramento County area. Similarly, we have completed well over 50 site inspections within this market area. Brad Weinberg has more than 21 years of experience and Rachel Denton has 18 years of experience preparing market studies for TCAC and other state agencies. Sara Nachbar has over seven years of experience and Matt Egerstrom has more than three years of experience analyzing LIHTC multifamily housing, conventional multifamily housing, and commercial properties.

Detailed resumes for the Novogradac staff that prepared this market study are located following.



**CURRICULUM VITAE**  
**BRAD E. WEINBERG, MAI, CVA, CRE**

**I. Education**

University of Maryland, Masters of Science in Accounting & Financial Management  
University of Maryland, Bachelors of Arts in Community Planning

**II. Licensing and Professional Affiliations**

MAI Member, Appraisal Institute, No. 10790  
Certified Valuation Analyst (CVA), National Association of Certified Valuers and Analysts (NACVA)  
Member, The Counselors of Real Estate (CRE)  
Member, Urban Land Institute  
Member, National Council of Housing Market Analysts (NCHMA)

State of Alabama – Certified General Real Estate Appraiser, No. G00628  
State of California – Certified General Real Estate Appraiser, No. AG27638  
State of Florida – Certified General Real Estate Appraiser; No. RZ3249  
State of Hawaii – Certified General Real Estate Appraiser, No. CGA0001291  
State of Maryland – Certified General Real Estate Appraiser; No. 6048  
State of New Jersey – Certified General Real Estate Appraiser; No. 42RG00224900  
State of Nevada – Certified General Real Estate Appraiser, No. A.0207819-CG  
State of Oregon – Certified General Real Estate Appraiser; No. C001280  
State of Pennsylvania – Certified General Real Estate Appraiser; No. GA004111  
State of Washington – Certified General Real Estate Appraiser, No. 1102433

**III. Professional Experience**

Partner, Novogradac & Company LLP  
President, Capital Realty Advisors, Inc.  
Vice President, The Community Partners Realty Advisory Services Group, LLC  
President, Weinberg Group, Real Estate Valuation & Consulting  
Manager, Ernst & Young LLP, Real Estate Valuation Services  
Senior Appraiser, Joseph J. Blake and Associates  
Senior Analyst, Chevy Chase F.S.B.  
Fee Appraiser, Campanella & Company

**IV. Professional Training**

Appraisal Institute Coursework and Seminars Completed for MAI Designation and Continuing Education Requirements

National Association of Certified Valuers and Analysts (NACVA) Coursework and Seminars completed for Certified Valuation Analyst (CVA) Designation and Continuing Education Requirements

## V. Speaking Engagements and Authorship

Numerous speaking engagements at Affordable Housing Conferences throughout the Country

Participated in several industry forums regarding the Military Housing Privatization Initiative

Authored "New Legislation Emphasizes Importance of Market Studies in Allocation Process," *Affordable Housing Finance*, March 2001

## VI. Real Estate Assignments

A representative sample of Due Diligence, Consulting or Valuation Engagements includes:

- On a national basis, conduct market studies and appraisals for proposed Low-Income Housing Tax Credit properties. Analysis includes preliminary property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis and operating expense analysis to determine appropriate cost estimates.
- On a national basis, conduct market studies and appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. This includes projects under the 221(d)3, 221(d)4, 223(f), and 232 programs.
- Completed numerous FannieMae and FreddieMac appraisals of affordable and market rate multifamily properties for DUS Lenders.
- Managed and completed numerous Section 8 Rent Comparability Studies in accordance with HUD's Section 9 Renewal Policy and Chapter 9 for various property owners and local housing authorities.
- Designed and implemented rent reasonableness toolkit for Public Housing Agencies (PHA) in support of Housing Choice Voucher program. Rent reasonableness tool provides an estimated rent based on surveyed market conditions specific to the PHA.
- Developed a Flat Rent Model for the Trenton Housing Authority. Along with teaming partner, Quadel Consulting Corporation, completed a public housing rent comparability study to determine whether the flat rent structure for public housing units is reasonable in comparison to similar, market-rate units. THA also requested a flat rent schedule and system for updating its flat rents. According to 24 CFR 960.253, public housing authorities (PHAs) are required to establish flat rents, in order to provide residents a choice between paying a "flat" rent, or an "income-based" rent. The flat rent is based on the "market rent", defined as the rent charged for a comparable unit in the private, unassisted market at which a PHA could lease the public housing unit after preparation for occupancy. Based upon the data collected, the consultant will develop an appropriate flat rent schedule, complete with supporting documentation outlining the methodology for determining and applying the rents. We developed a system that THA can implement to update the flat rent schedule on an annual basis.

- As part of an Air Force Privatization Support Contractor team (PSC) to assist the Air Force in its privatization efforts. Participation has included developing and analyzing housing privatization concepts, preparing the Request for Proposal (RFP), soliciting industry interest and responses to housing privatization RFP, Evaluating RFP responses, and recommending the private sector entity to the Air Force whose proposal brings best value to the Air Force. Mr. Weinberg has participated on numerous initiatives and was the project manager for Shaw AFB and Lackland AFB Phase II.
- Conducted housing market analyses for the U.S. Army in preparation for the privatization of military housing. This is a teaming effort with Parsons Corporation. These analyses were done for the purpose of determining whether housing deficits or surpluses exist at specific installations. Assignment included local market analysis, consultation with installation housing personnel and local government agencies, rent surveys, housing data collection, and analysis, and the preparation of final reports.
- Developed a model for the Highland Company and the Department of the Navy to test feasibility of developing bachelor quarters using public-private partnerships. The model was developed to test various levels of government and private sector participation and contribution. The model was used in conjunction with the market analysis of two test sites to determine the versatility of the proposed development model. The analysis included an analysis of development costs associated with both MILCON and private sector standards as well as the potential market appeal of the MILSPECS to potential private sector occupants.

**STATEMENT OF PROFESSIONAL QUALIFICATIONS  
RACHEL BARNES DENTON, MAI**

**I. EDUCATION**

Cornell University, Ithaca, NY  
School of Architecture, Art & Planning, Bachelor of Science in City & Regional Planning

**II. LICENSING AND PROFESSIONAL AFFILIATION**

Designated Member of the Appraisal Institute  
Member of National Council of Housing Market Analysts (NCHMA)  
Member of Commercial Real Estate Women (CREW) Network  
2011 and 2012 Communications Committee Co-Chair for the Kansas City CREW Chapter  
2013 Director of Communications and Board Member for Kansas City CREW  
2014 Secretary and Board Member for Kansas City CREW  
2015 and 2016 Treasurer and Board Member for Kansas City CREW

State of Arkansas Certified General Real Estate Appraiser No. CG3527  
State of California Certified General Real Estate Appraiser No. AG044228  
State of Colorado Certified General Real Estate Appraiser No. 100031319  
State of Georgia Certified General Real Estate Appraiser No. 391113  
State of Hawaii Certified General Real Estate Appraiser No. CGA1048  
State of Illinois Certified General Real Estate Appraiser No. 553.002012  
State of Kansas Certified General Real Estate Appraiser No. G-2501  
State of Minnesota Certified General Real Estate Appraiser No. 40420897  
State of Missouri Certified General Real Estate Appraiser No. 2007035992  
State of Nebraska Certified General Real Estate Appraiser No. CG2017030R  
State of New Mexico Certified General Real Estate Appraiser No. 03424-G  
State of North Dakota Certified General Real Estate Appraiser No. CG-219110  
State of Oklahoma Certified General Real Estate Appraiser No. 13085CGA  
State of Oregon Certified General Real Estate Appraiser No. C000951  
State of South Dakota Certified General Real Estate Appraiser No. 1488CG  
State of Texas Certified General Real Estate Appraiser No. 1380396

**III. PROFESSIONAL EXPERIENCE**

Novogradac & Company LLP, Partner  
Novogradac & Company LLP, Principal  
Novogradac & Company LLP, Manager  
Novogradac & Company LLP, Senior Real Estate Analyst

**IV. PROFESSIONAL TRAINING**

Educational requirements successfully completed for the Appraisal Institute:  
Appraisal Principals, September 2004  
Basic Income Capitalization, April 2005  
Uniform Standards of Professional Appraisal Practice, various  
Advanced Income Capitalization, August 2006  
General Market Analysis and Highest & Best Use, July 2008  
Advanced Sales Comparison and Cost Approaches, June 2009  
Advanced Applications, June 2010  
General Appraiser Report Writing and Case Studies, July 2014  
Standards and Ethics (USPAP and Business Practices and Ethics)  
MAI Designation General Comprehensive Examination, January 2015  
MAI Demonstration of Knowledge Report, April 2016

Completed HUD MAP Training, Columbus, Ohio, May 2010

**V. SPEAKING ENGAGEMENTS**

Have presented and spoken at both national Novogradac conferences and other industry events, including the National Council of Housing Market Analysts (NCHMA) Annual Meetings and FHA Symposia, National Housing and Rehabilitation Association Conferences, Institute for Professional and Executive Development (IPED) conferences, and state housing conferences, such as Housing Colorado, Idaho Conference on Housing and Economic Development, and Missouri Workforce Housing Association.

**VI. REAL ESTATE ASSIGNMENTS**

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

In general, have managed and conducted numerous market analyses and appraisals for various types of commercial real estate since 2003, with an emphasis on affordable multifamily housing.

Conducted and managed appraisals of proposed new construction, rehab and existing Low-Income Housing Tax Credit properties, Section 8 Mark-to-Market properties, HUD MAP Section 221(d)(4) and 223(f) properties, USDA Rural Development, and market rate multifamily developments on a national basis. Analysis includes property screenings, economic and demographic analysis, determination of the Highest and Best Use, consideration and application of the three traditional approaches to value, and reconciliation to a final value estimate. Both tangible real estate values and intangible values in terms of tax credit valuation, beneficial financing, and PILOT are considered. Additional appraisal assignments completed include commercial land valuation, industrial properties for estate purposes, office buildings for governmental agencies, and leasehold interest valuation. Typical clients include developers, lenders, investors, and state agencies.

Managed and conducted market studies for proposed Low-Income Housing Tax Credit, HUD MAP, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis and operating expense analysis. Property types include proposed multifamily, senior independent living, large family, acquisition/rehabilitation, historic rehabilitation, adaptive reuse, and single family developments. Typical clients include developers, state agencies, syndicators, investors, and lenders.

Completed and have overseen numerous Rent Comparability Studies in accordance with HUD's Section 8 Renewal Policy and Chapter 9 for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.

Performed and managed market studies and appraisals of proposed new construction and existing properties insured and processed under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs.

Performed and have overseen numerous market study/appraisal assignments for USDA RD properties in several states in conjunction with acquisition/rehabilitation redevelopments. Documents are used by states, lenders, USDA, and the developer in the underwriting process. Market studies are compliant to State, lender, and USDA requirements. Appraisals are compliant to lender requirements and USDA HB-1-3560 Chapter 7 and Attachments.

Performed appraisals for estate valuation and/or donation purposes for various types of real estate, including commercial office, industrial, and multifamily assets. These engagements were conducted in accordance with the Internal Revenue Service's Real Property Valuation Guidelines, Section 4.48.6 of the Internal Revenue Manual.

Performed analyses of various real estate asset types subject to USDA 4279-B, Business and Industry Guaranteed Loans, Section 4279.150 guidelines.

Conducted various Highest and Best Use Analyses for proposed development sites nationwide. Completed an analysis of existing and proposed senior supply of all types of real estate, and conducted various demand and feasibility analyses in order to determine level of need and ultimate highest and best use of the site.

Prepared a three-year Asset Management tracking report for a 16-property portfolio in the southern United States. Data points monitored include economic vacancy, levels of concessions, income and operating expense levels, NOI and status of capital projects. Data used to determine these effects on the project's ability to meet its income-dependent obligations.

Performed various community-wide affordable housing market analyses and needs assessments for communities and counties throughout the Midwest and Western states. Analysis included demographic and demand forecasts, interviews with local stakeholders, surveys of existing and proposed affordable supply, and reconciliation of operations at existing supply versus projected future need for affordable housing. Additional analyses included identification of housing gaps, potential funding sources, and determination of appropriate recommendations. These studies are typically used by local, state, and federal agencies in order to assist with housing development and potential financing.

Managed a large portfolio of Asset Management reports for a national real estate investor. Properties were located throughout the nation, and were diverse in terms of financing, design, tenancy, and size. Information compiled included income and expenses, vacancy, and analysis of property's overall position in the market.

Performed appraisals of LIHTC assets for Year 15 purposes; valuations of both the underlying real estate asset and partnership interests have been completed. These reports were utilized to assist in potential disposition options for the property, including sale of the asset, buyout of one or more partners, or potential conversion to market rate.

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## SARA N. NACHBAR

### I. EDUCATION

Missouri State University – Springfield, MO  
*Bachelor of Science – Finance*

### II. PROFESSIONAL EXPERIENCE

*Manager, Novogradac & Company LLP*  
*Executive Assistant, Helzberg Entrepreneurial Mentoring Program*  
*Claims Associate, Farmers Insurance Group*

### III. REAL ESTATE ASSIGNMENTS

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, assisted living, large family, and acquisition with rehabilitation.
- Assisted in the preparation of Rent Comparability Studies for expiring Section 8 contracts and USDA contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low Income Housing Tax Credit properties. Analysis included property screenings, valuation analysis, capitalization rate analysis, expense comparability analysis, determination of market rents, and general market analysis.
- Prepared market studies and assisted in appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7/Appendix 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs.
- Researched and analyzed local and national economy and economic indicators for specific projects throughout the United States. Research included employment industries analysis, employment historical trends and future outlook, and demographic analysis.
- Examined local and national housing market statistical trends and potential outlook in order to determine sufficient demand for specific projects throughout the United States.
- Conducted more than 40 site inspections for market studies and appraisals throughout the United States for various reports including proposed new construction and rehabilitation multifamily projects.

**STATEMENT OF PROFESSIONAL QUALIFICATIONS**  
**Matthew Egerstrom**

**I. Education**

University of Missouri – Columbia, MO  
Bachelor of Science in Finance

**II. Professional Experience**

*Novogradac & Company LLP* – October 2017 - Present  
Analyst

*Kforce, Inc* – November 2014 – September 2017  
Senior Client Relationship Manager

*Datasphere Technologies, Inc* – February 2014 – October 2014  
Senior Account Executive

**II. REAL ESTATE ASSIGNMENTS**

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, assisted living, large family, and acquisition with rehabilitation.
- Conducted physical inspections of subject properties and comparables to determine condition and evaluate surrounding markets.
- Employed discount cash flow analysis (utilizing Excel) to value income-producing properties and prepare to analyze cash flow forecasts.
- Assisted in the preparation of Rent Comparability Studies for expiring Section 8 contracts and USDA contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Researched and analyzed local and national economy and economic indicators for specific projects throughout the United States. Research included employment industries analysis, employment historical trends and future outlook, and demographic analysis.
- Examined local and national housing market statistical trends and potential outlook in order to determine sufficient demand for specific projects throughout the United States.



**ADDENDUM I**  
***NCHMA Certification and Checklist***

# Certificate of Professional Designation

*This certificate verifies that*

**Rachel Denton**  
Novogradac & Company LLP

*Has completed NCHMA's Professional Designation Requirements  
and is hence an approved member in good standing of:*



Formerly known as  
NCAHMA

National Council of Housing Market Analysts  
1400 16<sup>th</sup> St. NW  
Suite 420  
Washington, DC 20036  
202-939-1750

**Membership Term**  
1/1/2021 to 12/31/2021



A handwritten signature in black ink, appearing to read 'Thomas Amdur'.

Thomas Amdur  
President, NCHMA

## NCHMA Market Study Index

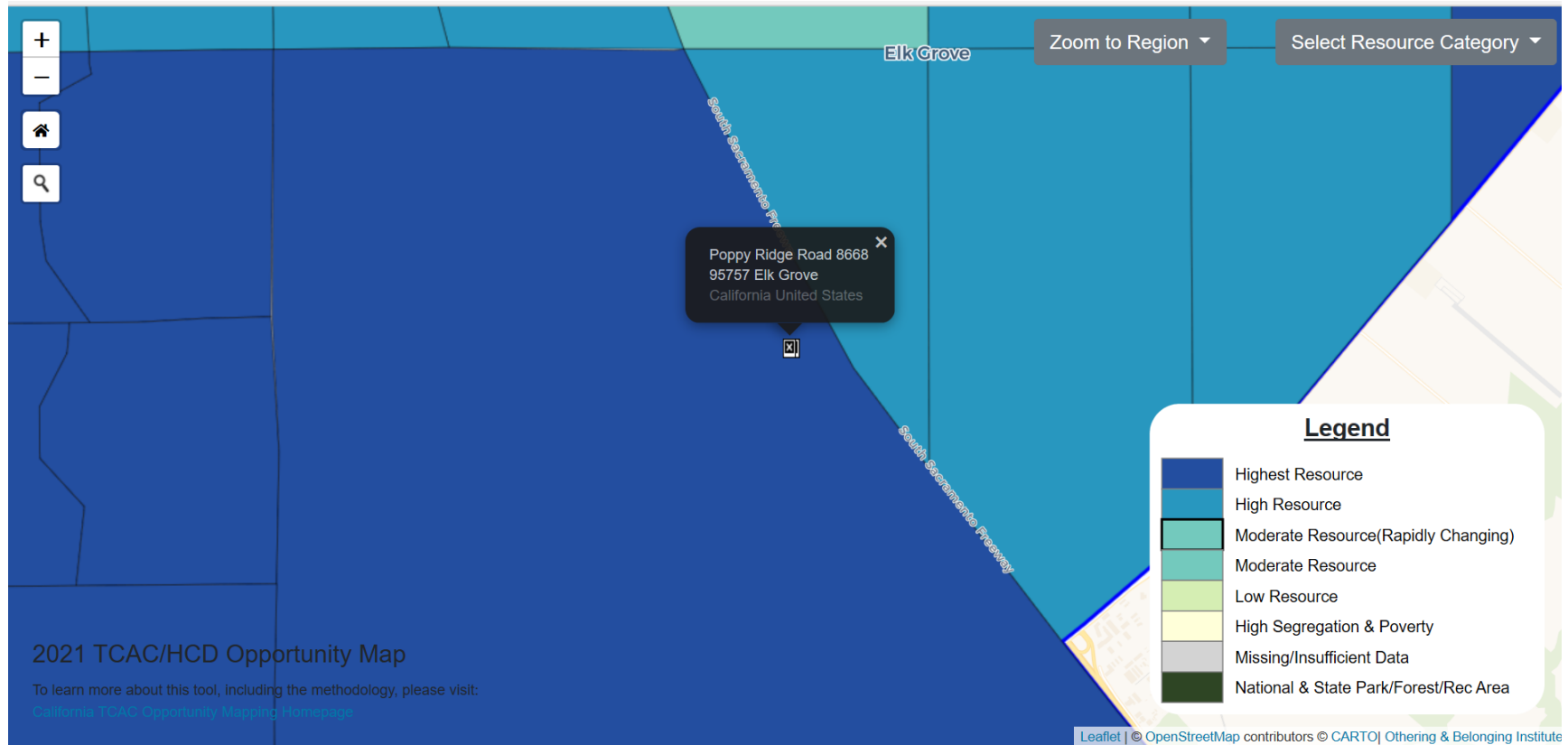
**Introduction:** Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. By completion of this checklist, the analyst asserts that he/she has completed all required items per section.

		Section
<b>Executive Summary</b>		
1	Executive Summary	Section I
<b>Scope of Work</b>		
2	Scope of Work	Section I
<b>Project Description</b>		
3	Unit mix including bedrooms, bathrooms, square footage, rents, and income targeting	Section II
4	Utilities (and utility sources) included in rent	Section II
5	Target market/population description	Section II
6	Project description including unit features and community amenities	Section II
7	Date of construction/preliminary completion	Section II
8	If rehabilitation, scope of work, existing rents, and existing vacancies	N/Ap
<b>Location</b>		
9	Concise description of the site and adjacent parcels	Section II
10	Site photos/maps	Addendum B
11	Map of community services	Section II
12	Site evaluation/neighborhood including visibility, accessibility, and crime	Section II
<b>Market Area</b>		
13	PMA description	Section III
14	PMA Map	Section III
<b>Employment and Economy</b>		
15	At-Place employment trends	Section III
16	Employment by sector	Section III
17	Unemployment rates	Section III
18	Area major employers/employment centers and proximity to site	Section III
19	Recent or planned employment expansions/reductions	Section III
<b>Demographic Characteristics</b>		
20	Population and household estimates and projections	Section IV
21	Area building permits	Section IV
22	Population and household characteristics including income, tenure, and size	Section IV
23	For senior or special needs projects, provide data specific to target market	Section VI
<b>Competitive Environment</b>		
24	Comparable property profiles and photos	Section V
25	Map of comparable properties	Section V
26	Existing rental housing evaluation including vacancy and rents	Section V
27	Comparison of subject property to comparable properties	Section V
28	Discussion of availability and cost of other affordable housing options including homeownership, if applicable	Section V
29	Rental communities under construction, approved, or proposed	Section V
30	For senior or special needs populations, provide data specific to target Market	Section V

**Introduction:** Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. By completion of this checklist, the analyst asserts that he/she has completed all required items per section.

		Section
<b>Affordability, Demand, and Penetration Rate Analysis</b>		
31	Estimate of demand	Section VI
32	Affordability analysis with capture rate	Section VI
33	Penetration rate analysis with capture rate	Section VI
<b>Analysis/Conclusions</b>		
34	Absorption rate and estimated stabilized occupancy for subject	Section VI
35	Evaluation of proposed rent levels including estimate of market/achievable rents.	Section VI
36	Precise statement of key conclusions	Section VI
37	Market strengths and weaknesses impacting project	Section I
38	Product recommendations and/or suggested modifications to subject	Section I
39	Discussion of subject property's impact on existing housing	Section I
40	Discussion of risks or other mitigating circumstances impacting subject	Section I
41	Interviews with area housing stakeholders	Section VI
<b>Other Requirements</b>		
42	Certifications	Addendum A
43	Statement of qualifications	Addendum C
44	Sources of data not otherwise identified	n/a

### TCAC/HCD Opportunity Map Indicating that the Project is Located in the Highest Resource Area



"Per CTCAC/CDLAC regulations, The Project receives the full points for Site Amenities as a (1) Large Family project with at least 50% of its units set aside as permanent supportive housing for the homeless; and the project is located in a Highest Resource Area as specified on the TCAC/HCD Opportunity Area Map; and at least 10% of tax credit units shall be restricted at 30% of area median income; and an additional 10% of tax credits units shall be restricted at 50% of area median income."

**A MARKET VALUATION OF:**

**8668 POPPY**

**RIDGE ROAD**

**DEVELOPMENT**

**SITE**

**A MARKET VALUATION OF:**  
**8668 POPPY RIDGE**  
**ROAD DEVELOPMENT**  
**SITE**

**8668 Poppy Ridge Road**  
**Elk Grove, Sacramento County, California 95757**

**Effective Date: January 20, 2021**  
**Inspection Date: January 20, 2021**  
**Report Date: February 2, 2021**

**Prepared For:**  
**Elias Wise**  
**CRP Affordable Housing & Community Development**  
**4455 Morena Boulevard, Suite 107**  
**San Diego, California 92117**

**Prepared By:**  
**Novogradac Consulting LLP**  
**6700 Antioch Road, Suite 450**  
**Merriam, Kansas 66204**  
**913-677-4600**



February 2, 2021

Elias Wise  
CRP Affordable Housing & Community Development  
4455 Morena Boulevard, Suite 107  
San Diego, California 92117

Re: Market Value of the 8668 Poppy Ridge Road Development Site  
Located at 8668 Poppy Ridge Road  
Elk Grove, California 95757

Dear Mr. Wise:

We are pleased to present our findings with respect to the value of the above-referenced property, 8668 Poppy Ridge Road Development Site ("Subject"). As requested, we provided our opinion of the fee simple as is market value of the site.

