



LACAHSAs CREDIT MEMO

For Funding Recommendations Under LACAHSAs’s Notice of Funding Availability

Date:	April 24, 2026	
Application No.:	26-01-065	
Project Name:	Valleris on Ventura	
Project Address(es) (Street Address, Zip Code, Census Tract):	23022 Ventura Blvd. Woodland Hills, CA, 91364, 6037137000	
City:	Woodland Hills	
Supervisory District:	3rd District of Los Angeles County	
LACAHSAs Zone:	Zone 1	
Jurisdiction:	City of Los Angeles	
Project Type(s):	New Construction	
Unit Count:	96	
Financing type:	LIHTC 4%	
Applicant / Developer:	Kingdom Development, Inc	
Co-Developer (if applicable):	Samuelian Group	
LACAHSAs Program(s) funding debt / capital:	PROGRAM TYPE	AWARDED AMOUNT
	Residual Receipts Loan	\$ 10,000,000.00
	Matching Capital Grant	\$ 5,640,000.00
	LACAHSAs Rental Subsidy	\$ 1,257,456.00
	TOTAL	\$ 16,897,456.00

This report provides a full funding recommendation for the Valleris on Ventura project, a proposed new construction development located at 23022 Ventura Blvd. Woodland Hills, CA, 91364. Staff recommends a funding award of \$16,897,456 from the requested LACAHSAs Programs (Residual Receipts Loan; Matching Capital Grant; LACAHSAs Rental Subsidy) to support the new construction of 96 units. The project will support 58 units restricted to extremely low-income households. This award covers 20% of the project’s estimated \$78,306,960 Total Development Cost (TDC) and \$1,257,456 as Rental Subsidy.

The project has a projected construction start date of January 2, 2027 and permanent conversion anticipated by June 30, 2029.



1. PROJECT DESCRIPTION

This project is a proposed new construction of 96 units, located at 23022 Ventura Blvd. Woodland Hills, CA, 91364.

Total number of units and unit mix:

The project will feature a total of 96 units, including 46 1-Bedroom units, 25 2-Bedroom units, 24 3-Bedroom units, and 1 1-Bedroom manager unit.

Affordability restrictions:

The development complies with the minimum affordability restrictions, with 61% of units restricted at or below 30% AMI and 39% of units restricted at 70% AMI.

Key scope elements:

The scope includes the construction of 96 units of affordable housing supported by resident services.

Site conditions and surrounding neighborhood context:

The site is a parking lot adjoining a vacant parcel located in highest-opportunity area. The surrounding context includes a commercial corridor with restaurants and two grocery stores, as well as adjoining residential neighborhoods. Site-specific challenges include substantial grading work due to the existing steep grade.

Amenities or services offered:

On-site amenities will include an approximate 2,000 square foot central outdoor courtyard. Comprehensive supportive services, managed by LifeSTEPS, will be provided, focusing on individualized case management, adult education and skill-building classes, health and wellness programming, and after-school programming for school-age

2. BORROWER / OWNERSHIP STRUCTURE AND EXPERIENCE

Legal entity of the borrower and ownership:

The borrower entity is a to-be-formed LP that will comprise of the Managing General partner owning 0.001% with the sole member being Kingdom Development Inc., a 501(c) (3) nonprofit located at 6451 Box Springs Road Riverside, CA 92507. The Administrative General Partner will and the sole member will be Samuelian Group, LLC located at 214 Main Street #490 El Segundo, CA 90245.

The sponsor and developer of the project is Kingdom Development Inc. a 501(c)(3) nonprofit. The Co-developer is Samuelian Group LLC. The owner is a to-be-formed LP that will comprise of the Managing General partner owning .001% with the sole member being Kingdom Development Inc., the Administrative General Partner will own .009% and the sole member will be Samuelian Group, LLC. 99% ownership interest will go to the to-be-determined tax credit investor. Kingdom Development is the sole guarantor and is being relied on for financial strength and development experience.

Staff has conducted a review of the financial statements and overall fiscal health of Kingdom Development. As of December 31, 2025, the sponsor demonstrates adequate financial capacity, reporting a net worth of \$32,375,710 and liquid assets totaling \$5,800,981. The entity's audited financial statements for the most recent fiscal years indicate stable operations.

Project meets the liquidity and net worth requirements (See "Financial Narrative" Appendix).



The attached financial spreads and related narrative reflect only the primary developer/guarantor presented in this Credit Memo. Financial narratives and spreads for the additional developer(s), co-developer(s), and/or guarantor(s) associated with the ownership structure of this project are not included as attachments to this memo; however, such materials were reviewed by LACAHSa as part of its underwriting and evaluation process.

Developer, Manager and Service Provider Experience:

The developer has 64 years experience in Los Angeles County and has completed a total of 11 affordable multifamily housing rental projects in Los Angeles County over the past 15 years. The management company has 27 years experience in managing income restricted properties in California and has managed a total of 11 income restricted projects in California over the past 15 years. The service provider has 30 years experience in California and has served a total of 96 projects in California over the past 15 years.

Any planned changes in ownership at closing:

No material change is anticipated.

3. PROJECT FINANCE SUMMARY

The total development cost (TDC) is estimated at \$78,306,960.

Primary sources include Federal Low Income Housing Tax Credits, State Low Income Housing Tax Credits, Lender3 (PROVIDE MORE DETAIL), and Deferred Fee. LACAHSa is requested to provide \$15,640,000 from the requested LACAHSa Programs (Residual Receipts Loan; Matching Capital Grant; LACAHSa Rental Subsidy) to fill the remaining funding gap and \$1,257,456 as LACAHSa Rental Subsidy.

SOURCES	TOTAL
LACAHSa Residual Receipts Loan	\$ 10,000,000.00
LACAHSa Matching Capital Grant	\$ 5,640,000.00
LACAHSa Rental Subsidy	\$ 1,257,456.00

Key financial milestones:

The project development is projected to start on January 2, 2027. Completion of the project is expected for January 1, 2029. Permanent conversion is anticipated by June 30, 2029.

4. PERMANENT FUNDING SOURCES

SOURCES	TOTAL	% TOTAL
Federal Low Income Housing Tax Credits	\$ 29,090,366.23	37%
State Low Income Housing Tax Credits	\$ 4,480,397.52	6%
Citi Bank	\$ 23,682,097.78	30%
LACAHSa Residual Receipts Loan	\$ 10,000,000.00	13%
LACAHSa Matching Capital Grant	\$ 5,640,000.00	7%
Deferred Fee	\$ 5,414,099.00	7%
TOTAL PERMANENT SOURCES	\$ 78,306,960.54	

5. CONSTRUCTION FUNDING SOURCES



SOURCES	TOTAL	% TOTAL
Federal Low Income Housing Tax Credits	\$ 4,363,555.20	6%
State Low Income Housing Tax Credits	\$ 672,059.62	1%
Citi Bank: Tax Exempt	\$ 20,234,160.18	26%
Citi Bank: Taxable	\$ 44,842,802.98	57%
Deferred Fee	\$ 8,194,382.00	10%
TOTAL CONSTRUCTION SOURCES	\$ 78,306,959.98	

6. USES OF FUNDS

USES	TOTAL	% TOTAL
Acquisition Related Costs	\$ 3,650,000.00	5%
Hard Construction Costs	\$ 51,764,045.00	66%
Construction Related Costs	\$ 3,842,561.00	5%
Construction Financing Costs	\$ 1,498,623.63	2%
Permanent Financing Costs	\$ 601,320.98	1%
Soft Costs	\$ 1,581,752.40	2%
Developer Fee	\$ 9,121,143.00	12%
Reserves	\$ 6,247,514.10	8%
TOTAL USES OF FUNDS	\$ 78,306,960.11	

7. INCOME RESTRICTED UNITS

AMI	STUDIO	1-BDR	2-BDR	3-BDR	4-BDR	TOTAL	TOTAL%
10%	-	-	-	-	-	-	0%
20%	-	-	-	-	-	-	0%
30%	-	46	6	6	-	58	61%
40%	-	-	-	-	-	-	0%
50%	-	-	-	-	-	-	0%
60%	-	-	-	-	-	-	0%
70%	-	-	19	18	-	37	39%
80%	-	-	-	-	-	-	0%
90%	-	-	-	-	-	-	0%
100%	-	-	-	-	-	-	0%
110%	-	-	-	-	-	-	0%
120%	-	-	-	-	-	-	0%
Not LIHTC Qual.	-	-	-	-	-	-	0%
TOTAL	-	46	25	24	-	95	

Total Restricted Units:	95
Affordability Period (years):	99
Target population:	General Affordable



8. PROJECT COST JUSTIFICATION

The Project’s Adjusted Total Development Cost (“ATDC”) is consistent with its peers. Pursuant to the standards described in Exhibit C of NOFA #1, the Project’s ATDC is \$78,306,960.11, or \$716.97/sq. ft., compared to \$828.34/sq. ft. for New Construction projects that applied in this NOFA. This ATDC falls in the 51% percentile of peer applicants, which we view as consistent with the median and ranks 52 out of the 102 New Construction projects competing for funding under NOFA #1.

9. COMPLIANCE WITH LACAHSa’S UNDERWRITING REQUIREMENTS

The project is being recommended for an award; however, there were some underwriting observations that must be taken into account, subject to LACAHSa’s review of additional and/or updated due diligence documentation.

ITEM	PROJECT’S AMOUNT	LACAHSa GUIDELINE	NOTES
Construction Monitoring Costs	\$0	\$1,600/Month	Sponsor to revise budget prior to closing.
Construction Lender Legal	\$299,600	\$100,000	Sponsor to revise budget prior to closing. Closing costs likely compiled into one item rather than separated by permanent and construction closing costs.
Local Public Agency Loan Payments	\$10,000,000	Per the United Multifamily Regulations, required payments on local public agency loans must not exceed 0.5% per year of original principal loan amount.	Meets UMRs: The only public agency loan associated with the project is the LACAHSa Residual Receipts Loan, which is paid for out of residual receipts below debt service, management fees and deferred developer fee. Per the application workbook proforma, these payments represent 50% of residual receipts and do not bear interest.

10. PROJECT TIMELINE

Estimated start of construction / rehabilitation:	January 2, 2027
Expected completion (TCO):	January 1, 2029
Expected permanent conversion:	June 30, 2029

11. STAFF FUNDING RECOMMENDATION

Staff recommends full funding for the Valleris on Ventura project, with a recommended award amount of \$16,897,456. This award covers 22% of the project's Total Development Cost (TDC) via LACAHSa funds.

All projects receiving funding under this NOFA must adhere to SB 679, Measure A, the Program Guidelines, the Annual Expenditure Plan, and any other policies and guidelines adopted by the Board. The funding amount is subject to modification based on LACAHSa’s review and approval of all required due diligence materials and the project’s continued compliance with program requirements. Any outstanding compliance and/or underwriting issues must be



resolved to LACAHSa’s satisfaction prior to proceeding to subsequent phases of financing or closing.

The approval is subject to several key conditions. These conditions include but are not limited to the following:

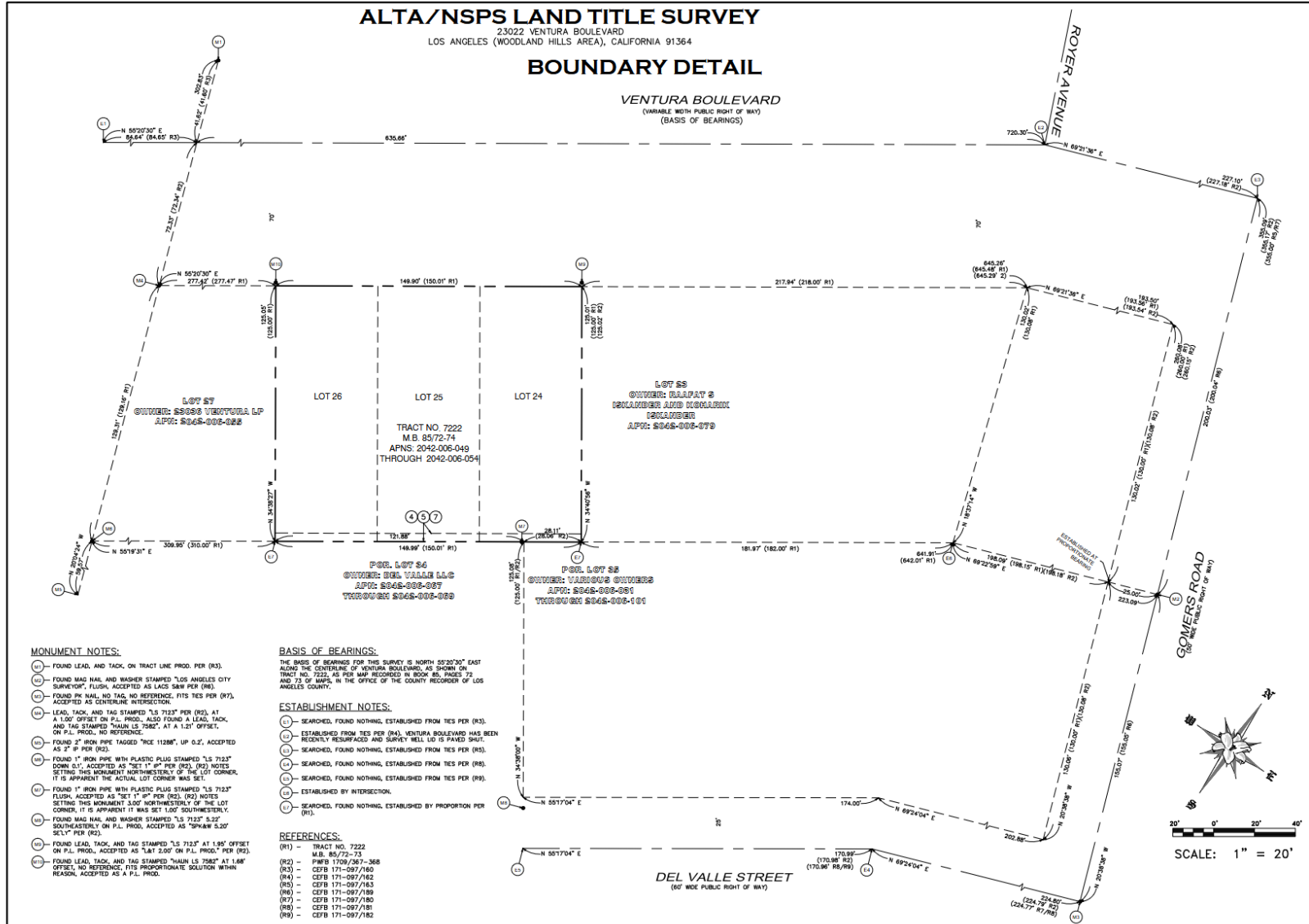
- Review and approval of relevant operating expense comparables by LACAHSa.
- Verification of the availability and commitment of construction and permanent financing.
- Review and approval of an appraisal commissioned by LACAHSa.
- Review and approval of all required environmental reports.
- Provision and approval of a current ALTA survey.
- Provision of a preliminary title report dated within 90 days of closing, evidencing clean and insurable title acceptable to LACAHSa.
- Execution and approval of a General Contractor contract.
- Verification of the availability and commitment of all equity sources.
- Review of updated financial information evidencing no material adverse change in financial wherewithal.
- Issuance of an acceptable title policy.
- Negotiation and execution of a LACAHSa regulatory agreement.
- Execution and delivery of all legal documents in form and substance satisfactory to LACAHSa.