CRP Affordable Housing & Community Development is the client in this engagement. We understand that they will use this document as required to submit to TCAC. Intended users include the client, TCAC, and those transaction participants who are interested parties and have knowledge of the Section 42 LIHTC programs. These could include local housing authorities, state allocating agencies, government lending authorities, Low Income Housing Tax Credit (LIHTC) construction and permanent lenders, and/or LIHTC syndicators. As our client, CRP Affordable Housing & Community Development owns this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential users under a separate agreement.

This valuation engagement was conducted in accordance with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which standards incorporate the Uniform Standards of Professional Appraisal Practice (USPAP). Novogradac & Company has performed no valuation or market study services with regard to the Subject property within the three-year period immediately preceding acceptance of this assignment.

This report is intended to comply with the reporting requirements set forth under Standard Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for a narrative Appraisal Report. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's work file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use as noted herein

The authors of this report certify that we are not part of the development team, owner of the Subject property, general contractor, nor are we affiliated with any member of the development team engaged in the development of the Subject property or the development's partners or intended partners.




As a result of our investigation and analysis, it our opinion that, subject to the limiting conditions and assumptions contained herein, the estimated market value, of the fee simple interest in the Subject, as of January 20, 2021, is:

**FIVE MILLION NINE HUNDRED THOUSAND DOLLARS  
(\$5,900,000)**

*Please refer to the complete Assumptions and Limiting Conditions in the Addenda of this report.*

Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac Consulting LLP can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully Submitted,  
Novogradac Consulting LLP



Rachel B. Denton, MAI  
Partner  
Rachel.Denton@novoco.com  
California Certified General Real Estate  
Appraiser AG044228



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Partner  
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Appraiser AG027638

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# I. INTRODUCTION

## INTRODUCTION

### Property Identification

The Subject is a proposed affordable development to be located at 8668 Poppy Ridge Road, Elk Grove, Sacramento County, California. According to the Sacramento County Assessor and the client, the Subject size is approximately 14.02 acres, or 610,909 square feet, and is identified as parcel 13202900210000.

### Legal Description

The Subject site consists of one contiguous parcel (13202900210000) and totals approximately 14.02 acres, or 610,909 square feet. The site plan has been included in *Addendum E*.

### Ownership History

Ownership of the Subject parcels is currently vested with 8668 Poppy Ridge, LLC. The most recent transfer of the Subject occurred on September 15, 2020, when the current ownership entity purchased the site from Jane S. Clark for a total consideration of \$3,000,000. There have been no additional sales of the Subject parcels over the previous three years and the Subject is not currently under contract. Our reconciled value for the Subject, "as is," is \$5,900,000.

### Intended Use and User of the Appraisal

CRP Affordable Housing & Community Development is the client in this engagement. We understand that they will use this document as required to submit to TCAC. Intended users include the client, TCAC, and those transaction participants who are interested parties and have knowledge of the Section 42 LIHTC programs. These could include local housing authorities, state allocating agencies, government lending authorities, Low Income Housing Tax Credit (LIHTC) construction and permanent lenders, and/or LIHTC syndicators. As our client, CRP Affordable Housing & Community Development owns this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential users under a separate agreement.

### Scope of Appraisal

As part of this appraisal, we have completed the following steps to gather, confirm, and analyze the data:

- Analyze and detail comparable land sales as appropriate.
- Conduct an inspection of the site and surrounding uses.
- Consider and develop the sales comparison approach.
- Analyze collected data and synthesize information into appropriate value estimates.
- Prepare and complete narrative appraisal in summary report format of the fee simple interest. The report will conform to the generally accepted appraisal standards as evidenced by the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board (ASB) and the Appraisal Foundation, as well as the Appraisal Institute.

This report involves a narrative appraisal of the Subject and conforms to the requirements of the *Uniform Standards of Professional Appraisal Practice* (USPAP) and the Appraisal Institute. The sales comparison approach to value has been considered in this appraisal.

### **Extraordinary Assumptions (EA) and Hypothetical Conditions (HC)**

No hypothetical conditions or extraordinary assumptions were necessary to complete the valuation for the Subject. We included a more in-depth summary of any limiting conditions in the addenda of this report. The use of extraordinary assumptions and hypothetical conditions may affect the assignment results.

### **Definition of 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 are the consummation of 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 best interest;
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 normal considerations for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.<sup>1</sup>

### **Compliance and Competency Provision**

The appraiser is aware of the compliance and competency provisions of USPAP, and within our understanding of those provisions, this report complies with all mandatory requirements, and the authors of this report possess the education, knowledge, technical skills, and practical experience to complete this assignment competently, in conformance with the stated regulations.

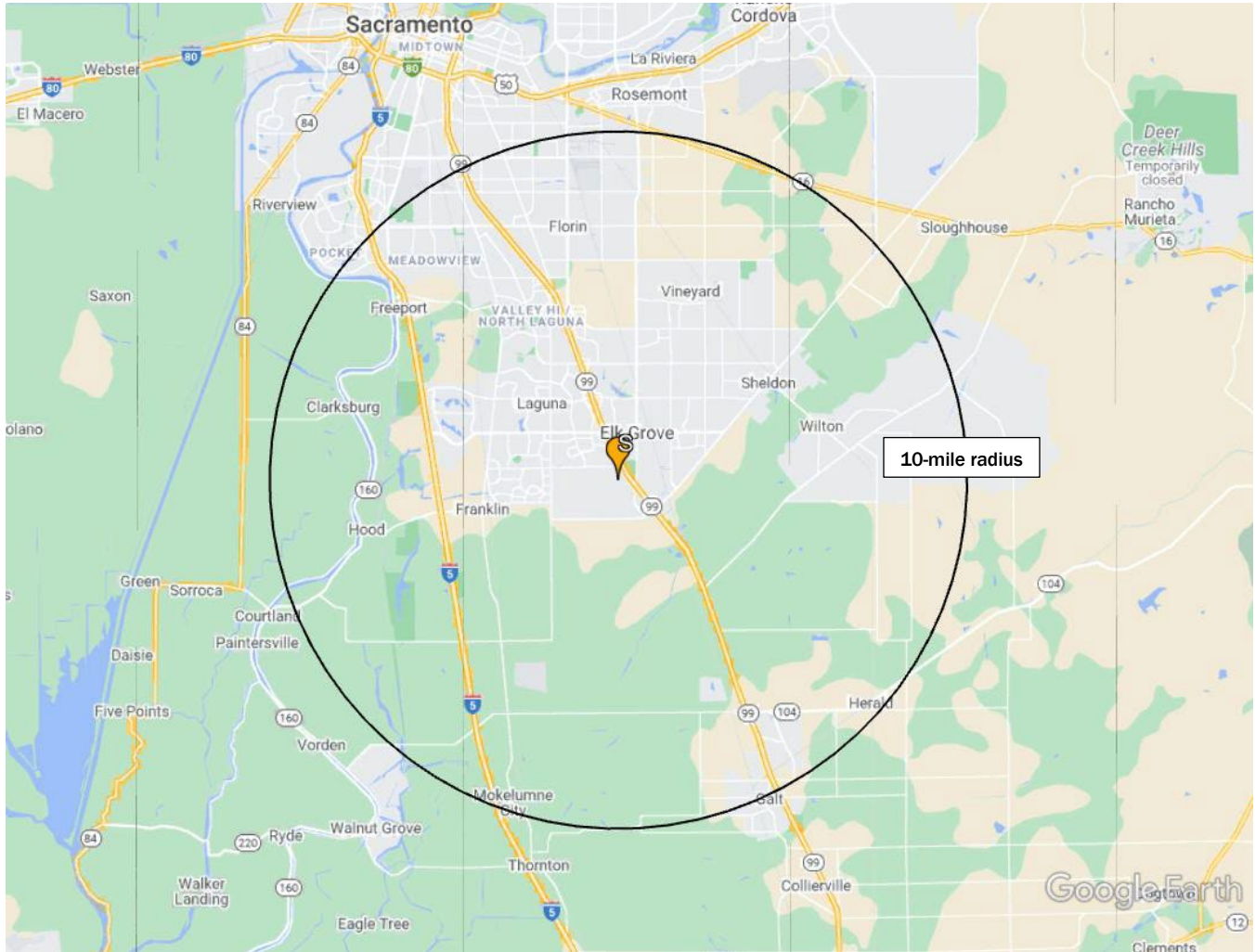
### **Unavailability of Information**

In general, all information necessary to develop an estimate of value of the Subject property was available to the appraisers.

## **II. AREA DESCRIPTION AND ANALYSIS**

## AREA DESCRIPTION AND ANALYSIS

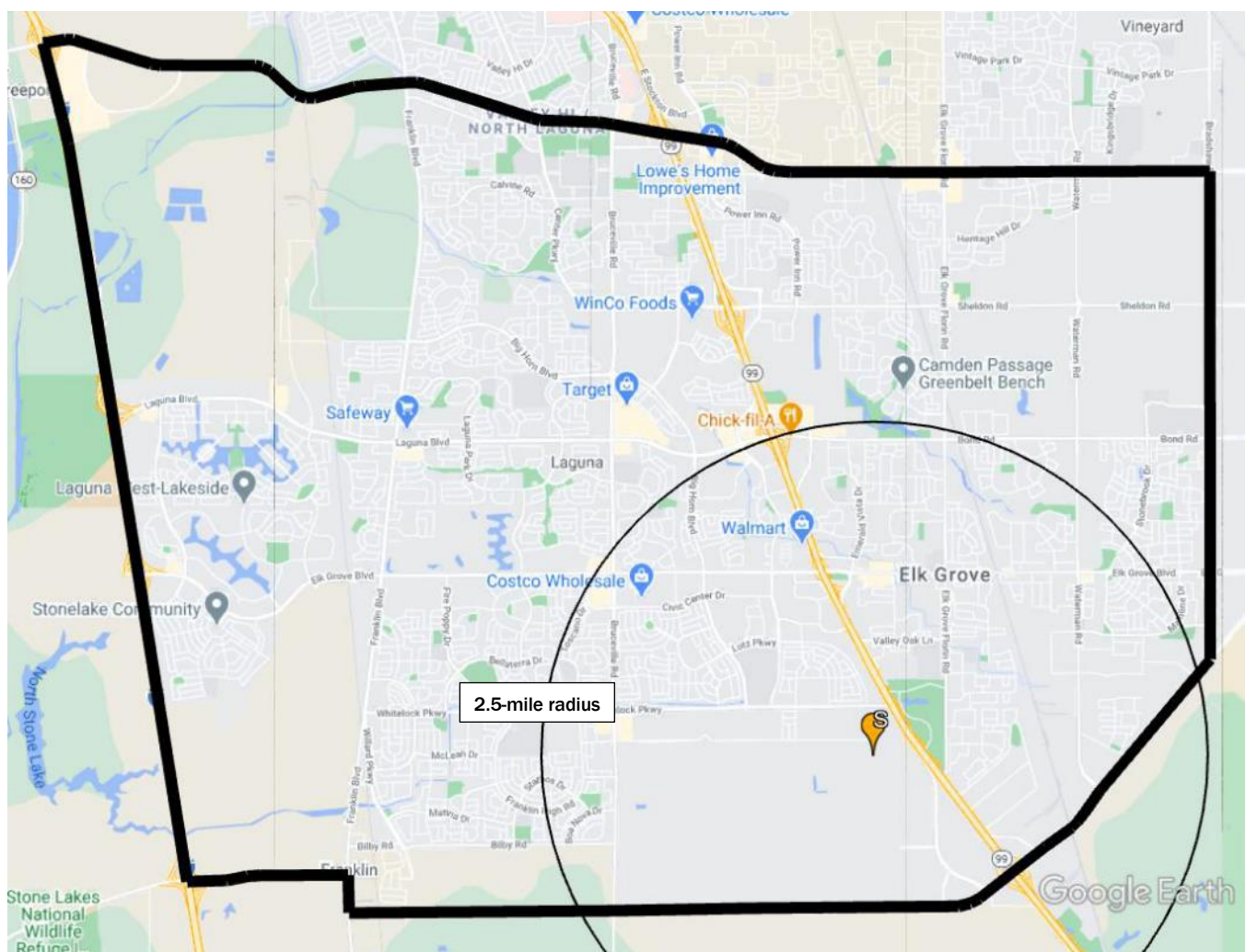
The Subject is located in Elk Grove, Sacramento County, California, in the Sacramento-Roseville-Folsom, California Metropolitan Statistical Area (MSA), which consists of Sacramento, Placer, Yolo and El Dorado Counties. A map of the region is detailed below.



## PRIMARY MARKET AREA

For the purpose of this study, it is necessary to define the market area, or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood oriented” and are generally very reluctant to move from the area where they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below market rents. The primary market area (PMA) for the Subject generally consists of the suburb of Elk Grove and surrounding areas in the southern suburbs of Sacramento. The approximate PMA boundaries for the Subject are defined as follows:

- North:** Cosumnes River Boulevard/Calvine Road
- South:** Grant Line Road/Kammerer Road/Hood Franklin Road
- East:** Bradshaw Road
- West:** Interstate 5



Novogradac Consulting LLP obtained economic information from the Bureau of Labor Statistics and ESRI Demographics, a national data proprietor. These data sources are considered to be the most reliable and current.



## ECONOMIC ANALYSIS

### Employment by Industry

The following table illustrates the distribution of employment sectors by industry within the PMA and the nation.

**2020 EMPLOYMENT BY INDUSTRY**

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Healthcare/Social Assistance	13,993	17.8%	22,313,586	15.1%
Public Administration	11,993	15.3%	7,071,492	4.8%
Educational Services	7,372	9.4%	14,320,448	9.7%
Retail Trade	6,868	8.7%	14,356,334	9.7%
Prof/Scientific/Tech Services	5,457	6.9%	12,049,828	8.2%
Manufacturing	4,207	5.4%	15,550,554	10.6%
Transportation/Warehousing	4,073	5.2%	6,959,787	4.7%
Finance/Insurance	3,840	4.9%	7,169,665	4.9%
Construction	3,331	4.2%	10,829,187	7.4%
Other Services	3,293	4.2%	6,772,309	4.6%
Accommodation/Food Services	3,218	4.1%	8,202,612	5.6%
Admin/Support/Waste Mgmt Svcs	2,505	3.2%	5,786,624	3.9%
Information	1,926	2.5%	2,723,217	1.8%
Real Estate/Rental/Leasing	1,712	2.2%	3,082,197	2.1%
Wholesale Trade	1,706	2.2%	3,744,789	2.5%
Arts/Entertainment/Recreation	1,415	1.8%	2,329,497	1.6%
Utilities	951	1.2%	1,274,383	0.9%
Agric/Forestry/Fishing/Hunting	576	0.7%	1,852,333	1.3%
Mgmt of Companies/Enterprises	45	0.1%	210,175	0.1%
Mining	38	0.0%	729,605	0.5%
<b>Total Employment</b>	<b>78,519</b>	<b>100.0%</b>	<b>147,328,622</b>	<b>100.0%</b>

Source: Esri Demographics 2020, Novogradac Consulting LLP, January 2021

Employment in the PMA is concentrated in the healthcare/social assistance, public administration, and educational services industries, which collectively comprise 42.5 percent of local employment. The large share of PMA employment in the healthcare and public administration industries is notable as these industries are historically stable, and tend to exhibit greater resilience during economic downturns. Relative to the overall nation, the PMA features comparatively greater employment in the public administration, healthcare/social assistance, and information industries. Conversely, the PMA is underrepresented in the manufacturing, construction, and accommodation/food services industries.

The ESRI data is based upon 2010 Census information, which is trended to forecast current data. The California Employment Development Department publishes 2018 data for Sacramento County that we believe presents a better indication of employment by sector and is shown in the following chart. Data for 2019 and 2020 was not available for the county.

### EMPLOYMENT BY INDUSTRY – SACRAMENTO COUNTY

Industry	2013		2014		2015	
Total Farm	2,600	0.4%	2,600	0.4%	2,700	0.4%
Mining and Logging	200	0.0%	200	0.0%	100	0.0%
Construction	27,100	4.6%	28,500	4.8%	31,000	5.0%
Manufacturing	20,900	3.6%	21,300	3.6%	20,800	3.3%
Wholesale Trade	15,500	2.6%	15,200	2.5%	15,100	2.4%
Retail Trade	59,000	10.0%	59,300	9.9%	62,100	10.0%
Transportation, Warehousing & Utilities	12,700	2.2%	13,000	2.2%	13,600	2.2%
Information	11,000	1.9%	10,200	1.7%	10,000	1.6%
Finance & Insurance	23,500	4.0%	23,000	3.8%	24,400	3.9%
Real Estate & Rental & Leasing	8,000	1.4%	8,200	1.4%	8,300	1.3%
Professional, Scientific & Technical Services	37,700	6.4%	38,300	6.4%	39,200	6.3%
Management of Companies & Enterprises	7,700	1.3%	7,600	1.3%	7,600	1.2%
Administrative & Support & Waste Services	40,700	6.9%	42,100	7.0%	41,600	6.7%
Educational & Health Services	91,200	15.5%	93,300	15.6%	102,000	16.4%
Leisure & Hospitality	53,700	9.1%	56,000	9.3%	58,700	9.4%
Other Services	19,600	3.3%	20,300	3.4%	20,800	3.3%
Government	156,700	26.7%	160,700	26.8%	163,300	26.3%
<b>Total Employment</b>	<b>587,800</b>	<b>100.0%</b>	<b>599,800</b>	<b>100.0%</b>	<b>621,300</b>	<b>100.0%</b>
Industry	2016		2017		2018	
Total Farm	2,200	0.3%	3,200	0.5%	2,600	0.4%
Mining and Logging	200	0.0%	100	0.0%	200	0.0%
Construction	32,900	5.1%	35,500	5.5%	37,800	5.7%
Manufacturing	21,100	3.3%	21,100	3.3%	21,500	3.2%
Wholesale Trade	15,700	2.4%	16,300	2.5%	17,900	2.7%
Retail Trade	64,100	10.0%	64,600	10.0%	64,600	9.7%
Transportation, Warehousing & Utilities	14,400	2.2%	15,200	2.3%	16,900	2.5%
Information	9,700	1.5%	8,500	1.3%	8,400	1.3%
Finance & Insurance	24,500	3.8%	24,200	3.7%	24,300	3.6%
Real Estate & Rental & Leasing	8,700	1.4%	9,100	1.4%	9,400	1.4%
Professional, Scientific & Technical Services	40,400	6.3%	40,300	6.2%	40,800	6.1%
Management of Companies & Enterprises	8,000	1.2%	9,200	1.4%	9,800	1.5%
Administrative & Support & Waste Services	46,000	7.1%	45,400	7.0%	48,000	7.2%
Educational & Health Services	109,500	17.0%	106,800	16.5%	111,400	16.7%
Leisure & Hospitality	60,800	9.4%	62,500	9.6%	64,800	9.7%
Other Services	21,200	3.3%	22,400	3.5%	23,200	3.5%
Government	164,700	25.6%	163,800	25.3%	164,600	24.7%
<b>Total Employment</b>	<b>644,100</b>	<b>100.0%</b>	<b>648,200</b>	<b>100.0%</b>	<b>666,200</b>	<b>100.0%</b>

Source: State of California Employment Development Department, Novogradac Consulting LLP, January 2021

Jobs within the government, educational and health services, retail trade, and leisure and hospitality sectors represent 60.9 percent of employment as of 2018.

## Major Employers

The following chart identifies the major employers in the city of Elk Grove. The Subject's surrounding area offers numerous employment opportunities at various skill levels.

### MAJOR EMPLOYERS

City of Elk Grove, CA

Employer Name	Industry	# Of Employees
Apple Computer Inc.	Technology	5,000
Elk Grove Unified School District	Education	4,055
CA Correctional Health Care Services	Healthcare	1,124
Cosumnes Community Services District	Government	779
Walmart (3 locations)	Retail Trade	515
Kaiser Permanente Med Ctr (2 locations)	Healthcare	443
Raley's/Bel Air Markets (4 locations)	Retail Trade	398
Alldata LLC	Technology	376
City of Elk Grove	Government	347
Nissan of Elk Grove	Retail Trade	301
<b>Totals</b>		<b>13,338</b>

Source: City of Elk Grove 2019 Comprehensive Annual Financial Report, January 2021

The technology, education, healthcare, government, and retail trade industries are all represented among the major employers in the city of Elk Grove. Overall, the variety of industries represented among the major employers in the city of Elk Grove indicates that the economy in the area is diverse.

## Employment Expansion/Contractions

We contacted the Greater Sacramento Economic Council regarding recently announced business expansions in the area. We were directed to the organization's website for information regarding recent employment expansions in the area. We supplemented this data with additional research. According to our research there have been two recently announced business expansions, which are detailed following:

- In January 2021, Siemens Mobility announced plans to expand its existing train repair operations facility in south Sacramento. The expansion is projected to create 50 new jobs upon completion. A specific timeline for the expansion was not available as of the date of this report.
- In March 2019, technology firm Applied Spectra announced plans to relocate its headquarters from the San Francisco area to West Sacramento. The specific number of jobs related to the relocation was not available.

We reviewed WARN (Worker Adjustment and Retraining Notification Act) notices filed with the State of California Employment Development Department. According to this source, there have a number of notices filed during 2020 year-to-date due to the onset of the COVID-19 pandemic and resulting economic turmoil. These WARN notices are detailed in the following table. Due to the volume of notices we present data filed since July 2020 through 2021 year-to-date.