12. APPENDICES

- Proforma
- Site map and photos
- Parcel map and architectural drawings
- Scoring letter to the applicant
- Financial Narrative

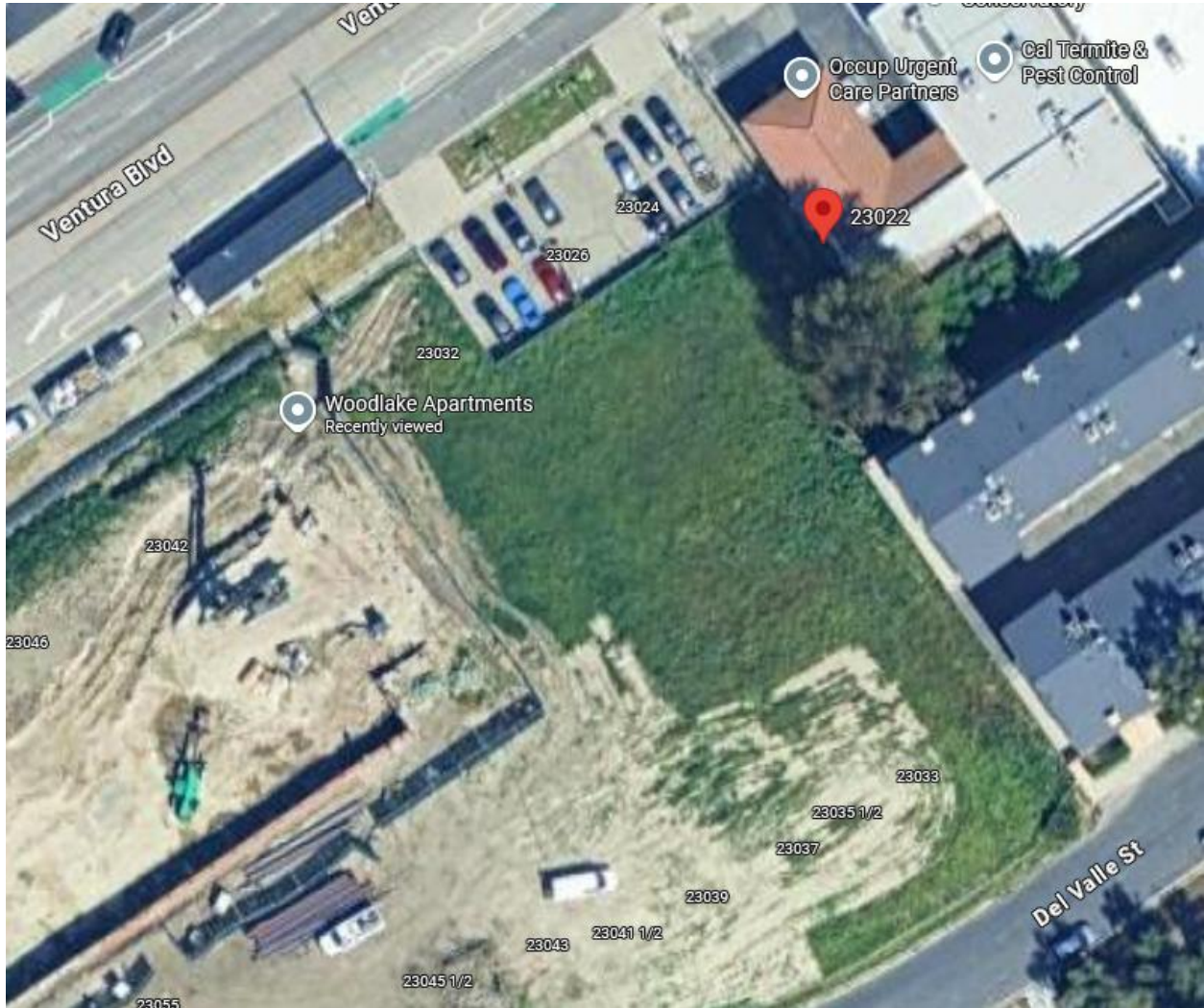
Prepared by:	Chase Engelhardt & Peter Brewton
Consulting Firm:	HR&A Advisors
Staff Contact:	Chase.Engelhardt@lakahsa.gov
Reviewed by:	Claudia Lima
Staff Contact:	Claudia.Lima@lakahsa.gov

Parcel Map

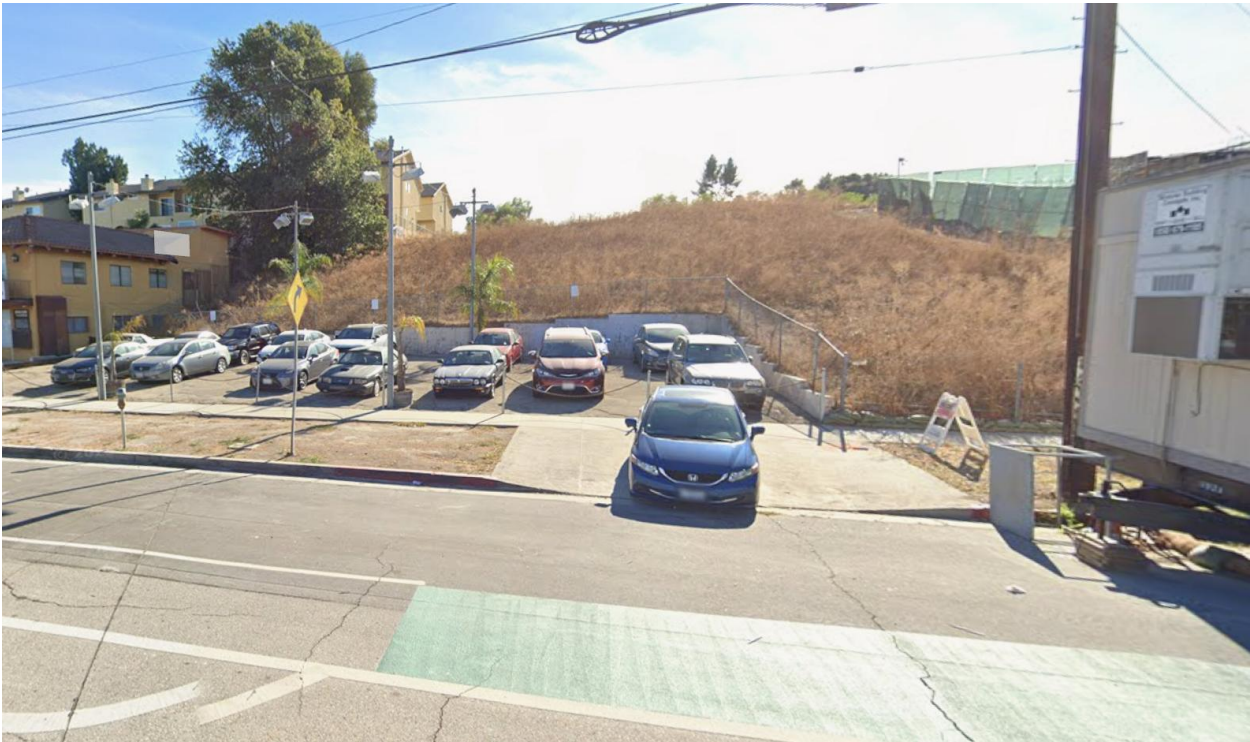


SHEET 2 OF 3		SCALE: 1" = 20'		DATE: 01/20/26		DRAWN BY: JFC		CHECKED BY: JRN	
ALTA/NSPS LAND TITLE SURVEY		JRN CIVIL ENGINEERS		REVISIONS		FILE NO. 23711		CLIENT: SAMUELIAN GROUP	
33022 VENTURA BOULEVARD LOS ANGELES (WOODLAND HILLS AREA), CALIFORNIA 91364		33022 VENTURA BOULEVARD LOS ANGELES (WOODLAND HILLS AREA), CALIFORNIA 91364		33022 VENTURA BOULEVARD LOS ANGELES (WOODLAND HILLS AREA), CALIFORNIA 91364		33022 VENTURA BOULEVARD LOS ANGELES (WOODLAND HILLS AREA), CALIFORNIA 91364		33022 VENTURA BOULEVARD LOS ANGELES (WOODLAND HILLS AREA), CALIFORNIA 91364	
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CORPORATOR: JON GRANLEY (JON@JRNENGINEERS.COM)		CORPORATOR: JON GRANLEY (JON@JRNENGINEERS.COM)		CORPORATOR: JON GRANLEY (JON@JRNENGINEERS.COM)		CORPORATOR: JON GRANLEY (JON@JRNENGINEERS.COM)		CORPORATOR: JON GRANLEY (JON@JRNENGINEERS.COM)	