**WARN LISTINGS**  
**Sacramento County, CA**

Company	Industry	Employees Affected	Layoff Date
GroceryWorks, LLC	Retail Trade	66	1/19/2021
Public House Downtown LLC	Accommodation/Food Services	45	1/11/2021
Sun G. Wong Enterprises, Inc. dba Iron Horse Tavern	Accommodation/Food Services	101	1/11/2021
Tavern on the Hill, LLC dba Iron Horse Tavern	Accommodation/Food Services	69	1/11/2021
Tres Hermanos Y Amigo 1, LLC	Accommodation/Food Services	53	1/11/2021
Tres Hermanos Y Amigo 2, LLC	Accommodation/Food Services	64	1/11/2021
Tres Hermanos Y Amigo 3, LLC	Accommodation/Food Services	62	1/11/2021
Wok in the Park, LLC	Accommodation/Food Services	69	1/11/2021
Blackstone Gaming	Gaming	1	1/7/2021
PT Gaming, LLC - Capitol Casino Sacramento Facility	Gaming	30	1/5/2021
GroceryWorks.com Operating Company, LLC.	Retail Trade	47	12/24/2020
LTF Club Management Company, LLC dba Life Time In Roseville	Arts/Entertainment/Recreation	333	12/22/2020
Southwest Airlines - Sacramento International Airport	Transportation	208	12/11/2020
Natomas Sports Club	Arts/Entertainment/Recreation	89	11/9/2020
WASH Multifamily Laundry Systems, LLC	Professional Services	1	11/9/2020
Crescent Hotels and Resorts, LLC	Accommodation/Food Services	30	11/5/2020
Aldo US Inc., Store 2077	Retail Trade	10	10/28/2020
Taste, Inc.	Accommodation/Food Services	8	10/20/2020
Hyatt Corporation dba Hyatt Regency Sacramento	Accommodation/Food Services	242	10/9/2020
Deja Vu Showgirls - Sacramento LLC	Accommodation/Food Services	90	10/5/2020
TriWest	Accommodation/Food Services	56	10/2/2020
Liquibox	Manufacturing	22	9/28/2020
McClatchy Company, LLC	Publishing	199	9/25/2020
Liquibox	Manufacturing	22	9/24/2020
LTF Club Management Company, LLC dba Life Time In Folsom	Arts/Entertainment/Recreation	325	9/16/2020
Islands Restaurants	Accommodation/Food Services	47	9/14/2020
Paradies Shops, LLC	Retail Trade	37	9/3/2020
Transform SR LLC - 06178	Accommodation/Food Services	5	8/28/2020
RC Willey Home Furnishings - Delta Shores	Retail Trade	57	8/21/2020
Embassy Suites Employer	Accommodation/Food Services	46	8/20/2020
Paradies Shops LLC	Retail Trade	40	8/18/2020
The Niello Company	Retail Trade	139	8/18/2020
Southern Glazers Wine and Spirits, LLC	Retail Trade	30	8/11/2020
SSP America	Accommodation/Food Services	171	8/10/2020
ADESA California, LLC	Retail Trade	147	8/7/2020
Hawaiian Airlines - Sacramento International Airport	Transportation	2	8/4/2020
Philips Image Guided Therapy Corporation	Manufacturing	120	7/31/2020
Inspire Communités	Real Estate/Rental/Leasing	5	7/31/2020
Parkwest Casino Cordova	Gaming	99	7/27/2020
PT Gaming, LLC dba Capitol Casino	Gaming	43	7/24/2020
Parkwest Casino Lotus	Gaming	167	7/24/2020
Goodwill Industries of Sacramento Valley and Northern Nevada, Inc.	Retail Trade	170	7/22/2020
King's Casino Management Corp.	Gaming	319	7/6/2020
Hyatt Regency Sacramento	Accommodation/Food Services	203	7/1/2020
<b>Total</b>		<b>4,089</b>	

Source: California Economic Development Department, January 2021

As seen in the previous table, there have been notices filed for a total of 4,089 layoffs during this period. A number of these layoffs are anticipated to be temporary in nature, especially those in the accommodation/food services industry.

## **Economic Analysis – Sacramento-Roseville-Folsom, CA MSA**

The following is the most recent employment trends outlook produced by the California Employment Development Department for the MSA.

**“Between November 2020 and December 2020**, combined employment in the counties of El Dorado, Placer, Sacramento, and Yolo, decreased by 2,500 to total 969,000 jobs.

- Leisure and hospitality (down 2,900 jobs) led the region in job losses from November to December. Accommodation and food services (down 3,600 jobs) was responsible for the decline. Meanwhile, arts, entertainment, and recreation gained 700 jobs.
- Education and health services reported a month-over decrease of 2,400 jobs. Health care and social assistance fell 2,200 jobs, which accounted for 92 percent of the decline.
- On the upside, trade, transportation, and utilities led the region in job gains, adding 2,800 jobs. Retail trade (up 1,600 jobs) and transportation, warehousing, and utilities (up 1,300 jobs) were responsible for the expansion.
- Construction employment increased by 1,900 jobs, in contrast to its typical decline during this time. Specialty trade contractors accounted for 68 percent of the gains by adding 1,300 jobs.

**Between December 2019 and December 2020**, total jobs in the region decreased by 71,500 or 6.9 percent.

- Leisure and hospitality declined by 28,400 jobs with 80 percent of the decrease in accommodation and food services (down 22,700 jobs). Employment also fell in arts, entertainment, and recreation, which reduced by 5,700 jobs.
- Education and health services shed 15,700 jobs since last December. Health care and social assistance lost 14,000 jobs, while educational services cut back 1,700 jobs.
- Other services reported a year-over drop of 10,400 jobs.
- Meanwhile, three major industries reported year-over gains, led by construction (up 1,200 jobs), financial activities (up 800 jobs), and professional and business services (up 700 jobs).”

## Unemployment Trends

The following table illustrates the employment and unemployment trends for the Sacramento-Roseville-Folsom, California MSA, and the nation.

### EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Sacramento-Roseville-Folsom, CA MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2004	943,678	-	5.5%	-	139,252,000	-	5.5%	-
2005	962,618	2.0%	4.9%	-0.6%	141,730,000	1.8%	5.1%	-0.5%
2006	974,939	1.3%	4.7%	-0.2%	144,427,000	1.9%	4.6%	-0.5%
2007	980,957	0.6%	5.3%	0.6%	146,047,000	1.1%	4.6%	0.0%
2008	971,038	-1.0%	7.1%	1.8%	145,363,000	-0.5%	5.8%	1.2%
2009	937,063	-3.5%	10.9%	3.8%	139,878,000	-3.8%	9.3%	3.5%
2010	920,064	-1.8%	12.4%	1.5%	139,064,000	-0.6%	9.6%	0.3%
2011	921,612	0.2%	11.8%	-0.5%	139,869,000	0.6%	9.0%	-0.7%
2012	939,883	2.0%	10.3%	-1.5%	142,469,000	1.9%	8.1%	-0.9%
2013	955,822	1.7%	8.7%	-1.6%	143,929,000	1.0%	7.4%	-0.7%
2014	970,318	1.5%	7.1%	-1.5%	146,305,000	1.7%	6.2%	-1.2%
2015	991,158	2.1%	5.9%	-1.3%	148,833,000	1.7%	5.3%	-0.9%
2016	1,011,968	2.1%	5.3%	-0.6%	151,436,000	1.7%	4.9%	-0.4%
2017	1,026,382	1.4%	4.6%	-0.7%	153,337,000	1.3%	4.4%	-0.5%
2018	1,048,225	2.1%	3.8%	-0.7%	155,761,000	1.6%	3.9%	-0.4%
2019	1,061,395	1.3%	3.6%	-0.2%	157,538,000	1.1%	3.7%	-0.2%
2020 YTD Average*	992,241	-6.5%	8.8%	5.2%	147,794,750	-6.2%	8.1%	4.4%
Nov-2019	1,069,218	-	3.2%	-	158,945,000	-	3.3%	-
Nov-2020	1,016,274	-5.0%	6.7%	3.5%	150,203,000	-5.5%	6.4%	3.1%

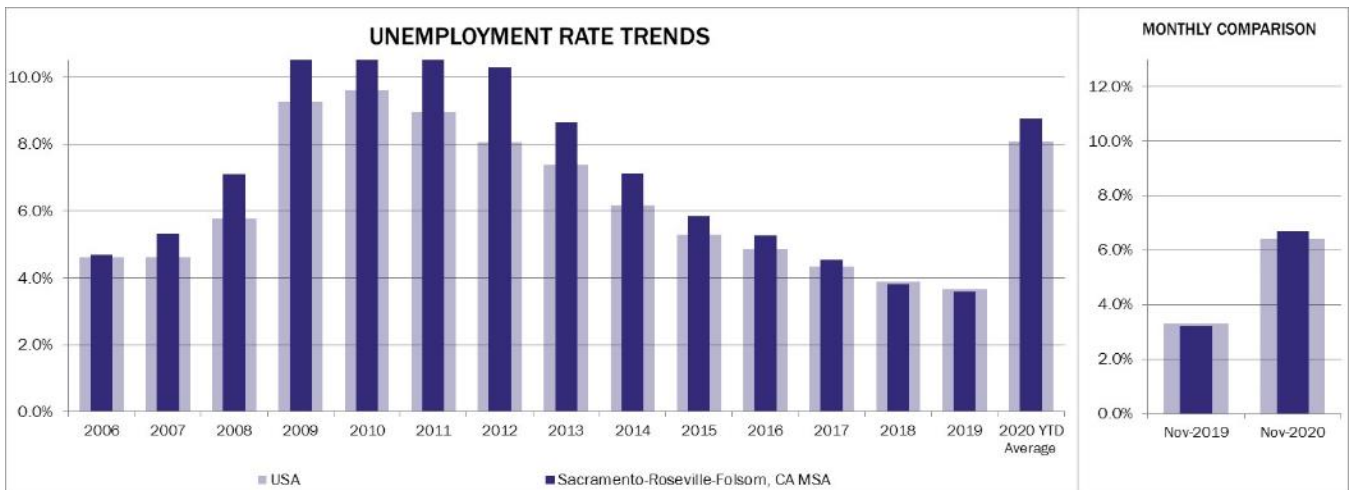
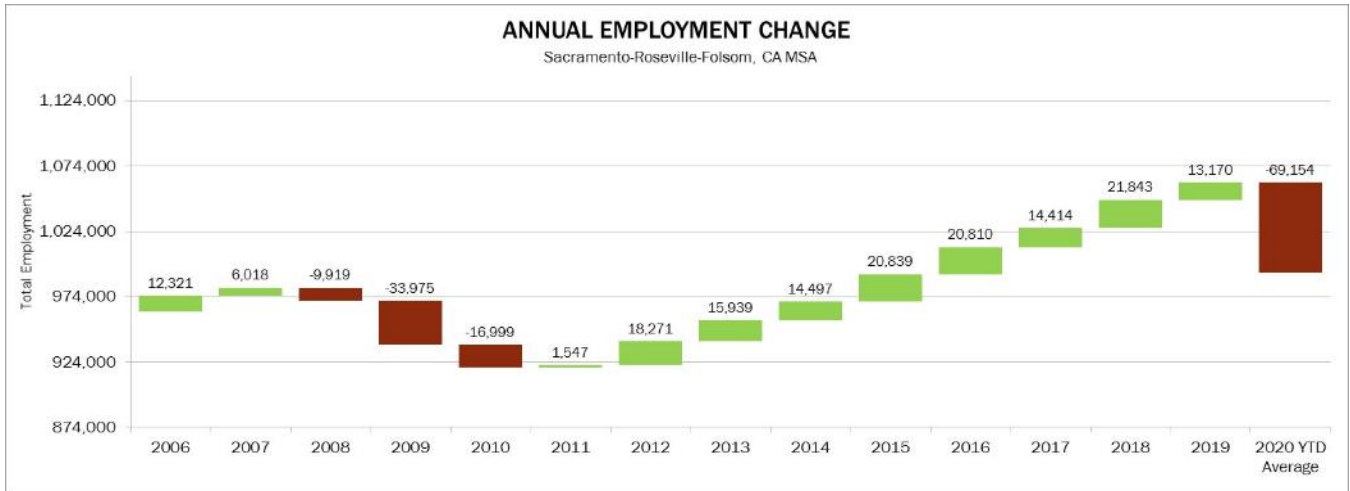
Source: U.S. Bureau of Labor Statistics, January 2021

\*2020 data is through November

As seen in the previous table, the MSA recovered all employment lost during the Great Recession by 2015, with employment growth continuing through year-end 2019. The majority of employment markets nationally have exhibited decreasing employment in 2020 due to the onset of the COVID-19 pandemic in spring 2020. For the 12-month period ending in November 2020 the MSA exhibited a 5.0 percent decrease in total employment, which compares to a 5.5 percent decrease in national employment for the same period of analysis.

The unemployment rate in the MSA reached 6.7 percent as of November 2020, which compares to a national unemployment rate of 6.4 percent. While the MSA appears to have outperformed the nation for the 12-month period ending in November 2020, it appears to lag the nation based on year-to-date 2020 data. On balance, we believe that the MSA and nation are performing generally similar to one another thus far during the recession despite some modest variations. Based upon the historical performance of the MSA leading up to the current recession, we believe that the MSA will likely recover at a rate similar to the nation. While the timing of the end of the pandemic and resulting economic turmoil remains uncertain, we believe with the release of vaccinations in late 2020, with deployment of these vaccines to accelerate in 2021, that the recovery will commence later in 2021.

The following graphs illustrate the unemployment trends and changes in employment levels in the MSA.



## Conclusion

The technology, education, healthcare, government, and retail trade industries are all represented among the major employers in the city of Elk Grove. Overall, the variety of industries represented among the major employers in the city of Elk Grove indicates that the economy in the area is diverse. The Subject’s location allows tenants to commute to a variety of larger economic hubs that provide employment opportunities of various skill levels. Employment opportunities are numerous at various skill levels. The MSA surpassed its pre-recessionary employment in 2015, one year after the nation. For the 12-month period ending in November 2020 the MSA exhibited a 5.0 percent decrease in total employment, which compares to a 5.5 percent decrease in national employment for the same period of analysis. Based upon the historical performance of the MSA leading up to the current recession, we believe that the MSA will likely recover at a rate similar to the nation. While the timing of the end of the pandemic and resulting economic turmoil remains uncertain, we believe with the release of vaccinations in late 2020, with deployment of these vaccines to accelerate in 2021, that the recovery will commence later in 2021.

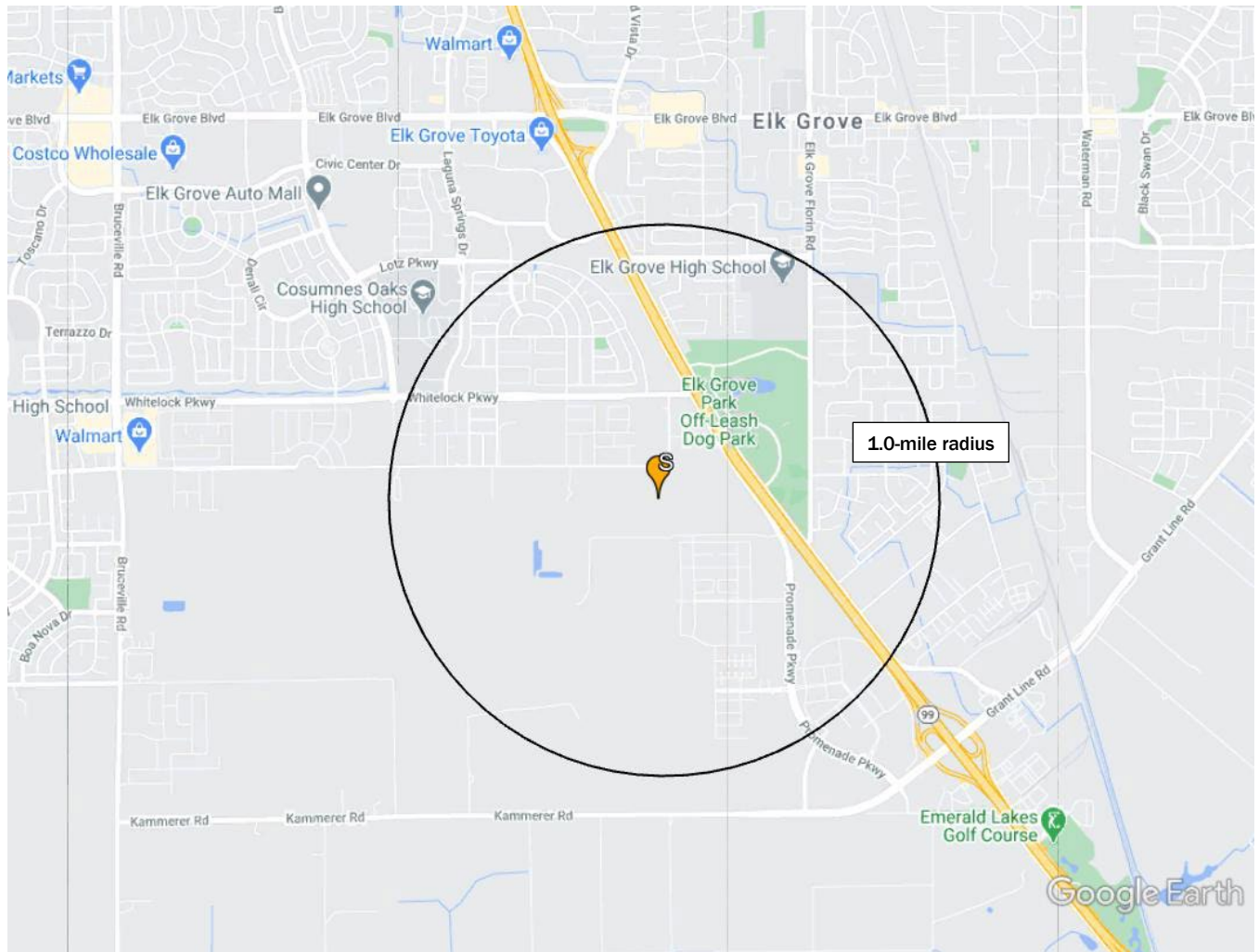


## NEIGHBORHOOD DESCRIPTION AND ANALYSIS

### Introduction

The neighborhood surrounding an apartment property often impacts the property's status, image, class, and style of operation, and sometimes its ability to attract and properly serve a particular market segment. This section investigates the property's neighborhood and evaluates any pertinent location factors that could affect its rent, its occupancy, and overall profitability.

### Neighborhood Map





## **Public Transportation**

- Bus:** E-Tran currently provides bus service within the city of Elk Grove and surrounding area. E-Tran currently operates 20 local fixed-route bus routes. One-way local bus fare is \$2.25 with a monthly pass available for \$100. The nearest bus stop is located 1.0 mile west of the Subject site, which is served by Route 110.
- Air:** The Subject is located 29.4 miles southeast of Sacramento International Airport (SMF). The airport is currently served by a number of airlines including Aeromexico, Air Canada, Alaska Airlines, American Airlines, Delta Air Lines, Frontier Airlines, JetBlue, Southwest Airlines, Spirit Airlines, United Airlines and Volaris. The airport served 13,172,840 passengers in 2019, the most recent published data.

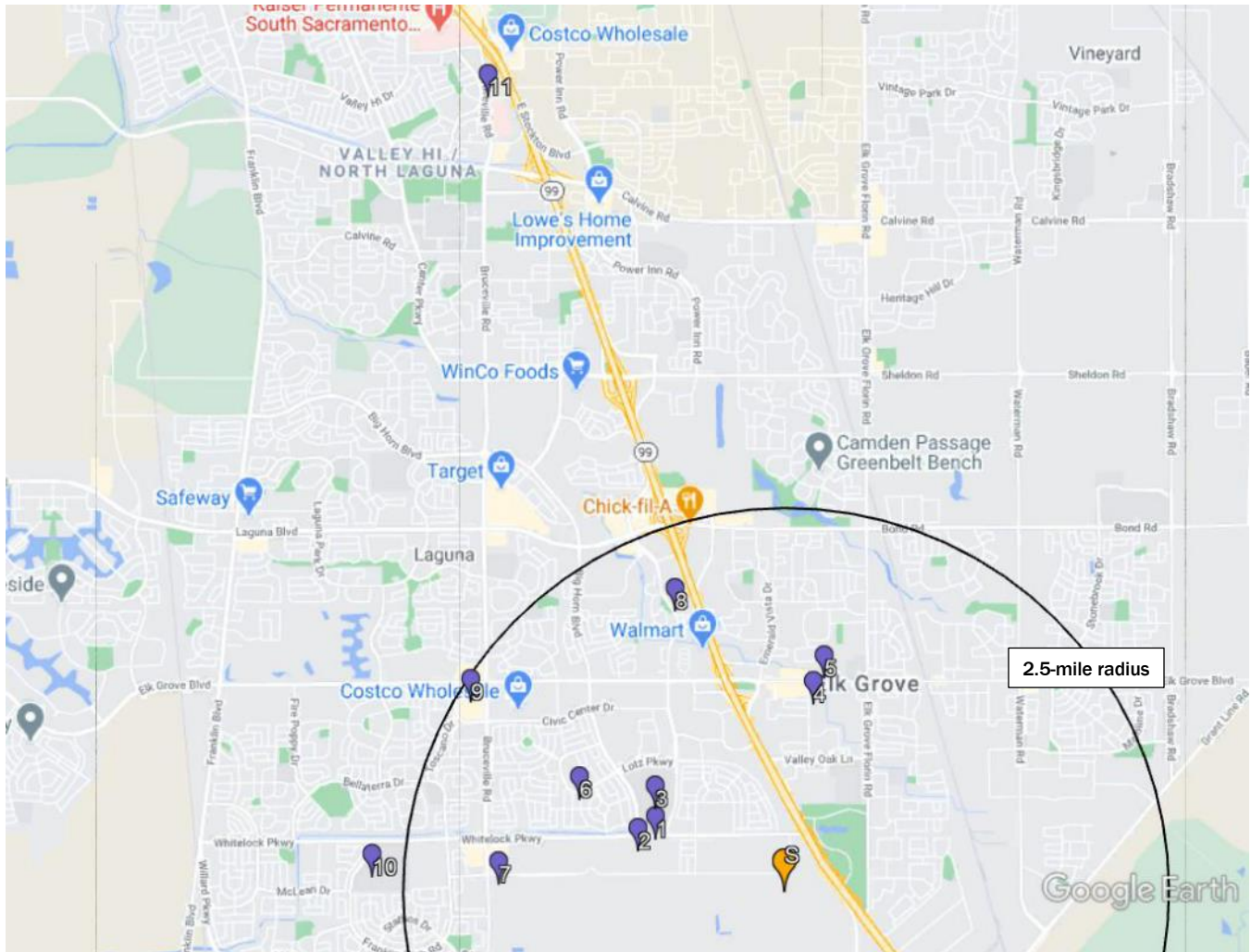
## **Healthcare**

The nearest medical center is Sierra Vista Hospital, which is located 5.7 miles north of the Subject. Sierra Vista Hospital offers a range of medical and surgical services including cancer, cardiovascular, diabetes, general medicine, imaging, neuroscience, orthopedics, psychiatry, rehabilitation, outpatient programs, stroke center, surgery services, weight management, and women's services.

## **Locational Amenities and Distances from the Site**

As illustrated, the Subject is located within a reasonable proximity to many locational amenities and services. The map and table on the following page illustrate the surrounding locational amenities and their proximity to the Subject.

**Locational Amenities Map**



**LOCATIONAL AMENITIES**

Map #	Service or Amenity	Distance from Subject (Crow)
1	Elizabeth Pinkerton Middle School	1.0 miles
2	E-Tran Bus Stop (Route 110)	1.0 miles
3	Cosumnes Oaks High School	1.1 miles
4	Cosumnes Fire Station #71	1.4 miles
5	United States Post Office	1.5 miles
6	Zehnder Ranch Elementary School	1.5 miles
7	Walmart (inc. Supermarket and Pharmacy)	1.9 miles
8	Elk Grove Police Department	2.1 miles
9	Umpqua Bank	2.5 miles
10	Franklin Community Library	2.7 miles
11	Sierra Vista Hospital	5.7 miles

**Adequacy/Availability of Utilities**

All utilities are available in the surrounding neighborhood. Upon completion all utilities will be available at the Subject.

**Neighborhood Description**

The Subject site is located in southern Elk Grove in a mixed-use area with single-family residential, vacant, undeveloped land, and commercial uses in addition to limited institutional uses such as schools and libraries. According to Zillow, homes in the Subject's neighborhood have recently sold for \$525,000 to \$775,000. Land uses to the north of the Subject consist of single-family homes in good to excellent condition, commercial uses, including various car dealerships, and commercial and service retail located along Elk Grove Boulevard. Land uses to the east of the Subject consist of vacant, undeveloped land and California State Route 99. Land uses to the south of the Subject consist of vacant, undeveloped land and single-family homes in good to excellent condition. Land uses to the west of the Subject consist of vacant, undeveloped land, Cosumnes River College - Elk Grove Center, single-family homes in good to excellent condition, and an academic campus that houses Elizabeth Pinkerton Middle School and Cosumnes Oaks High School.

Land north of the Subject site is zoned RD-5 (Low Density Residential). Land use to the south, east and west is zoned Southeast Policy Special Planning Area (SEPA-SPA), similar to the Subject. Within this zoning designation, the land to the east of the Subject consists of parcels designated for office use, the land to the south of the Subject consists of parcels designated for low-density residential and high density residential, while the land to the west of the Subject consists of parcels designated for low density and medium density residential uses.

**Access and Traffic Flow**

The Subject site is accessed via the south side of Poppy Ridge Road, which is a light-to-moderately trafficked neighborhood roadway. The Subject site is located three blocks south of Whitelock Parkway, a primary east-west thoroughfare in the Subject's neighborhood that provides westbound access to various retail and commercial amenities located at the intersection of Whitelock Parkway and Bruceville Road. Whitlock Parkway terminates at California State Route 99 just to the east of the Subject site. Overall accessibility to the neighborhood and site is considered good.

**Visibility/Views**

The Subject has good visibility from Poppy Ridge Road. Views from the Subject site consist of single-family homes in good to excellent condition to the north, undeveloped land to the east, single-family homes in good to excellent condition and undeveloped land to the south, and undeveloped land to the west. Overall, views from the Subject site are considered average.

## Crime Statistics

The following table illustrates crime statistics for the PMA and the MSA as compared to the nation.

2020 CRIME INDICES		
	PMA	Sacramento-Roseville-Folsom, CA MSA
<b>Total Crime*</b>	<b>101</b>	<b>106</b>
<b>Personal Crime*</b>	<b>102</b>	<b>99</b>
Murder	61	88
Rape	65	84
Robbery	89	97
Assault	114	101
<b>Property Crime*</b>	<b>100</b>	<b>107</b>
Burglary	110	105
Larceny	100	99
Motor Vehicle Theft	79	175

Source: Esri Demographics 2020, Novogradac Consulting LLP, January 2021

\*Unweighted aggregations

The table above illustrates crime indices 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 crime index average. A crime index of 75 in a PMA would be 25 percent below the national average while a crime rate of 200 would be twice that of the national average. As indicated in the table above, all of the crime indices in the PMA are similar to the MSA and nation on an overall basis. Observations of the PMA and interviews with market participants and property managers reflect limited local crime perceptions or problems, consistent with the data above.

## Summary

The site is located in southern Elk Grove in a mixed-use area with residential, commercial uses, institutional uses such as schools and libraries, and vacant, undeveloped land. All major shopping, schools, and recreational amenities are located within a reasonable proximity to the Subject. The neighborhood is well suited for multifamily housing.

## **III. DEMOGRAPHIC TRENDS**

## DEMOGRAPHIC TRENDS

In this section we compare population, household, and income trends in the primary market area (PMA) with the Metropolitan Statistical Area (MSA). The primary market area (PMA) for the Subject generally consists of Elk Grove and surrounding areas.

The PMA boundaries and overall market health assessment are based upon analyses of physical boundaries, which include traffic and commute patterns within the area, surveys of existing market rate and age-restricted apartment projects undertaken by Novogradac Consulting LLP, and insights gained from resident managers, area planning staff, and others familiar with the multifamily market. We recognize several sub-markets exist within this PMA; however, market data demonstrates that a significant amount of the renter base considers housing opportunities within these boundaries and given the opportunity to locate good quality housing will move within these areas. We anticipate the majority of demand will be generated from this geographic area. However, additional support is expected from outside the PMA from other surrounding areas. There are no natural boundaries in the market that would inhibit anyone from relocating to the Subject's neighborhood. The market area boundaries identified are a reasonable approximation regarding the potential renter market for the Subject. However, it is estimated that some of the Subject's tenancy will come from "leakage" outside the PMA.

The secondary market area (SMA) for the Subject is the Sacramento-Roseville-Folsom, California Metropolitan Statistical Area (MSA) which consists of Sacramento, Placer, Yolo and El Dorado Counties.

### Population and Households

The following table illustrates total population in the PMA, MSA, and nation from 2000 through 2025.

Year	POPULATION					
	PMA		Sacramento-Roseville-Folsom, CA MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	94,237	-	1,795,766	-	280,304,282	-
2010	169,772	8.0%	2,149,127	2.0%	308,745,538	1.0%
2020	190,762	1.2%	2,364,919	1.0%	333,793,107	0.8%
2025	198,332	0.8%	2,471,204	0.9%	346,021,282	0.7%

Source: Esri Demographics 2020, Novogradac Consulting LLP, January 2021

Population within the PMA increased significantly from 2000 to 2010, compared to an increase of 2.0 percent in the MSA and 1.0 percent in the nation as a whole. Between 2010 and 2020, the population in the PMA increased approximately 1.2 percent annually, which is a slightly faster rate when compared to the MSA and the nation as a whole. The population is forecasted to continue to increase at a similar rate compared to the MSA and nation through 2025 at a rate of 0.8 percent annually.

The 2020 population in the MSA was 2,364,919, which represents a 1.0 percent annual increase since 2010. The population is expected to continue to increase in the MSA and PMA through 2025.

## Total Number of Households

The following table illustrates the total number of households in the PMA, MSA, and nation.

HOUSEHOLDS						
Year	PMA		Sacramento-Roseville-Folsom, CA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	30,340	-	665,130	-	105,081,032	-
2010	52,622	7.3%	787,700	1.8%	116,716,293	1.1%
2020	58,877	1.2%	858,043	0.9%	126,083,847	0.8%
2025	60,867	0.7%	893,839	0.8%	130,658,491	0.7%

Source: Esri Demographics 2020, Novogradac Consulting LLP, January 2021

Within the PMA, the number of households increased 7.3 percent annually from 2000 to 2010, compared to a 1.8 percent and 1.1 percent increase in both the MSA and the nation as a whole, respectively. The number of households increased at an annual rate of 1.2 percent between 2010 and 2020, which is slightly higher compared to that of the MSA and that of the nation as a whole. The number of households is forecast to continue increasing through 2025, when the PMA is projected to contain 60,687 households. Households within the MSA are expected to increase at a similar annual rate compared to the PMA through 2025.

## Household by Tenure

The following table illustrates total households by tenure for the general population in the PMA and the MSA.

TENURE PATTERNS - TOTAL POPULATION								
Year	PMA				Sacramento-Roseville-Folsom, CA MSA			
	Owner-Occupied Units		Renter-Occupied Units		Owner-Occupied Units		Renter-Occupied Units	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
2000	24,963	82.3%	5,377	17.7%	407,288	61.2%	257,842	38.8%
2010	38,192	72.6%	14,430	27.4%	478,525	60.7%	309,175	39.3%
2020	43,064	73.1%	15,813	26.9%	526,928	61.4%	331,115	38.6%
2025	44,833	73.7%	16,034	26.3%	553,105	61.9%	340,734	38.1%

Source: Esri Demographics 2020, Novogradac Consulting LLP, January 2021

As indicated in the table above, the percentage of renter-occupied housing units within the PMA in 2020 was 26.9 percent of total households, which is lower than the MSA at 38.6 percent. Within the PMA, the total number of renter-occupied households is projected to increase through 2025, while decreasing slightly as a percentage of total households.

## Average Household Size

The following table illustrates average household size.

AVERAGE HOUSEHOLD SIZE						
Year	PMA		Sacramento-Roseville-Folsom, CA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	3.07	-	2.64	-	2.59	-
2010	3.20	0.4%	2.68	0.1%	2.57	-0.1%
2020	3.21	0.0%	2.71	0.1%	2.58	0.0%
2025	3.23	0.1%	2.72	0.1%	2.59	0.0%

Source: Esri Demographics 2020, Novogradac Consulting LLP, January 2021

As illustrated in the table above, average household size within the PMA increased from 2000 to 2010 at a rate of 0.4 percent annually and remained stable from 2010 through 2020. The average household size within the PMA is projected to increase slightly through 2025. Additionally, the average household size within the MSA is projected to increase slightly through 2025.

## Median Household Income

The following table illustrates median household income in the PMA, MSA, and the nation.

MEDIAN HOUSEHOLD INCOME						
Year	PMA		Sacramento-Roseville-Folsom, CA MSA		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2000	\$62,945	-	\$48,746	-	\$44,333	-
2020	\$96,263	2.6%	\$75,706	2.7%	\$62,203	2.0%
2025	\$105,356	1.9%	\$81,981	1.7%	\$67,325	1.6%

Source: Esri Demographics 2020, Novogradac Consulting LLP, January 2021

As seen in the previous table, the median household income in the PMA is above the MSA and nation as of 2020. Through 2025, the median household income in the PMA is projected to increase at a faster rate than the MSA and nation. As of 2025 the median household income in the PMA is projected to remain well above the remaining areas of analysis.

## Conclusion

The PMA and number of households in the PMA and MSA increased from 2000 through 2020, with these trends projected to continue through 2025. The percentage of renter-occupied housing units within the PMA in 2020 was 26.9 percent of total households, which is lower than the MSA at 38.6 percent. Within the PMA, the total number of renter-occupied households is projected to increase through 2025, while decreasing slightly as a percentage of households. The median household income in the PMA is above the MSA and nation as of 2020. Through 2025, the median household income in the PMA is projected to increase at a faster rate than the MSA and nation. As of 2025 the median household income in the PMA is projected to remain well above the remaining areas of analysis.



## **IV. PROPERTY DESCRIPTION**

## PROPERTY DESCRIPTION

### Description of the Site

The location of a multifamily property can have a substantial negative or positive impact upon the performance, safety and appeal of the project. The site description will discuss the physical features of the site, as well as layout, access issues, and traffic flow. An aerial map of the Subject is provided below.



<b>General:</b>	The Subject site is located at 8668 Poppy Ridge Road, Elk Grove, Sacramento County, California.
<b>APN (Parcel Number):</b>	The Subject site is identified as parcel 13202900210000.
<b>Size:</b>	The site is 14.02 acres, or 610,909 square feet.
<b>Shape:</b>	The site is generally rectangular in shape.
<b>Zoning:</b>	According to the City of Elk Grove, the Subject site is zoned Southeast Policy Special Planning Area (SEPA-SPA), which is an

area-specific form-based zoning designation. Within the overall zoning district, the Subject site is located on a parcel designated for high density residential uses, with multifamily uses permitted by right. The maximum permitted density for sites designated for high density residential uses within the SEPA-SPA zoning district is 40 units per acre. Parking requirements are one space for each unit with one or fewer bedrooms, and two spaces per unit for any units with two or more bedrooms.

<b>Frontage:</b>	The site has frontage along the south side of Poppy Ridge Road.
<b>Topography</b>	The site is generally level.
<b>Utilities:</b>	All utilities are available in the surrounding neighborhood. Upon completion, all utilities will be available at the Subject.
<b>Contiguous Land Use:</b>	The Subject site is located in southern Elk Grove in a mixed-use area with single-family residential, vacant, undeveloped land, and commercial uses in addition to limited institutional uses such as schools and libraries. According to Zillow, homes in the Subject's neighborhood have recently sold for \$525,000 to \$775,000. Land uses to the north of the Subject consist of single-family homes in good to excellent condition, commercial uses, including various car dealerships, and commercial and service retail located along Elk Grove Boulevard. Land uses to the east of the Subject consists of vacant, undeveloped land and California State Route 99. Land uses to the south of the Subject consist of vacant, undeveloped land and single-family homes in good to excellent condition. Land uses to the west of the Subject consist of vacant, undeveloped land, Cosumnes River College – Elk Grove Center, single-family homes in good to excellent condition, and an academic campus that houses Elizabeth Pinkerton Middle School and Cosumnes Oaks High School.
<b>Existing Improvements:</b>	There are no current improvements on the Subject site.
<b>Visibility/Views:</b>	The Subject has good visibility from Poppy Ridge Road. Views from the Subject site consist of single-family homes in good to excellent condition to the north, undeveloped land to the east, single-family homes in good to excellent condition and undeveloped land to the south, and undeveloped land to the west. Overall, views from the Subject site are considered average.
<b>Environmental, Soil and Subsoil Conditions and Drainage:</b>	The client provided a Phase I Environmental Site Assessment (ESA) for the Subject, dated September 14, 2020, prepared by CBRE Assessment and Consulting Services. According to the Phase I ESA, there are no Recognized Environmental Conditions (RECs), Historical Recognized Environmental Conditions (HRECs) or Controlled Recognized Environmental Conditions (CRECs) present at the Subject site. During our site inspection, we walked the Subject's grounds and did not observe any obvious indicators of

adverse property condition issues. However, Novogradac Consulting LLP does not offer expertise in this field and cannot opine as to the adequacy of the soil conditions or drainage. Further analysis is beyond the scope of this report.

**Flood Plain:**

According to [www.floodinsights.com](http://www.floodinsights.com) Community Panel number 06067C0319H, dated August 16, 2012, the Subject is located in Zone X, an area outside of 100 and 500-year floodplains. Further analysis by Novogradac is beyond the scope of the report.

**LURA:**

No LURA is currently in place for the Subject site.

**Detrimental Influences:**

There were no detrimental influences identified.

**Conclusion:**

The Subject site is considered to be in a good location for multifamily use and is physically capable of supporting a variety of legally permissible uses.

## **V. HIGHEST AND BEST USE**

## HIGHEST AND BEST USE

Highest and Best Use is defined as: "The reasonably probable and legal use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.<sup>2</sup>"

Investors continually attempt to maximize profits on invested capital. The observations of investor activities in the area are an indication of that use which can be expected to produce the highest value. The principle of conformity holds, in part, that conformity in use is usually a highly desirable adjunct of real property, since it generally helps create and/or maintains maximum value.

It is to be recognized that in cases where a site has existing improvements on it, the highest and best use may be determined to be different from the existing use. The existing use will continue, however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use. Implied in this definition is that the determination of highest and best use considers the contribution of a specific use to the community and community development goals as well as the benefits of that use to individual property owners. The principle of Highest and Best Use may be applied to the site if vacant and to the site as it is improved.

The Highest and Best Use determination is a function of neighborhood land use trends, property size, shape, zoning, and other physical factors, as well as the market environment in which the property must compete. Four tests are typically used to determine the highest and best use of a particular property. Thus, the following areas are addressed.

1. **Physically Possible:** The uses to which it is physically possible to put on the site in question.
2. **Legally Permissible:** The uses that are permitted by zoning and deed restrictions on the site in question.
3. **Feasible Use:** The possible and permissible uses that will produce any net return to the owner of the site.
4. **Maximally Productive:** Among the feasible uses, the use that will produce the highest net return or the highest present worth.

<sup>2</sup> Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6<sup>th</sup> ed. (Chicago: Appraisal Institute, 2015).

## **HIGHEST AND BEST USE AS IS**

### **Physically Possible**

According to the Sacramento County Assessor and the client, the Subject size is approximately 14.02 acres, or 610,909 square feet. The Subject site is rectangular in shape and is generally level. The Subject site is accessed via the south side of Poppy Ridge Road. The site is considered adequate for a variety of legally permissible uses.

### **Legally Permissible**

According to the City of Elk Grove, the Subject site is zoned Southeast Policy Special Planning Area (SEPA-SPA), which is an area-specific form-based zoning designation. Within the overall zoning district, the Subject site is located on a parcel designated for high density residential uses, with multifamily uses permitted by right. The maximum permitted density for sites designated for high density residential uses within the SEPA-SPA zoning district is 40 units per acre. Parking requirements are one space for each unit with one or fewer bedrooms, and two spaces per unit for any units with two or more bedrooms. Based upon the Subject's underlying zoning, the maximum legally permissible build out of the Subject site would be 520 multifamily units, or 40 units per acre.

### **Financially Feasible**

The cost of the land limits those uses that are financially feasible for the site. Any uses of the Subject site that provides a financial return to the land in excess of the cost of the land are those uses that are financially feasible. The Subject's feasible uses are restricted to those that are allowed by zoning and are physically possible. Based upon our analysis of the market, development of multifamily properties in the Subject's immediate market area is feasible both as market rate, and with the benefit of tax credits, tax-exempt bond financing, government grants, or other subsidies.

We additionally considered the development density of recently built and proposed developments in the Subject's market area. Based on our research, the unit density typically ranges from 20 to 40 units per acre, with most developments falling toward the low end of the range. Further, the Subject is located in a suburban area that typically exhibits lower density. As such, we believe that a density of 22 units per acre is feasible for the Subject site. This would result in a total of 308 multifamily units.

### **Maximally Productive**

Based upon our analysis, new construction of multifamily housing is financially feasible as market rate or with the tax subsidy. Therefore, the maximally productive use of this site as is would be to construct a multifamily residential complex either as a market rate development or using tax credit equity, favorable financing, or other gap subsidies.

### **Conclusion**

#### **Highest and Best Use "As Is"**

The highest and best use for the property as is would be to construct a 308-unit market rate or affordable multifamily development utilizing tax credit equity, favorable financing, or other gap subsidies.

## **VI. APPRAISAL METHODOLOGY**



## **APPRAISAL METHODOLOGY**

Contemporary appraisers usually gather and process data according to the discipline of the three approaches to value.

The cost approach consists of a summation of land value and the cost to reproduce or replace the improvements, less appropriate deductions for depreciation. Reproduction cost is the cost to construct a replica of the Subject improvements. Replacement cost is the cost to construct improvements having equal utility.

The sales comparison approach involves a comparison of the appraised property with similar properties that have sold recently. When properties are not directly comparable, sale prices may be broken down into units of comparison, which are then applied to the Subject for an indication of its likely selling price.

The income capitalization approach involves an analysis of the investment characteristics of the property under valuation. The earnings' potential of the property is carefully estimated and converted into an estimate of the property's market value.

### **Applicability to the Subject Property**

The scope of work for this appraisal is limited to providing an opinion of the market value of the Subject as is; therefore, the only applicable approach is the sales comparison approach.

# **VII. SALES COMPARISON APPROACH**

## SALES COMPARISON APPROACH

The sales comparison approach to value is a process of comparing market data; that is, the price paid for similar properties, prices asked by owners, and offers made by prospective purchasers willing to buy or lease. Market data is good evidence of value because it represents the actions of users and investors. The sales comparison approach is based on the principle of substitution, which states that a prudent investor would not pay more to buy or rent a property than it will cost him to buy or rent a comparable substitute. The sales comparison approach recognizes that the typical buyer will compare asking prices and work through the most advantageous deal available. In the sales comparison approach, the appraisers are observers of the buyer's actions. The buyer is comparing those properties that constitute the market for a given type and class.

We have made an extensive search for multifamily comparable land sales that have sold recently. We were able to identify three recent land transactions where the buyer intends to build a multifamily development in the Elk Grove area. The sales utilized represent the most recent and proximate identified sales.

Throughout our conversations with market participants and buyers and sellers of the comparable sales, the respondents indicated that the purchase price is typically based upon a price per unit basis or price per square foot basis. Given the Subject's current zoning and proposed use, we have utilized a price per unit basis. This is typical of the multifamily market and will be used as a basis for analysis.

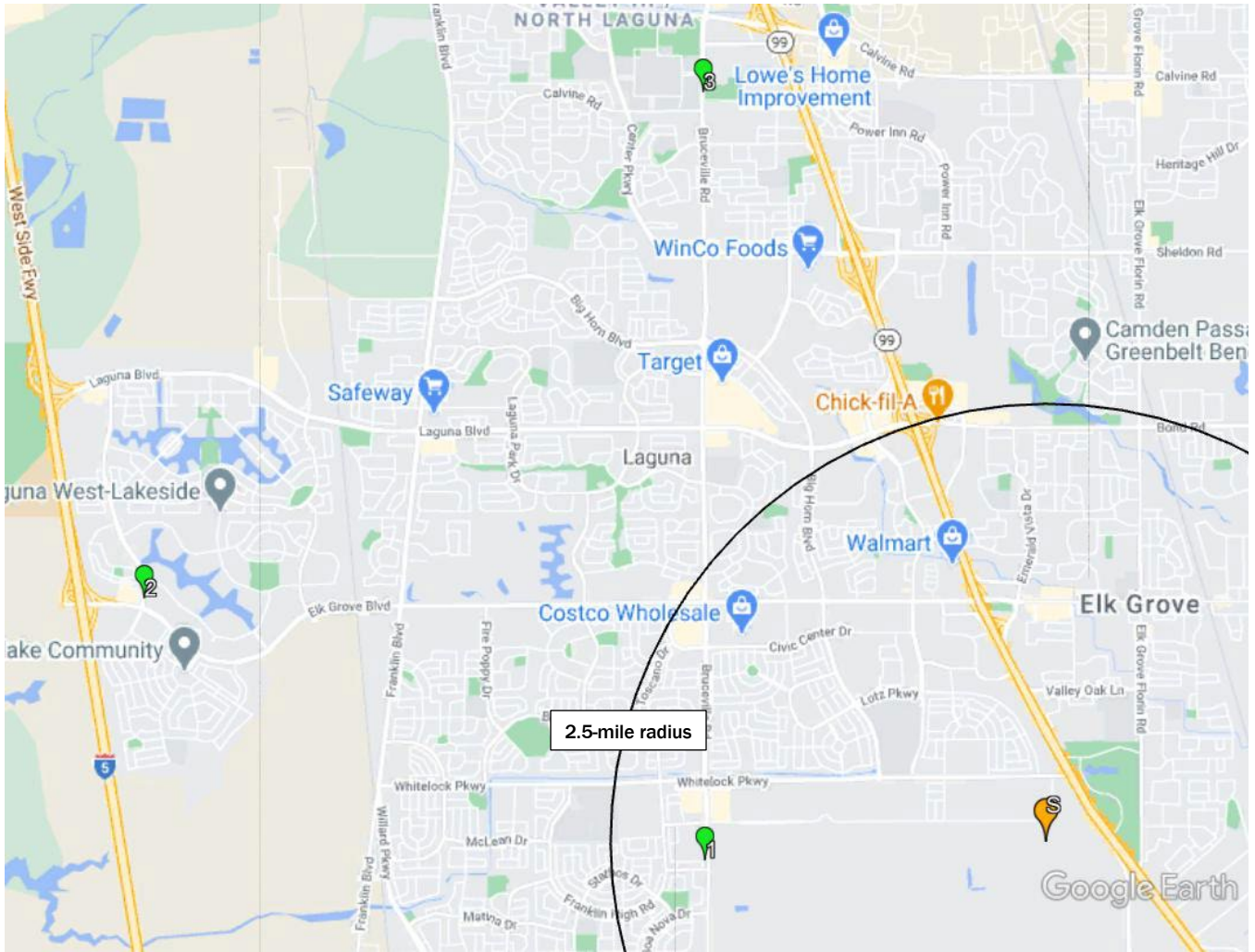
The comparables listed below are considered the most comparable multifamily land sales and provide the best indication of value for the Subject.

### COMPARABLE LAND SALES

#	Property Name	Location	Sale Date	Sale Price	Land Acres	# Units	Price Per Unit
1	10140 Bruceville Road	Elk Grove, CA	Dec/2019	\$2,200,000	4.48	95	\$23,158
2	Harbour Point Drive & Maritime Drive	Elk Grove, CA	Jun/2019	\$1,950,000	3.06	72	\$27,083
3	8373 Bruceville Road	Elk Grove, CA	May/2019	\$5,000,000	8.67	351	\$14,245

A location map is presented on the following page.

### Comparable Land Sales Map



## Land Sale 10140 Bruceville Road



### Transaction

Address	10140 Bruceville Road	Sale Date	2019/12/03
City	Elk Grove	Sale Price	\$ 2,200,000
State	CA	Sale Status	closed
County	Sacramento	Sale Conditions	Cash
Seller	Circle K Ranch Revival LLC	Rights Conveyed	Fee Simple
Buyer	Elk Grove Pacific Assocs Iv	Confirmed With	CoStar, Public records

### Site

Land Acres	4.48	Topography	Level
Land Sq Ft	195,149	Zoning	RD-25
Shape	Rectangular	Corner	Yes

### Improvements and Ratios

Proposed Units	95	Adj \$/Proposed Unit	\$ 23,158
		Adj \$/SF	\$ 11

### Remarks

This land was purchased to construct a 95-unit affordable development. The proposed gross rentable area is estimated at 80,604 square feet.