Aerial View



Front Lot View from Ventura



Rear Lot View from Del Valle

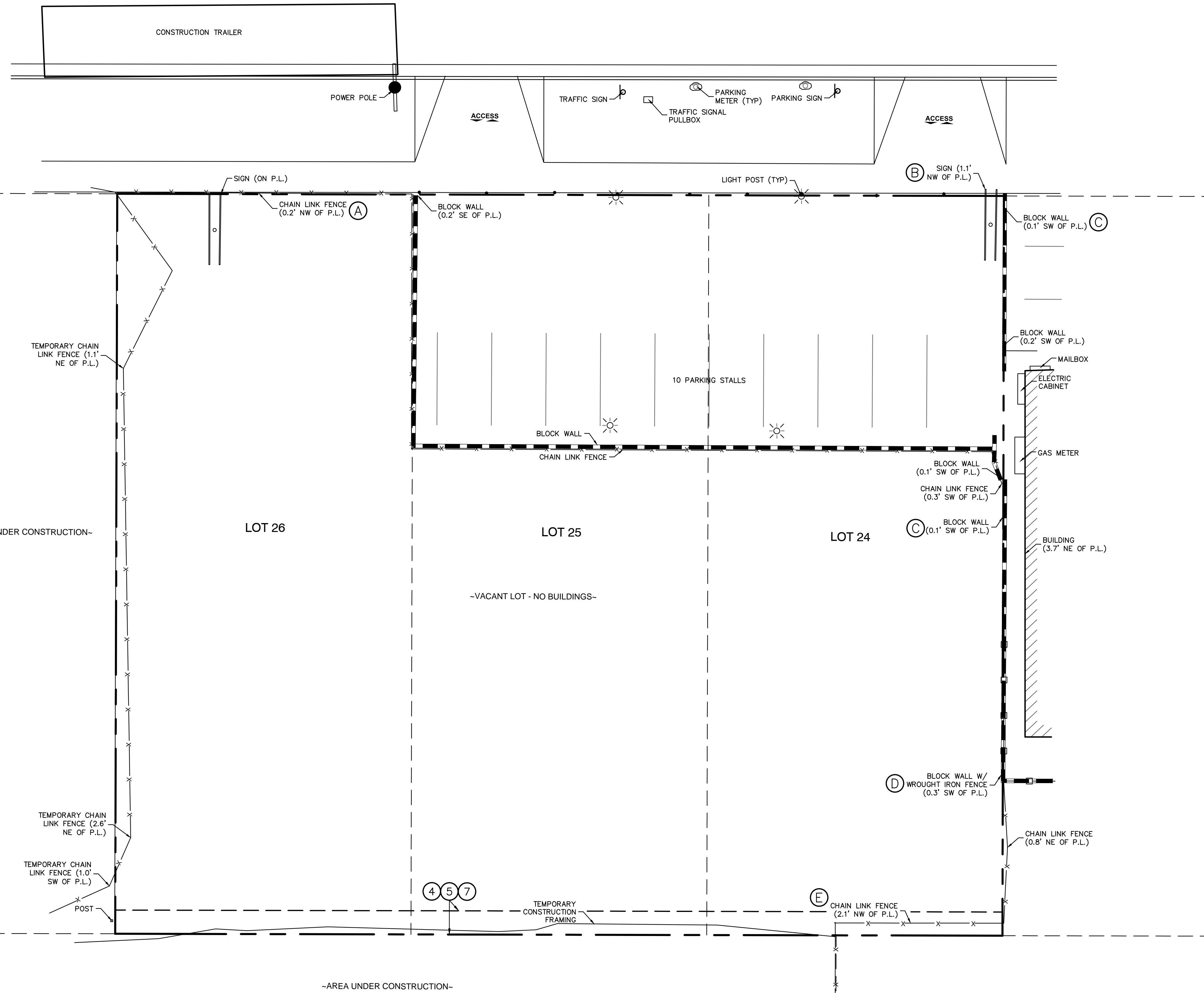


ALTA/NSPS LAND TITLE SURVEY

23022 VENTURA BOULEVARD
LOS ANGELES (WOODLAND HILLS AREA), CALIFORNIA 91364

IMPROVEMENT DETAIL

VENTURA BOULEVARD

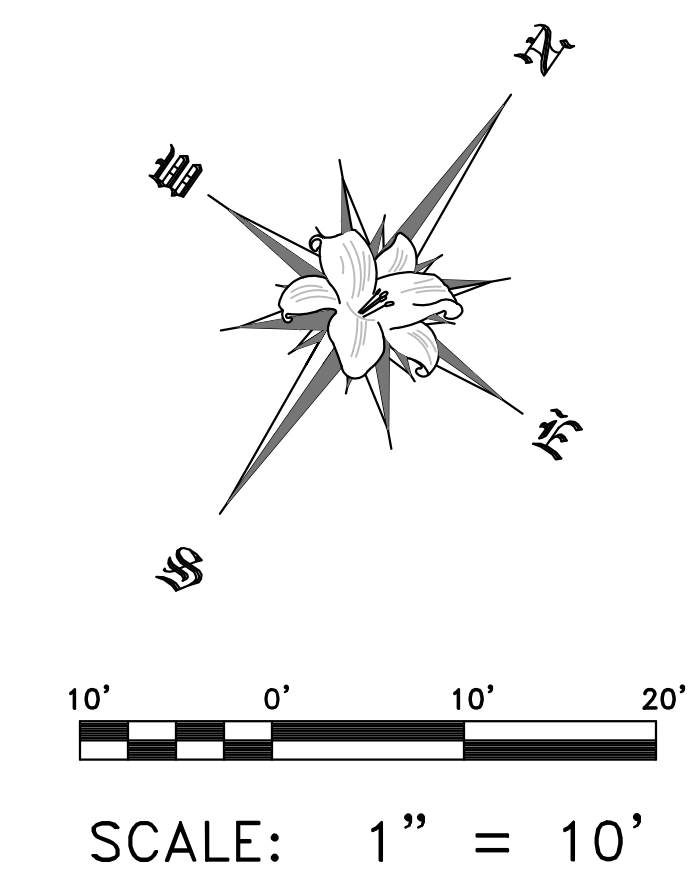


SIGNIFICANT OBSERVATIONS:

NOTE: THE FOLLOWING LISTING MAY CONTAIN OBSERVED IMPROVEMENTS THAT CROSS PROPERTY LINES. STATEMENT OF OWNERSHIP OR POSSESSION IS NEITHER IMPLIED NOR THE INTENT OF THIS LISTING.

- (A) CHAIN LINK FENCE 0.2' NORTHWESTERLY OF PROPERTY LINE.
- (B) SIGN LIES 1.1' NORTHWESTERLY OF PROPERTY LINE.
- (C) BLOCK WALL LIES 0.1' SOUTHWESTERLY OF PROPERTY LINE.
- (D) BLOCK WALL W/ WROUGHT IRON FENCE LIES 0.3' SOUTHWESTERLY OF PROPERTY LINE.
- (E) CHAIN LINK FENCE 2.1' NORTHWESTERLY OF PROPERTY LINE.

PARKING SPACE TABLE	
TYPE OF SPACE	TOTAL EXISTING
STANDARD	10
HANDICAP	0
TOTAL	10



REVISIONS

JRN CIVIL ENGINEERS

232 AVENIDA FABRICANTE, SUITE 107
SAN CLEMENTE, CALIFORNIA 92672
(949) 248-4685 FAX (949) 248-4687
COORDINATOR: JON CRAWLEY (JCRAWLEY@JRN CIVIL.COM)

ALTA/NSPS LAND TITLE SURVEY

23022 VENTURA BOULEVARD
LOS ANGELES (WOODLAND HILLS AREA), CALIFORNIA 91364
CLIENT: SAMUELIAN GROUP

SCALE: 1" = 10'