## Land Sale Harbour Point Drive & Maritime Drive



### Transaction

Address	Harbour Point Drive & Maritime Drive	Sale Date	2019/06/11
City	Elk Grove	Sale Price	\$ 1,950,000
State	CA	Sale Status	closed
County	Sacramento	Sale Conditions	Typical
Seller	DHIR Cap Inc	Rights Conveyed	Fee Simple
Buyer	Maritime Apts Invtrs LP	Confirmed With	CoStar, Public records

### Site

Land Acres	3.06	Topography	Level
Land Sq Ft	133,294	Zoning	RD-25
Shape	L-Shaped	Corner	No

### Improvements and Ratios

Proposed Units	72	Adj \$/Proposed Unit	\$ 27,083
		Adj \$/SF	\$ 15

### Remarks

This parcel was purchased to construct a 72-unit affordable development. The project is currently under planning review with the City of Elk Grove. No additional information was available at this time.

## Land Sale 8373 Bruceville Road



### Transaction

Address	8373 Bruceville Road	Sale Date	2019/05/03
City	Elk Grove	Sale Price	\$ 5,000,000
State	CA	Sale Status	closed
County	Sacramento	Sale Conditions	Cash
Seller	N/A	Rights Conveyed	Fee Simple
Buyer	Majority Investments Inc.	Confirmed With	CoStar, Public records

### Site

Land Acres	8.67	Topography	Level
Land Sq Ft	377,665	Zoning	Multifamily
Shape	Irregular	Corner	No

### Improvements and Ratios

Proposed Units	351	Adj \$/Proposed Unit	\$ 14,245
		Adj \$/SF	\$ 13

### Remarks

This parcel was purchased to construct Bruceville Apartments, a proposed 351-unit market rate development. The project is currently under planning review with the City of Elk Grove. No additional information was available at this time.



## Explanation of Adjustments

The adjustment grid follows at the end of this section. As illustrated, adjustments have been made based on price differences created by the following factors:

- **Property Rights**
- **Financing**
- **Conditions of Sale**
- **Market Conditions**
- **Location**
- **Density/Zoning**
- **Topography/Site Characteristics**
- **Size**

### Property Rights

We are valuing the fee simple interest in the land. No adjustments are warranted.

### Financing

The sales were cash transactions; therefore, no adjustment is necessary.

### Conditions of Sale

There were no atypical conditions to the sales; therefore, no adjustment is necessary.

### Market Conditions

Real estate values change over time. The rate of this change fluctuates due to investors' perceptions and responses to prevailing market conditions. This adjustment category reflects market differences occurring between the effective date of the appraisal and the sale date of comparables, when values have appreciated or depreciated. The following table details capitalization rate trends from early 2019 through the most recent quarter as published by *The PwC Real Estate Investor Survey*. We will rely on these indices for our analysis of overall market conditions.

Capitalization Rate Trends		
Quarter	Cap Rate	Change (bps)
1Q19	5.03	-
2Q19	5.14	0.11
3Q19	5.10	-0.04
4Q19	5.15	0.05
1Q20	5.14	-0.01
2Q20	5.19	0.05
3Q20	5.22	0.03
4Q20	5.22	0.00

Source: PwC Real Estate Investor Survey, Q4 2020

The sales occurred from May 2019 to December 2019 during relatively similar overall market conditions in the Elk Grove area. Therefore, no adjustments are applied. Further, the COVID-19 pandemic does not appear to have significantly impacted development land pricing to date and we believe no further adjustment is required.



## Location

Location encompasses a number of issues, including location within different market areas with different supply/demand pressures, the character/condition of surrounding development, access, and visibility. It is important to assess which factors truly impact value for different types of real estate. We have addressed this issue (as well as the remaining elements of comparison) on a comparable-by-comparable basis. The following table illustrates the median household income, median gross rent and median home value arranged by ZIP code for each of the land sales. This information is compared to the Subject's location and will be used to determine an appropriate adjustment for the Subject as compared to the comparables.

**LAND SALES - LOCATION COMPARISON**

#	Property Name	Zip Code	Median Income	Median Rent	Median Home Value	Income Differential	Rent Differential With Subject	Home Value Differential	Average Delta
<b>S</b>	<b>Mountain Elk Villas</b>	<b>95757</b>	<b>\$95,316</b>	<b>\$1,720</b>	<b>\$392,900</b>	-	-	-	-
1	10140 Bruceville Road	95757	\$95,316	\$1,720	\$392,900	0%	0%	0%	0%
2	Harbour Point Drive & Maritime Drive	95758	\$74,473	\$1,528	\$312,100	-22%	-11%	-21%	-18%
3	8373 Bruceville Road	95823	\$42,182	\$996	\$194,000	-56%	-42%	-51%	-49%

As seen in the previous table, the Subject offers a similar location to Sale 1 and a slightly superior to superior location to the remaining sales. We applied 10 percent upward adjustment to Sale 2 and a 25 percent upward adjustment to Sale 3. No adjustment was applied to the remaining sale.

## Zoning/Use

This adjustment takes into consideration the relative development potential of the comparable properties in relation to the Subject property. In general, an upward adjustment is typically warranted for sites with inferior allowable density/zoning, and a downward adjustment is warranted for sites with superior allowable density/zoning. The Subject and all of the Sales are zoned for multifamily development. As such, no adjustments were applied.

## Topography

The Subject offers generally level topography, similar to all sales. Therefore, no adjustments are applied.

## Site Characteristics

The Subject site does not exhibit any atypical site characteristics, similar to all sales. Therefore, no adjustments are applied.

## Size

With respect to size, the general convention is that larger properties tend to sell for less on a per unit basis than smaller properties. Conversely, smaller properties typically sell for more per unit than larger properties. The pool of potential purchasers decreases as property size (and purchase price) increases, effectively reducing competition. The pricing relationship is not linear and certain property sizes, while different, may not receive differing prices based on the grouping within levels. Sales 1 and 2 offers a lower number of units relative to the Subject's determined unit count in our highest and best use analysis, while Sale 3 is larger. Based on these differences we applied a 20 percent downward adjustment to Sale 1, a 30 percent downward adjustment to Sale and a five percent upward adjustment to Sale 3.

## Land Value Estimate

The land sales grid is presented following:

LAND SALES DATA ADJUSTMENT GRID				
	Subject	1	2	3
Property Name	Mountain Elk Villas	10140 Bruceville Road	Harbour Point Drive & Maritime Drive	8373 Bruceville Road
Address	8668 Poppy Ridge Road	10140 Bruceville Road	Harbour Point Drive & Maritime Drive	8373 Bruceville Road
City	Elk Grove	Elk Grove	Elk Grove	Elk Grove
<b>Parcel Data</b>				
Zoning	SEPA-SPA	RD-25	RD-25	Multifamily
Topography	Level	Level	Level	Level
Shape	Rectangular	Rectangular	L-Shaped	Irregular
Size (SF)	610,909	195,149	133,294	377,665
Size (Acres)	14.02	4.48	3.06	8.67
Units (H&BU)	308	95	72	351
Units Per Acre	21.96	21.21	23.53	40.48
<b>Sales Data</b>				
Date		Dec/2019	Jun/2019	May/2019
Interest		Fee Simple	Fee Simple	Fee Simple
Price		\$2,200,000	\$1,950,000	\$5,000,000
Price per Unit		\$23,158	\$27,083	\$14,245
<b>Adjustments</b>				
Property Rights Adjustment		Fee Simple \$0	Fee Simple \$0	Fee Simple \$0
		\$2,200,000	\$1,950,000	\$5,000,000
Financing Terms Adjustment		Cash \$0	Typical \$0	Cash \$0
		\$2,200,000	\$1,950,000	\$5,000,000
Conditions of Sale Adjustment		None \$0	None \$0	None \$0
		\$2,200,000	\$1,950,000	\$5,000,000
Market Conditions		1.00	1.00	1.00
Adjusted Sales Price		\$2,200,000	\$1,950,000	\$5,000,000
Adjusted Price Per Unit		\$23,158	\$27,083	\$14,245
<b>Adjustments</b>				
Location		0%	10%	25%
Zoning/Use		0%	0%	0%
Topography		0%	0%	0%
Site Characteristics		0%	0%	0%
Size		-20%	-30%	5%
Overall Adjustment		-20%	-20%	30%
Adjusted Price Per Unit		<b>\$18,526</b>	<b>\$21,667</b>	<b>\$18,519</b>

The sales indicate a range of adjusted price per unit from \$18,519 to \$21,667 per unit, with a mean of \$19,571. We have placed reliance on all sales, with greater weight placed on Sale 1 which was the most recent sale and have concluded to a land value of \$19,000 per unit. This correlates with an indication of land value as follows: 308 units (assuming the highest and best use determination) at \$19,000 per unit, equates to \$5,900,000 (rounded).

### **Conclusion of As Is Value**

As a result of our investigation and analysis, it our opinion that, subject to the limiting conditions and assumptions contained herein, the estimated market value, of the fee simple interest in the Subject, as of January 20, 2021, is:

**FIVE MILLION NINE HUNDRED THOUSAND DOLLARS  
(\$5,900,000)**

*Please refer to the complete Assumptions and Limiting Conditions in the Addenda of this report.*

**ADDENDUM A**  
**Assumptions and Limiting Conditions, Certification**

## **ASSUMPTIONS AND LIMITING CONDITIONS**

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the appraiser has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the author assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All encumbrances, including mortgages, liens, leases, and servitudes, were disregarded in this valuation unless specified in the report. It was recognized, however, that the typical purchaser would likely take advantage of the best available financing, and the effects of such financing on property value were considered.
4. All information contained in the report which others furnished was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
5. The report was made assuming responsible ownership and capable management of the property.
6. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
7. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
8. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors.
9. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the appraiser did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
10. Any distribution of total property value between land and improvements applies only under the existing or specified program of property utilization. Separate valuations for land and buildings must not be used in conjunction with any other study or appraisal and are invalid if so used.
11. A valuation estimate for a property is made as of a certain day. Due to the principles of change and anticipation the value estimate is only valid as of the date of valuation. The real estate market is non-static and change and market anticipation is analyzed as of a specific date in time and is only valid as of the specified date.
12. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the author or the firm with which he or she is connected. Neither all nor any part of the report or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the appraiser. Nor shall the appraiser, firm, or

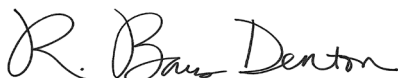
professional organizations of which the appraiser is a member be identified without written consent of the appraiser.

13. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional appraisal organization with which the appraiser is affiliated: specifically, the Appraisal Institute.
14. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject property unless satisfactory additional arrangements are made prior to the need for such services.
15. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
16. Opinions of value contained herein are estimates. There is no guarantee, written or implied, that the Subject property will sell or lease for the indicated amounts.
17. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
18. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
19. On all appraisals, subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusions are contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time. A final inspection and value estimate upon the completion of said improvements should be required.
20. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not subject to flood plain or utility restrictions or moratoriums, except as reported to the appraiser and contained in this report.
21. The party for whom this report is prepared has reported to the appraiser there are no original existing condition or development plans that would subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.
22. Unless stated otherwise, no percolation tests have been performed on this property. In making the appraisal, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use, as detailed in this report.
23. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The appraiser does not warrant the condition or adequacy of such systems.
24. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the appraised property. The appraiser reserves the right to review and/or modify this appraisal if said insulation exists on the Subject property.
25. Acceptance of and/or use of this report constitute acceptance of all assumptions and the above conditions. Estimates presented in this report are not valid for syndication purposes.

## CERTIFICATION

The undersigned hereby certify that, to the best of our knowledge and belief:

- 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, impartial, and unbiased professional analyses, opinions, conclusions, and recommendations;
- We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved;
- We are preparing a concurrent market study for a proposed development that will occupy a portion of the Subject site, but have performed no other prior appraisal services regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment;
- We have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment;
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results;
- 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;
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice;
- The site was inspected on January 20, 2021 by Brad Weinberg. Rachel Denton has not made a personal inspection of the property that is the Subject of this report;
- No one provided significant real property appraisal assistance to the persons signing this certification, aside from Sara Nachbar and David Kermode. Ms. Nachbar provided a review of the appraisal, Mr. Kermode collected data and assisted with the preparation of the 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 Standards of Professional Appraisal Practice of the Appraisal Institute;
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives;
- As of the date of this report, Rachel Denton and Brad Weinberg have completed the continuing education program for Designated Members of the Appraisal Institute.



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**ADDENDUM B**  
**Qualifications of Consultants**



**STATEMENT OF PROFESSIONAL QUALIFICATIONS  
RACHEL BARNES DENTON, MAI**

**I. EDUCATION**

Cornell University, Ithaca, NY  
School of Architecture, Art & Planning, Bachelor of Science in City & Regional Planning

**II. LICENSING AND PROFESSIONAL AFFILIATION**

Designated Member of the Appraisal Institute  
Member of National Council of Housing Market Analysts (NCHMA)  
Member of Commercial Real Estate Women (CREW) Network  
    2011 and 2012 Communications Committee Co-Chair for the Kansas City CREW Chapter  
    2013 Director of Communications and Board Member for Kansas City CREW  
    2014 Secretary and Board Member for Kansas City CREW  
    2015 and 2016 Treasurer and Board Member for Kansas City CREW

State of Arkansas Certified General Real Estate Appraiser No. CG3527  
State of California Certified General Real Estate Appraiser No. AG044228  
State of Colorado Certified General Real Estate Appraiser No. 100031319  
State of Georgia Certified General Real Estate Appraiser No. 391113  
State of Hawaii Certified General Real Estate Appraiser No. CGA1048  
State of Illinois Certified General Real Estate Appraiser No. 553.002012  
State of Kansas Certified General Real Estate Appraiser No. G-2501  
State of Minnesota Certified General Real Estate Appraiser No. 40420897  
State of Missouri Certified General Real Estate Appraiser No. 2007035992  
State of Nebraska Certified General Real Estate Appraiser No. CG2017030R  
State of New Mexico Certified General Real Estate Appraiser No. 03424-G  
State of North Dakota Certified General Real Estate Appraiser No. CG-219110  
State of Oklahoma Certified General Real Estate Appraiser No. 13085CGA  
State of Oregon Certified General Real Estate Appraiser No. C000951  
State of South Dakota Certified General Real Estate Appraiser No. 1488CG  
State of Texas Certified General Real Estate Appraiser No. 1380396

**III. PROFESSIONAL EXPERIENCE**

Novogradac & Company LLP, Partner  
Novogradac & Company LLP, Principal  
Novogradac & Company LLP, Manager  
Novogradac & Company LLP, Senior Real Estate Analyst

**IV. PROFESSIONAL TRAINING**

Educational requirements successfully completed for the Appraisal Institute:  
    Appraisal Principals, September 2004  
    Basic Income Capitalization, April 2005  
    Uniform Standards of Professional Appraisal Practice, various  
    Advanced Income Capitalization, August 2006  
    General Market Analysis and Highest & Best Use, July 2008  
    Advanced Sales Comparison and Cost Approaches, June 2009  
    Advanced Applications, June 2010  
    General Appraiser Report Writing and Case Studies, July 2014  
    Standards and Ethics (USPAP and Business Practices and Ethics)  
    MAI Designation General Comprehensive Examination, January 2015  
    MAI Demonstration of Knowledge Report, April 2016

Completed HUD MAP Training, Columbus, Ohio, May 2010

**V. SPEAKING ENGAGEMENTS**

Have presented and spoken at both national Novogradac conferences and other industry events, including the National Council of Housing Market Analysts (NCHMA) Annual Meetings and FHA Symposia, National Housing and Rehabilitation Association Conferences, Institute for Professional and Executive Development (IPED) conferences, and state housing conferences, such as Housing Colorado, Idaho Conference on Housing and Economic Development, and Missouri Workforce Housing Association.

**VI. REAL ESTATE ASSIGNMENTS**

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

In general, have managed and conducted numerous market analyses and appraisals for various types of commercial real estate since 2003, with an emphasis on affordable multifamily housing.

Conducted and managed appraisals of proposed new construction, rehab and existing Low-Income Housing Tax Credit properties, Section 8 Mark-to-Market properties, HUD MAP Section 221(d)(4) and 223(f) properties, USDA Rural Development, and market rate multifamily developments on a national basis. Analysis includes property screenings, economic and demographic analysis, determination of the Highest and Best Use, consideration and application of the three traditional approaches to value, and reconciliation to a final value estimate. Both tangible real estate values and intangible values in terms of tax credit valuation, beneficial financing, and PILOT are considered. Additional appraisal assignments completed include commercial land valuation, industrial properties for estate purposes, office buildings for governmental agencies, and leasehold interest valuation. Typical clients include developers, lenders, investors, and state agencies.

Managed and conducted market studies for proposed Low-Income Housing Tax Credit, HUD MAP, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis and operating expense analysis. Property types include proposed multifamily, senior independent living, large family, acquisition/rehabilitation, historic rehabilitation, adaptive reuse, and single family developments. Typical clients include developers, state agencies, syndicators, investors, and lenders.

Completed and have overseen numerous Rent Comparability Studies in accordance with HUD's Section 8 Renewal Policy and Chapter 9 for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.

Performed and managed market studies and appraisals of proposed new construction and existing properties insured and processed under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs.

Performed and have overseen numerous market study/appraisal assignments for USDA RD properties in several states in conjunction with acquisition/rehabilitation redevelopments. Documents are used by states, lenders, USDA, and the developer in the underwriting process. Market studies are compliant to State, lender, and USDA requirements. Appraisals are compliant to lender requirements and USDA HB-1-3560 Chapter 7 and Attachments.

Performed appraisals for estate valuation and/or donation purposes for various types of real estate, including commercial office, industrial, and multifamily assets. These engagements were conducted in accordance with the Internal Revenue Service's Real Property Valuation Guidelines, Section 4.48.6 of the Internal Revenue Manual.

Performed analyses of various real estate asset types subject to USDA 4279-B, Business and Industry Guaranteed Loans, Section 4279.150 guidelines.

Conducted various Highest and Best Use Analyses for proposed development sites nationwide. Completed an analysis of existing and proposed senior supply of all types of real estate, and conducted various demand and feasibility analyses in order to determine level of need and ultimate highest and best use of the site.

Prepared a three-year Asset Management tracking report for a 16-property portfolio in the southern United States. Data points monitored include economic vacancy, levels of concessions, income and operating expense levels, NOI and status of capital projects. Data used to determine these effects on the project's ability to meet its income-dependent obligations.

Performed various community-wide affordable housing market analyses and needs assessments for communities and counties throughout the Midwest and Western states. Analysis included demographic and demand forecasts, interviews with local stakeholders, surveys of existing and proposed affordable supply, and reconciliation of operations at existing supply versus projected future need for affordable housing. Additional analyses included identification of housing gaps, potential funding sources, and determination of appropriate recommendations. These studies are typically used by local, state, and federal agencies in order to assist with housing development and potential financing.

Managed a large portfolio of Asset Management reports for a national real estate investor. Properties were located throughout the nation, and were diverse in terms of financing, design, tenancy, and size. Information compiled included income and expenses, vacancy, and analysis of property's overall position in the market.

Performed appraisals of LIHTC assets for Year 15 purposes; valuations of both the underlying real estate asset and partnership interests have been completed. These reports were utilized to assist in potential disposition options for the property, including sale of the asset, buyout of one or more partners, or potential conversion to market rate.

**CURRICULUM VITAE**  
**BRAD E. WEINBERG, MAI, CVA, CRE**

**I. Education**

University of Maryland, Masters of Science in Accounting & Financial Management  
University of Maryland, Bachelors of Arts in Community Planning

**II. Licensing and Professional Affiliations**

MAI Member, Appraisal Institute, No. 10790  
Certified Valuation Analyst (CVA), National Association of Certified Valuers and Analysts (NACVA)  
Member, The Counselors of Real Estate (CRE)  
Member, National Council of Housing Market Analysts (NCHMA)

State of Alabama – Certified General Real Estate Appraiser, No. G00628  
State of California – Certified General Real Estate Appraiser, No. AG27638  
State of Florida – Certified General Real Estate Appraiser; No. RZ3249  
State of Hawaii – Certified General Real Estate Appraiser, No. 1291  
State of Maryland – Certified General Real Estate Appraiser; No. 6048  
Commonwealth of Massachusetts – Certified General Real Estate Appraiser; No. 103769  
State of Nevada – Certified General Real Estate Appraiser, No. A.0207819CG  
State of New Jersey – Certified General Real Estate Appraiser; No. 42RG00224900  
State of Oregon – Certified General Real Estate Appraiser; No. C001280  
State of Pennsylvania – Certified General Real Estate Appraiser; No. GA004111  
State of Washington – Certified General Real Estate Appraiser, No. 1102433

**III. Professional Experience**

Partner, Novogradac & Company LLP  
President, Capital Realty Advisors, Inc.  
Vice President, The Community Partners Realty Advisory Services Group, LLC  
President, Weinberg Group, Real Estate Valuation & Consulting  
Manager, Ernst & Young LLP, Real Estate Valuation Services  
Senior Appraiser, Joseph J. Blake and Associates  
Senior Analyst, Chevy Chase F.S.B.  
Fee Appraiser, Campanella & Company

**IV. Professional Training**

Appraisal Institute Coursework and Seminars Completed for MAI Designation and Continuing Education Requirements

NACVA Coursework and Seminars Completed for CRE Designation and Continuing Education Requirements.

## V. Speaking Engagements and Authorship

Numerous speaking engagements at Affordable Housing Conferences throughout the Country

Participated in several industry forums regarding the Military Housing Privatization Initiative

Authored "New Legislation Emphasizes Importance of Market Studies in Allocation Process," *Affordable Housing Finance*, March 2001

## VI. Real Estate Assignments

A representative sample of Due Diligence, Consulting or Valuation Engagements includes:

- On a national basis, conduct market studies and appraisals for proposed affordable housing properties, including Low-Income Housing Tax Credit properties, Section 8 properties and USDA properties. Analysis includes preliminary property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis and operating expense analysis to determine appropriate cost estimates.
- Assisted in the preparation of Rent Comparability Studies and HUD MAP Market Studies according to HUD guidelines.
- On a national basis complete appraisals of partnership interests for a variety of functions including partnership sale, charitable donation, partner disputes, determination of exit strategies, etc.
- Completed appraisals for numerous FannieMae and FreddieMac portfolios of affordable and market rate multifamily properties.
- Managed and completed numerous Section 8 Rent Comparability Studies in accordance with HUD's Section 9 Renewal Policy and Chapter 9 for various property owners and local housing authorities.
- Designed and implemented a Rent Reasonableness System designed to assist housing authorities meet their requirements for fair and accurate rent determinations. The CompsMart+ Rent Reasonableness Estimator<sup>SM</sup> (Estimator) is a highly accurate, user-friendly, web-based rent reasonableness tool for HousingChoice Voucher Programs.
- As part of an Air Force Privatization Support Contractor team (PSC) to assist the Air Force in its privatization efforts. Participation has included developing and analyzing housing privatization concepts, preparing the Request for Proposal (RFP), soliciting industry interest and responses to housing privatization RFP, Evaluating RFP responses, and recommending the private sector entity to the Air Force whose proposal brings best value to the Air Force.
- On a national basis provide operating business valuations. Purposes of the valuations include investor due diligence, donation, charitable contribution, partnership dispute, purchase price allocation, and litigation support. Types of business valued have ranged from start-up new technology companies and renewable energy enterprises to real estate development and management companies. Valuation work has been completed under Fair Value as well as Fair Market Value standards (Treas. Regs. §20.2031-1(b) and §25.2512-1; Rev. Rul. 59-60, 1959-1 C.B. 237).

**ADDENDUM C**  
**Subject Photos**



View southeast of Subject site



View south of Subject site



View east on Poppy Ridge Road



View west on Poppy Ridge Road



Undeveloped land in the Subject's neighborhood



Undeveloped land in the Subject's neighborhood





Undeveloped land in the Subject's neighborhood



Car dealership north of the Subject site



Retail plaza in the Subject's neighborhood



Single-family home in the Subject's neighborhood



Single-family home in the Subject's neighborhood



Single-family homes in the Subject's neighborhood





Single-family homes in the Subject's neighborhood



Single-family homes in the Subject's neighborhood



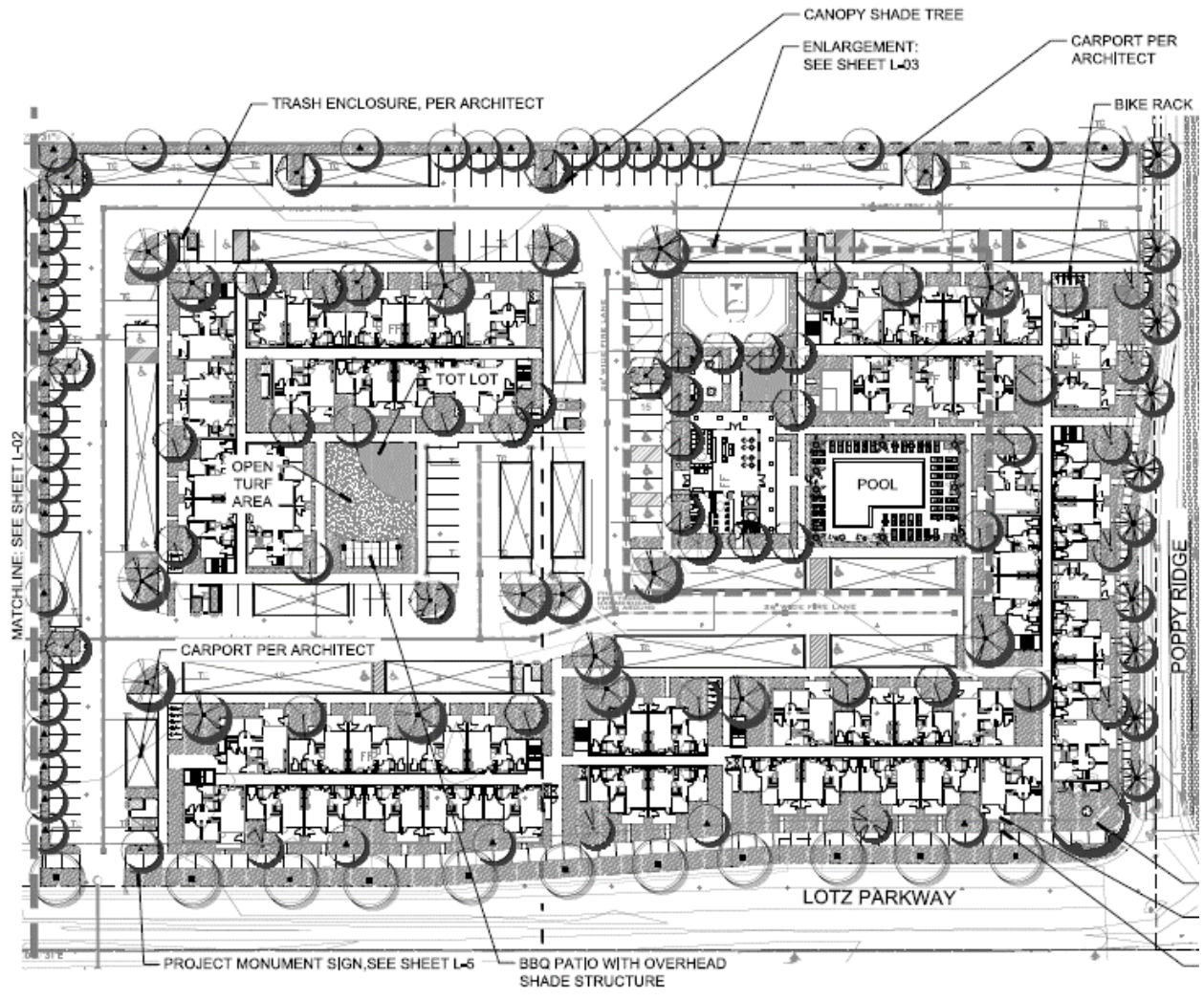
Undeveloped land in the Subject's neighborhood



Undeveloped land in the Subject's neighborhood

**ADDENDUM D**  
**Purchase Agreement (N/Av)**

**ADDENDUM E**  
Site Plans

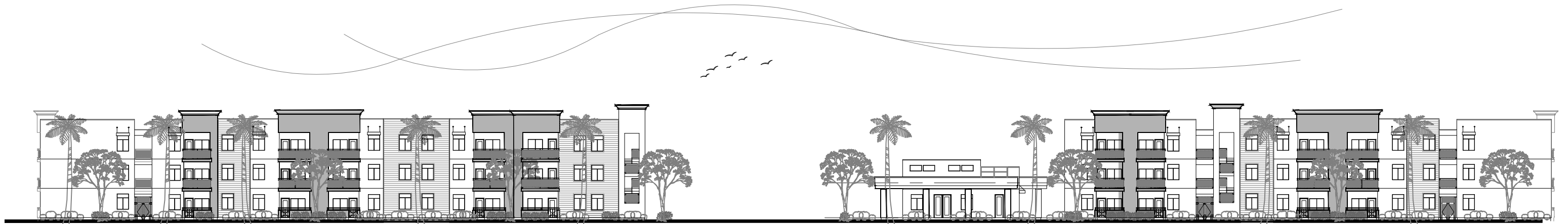


**ADDENDUM F**  
Title Report (N/Av)

# ASPEN GROVE VILLAS

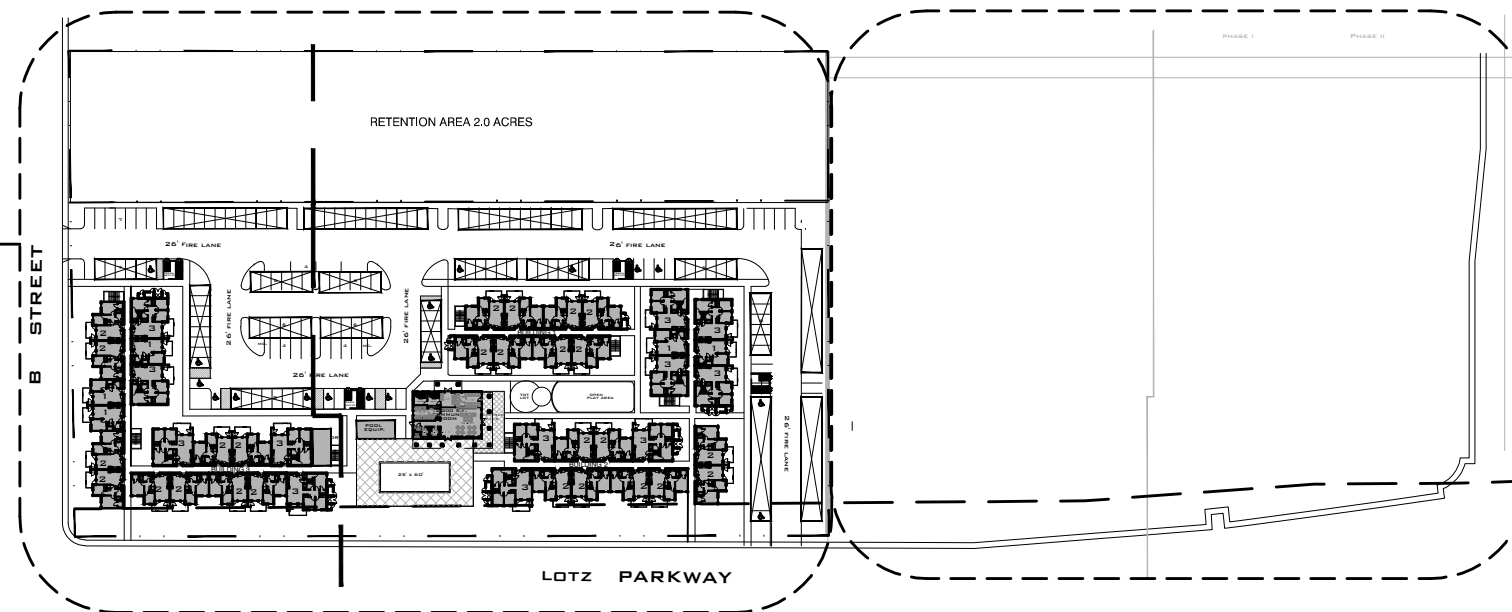
126 UNIT AFFORDABLE FAMILY APARTMENTS

CITY OF ELK GROVE, CA



ASPEN GROVE VILLAS PROJECT SITE

126 UNITS



MOUNTAIN ELK VILLAS PROJECT SITE

174 UNITS

**HEDENKAMP**



**ARCHITECTURE  
& PLANNING**

**ARCHITECT**

WILLIAM B. HEDENKAMP  
4455 MORENA BOULEVARD, SUITE 114  
SAN DIEGO, CALIFORNIA 92117

PHONE: 619.316.4472

**SPONSOR/DEVELOPER/ADMIN. GENERAL PARTNER:**

CRP AFFORDABLE HOUSING AND COMMUNITY DEVELOPMENT  
4455 MORENA BOULEVARD, SUITE 107  
SAN DIEGO, CA 92117

# ASPEN GROVE VILLAS

126 UNIT AFFORDABLE FAMILY APARTMENTS

CITY OF ELK GROVE, CA

RETENTION AREA 2.0 ACRES

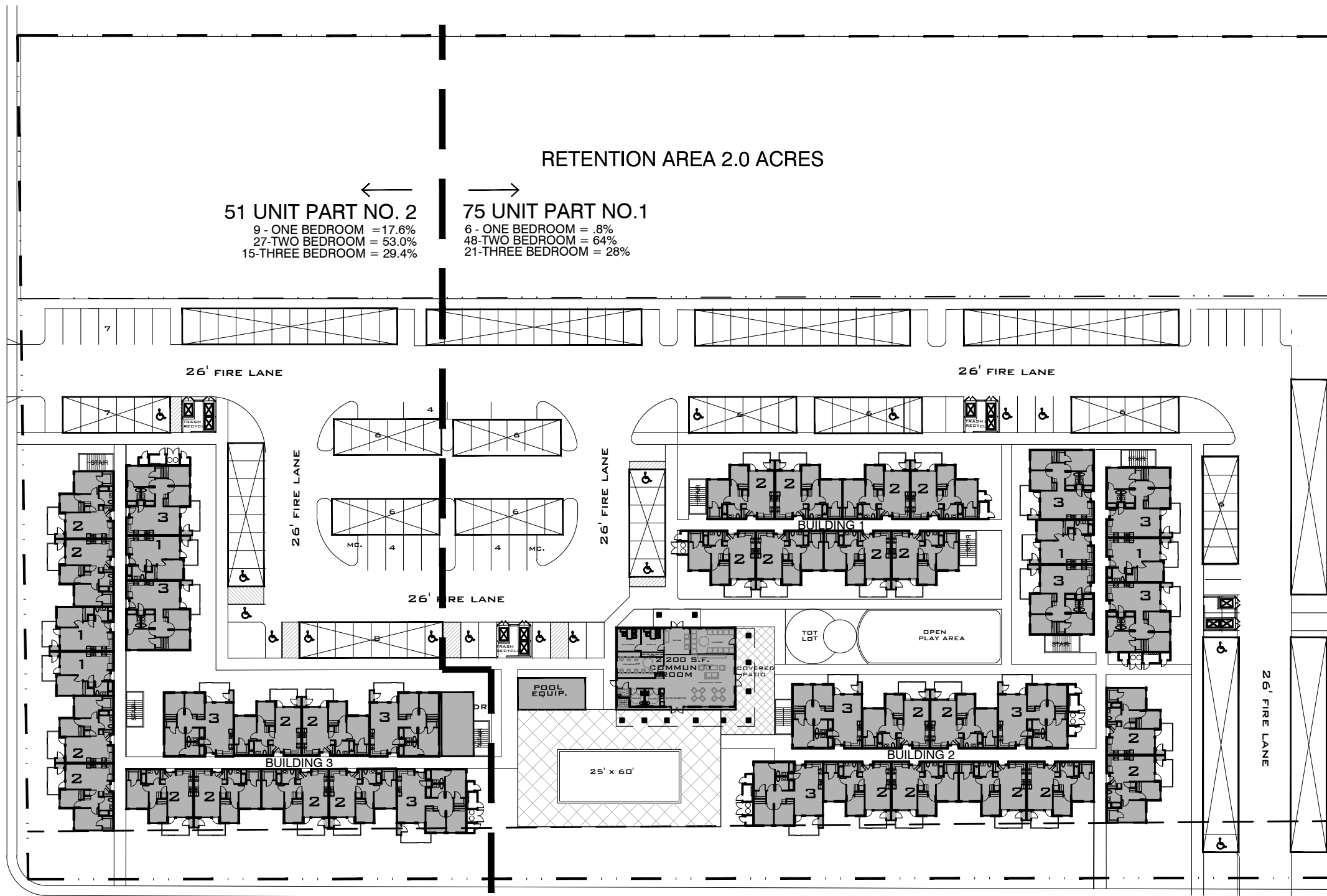
**51 UNIT PART NO. 2**

9 - ONE BEDROOM = 17.6%  
 27 - TWO BEDROOM = 53.0%  
 15 - THREE BEDROOM = 29.4%

**75 UNIT PART NO. 1**

6 - ONE BEDROOM = .8%  
 48 - TWO BEDROOM = 64%  
 21 - THREE BEDROOM = 28%

B STREET



**PROPERTY SUMMARY**  
 GROSS SITE AREA = 5.88 ACRES  
 RETENTION BASIN = 2.0 ACRES  
 NET SITE AREA = 3.88 ACRES DENSITY IS 48 DU/ACRE

TOTAL PARKING REQUIRED 237 SPACES PER CA. 65915  
 PARKING PROVIDED: 201 SPACES - 1.6/UNIT  
 PROJECT WILL NEED AFFORDABLE INCENTIVE  
 TO REDUCE TO 1.6 PER UNIT FROM 1.88 PER UNIT.

**TOTAL DEVELOPMENT - 126 UNITS**

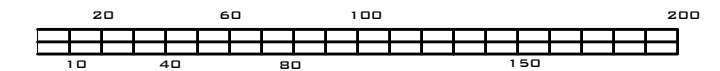
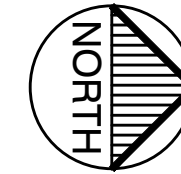
**PART NO. 1**

ALL UNITS IN THREE STORY BUILDING ON GRADE  
 6 - ONE BEDROOM UNITS @ 620 S.F. = 3,720 S.F. PARKING 6 CARS  
 48 - TWO BEDROOM UNITS @ 806 S.F. = 38,688 S.F. PARKING 96 CARS  
 21 - THREE BEDROOM UNITS @ 1,064 S.F. = 22,344 S.F. PARKING 42 CARS  
 TOTAL RESIDENTIAL AREA 74,2978 S.F.

OFFICE & COMMUNITY BUILDING = 2,400 S.F. **144 CARS**

**PART NO. 2**

ALL UNITS IN THREE STORY BUILDING ON GRADE  
 9 - ONE BEDROOM UNITS @ 620 S.F. = 5,580 S.F. PARKING 9 CARS  
 27 - TWO BEDROOM UNITS @ 806 S.F. = 21,762 S.F. PARKING 54 CARS  
 15 - THREE BEDROOM UNITS @ 1,064 S.F. = 15,960 S.F. PARKING 30 CARS  
 TOTAL RESIDENTIAL AREA 74,2978 S.F. **93 CARS**



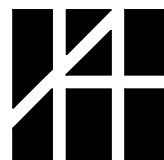
GRAPHIC SCALE

## SITE PLAN

MARCH 19, 2021

**LOTZ PARKWAY**

**HEDENKAMP**



**ARCHITECTURE  
& PLANNING**

**ARCHITECT**

WILLIAM B. HEDENKAMP  
 4455 MORENA BOULEVARD, SUITE 114  
 SAN DIEGO, CALIFORNIA 92117

PHONE: 619.316.4472

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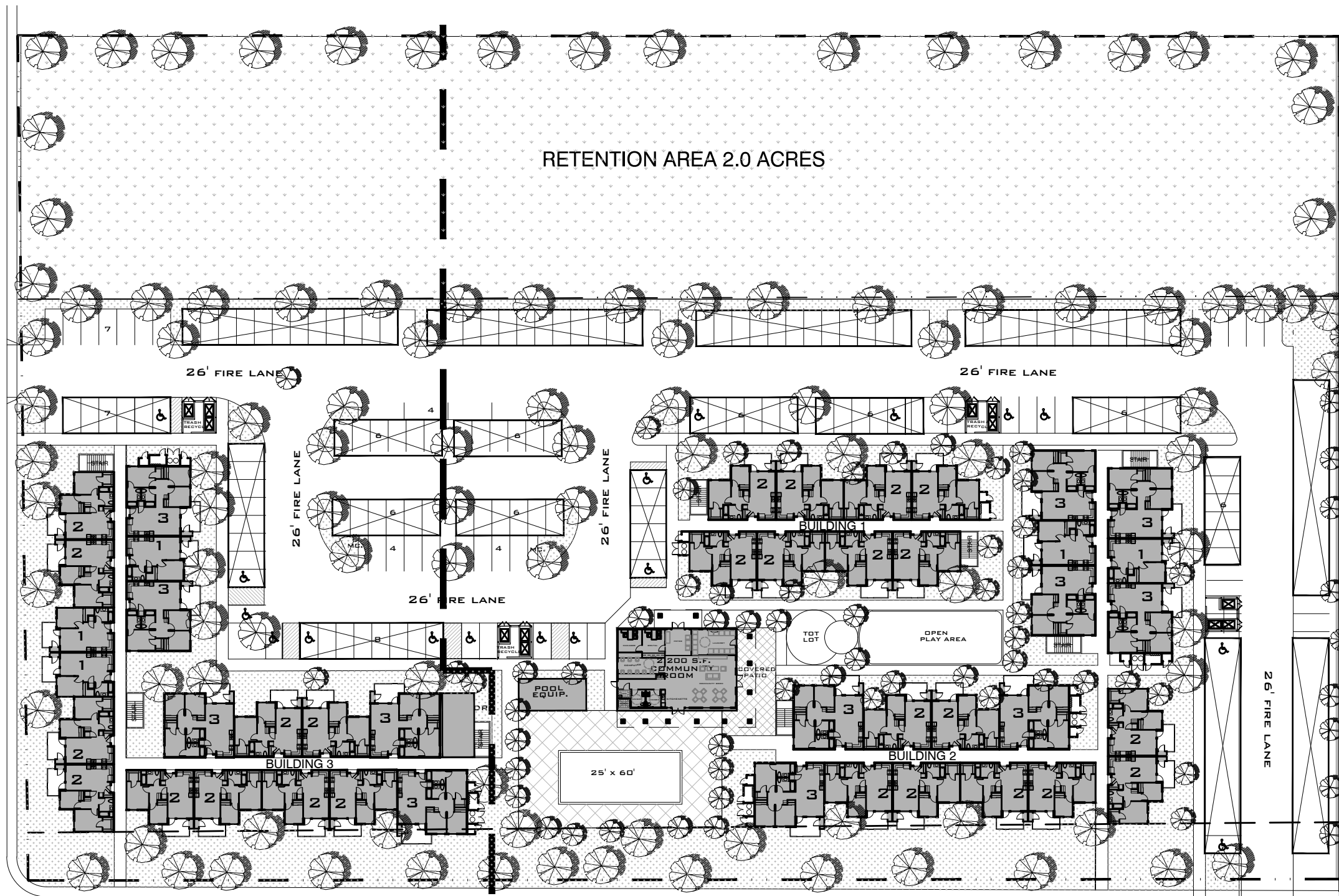
# ASPEN GROVE VILLAS

126 UNIT AFFORDABLE FAMILY APARTMENTS

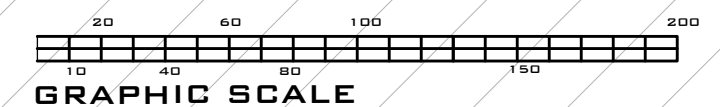
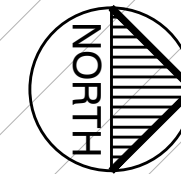
CITY OF ELK GROVE, CA

RETENTION AREA 2.0 ACRES

B STREET



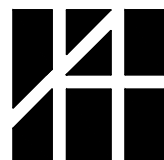
MOUNTAIN ELK VILLAS PROJECT



## LANDSCAPE PLAN

LOTZ PARKWAY

HEDENKAMP



ARCHITECTURE & PLANNING

ARCHITECT

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SPONSOR/DEVELOPER/ADMIN. GENERAL PARTNER:

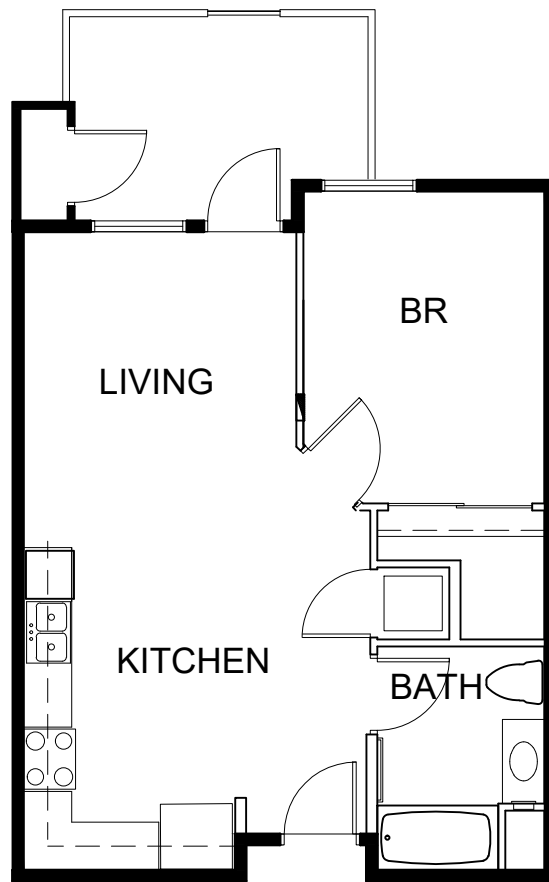
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# ASPEN GROVE VILLAS