DATE: 01/20/26
DRAWN BY: JFC
CHKD. BY: JRN

SHEET 3 OF 3

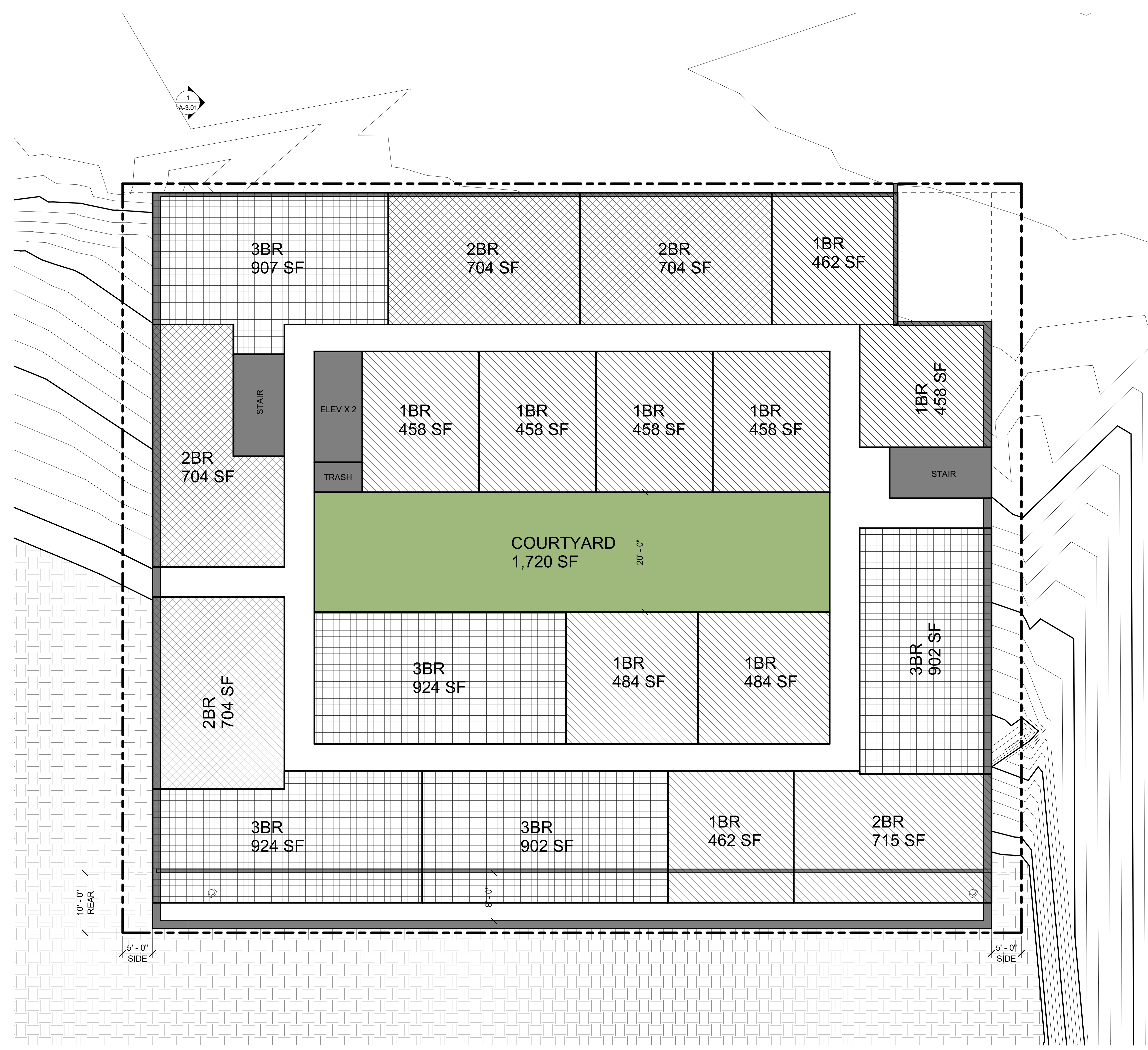
FILE NO. 23711

UNIT MIX

1BR (450 SF MIN): 46 (48%)
 2BR (700 SF MIN): 25 (26%)
 3BR (900 SF MIN): 25 (26%)
 TOTAL: 96 UNITS (1-1BR MANAGERS UNIT)

2RD FLOOR

1BR (450 SF MIN): 9
 2BR (700 SF MIN): 5
 3BR (900 SF MIN): 5
 TOTAL: 19

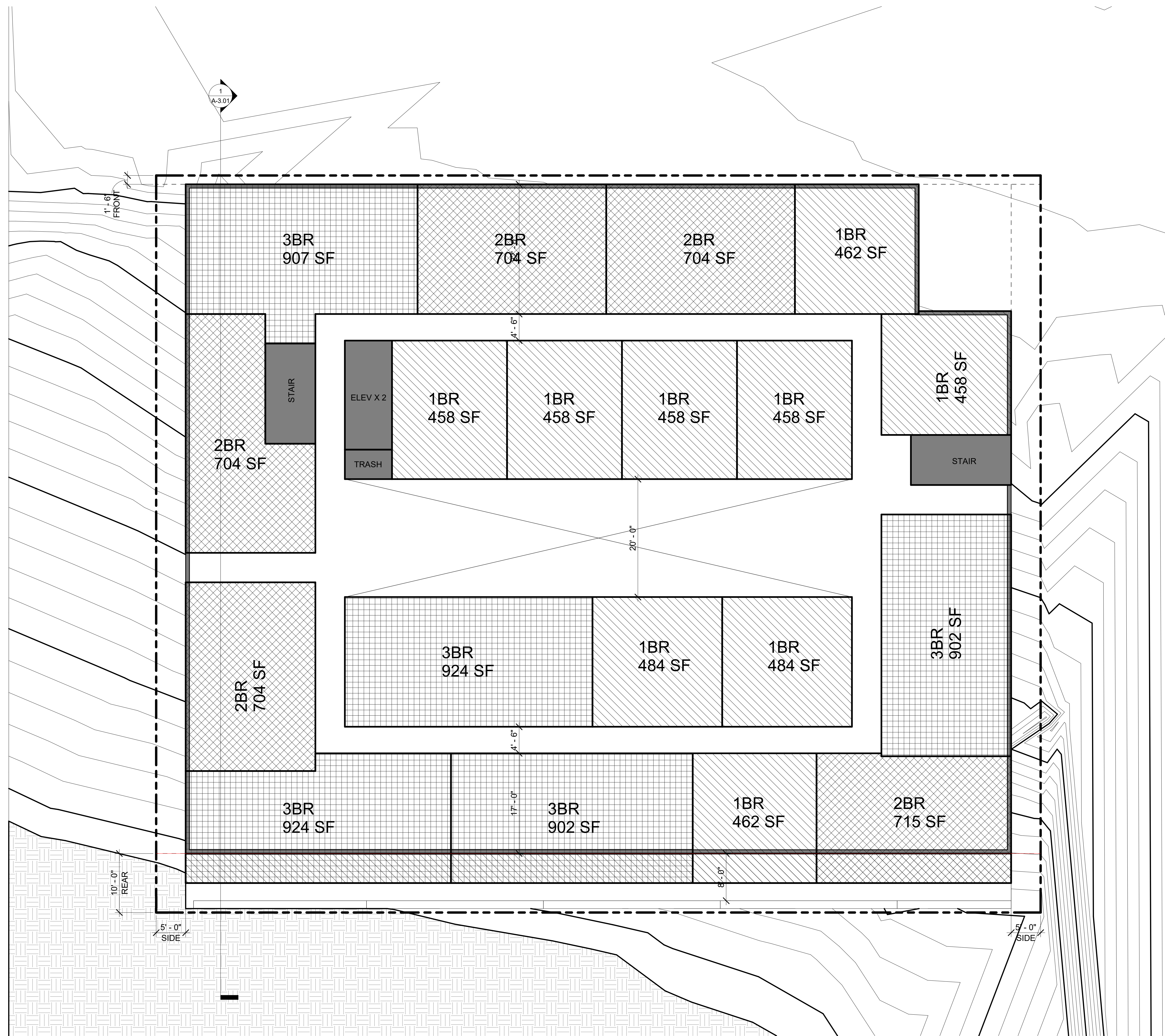


UNIT MIX

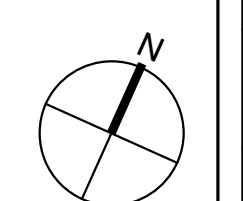
1BR (450 SF MIN): 46 (48%)
 2BR (700 SF MIN): 25 (26%)
 3BR (900 SF MIN): 25 (26%)
 TOTAL: 96 UNITS (1-1BR MANAGERS UNIT)

3RD FLOOR

1BR (450 SF MIN): 9
 2BR (700 SF MIN): 5
 3BR (900 SF MIN): 5
 TOTAL: 19



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3RD = 19
 4TH = 19
 5TH = 19
 6TH = 19
 7TH = 20

UNIT MIX
 1BR (450 SF MIN): 47 (49%)
 2BR (700 SF MIN): 46 (48%)
 3BR (900 SF MIN): 24 (25%)
 TOTAL: 96 UNITS
 TOTAL: 96 UNITS (1-1BR MANAGERS UNIT)

4TH FLOOR

1BR (450 SF MIN): 9
 2BR (700 SF MIN): 5
 3BR (900 SF MIN): 5
 TOTAL: 19



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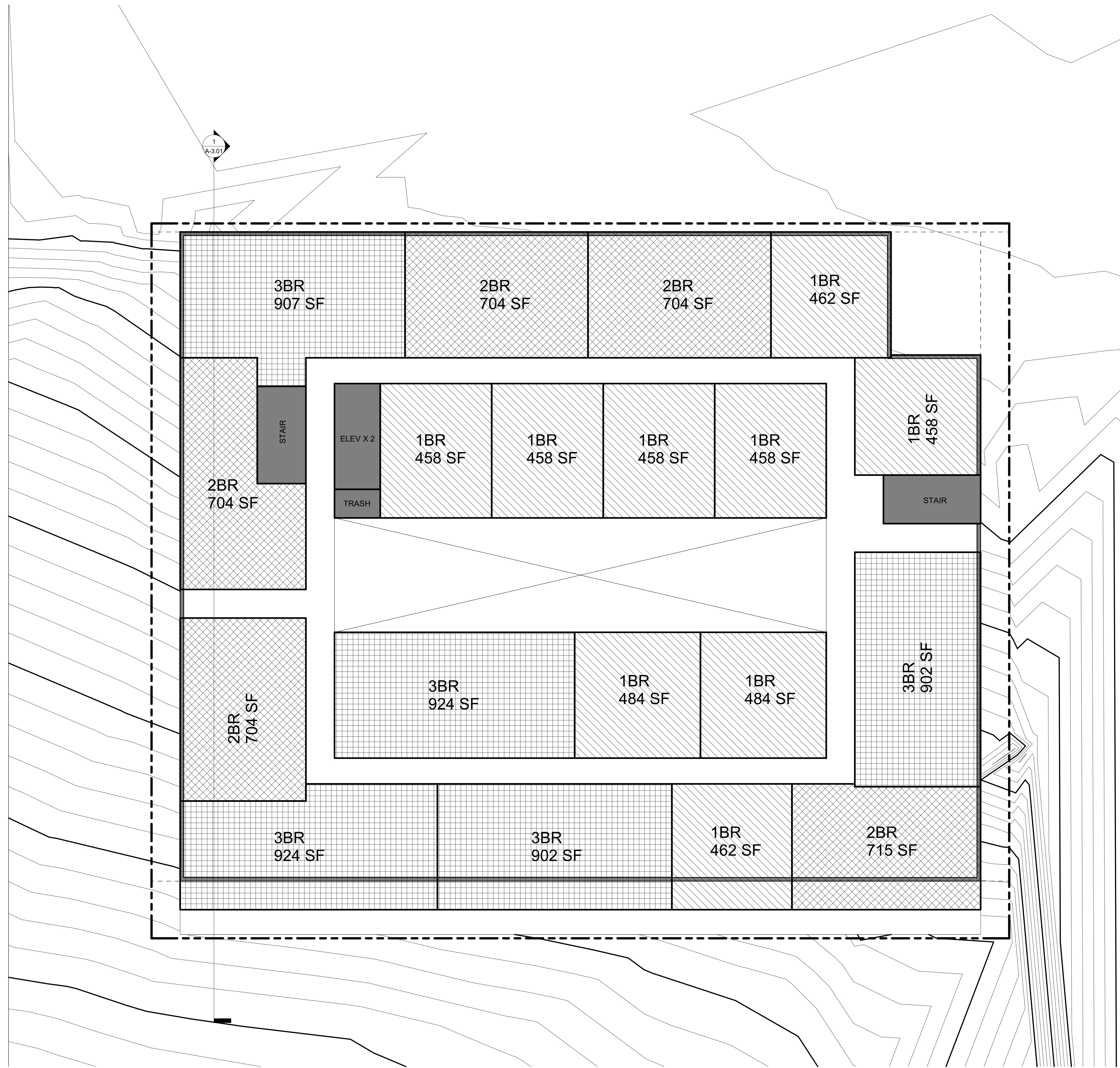
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UNIT MIX

1BR (450 SF MIN): 46 (48%)
 2BR (700 SF MIN): 25 (26%)
 3BR (900 SF MIN): 25 (26%)
 TOTAL: 96 UNITS (1-1BR MANAGERS UNIT)

5TH FLOOR

1BR (450 SF MIN): 9
 2BR (700 SF MIN): 5
 3BR (900 SF MIN): 5
 TOTAL: 19

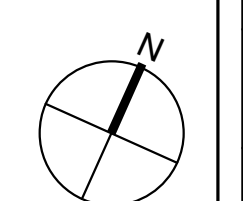
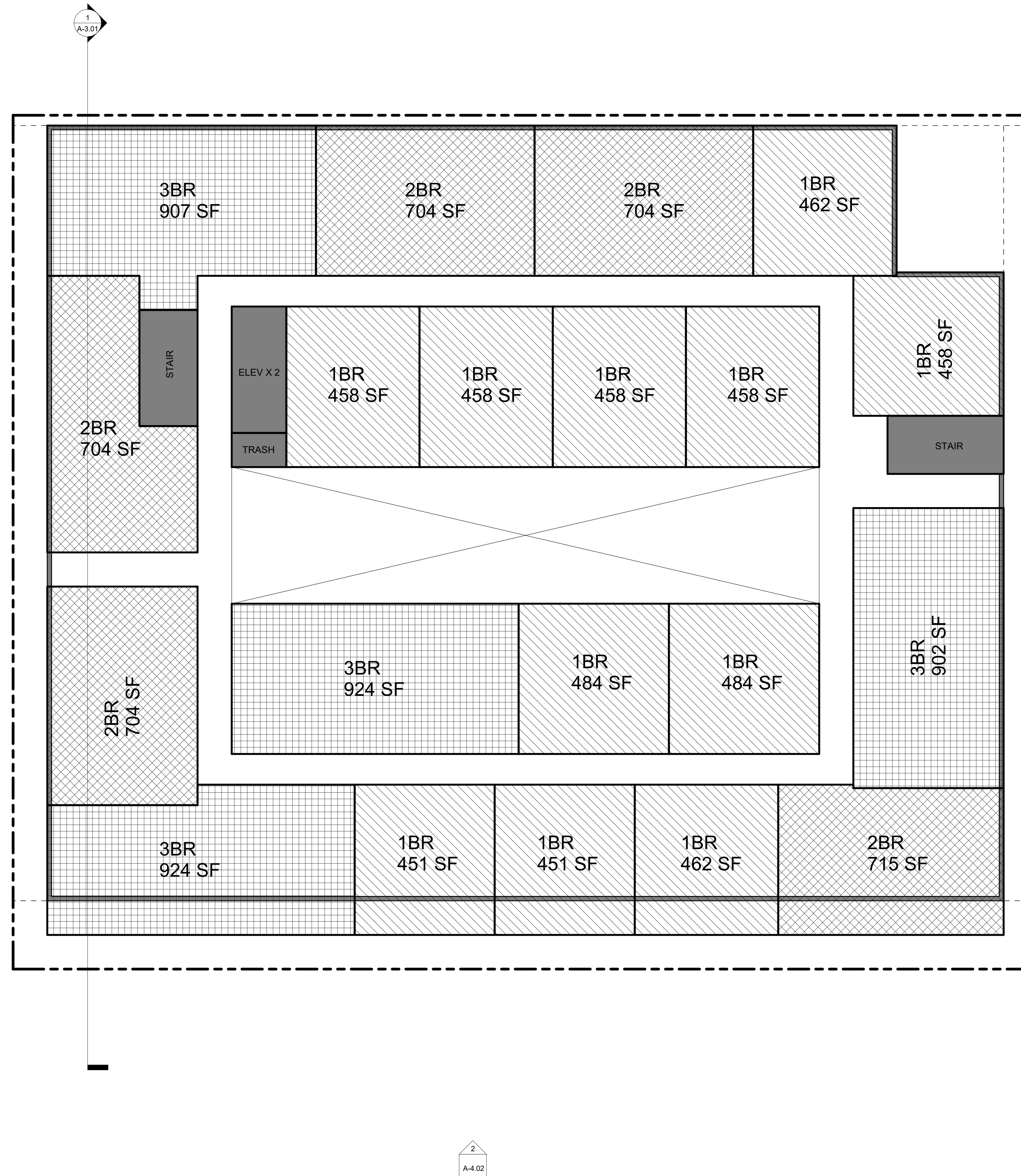