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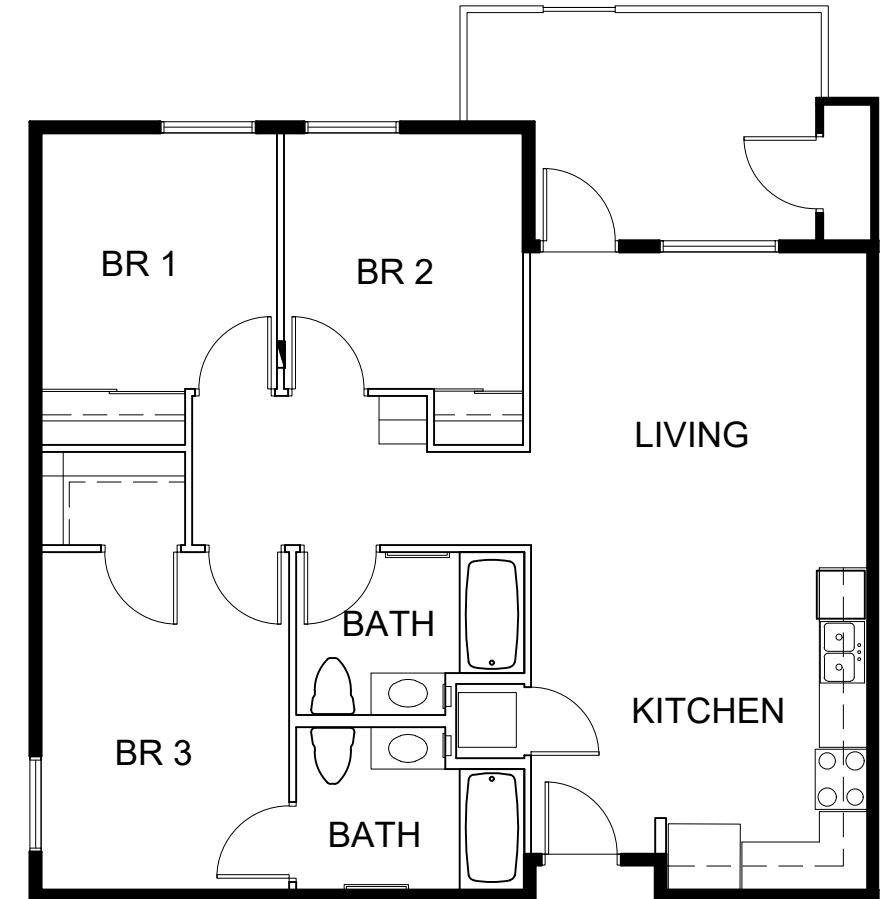
CITY OF ELK GROVE, CA



**UNIT TYPE A** 1 BR, 1 BA 620 S.F.  
1/8"–1'–0"



**UNIT TYPE B** 2 BR, 1 BA 806 S.F.  
1/8"–1'–0"



**UNIT TYPE C** 3 BR, 2 BA 1,064 S.F.  
1/8"–1'–0"

**HEDENKAMP**



**ARCHITECTURE  
& PLANNING**

**ARCHITECT**

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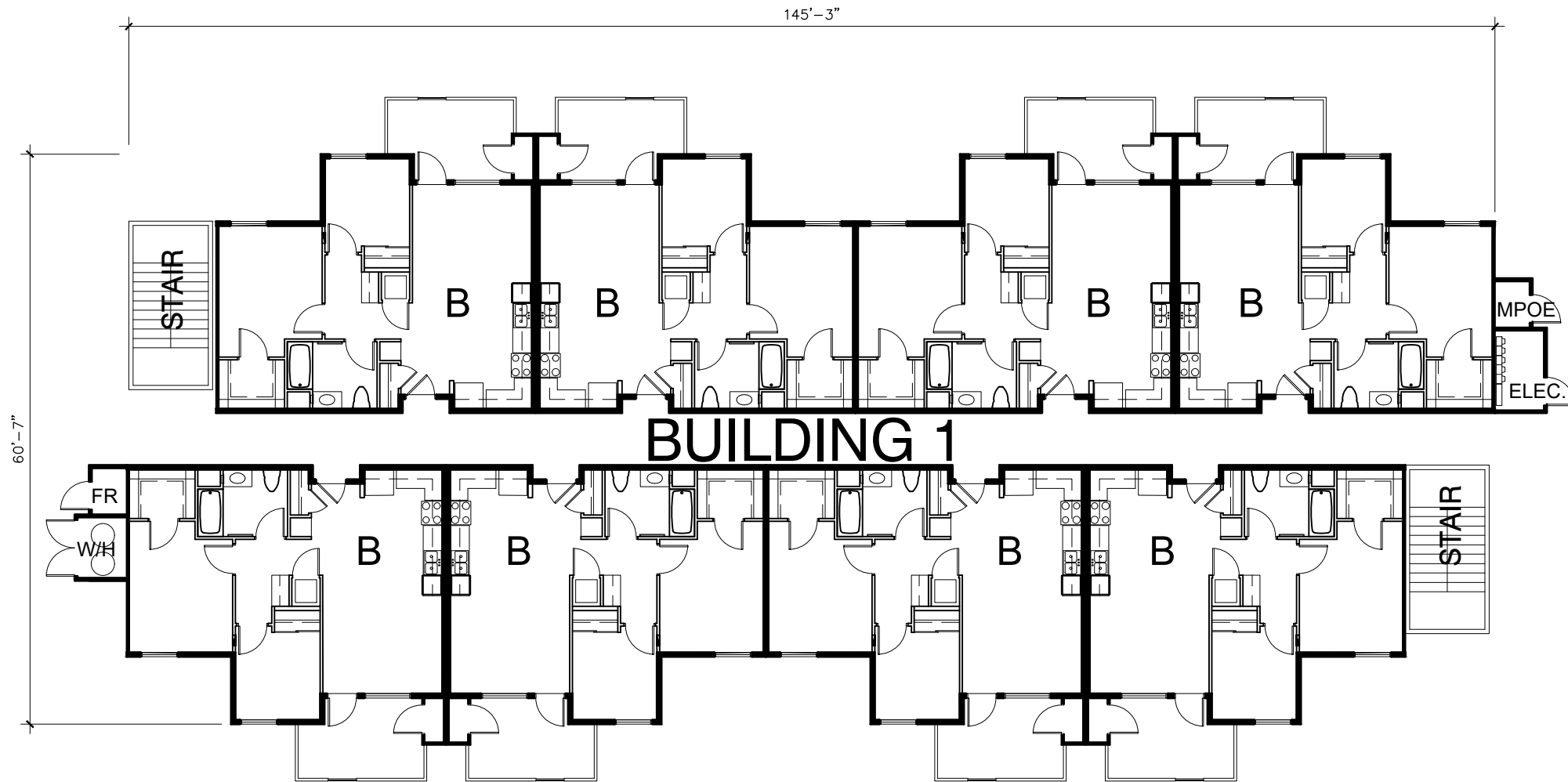
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SAN DIEGO, CA 92117

# ASPEN GROVE VILLAS

126 UNIT AFFORDABLE FAMILY APARTMENTS

CITY OF ELK GROVE, CA



## BUILDING 1

### BUILDING 1

1/16" = 1'-0"

**HEDENKAMP**



**ARCHITECTURE  
& PLANNING**

### ARCHITECT

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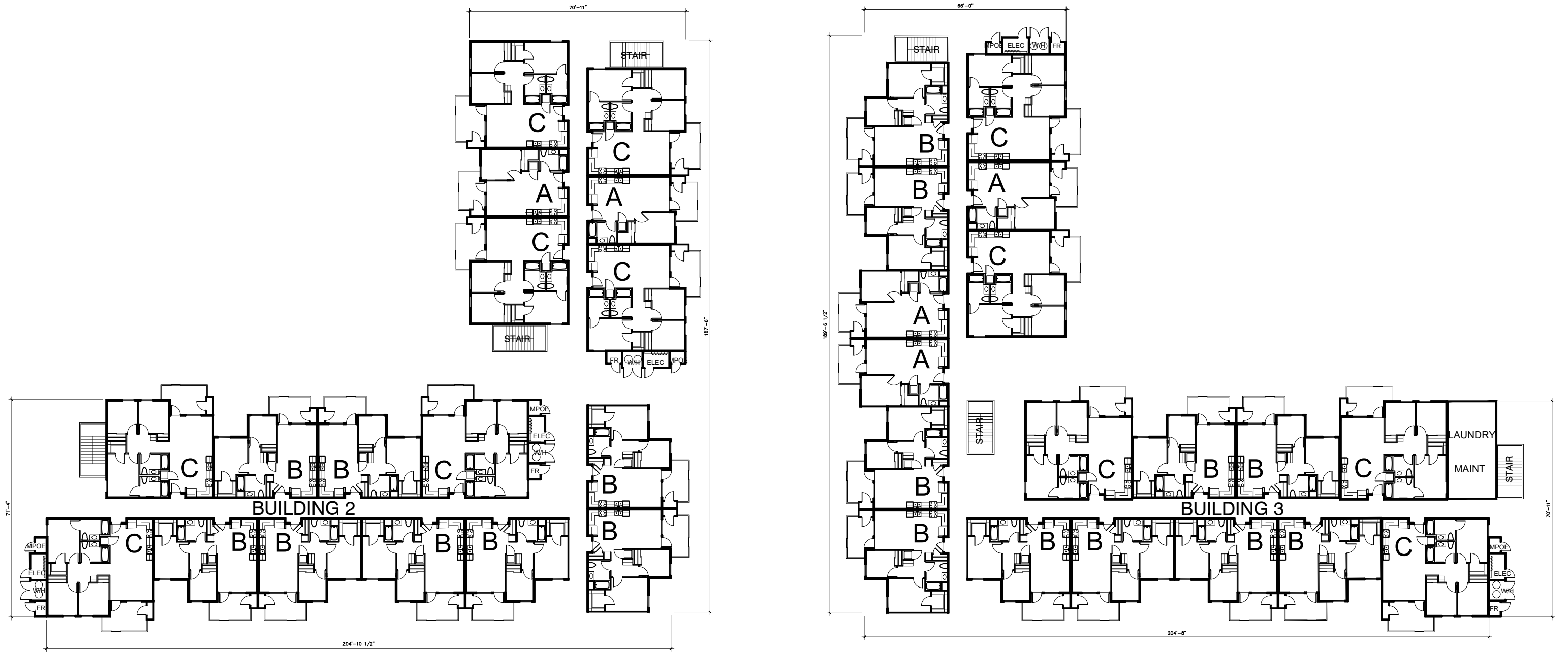
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# ASPEN GROVE VILLAS

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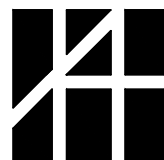
CITY OF ELK GROVE, CA



## BUILDING 2&3

1/32' = 1'-0"

**HEDENKAMP**



**ARCHITECTURE  
& PLANNING**

### ARCHITECT

WILLIAM B. HEDENKAMP  
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SAN DIEGO, CALIFORNIA 92117

PHONE: 619.316.4472

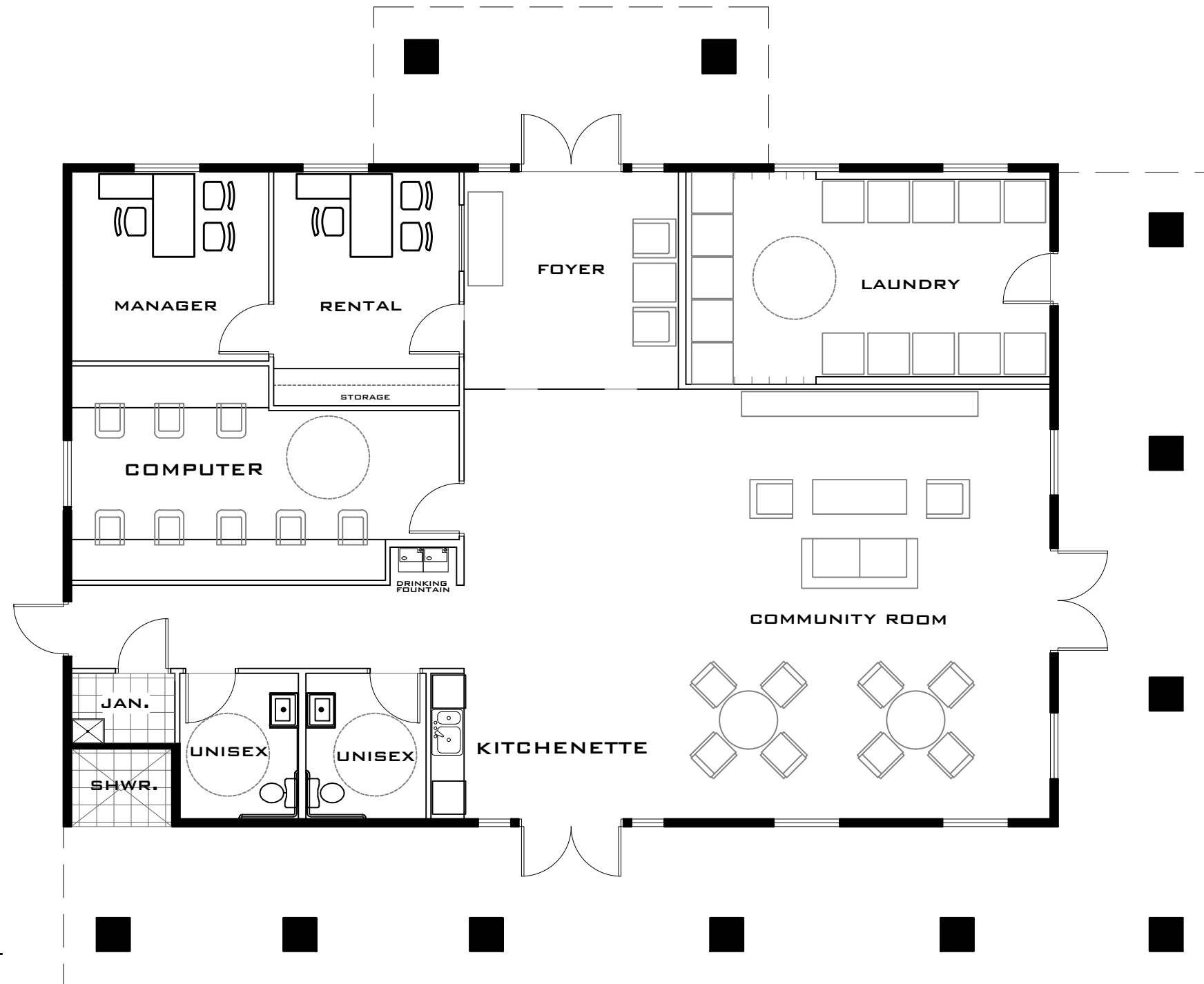
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# ASPEN GROVE VILLAS

126 UNIT AFFORDABLE FAMILY APARTMENTS

CITY OF ELK GROVE, CA

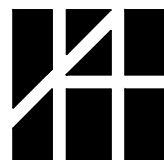


COMMUNITY BUILDING

1/8"=1'-0"

2,055 S.F.

HEDENKAMP



ARCHITECTURE & PLANNING

ARCHITECT

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4455 MORENA BOULEVARD, SUITE 114  
SAN DIEGO, CALIFORNIA 92117

PHONE: 619.316.4472

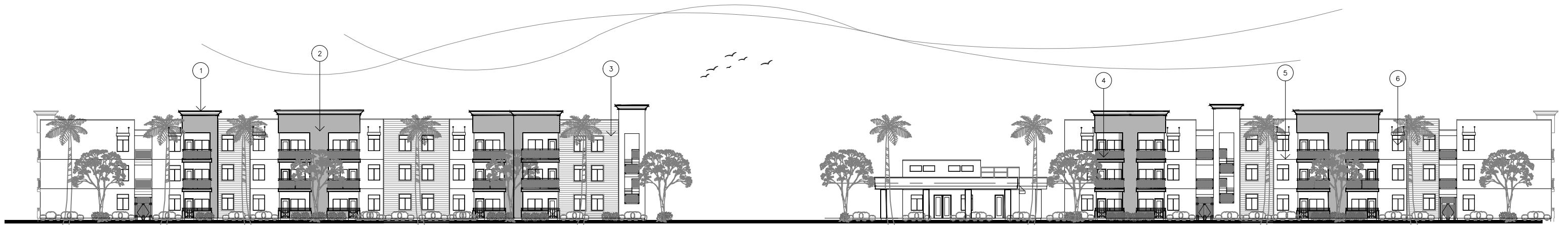
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SAN DIEGO, CA 92117

# ASPEN GROVE VILLAS

126 UNIT AFFORDABLE FAMILY APARTMENTS

CITY OF ELK GROVE, CA



POPPY RIDGE ROAD ELEVATION

### EXTERIOR MATERIAL KEYNOTES

- ① ROOF PARAPET WITH FOAM CORNICE
- ② EXTERIOR STUCCO
- ③ HORIZONTAL METAL SIDINGS
- ④ METAL RAILINGS WITH MESH
- ⑤ STUCCO CONTROL JOINT
- ⑥ DOUBLE GLAZED WINDOW

**HEDENKAMP**



**ARCHITECTURE  
& PLANNING**

### ARCHITECT

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Woodbury, NY 11797-2921  
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F 516.992.5800  
www.markspaneth.com

Manhattan  
Long Island  
Westchester  
Cayman Islands

**M A R K S P A N E T H**  
ACCOUNTANTS & ADVISORS

To Management  
Castellan Holdings Group  
New York, NY

Management is responsible for the accompanying combined statement of assets, liabilities and members' equity and statement of revenues and expenses of Castellan Holdings Group. We have compiled the numbers from audited financial statements and tax returns. We did not perform any additional audit or review procedures to the accompanying statement of assets, liabilities and members' equity and statement of revenues and expenses nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the statement of assets, liabilities and members' equity sheet and statement of revenues and expenses.

We have provided the combined statement of assets, liabilities and members' equity sheet and statement of revenues and expenses for internal use only to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the statement of assets, liabilities and members' equity sheet and statement of revenues and expenses.

*Marks Paneth LLP*

Woodbury, New York  
February 6, 2019

## Castellan Holdings Group

## Statement of Assets, Liabilities and Members' Equity - Income Tax Basis

December 31, 2017

## ASSETS

## REAL ESTATE

Land	\$ 39,596,838
Building and building improvements	92,729,066
Construction in progress	4,836,367
Other fixed assets	515,636
	<u>137,677,907</u>
Less: accumulated depreciation	(8,604,500)
Total Property and Improvements	<u>129,073,407</u>
Mortgage loans receivable	<u>213,947,687</u>
Total Real Estate Investments	<u>343,021,094</u>

## OTHER ASSETS

Cash and cash equivalents	21,709,700
Accounts receivable	10,980,704
Prepaid Expenses	2,949,110
Deferred costs, net of accumulated amortization	2,026,012
Escrows	1,147,423
Deposits	1,508,940
Total Other Assets	<u>40,321,889</u>

## TOTAL ASSETS

\$ 383,342,983

## LIABILITIES

Accounts payable	\$ 8,560,118
Mortgage and loan payables	204,872,827
Deferred construction management income	5,606,253
Tenant security deposits	1,031,389
Deferred gain on sale of real estate	6,171,255
Total Liabilities	<u>226,241,842</u>

## NON-CONTROLLING INTEREST

154,160,726

## MEMBERS' EQUITY

2,940,416

## TOTAL LIABILITIES AND MEMBERS' EQUITY

\$ 383,342,983

**Castellan Holdings Group**

**Statement of Revenues and Expenses - Income Tax Basis**

**December 31, 2017**

**REVENUES**

Rental income	\$ 12,833,661
Property management income	2,092,982
Bridge lending income	15,555,552
Acquisition and disposition fees	1,199,882
Gain on sale of real estate investments	29,768,921
Promote Income	1,128,438
Other Income	785,984
	<u>63,365,420</u>

**EXPENSES**

Property operating expenses	8,218,699
Operating expenses	6,068,938
Payroll and related expenses	5,065,706
Interest expense	9,034,951
	<u>28,388,294</u>

Excess of revenues over expenses before depreciation and amortization	34,977,126
---	------------

Depreciation and amortization	<u>4,733,647</u>
-------------------------------	------------------

Excess of revenues over expenses before allocation of income	<u>\$ 30,243,479</u>
--	----------------------

Non-controlling interest share of income	<u>(28,823,886)</u>
--	---------------------

Excess of revenues over expenses net after nonpolarizing interest	<u>\$ 1,419,593</u>
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**Castellan Holdings Group****Footnote**

Castellan Holdings LLC (the "Company") was formed in Delaware as a Limited Liability Company on March 19, 2013 for the purpose of operating a full service, vertically integrated real estate company with internal platforms including the acquisition, investment, property management, asset management, construction and development of real estate investments. The Company originates and retains an interest in all investments. Additionally, Castellan retains the right to manage the Castellan Real Estate entities. The attached combined balance sheet and income statement presents all properties, investments and entities that are controlled by Castellan Holdings LLC.

The Company controls and/or owns the following properties and investments:

CRP Wetherole A LLC  
CRP Wetherole B LLC  
CRP Wetherole C LLC  
64-64 Wetherole Street, Flushing, NY  
CRP Wetherole LLC  
CRP Wetherole FDB 1031 LLC  
CRP GRJ LLC  
CRP Cloverly LLC  
CRP Evergreen LLC  
3602 Clarendon Road, Brooklyn, NY  
3556 Broadway, New York, NY  
CRP Clarendon LLC  
CRP Clarendon A LLC  
CRP Clarendon C LLC  
CRP Clarendon B LLC  
701 West 135th Street, New York, NY  
CRP West 135<sup>th</sup> Street LLC  
CRP West 135th Street A LLC  
CRP West 135th Street B LLC  
90 Chambers Street, New York, NY  
CRP Chambers Street LLC  
CRP Chambers Street A LLC  
CRP Chamber Street B LLC  
CRP Chambers Street C LLC  
CRP Chambers Street D LLC  
CRP Park Avenue C LLC  
CRP Park Avenue B LLC  
CRP Broadway LLC  
CRP Broadway B LLC  
CRP Broadway C LLC  
CRP East 28th Street A LLC  
CRP East 28th Street LLC  
CRP East 30th Street LLC  
7 East 30th Street, New York, NY  
CRP Fairworth LLC  
CRP Fairworth B LLC  
CRP Fairworth C LLC  
CRP 184 St. Nicholas LLC  
CRP 184 St. Nicholas B LLC  
CRP 184 St. Nicholas C LLC  
CRP St. Nicholas York LLC  
CRP St. Nicholas York B LLC

CRP West 111th Street Owner LLC  
CRP West 111th Street B LLC  
CRP West 111th Street C LLC  
CRP West 111th Street LLC  
CRP Fifth Avenue C LLC  
CRP Rivington Street Development LLC  
CRP Rivington LLC  
4 St. Marks Place, New York, NY  
CRP St. Marks Place LLC  
CRP St. Marks Place A LLC  
CRP St. Marks Place B LLC  
CRP St. Marks Place C LLC  
CRP St. Marks Place D LLC  
CRP St. Marks 117 West 141st 1031 LLC  
3231 Greenpoint LLC  
CRP West 164th Street LLC  
CRP West 164th Street B LLC  
CC Rivington LLC  
CRP Bay Ridge Hoyt LLC  
Bay Ridge Lender LLC  
845 1st Avenue LLC  
CRP West 151st Street LLC  
CRP West 151st Street B LLC  
CRP Uptown Portfolio Investors LLC  
Castellan NYC Partners LLC  
CRP Seattle Warehouse I LLC  
2617 Newkirk Avenue LLC  
CRP 4441 Broadway Annex LLC  
CRP 48 Post A Annex LLC  
CRP 1661 Park Avenue Annex LLC  
CRP 265-273 West 146th Street Annex LLC  
CRP Founders Capital LLC  
Castellan Real Estate Income Fund LP  
Castellan Real Estate Income Fund II LP

**Castellan Holdings LLC  
(A Limited Liability Company)**

**Financial Statements  
(Together with Independent Accountants'  
Review Report)**

**For the Year Ended December 31, 2018**

**M A R K S P A N E T H**

ACCOUNTANTS & ADVISORS

**(A Limited Liability Company)****Table of Contents****December 31, 2018**

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## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Castellan Holdings LLC  
New York, New York

We have reviewed the accompanying financial statements of Castellan Holdings LLC (the "Company"), which comprise the statement of net assets and schedule of investments in real estate entities as of December 31, 2018, and the related statements of operations, changes in net assets and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### Management's Responsibility for the Financial Statements

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

### Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We did not review the financial statements of Castellan Real Estate Income Fund and Castellan Real Estate Income Fund II, which financial statements reflect total assets and revenues constituting 50% and 36%, respectively, of totals as of and for the year ended December 31, 2018. Those statements were audited by other accountants, whose report has been furnished to us, and our conclusion, insofar as it relates to the amounts included for Castellan Real Estate Income Fund and Castellan Real Estate Income Fund II, is based solely on the report of the other accountants.