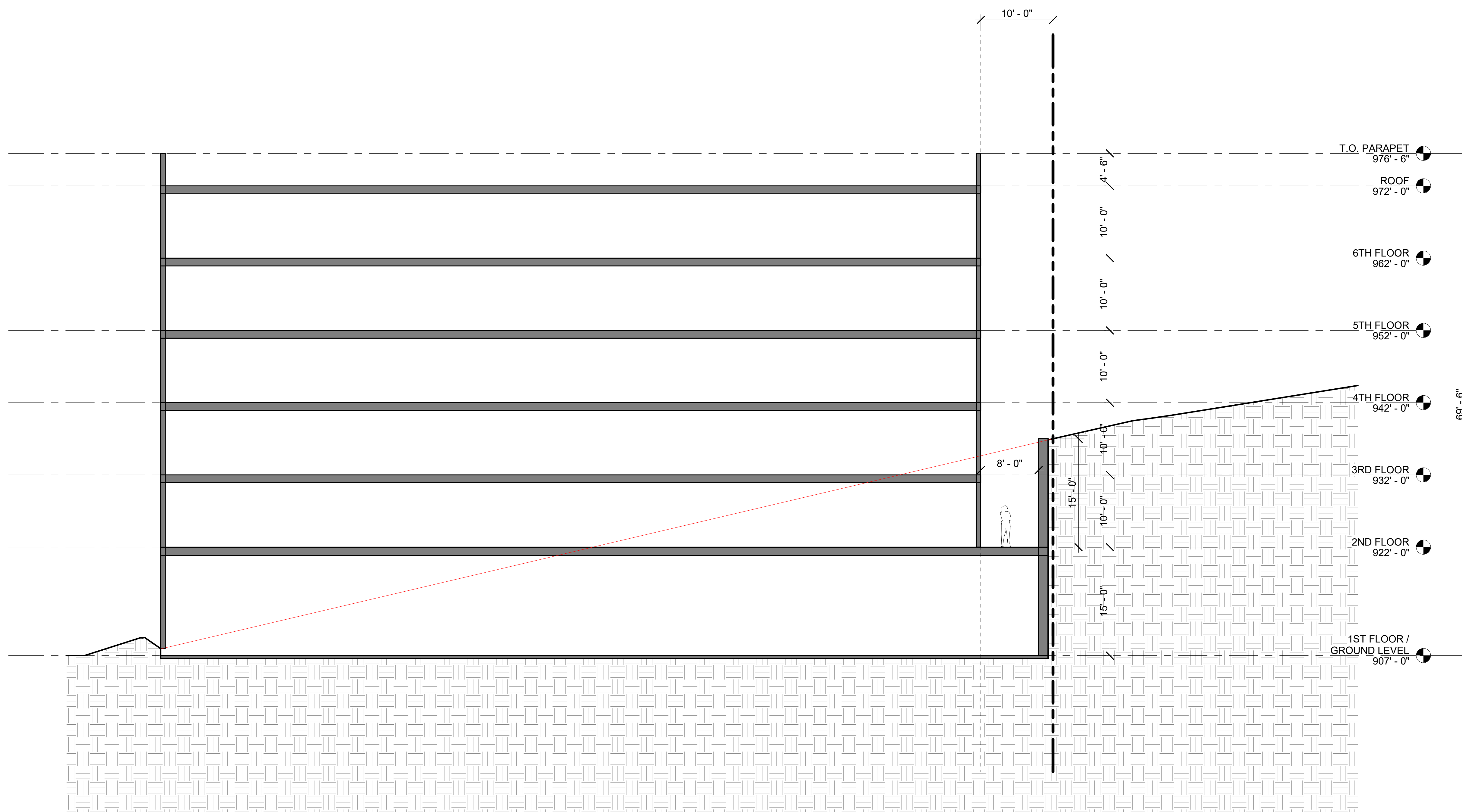
UNIT MIX

1BR (450 SF MIN): 46 (48%)
 2BR (700 SF MIN): 25 (26%)
 3BR (900 SF MIN): 25 (26%)
 TOTAL: 96 UNITS (1-1BR MANAGERS UNIT)

6TH FLOOR

1BR (450 SF MIN): 11
 2BR (700 SF MIN): 5
 3BR (900 SF MIN): 4
 TOTAL: 20





Section 2 SCALE: 1/8" = 1'-0" 1

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April 24, 2026

William Leach
President
Kingdom Development, Inc
6451 Box Springs Boulevard Riverside CA, 92507

RE: 26-01-065 - LACAHSAs NOFA for Affordable Housing Production and Preservation: Preliminary Scoring Notification

Dear William Leach,

This letter serves as a formal notification regarding the preliminary scoring of your application submitted under the Los Angeles County Affordable Housing Solutions Agency (LACAHSAs) Notice of Funding Availability #1 Affordable Housing Production and Preservation (NOFA) released on 12/16/25.

Your application has successfully undergone a complete technical review, including the assessment of all scoring components, possible negative points, bonus points, and any points tied to the LACAHSAs Unit Cost benchmarks of all applications received under this NOFA. The preliminary score for each Financing Product you selected (and met threshold requirements) is set forth below (Preliminary Scoring breakdown included in Attachment 1):

Project Name	Financing Product	Scoring
Valleris on Ventura	Residual Receipts Loan	75.0
	Matching Capital Grant	72.0
	Rental Subsidy	70.0

You may submit an objection to LACAHSAs's preliminary scoring. Any objection must be in writing and submitted to info@lacahsa.gov before April 30, 2026, 5:00 PM PST. Objections must state the basis for any error, inconsistency, or other flaws in the scoring and contain a sufficient description of the manner in which the preliminary scoring is not correct. Objections must be toward the actual scoring and not the criteria or methodology utilized.

LACAHSAs will endeavor to select the highest scoring applications within each Zone for each Financing Product. A credit memo recommending projects for funding will be presented to the Investment Review Committee (IRC) on April 29, 2026. The IRC's action will be a recommendation to the Board. Final awarded projects will be reviewed and approved at the Board Approval meeting on May 13, 2026. Scoring is not a guarantee that a project will or will not receive funding. The final decision to select and fund projects is within the sole and absolute discretion of the Board, and the Board may select projects without strict adherence to the scoring.