### Accountants' Conclusion

Based on our review, and the report of the other accountants, except for the issue noted in the Known Departures From Accounting Principles Generally Accepted in the United State of America paragraph, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with principles generally accepted in the United States of America

### Known Departure From Accounting Principles Generally Accepted in the United States of America

Management has elected to omit all the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations.

*Marks Paneth LLP*  
Woodbury, New York  
August 22, 2019

**CASTELLAN HOLDINGS LLC**  
**(A Limited Liability Company)**

**Statement of Net Assets**

**December 31, 2018**

**ASSETS**

Investments in real estate entities, at fair value	\$ 228,005,000
Cash and cash equivalents	5,549,288
Accounts receivable	2,808,984
Mortgage loans receivable	245,679,953
Interest receivable and other assets	3,103,812
Other assets held by real estate entities	6,704,589
Property and improvements, at fair value	55,905
Deposits	83,092
Total assets	<u>491,990,623</u>

**LIABILITIES**

Mortgage and loan payables	220,154,429
Line of credit	2,500,000
Accounts payable	2,518,892
Deferred construction management income	3,637,643
Total liabilities	<u>228,810,964</u>

**NET ASSETS**

Non-controlling interest	257,780,423
Members' equity	<u>5,399,236</u>
Total net assets	<u>\$ 263,179,659</u>

**CASTELLAN HOLDINGS LLC**  
**(A Limited Liability Company)**

**Statement of Operations**

**For the Year Ended December 31, 2018**

**REVENUES**

Realized gains on sale of investments	\$ 5,550,938
Unrealized gain on held investments	3,649,350
Property management income	1,217,370
Bridge lending income	4,356,663
Plumbing services	345,546
Rental and other income	191,696
Interest and dividend income	37,855
	<u>15,349,418</u>

**EXPENSES**

Payroll and related expenses	3,956,627
Commissions and related expenses	2,244,831
Operating and administrative expenses	1,204,467
Rent and related expenses	406,411
Information technology	156,461
Interest expense	55,353
	<u>8,024,150</u>
Net increase in net assets resulting from operations	<u>\$ 7,325,268</u>

**CASTELLAN HOLDINGS LLC**  
**(A Limited Liability Company)**

**Statement of Changes in Net Assets**

**For the Year Ended December 31, 2018**

Net increase in net assets resulting from operations	\$ 7,325,268
Contributions	59,776,219
Distributions	<u>(35,947,894)</u>
Total increase	31,153,593
Net Assets	
Beginning of year	<u>232,026,066</u>
End of year	<u><u>\$ 263,179,659</u></u>

See Independent Accountants' Review Report.



**CASTELLAN HOLDINGS LLC**  
**(A Limited Liability Company)**

**Statement of Cash Flows**

**For the Year Ended December 31, 2018**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Excess of revenues over expenses	\$ 7,325,268
Adjustments to reconcile excess of revenues over expenses to net cash used in operating activities:	
Gain from investment in real estate companies	(5,550,938)
Unrealized gain from investment in real estate companies	(3,649,350)
Change in cash flows due to changes in operating assets and liabilities:	
Accounts receivable	304,273
Mortgage loans receivable	(31,732,266)
Interest receivable and other assets	(1,266,788)
Deferred income	(387,261)
Accounts payable	<u>863,055</u>
Net Cash Used in Operating Activities	<u>(34,094,007)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Investment in real estate companies	(40,594,348)
Other assets held in investment companies	5,985,509
Distributions received from investments in real estate companies	<u>31,895,287</u>
Net Cash Used in Investing Activities	<u>(2,713,552)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Mortgage proceeds	239,207,352
Principal payments on mortgages	(223,925,750)
Line of credit proceeds	17,566,046
Line of credit disbursements	(17,816,046)
Contributions	59,776,219
Distributions	<u>(35,947,894)</u>
Net Cash Provided by Financing Activities	<u>38,859,927</u>

NET CHANGE IN CASH AND CASH EQUIVALENTS 2,052,368

CASH AND CASH EQUIVALENTS – Beginning of year 3,496,920

CASH AND CASH EQUIVALENTS – end of year \$ 5,549,288

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW TRANSACTIONS**

Cash paid during the year for interest: \$ 55,353

**CASTELLAN HOLDINGS LLC**  
**(A Limited Liability Company)**

**Schedule of Investments in Real Estate Entities**

**December 31, 2018**

Investments	Initial Acquisition Date	Cost	Fair Value
2156 Cortelyou Road, Brooklyn, NY	09/13/12	\$ 1,769,167	\$ 8,975,000
1469 Fifth Avenue, New York, NY	03/07/13	3,773,447	8,750,000
545 West 148th Street, New York, NY	04/02/13	7,133,458	13,000,000
88 East 111th Street, New York, NY	09/13/13	5,479,284	8,750,000
524 East 119th Street, New York, NY	09/13/13	4,976,762	8,250,000
362 Route 9 North, Marlboro, NJ	08/14/14	17,161,949	20,000,000
3231 Greenpoint Avenue, Long Island City, NY	08/19/14	710,582	1,750,000
100 Evergreen Place, East Orange, NJ	09/17/14	4,922,545	9,130,000
3602 Clarendon Road, Brooklyn, NY	12/17/14	668,959	1,200,000
7-9 East 30th Street, New York, NY	02/25/15	21,883,929	20,100,000
3556 Broadway, New York, NY	04/14/15	6,373,588	12,000,000
64-64 Wetherole Street, Queens, NY	11/11/15	2,933,635	5,200,000
701 West 135th Street, New York, NY	12/17/15	5,262,632	12,000,000
84 Hoyt Street, Brooklyn, NY	01/11/16	1,577,796	2,300,000
125 Rivington Street, New York, NY	04/04/16	8,814,252	12,000,000
4 St Marks Place, New York, NY	04/21/16	15,542,170	15,000,000
90 Chambers Street, New York, NY	05/15/16	6,676,109	11,500,000
365-369 East 28th Street, New York, NY	06/23/16	1,825,558	3,500,000
309 West 111th Street, New York, NY	01/04/17	5,149,788	9,000,000
515 West 111th Street, New York, NY	06/07/18	8,601,850	22,000,000
3025 Sunrise Highway, Islip Terrace, NY	06/27/18	7,550,262	8,600,000
6601 Imperial Avenue, San Diego, CA	12/17/18	1,364,259	5,300,000
5930 Division Street, San Diego, CA	12/17/18	2,546,840	8,700,000
618 Second Avenue, Seattle, WA - LP Interest	Various	1,265,838	1,000,000
		<u>\$ 143,964,659</u>	<u>\$ 228,005,000</u>

See Independent Accountants' Review Report.

**Castellan Holdings LLC  
(A Limited Liability Company)**

**Financial Statements – Income Tax Basis  
(Together with Independent Accountants’ Review Report)**

**For the Year Ended December 31, 2019**

**M A R K S P A N E T H**

ACCOUNTANTS & ADVISORS

**CASTELLAN HOLDINGS LLC  
(A Limited Liability Company)**

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## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Castellan Holdings LLC  
New York, New York

We have reviewed the accompanying financial statements of Castellan Holdings LLC (a limited liability company), which comprise the statement of assets, liabilities and members' equity - income tax basis as of December 31, 2019, and the related statements of revenues and expenses – income tax basis, changes in members' equity - income tax basis and cash flows – income tax basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting the company uses for income tax purposes; this includes determining that the basis of accounting the company uses for income tax purposes is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Accountants' Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the basis of accounting the company uses for income tax purposes. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the basis of accounting the company uses for income tax purposes.

### Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the basis of accounting the company uses for income tax purposes, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

*Marks Paneth LLP*  
Woodbury, New York  
May 14, 2020

**CASTELLAN HOLDINGS LLC**  
**(A Limited Liability Company)**

**Statement of Assets, Liabilities and Members' Equity - Income Tax Basis**

**December 31, 2019**

**ASSETS**

**CURRENT ASSETS**

Cash	\$ 1,787,409
Accounts receivable	1,839,075
Total Current Assets	<u>3,626,484</u>

**REAL ESTATE ENTITIES**

Investment in and advances to real estate entities	(3,684,570)
Installment sale receivable	5,594,647
Total real estate entities	<u>1,910,077</u>

**PROPERTY AND IMPROVEMENTS**

Leasehold improvements	62,986
Furniture, fixtures and equipment	182,355
	<u>245,341</u>
Less: accumulated depreciation	192,554
Total Property and Improvements	<u>52,787</u>

**OTHER ASSETS**

Deposits	185,458
Due from affiliates	1,138,052
Total Other Assets	<u>1,323,510</u>

**TOTAL ASSETS**

\$ 6,912,858

**LIABILITIES AND MEMBERS' EQUITY**

**CURRENT LIABILITIES**

Accounts payable	\$ 958,741
Deferred construction management income	2,849,706
Total Current Liabilities	<u>3,808,447</u>

**MEMBERS' EQUITY**

3,104,411

**TOTAL LIABILITIES AND MEMBERS' EQUITY**

\$ 6,912,858

**CASTELLAN HOLDINGS LLC**  
**(A Limited Liability Company)**

**Statement of Revenues and Expenses - Income Tax Basis**

**For the Year Ended December 31, 2019**

**REVENUES**

Property management income	\$ 1,192,246
Bridge lending income	5,527,662
Acquisition and disposition income	71,094
Construction fee income	787,937
Plumbing services	203,914
Income from affordable housing	2,211,532
	<u>9,994,385</u>

**EXPENSES**

Payroll and related expenses	3,650,147
Commissions and related expenses	1,988,611
Operating and administrative expenses	552,561
Rent and related expenses	347,623
Information technology	247,909
Loss from rental properties	77,378
Interest expense	5,695
	<u>6,869,924</u>

EXCESS OF REVENUES OVER EXPENSES BEFORE  
OTHER TAX PREFERENCE ITEMS

3,124,461

Depreciation and amortization

88,436

EXCESS OF REVENUES OVER EXPENSES

\$ 3,036,025

**CASTELLAN HOLDINGS LLC**  
**(A Limited Liability Company)**

**Statement of Changes in Members' Equity - Income Tax Basis**

**For the Year Ended December 31, 2019**

Members' equity - January 1, 2019	\$ 3,364,522
Members' distributions	(3,296,136)
Excess of revenues over expenses	<u>3,036,025</u>
Members' equity - December 31, 2019	<u><u>\$ 3,104,411</u></u>



**CASTELLAN HOLDINGS LLC**  
**(A Limited Liability Company)**

**Statement of Cash Flows - Income Tax Basis**

**For the Year Ended December 31, 2019**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Excess of revenues over expenses	\$ 3,036,025
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:	
Income from affordable housing	2,211,532
Gain from investment in real estate companies	925,943
Expenses not requiring use of operating funds:	
Depreciation and amortization	88,436
Change in cash flows due to changes in operating assets and liabilities:	
Accounts receivable	969,909
Installment sale receivable	(5,594,647)
Due from affiliates	281,887
Deferred construction management income	(787,937)
Deposits	(102,366)
Accounts payable	(482,916)
	<u>545,866</u>
Net Cash Provided by Operating Activities	<u>545,866</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of furniture and fixtures	(85,318)
Investment in real estate companies	(642,469)
Distributions received from investments in real estate companies	4,657,543
	<u>3,929,756</u>
Net Cash Provided by Investing Activities	<u>3,929,756</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Line of credit proceeds	3,212,000
Line of credit disbursements	(5,712,000)
Members' distributions	(3,296,136)
	<u>(5,796,136)</u>
Net Cash Used in Financing Activities	<u>(5,796,136)</u>

NET CHANGE IN CASH	(1,320,514)
CASH – January 1, 2019	<u>3,107,923</u>
CASH – December 31, 2019	<u>\$ 1,787,409</u>

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW TRANSACTIONS**

Cash paid during the year for interest:	<u>\$ 5,695</u>
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**CASTELLAN HOLDINGS LLC  
(A Limited Liability Company)**

**Notes to Financial Statements - Income Tax Basis**

**NOTE 1: ORGANIZATION**

Castellan Holdings LLC (the “Company”) was formed in Delaware as a Limited Liability Company on March 19, 2013 for the purpose of operating a full service, vertically integrated real estate company with internal platforms including the acquisition, investment management services, property management, asset management, construction and development of real estate investments for the purpose of generating investment income and growth.

The Company originates all investments and retains the right to manage Castellan Real Estate entities and collect an acquisition fee upon purchase.

The Company owns the following subsidiaries:

- Liberty Place Property Management LLC (“LPPM”) is in the business of property management and other services.
- Castellan Managing Member LLC (“CMM”) is in the business of earning carried interest and acquisition fees from certain affiliated property owners for properties acquired by affiliates of the manager on or prior to August 7, 2012.
- CRP Manager LLC is in the business of earning carried interest and acquisition fees from certain affiliated property owners for properties acquired by affiliates of the manager on or prior to August 7, 2012.
- CRP Founders Capital Managing Member LLC is in the business of earning carried interest and acquisition fees from certain affiliated property owners for properties acquired by affiliates of the manager after August 7, 2012.
- Castellan Managing Member II LLC is in the business of earning carried interest from certain affiliated property owners for properties acquired by affiliates of the manager on or prior to August 7, 2012.
- Castellan Managing Member IV LLC is in the business of earning carried interest from certain affiliated property owners for properties acquired by affiliates of the manager on or prior to August 7, 2012.
- Castellan Managing Member V LLC is in the business of earning carried interest from CRP Osbourne LLC.
- CREIF Manager LLC is in the business of earning carried interest from the Castellan Real Estate Income Fund.
- CREIF II Manager LLC is in the business of earning carried interest from the Castellan Real Estate Income Fund II.
- PFQ Plumbing LLC is in the business of providing plumbing services.
- Ironcore Construction LLC is in the business of providing construction services.

**CASTELLAN HOLDINGS LLC  
(A Limited Liability Company)**

**Notes to Financial Statements - Income Tax Basis**

**NOTE 1: ORGANIZATION (continued)**

- CRP Affordable Housing Manager LLC is in the business of managing the CRP Affordable Housing and Community Development LLC.

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

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting used by the Company for federal income tax purposes. This basis differs from accounting principles generally accepted in the United States of America ("GAAP") primarily because receipts of rent in advance are recognized immediately instead of being deferred and recognized when earned and expenses generally are recognized when paid instead of when the underlying obligations are incurred. The Internal Revenue Code ("IRC") does not provide a deduction for provision for doubtful accounts, whereas GAAP requires an allowance to be established when management believes collection of an accounts receivable is no longer probable. The Company uses the direct write-off method for bad debt recognition. This means that uncollectible accounts receivable are directly written-off against income at the time when they are actually determined as bad debts.

Income tax basis financial statements record syndication costs as a capital expenditure, whereas GAAP requires the costs to be expensed.

Income tax basis financial statements amortize deferred costs utilizing the straight-line method, whereas GAAP requires the use of the effective interest rate method.

In general, income tax basis financial statements also reflect depreciation and expensing of certain qualified assets and prepaid expenses more rapidly than would be appropriate under GAAP.

Further, under GAAP, purchase of land and buildings deemed to be a business acquisition is recorded at fair value of assets and liabilities acquired including identified intangible assets if deemed material such as value of above- and below-market leases and origination costs associated with the in-place leases. For income tax purposes the acquisition is recorded at cost and the acquisition price is allocated to the physical assets acquired based on acceptable industry standards for properties located in the New York area.

The Company has implemented the Tangible Property Regulation ("Regulation") issued by the Internal Revenue Service ("IRS"), effective January 1, 2014. As defined by the Regulation, expenditures incurred for the betterment, restoration, or adaptation of a unit of property to a new or different use are capitalized and depreciated under straight-line and accelerated methods in accordance with the IRC. All other expenditures to a unit of property that do not fit this description are treated as routine repairs and maintenance items and deducted in the period incurred. Under GAAP, many such expenditures for repairs and maintenance (i.e., those that create probable future economic benefit) would have been capitalized and depreciated over the estimated useful lives of the assets. Real estate is not subject to impairment testing under the income tax basis of accounting.

**CASTELLAN HOLDINGS LLC**  
**(A Limited Liability Company)**

**Notes to Financial Statements - Income Tax Basis**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Property and Improvements

The leasehold improvements, furniture and fixtures and equipment are reflected on the accompanying financial statements at cost less accumulated depreciation. They are being depreciated in accordance with methods allowed by the IRC, rather than over their estimated useful lives. A significant difference between GAAP and the IRC's methods of depreciation is the treatment of tenant improvements. Under GAAP, tenant improvements are depreciated over the life of the related leases, whereas the current tax code provides for a 27.5-year depreciable life. Bonus depreciation is taken on qualified assets when available in accordance with the IRC. In addition, building and improvements are not subject to an impairment test.

Cash Equivalents

For the purpose of the statement of cash flows – income tax basis, the Company considers all highly liquid debt instruments with maturities of three months or less when acquired to be cash equivalents. There were no cash equivalents as of December 31, 2019.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist of cash and cash equivalent accounts in financial institutions. At December 31, 2019, the Company's cash was held in three banks. The amount that is federally insured is subject to the Federal Deposit Insurance Corporation's ("FDIC") limit of \$250,000 per depositor per insured bank. At December 31, 2019, there was \$1,570,701 held by the banks that exceeded FDIC limits.

Use of Estimates

The preparation of the financial statements in conformity with the income tax basis of accounting requires management to make estimates and assumptions that affect various amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates.

Investment Income

The Company's investment income is derived from their share of earnings generated by the Company's subsidiaries that it owns, based on their activities as described in Note 1. Investment income is also derived from sales of properties and related interest income when the Company provides financing in connection with those transactions. Investment income is recognized when earned in accordance with the income tax basis of accounting. Investment income is recognized when earned and is reported as income from affordable housing and acquisition and disposition income on the statement of revenues and expenses – income tax basis.

**CASTELLAN HOLDINGS LLC  
(A Limited Liability Company)**

**Notes to Financial Statements - Income Tax Basis**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Property Management Income

Property management income is recognized when earned. It based on collection of the buildings that they manage and is paid on monthly basis based on the prior month's collections.

Bridge Lending Income

Bridge lending income is recognized when earned. The Company receives origination fees for loans that are closed on by the subsidiaries that the Company owns. The fees are recognized at the date of closing for each loan.

Construction fee income and plumbing services income

Construction fee income and plumbing services income are recognized when earned. The Company provides construction management and plumbing repairs to buildings that the Company manages.

Investment in Real Estate Entities

Investment in real estate entities represents contributions made by the Company, adjusted for its share of the operating results of the underlying investment, less distributions received.

Income Taxes

In conformity with the IRC and applicable state and local tax statutes, taxable income or loss of the Company is required to be reported in the tax returns of the Members in accordance with the terms of the limited liability company agreement and, accordingly, no provision has been made in the accompanying financial statements for any federal, state, or local income taxes.

The Company's policy is to recognize accrued interest and penalties related to unrecognized tax benefits as interest and operating expense, respectively. The Company is subject to federal, state and local income tax examinations by tax authorities for all years since inception.

**NOTE 3: COMMITMENTS**

On September 16, 2019, Castellan Managing Member LLC, a related party, terminated their lease at 1841 Broadway, New York, NY. The Company paid a total of \$299,933 in rent and real estate taxes through the date of the end of the lease.

**CASTELLAN HOLDINGS LLC**  
**(A Limited Liability Company)**

**Notes to Financial Statements - Income Tax Basis**

**NOTE 3: COMMITMENTS (continued)**

Castellan Holdings LLC entered into an office lease which will expire on December 31, 2029. The following is a schedule of future minimum lease payments as of December 31, 2019:

Year ending December 31,	
2020	\$ 358,242
2021	\$ 366,302
2022	\$ 374,544
2023	\$ 382,971
2024	\$ 391,588
Thereafter	\$2,296,314

The Company makes monthly payments on the lease for rent as well as additional payments for real estate taxes during the year. The Company paid a total of \$347,623 in rent and real estate taxes in 2019.

**NOTE 4: REVOLVING CREDIT LINE**

On February 26, 2015, the Company entered into a revolving credit agreement with Sterling National Bank in the amount of \$1,000,000. As a result of the subsequent modifications, the amended agreement has a maturity date of December 31, 2020, and the amount available was increased to \$4,000,000. Interest on the outstanding and unpaid principal amount of the revolving credit line is calculated at a rate per annum equal to the Prime Rate plus one and a half percent. There was no amount outstanding as of December 31, 2019. Interest expense for the year ended December 31, 2019 was \$4,355.

The bank requires that the Company maintain a net worth of \$2,000,000 or more at all times. Management believes they are in compliance with the loan covenant.

**NOTE 5: RELATED-PARTY TRANSACTIONS**

As of December 31, 2019, the Company is owed \$265,000 from CRP Osbourne LLC, an affiliate of the manager, for construction fees, which is included in accounts receivable.

As of December 31, 2019, the Company had the following receivables from affiliated entities, for bridge loans and temporary advances, as detailed below:

Castellan NYC Partners LLC	\$ 1,054,847
CRP Osbourne LLC	53,097
Other affiliated entities	<u>30,108</u>
Total	<u>\$ 1,138,052</u>

The Company is collecting interest on amounts due from the entities. A portion of the profit earned due to the loans is also allocated to the Company.

The Company owes \$40,000 to CRP Seattle Warehouse I LLC, for real estate related transactions.

**CASTELLAN HOLDINGS LLC**  
**(A Limited Liability Company)**

**Notes to Financial Statements - Income Tax Basis**

**NOTE 6: DISTRIBUTIONS TO MEMBERS**

From time to time, the Manager shall determine the amount, if any, by which the Company's funds then on hand exceed the reasonable working capital needs of the Company, including reasonable reserves for future Company obligations. Any excess funds shall be distributed to the members in accordance with the Operating Agreement.

The net cash flow for any particular period shall be distributed to the members in the following order of priority:

- a. First, to the members holding all the outstanding Member loans on a pari-passu basis (in proportion to the relative outstanding amounts of the accrued interest and outstanding principal balance of each member loan).
- b. Next, to the members in proportion to their respective membership interests.

During 2019, the Company made distributions in the amount of \$3,296,136 to its members.

**NOTE 7: INSTALLMENT SALE RECEIVABLE**

In November of 2019, an underlying investment of the Company entered into an installment sale agreement for the sale of property in California. The Company is owed \$5,594,647 which it will receive in 2020. The gain of \$5,594,647, is included in the income from affordable housing of \$2,211,532, which is on the statement of revenues and expenses – income tax basis.

**NOTE 8: SUBSEQUENT EVENTS**

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the statement of assets, liabilities and members' equity – income tax basis through May 14, 2020, the date the financial statements were available to be issued.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") as a pandemic, which continues to spread throughout the United States. The Company could be materially and adversely affected by the risks, or the public perception of the risks, related to an epidemic, pandemic, outbreak, or other public health crisis, such as the recent outbreak of COVID-19. The ultimate extent of the impact of any epidemic, pandemic or other health crisis on our business, financial condition and results of operations will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of such epidemic, pandemic or other health crisis and actions taken to contain or prevent their further spread, among others. Accordingly, we cannot predict the extent to which our financial condition and results of operations will be affected.