Sincerely,

Claudia Lima
Managing Director, Strategic Initiatives
Los Angeles County Affordable Housing Solutions Agency (LACAHSAs)

APPENDIX: PRELIMINARY SCORING

RESIDUAL RECEIPTS LOAN PRELIMINARY SCORING				
Section	Item	Benchmark	Maximum Points	Final Score
B. Eligibility	1. Projects	Add 10 points for New-Construction Projects.	10	10
	3. Readiness to Proceed	(i) Architectural drawings by licensed architect (1 point for schematic/conceptual plan set).	1	1
		(i) 1 additional point for construction document plan set).	1	0
		(ii) Preliminary environmental reports (e.g., Phase I) and a plan to complete necessary additional steps within the required timeframe (2 points).	2	2
		(iii) General contractor (a) has been engaged (1 point).	1	1
		(iii) General contractor (b) has helped develop the construction/rehab budget (1 additional point).	1	1
		(iii) General contractor is bound by a fully executed contract (1 additional point).	1	0
		(iv) All permits or permit-ready letters (subject only to payment of fees) in hand (3 points).	3	0
E. Public Benefit Requirements	1. Affordability Restrictions	Add 1 point for every 1% of additional discount to market based on LACAHS affordability standards under Option 1, up to a maximum of 17 points.	17	17
		Add 6 points for a 99-year affordability election.	6	6
	5. Resident Services	Add points for providing services consistent with LACAHS standards as follows: 1 point for each Service Category listed in the LACAHS Services Standards, up to a maximum of 5 points.	5	5
F. Credit Risk Standards	1a. Sponsor Experience/Track Record	Add 2 points for at least 7 years of development experience in California.	2	2
		Add 2 points for at least 5 completed projects in Los Angeles County in the past 15 years.	2	2
		Deduct -1 points for each compliance/reporting violation with LA County, CDLAC, or TCAC in the past 5 years, up to -5 points.	0	0
		Deduct -1 point for each portfolio project with DSCR below 1.0x, up to -5 points.	0	0
	1b. Sponsor Financial Strength	Add 1 point for sponsor with at least (i) \$15 million of net worth for private entities and \$5 million for Eligible Nonprofit entities.	1	1
		Add 1 point for sponsor with at least (ii) \$6 million of liquidity for private entities and \$1.5 million for Eligible Nonprofit entities.	1	1
	1c. Sponsor Contribution	Add 1 point for every 5% of total development costs contributed to the project by sponsor (e.g., cash, equity contributions), up to a maximum of 6 points.	6	0
	5a. Max. Loan-to-Cost (LTC) Ratio	For Senior Permanent Loan LTC, add 0.5 points for every 2.5 percentage points below the threshold requirement up to a maximum of 1 point.	1	1
	5b. Max. Loan-to-Value (LTV) Ratio	For Senior Permanent Loan LTV, add 1 points for every 2.5 percentage points below the threshold requirement, up to a maximum of 1 point.	1	1
	10a. Manager Experience	(i) Add points as follows: 1 point for at least 7 years of income restricted property management experience in California.	1	1
		(i) Add points as follows: 1 point for at least 5 income restricted projects managed in California in the past 15 years.	1	1
		(ii) Deduct points as follows: -1 point for less than 3 years of income restricted property management experience in California.	0	0
		(ii) Deduct points as follows: -1 point for less than 2 income restricted projects managed in California in the past 15 years.	0	0
(i) Add points as follows: 1 point for at least 7 years of services experience in California.		1	1	

	10b. Service Provider Experience	(i) Add points as follows: 1 point for at least 5 projects served in Los Angeles County in the past 15 years.	1	1
		(ii) Deduct points as follows: -1 point for less than 3 years of services experience in California.	0	0
		(ii) Deduct points as follows: -1 point for less than 2 projects served in Los Angeles County in the past 15 years.	0	0
G. Efficiency Standards	1. Sponsor/Related Party Capital	Where sponsor or a related party is contributing capital in the form of a loan, is the cost of such capital consistent with a publicly supported project? Deduct points as follows: -1 points for every percentage point of interest rate on such a loan above 8%.	0	0
	2. Developer Fee	Add 0.5 points for every \$150k by which cash developer fee is lower than the maximum allowed, up to a maximum of 3 points.	3	3
	3. Cost Containment	Add points as follows: 2 points for every 5% by which a project's Adjusted Total Development Cost per square foot is lower than the LACAHS Unit Cost Benchmark, up to a maximum of 16 points.	16	4
	4. Public Funds Leveraging	Add 1 point for every \$500,000 of non-LACAHS public support in the project, up to a maximum of 10 points.	10	10
	5. Total LACAHS Subsidy	Add 1 point for every percentage point of total development costs by which the sum of the requested Residual Receipts Loan and any Matching Capital Grant funding is less than 20%, up to a maximum of 5 points.	5	0
SUBTOTAL SCORE			100	72
BONUS POINTS			5	3
TOTAL SCORE			105	75

MATCHING CAPITAL GRANT PRELIMINARY SCORING				
Section	Item	Benchmark	Maximum Points	Final Score
B. Eligibility	1. Projects	Add 10 points for New-Construction Projects.	10	10
	2. Owners	Add 3 points for projects 100% owned by one or more Eligible Nonprofits (501(c)(3) tax-exempt bond eligible).	3	0
	3. Readiness to Proceed	(i) Architectural drawings by licensed architect (1 point for schematic/conceptual plan set).	1	1
		(i) 1 additional point for construction document plan set).	1	0
		(ii) Preliminary environmental reports (e.g., Phase I) and a plan to complete necessary additional steps within the required timeframe (2 points).	2	2
		(iii) General contractor (a) has been engaged (1 point).	1	1
		(iii) General contractor (b) has helped develop the construction/rehab budget (1 additional point).	1	1
		(iii) General contractor is bound by a fully executed contract (1 additional point).	1	0
(iv) All permits or permit-ready letters (subject only to payment of fees) in hand (3 points).	3	0		
E. Public Benefit Requirements	1. Affordability Restrictions	Add 1 point for every 1% of additional discount to market based on LACAHS affordability standards under Option 1, up to a maximum of 10 points.	10	10
		Add 8 points for a 99-year affordability election.	8	8
	5. Resident Services	Add points for providing services consistent with LACAHS standards as follows: 1 point for each Service Category listed in the LACAHS Services Standards, up to a maximum of 5 points.	5	5
F. Credit Risk Standards	1a. Sponsor Experience/Track Record	Add 2 points for at least 7 years of development experience in California.	2	2
		Add 2 points for at least 5 completed projects in Los Angeles County in the past 15 years.	2	2
		Deduct -1 points for each compliance/reporting violation with LA County, CDLAC, or TCAC in the past 5 years, up to -5 points.	0	0
		Deduct -1 point for each portfolio project with DSCR below 1.0x, up to -5 points.	0	0
	1b. Sponsor Financial Strength	Add 1 point for sponsor with at least (i) \$15 million of net worth for private entities and \$5 million for Eligible Nonprofit entities.	1	1
		Add 1 point for sponsor with at least (ii) \$6 million of liquidity for private entities and \$1.5 million for Eligible Nonprofit entities.	1	1
	1c. Sponsor Contribution	Add 1 point for every 2.5% of total development costs contributed to the project by sponsor (e.g., cash, equity contributions), up to a maximum of 12 points.	12	0
	10b. Service Provider Experience	(ii) Deduct points as follows: -1 point for less than 3 years of services experience in California.	0	0
(ii) Deduct points as follows: -1 point for less than 2 projects served in Los Angeles County in the past 15 years.		0	0	
G. Efficiency Standards	1. Sponsor/Related Party Capital	Where sponsor or a related party is contributing capital in the form of a loan, is the cost of such capital consistent with a publicly supported project? Deduct points as follows: -3 points for every percentage point of interest rate on such a loan above 8%.	0	0
	2. Developer Fee	Add 1 point for every \$150k by which cash developer fee is lower than the maximum allowed for the project under the Subordinate Must-Pay Loan or Residual Receipts Loan threshold requirements, up to a maximum of 9 points.	9	9
	3. Cost Containment	Add points as follows: 3 points for every 5% by which a project's Adjusted Total Development Cost per square foot is lower than the LACAHS Unit Cost Benchmark, up to a maximum of 12 points.	12	6

	4. Public Funds Leveraging	Add 2 point for every \$500,000 of non-LACAHS public support in the project, up to a maximum of 10 points.	10	10
	5. Total LACAHS Subsidy	Add 1 point for every percentage point of total development costs by which the sum of the requested Residual Receipts Loan and any Matching Capital Grant funding is less than 20%, up to a maximum of 5 points.	5	0
SUBTOTAL SCORE			100	69
BONUS POINTS			5	3
TOTAL SCORE			105	72

RENTAL SUBSIDY PRELIMINARY SCORING				
Section	Item	Benchmark	Maximum Points	Final Score
B. Eligibility	1. Projects	Add 10 points for New-Construction Projects.	10	10
		Add 3 points for projects financed with LACAHS Senior Permanent Loan.	3	0
	3. Readiness to Proceed	(i) Full architectural drawings by licensed architect (2 points).	2	2
		(ii) Full environmental clearance with no further action required (2 Points).	2	2
		(iii) General contractor (a) has been engaged (1 point).	1	1
		(iii) General contractor (b) has helped develop the construction/rehab budget (1 additional point).	1	1
		(iii) General contractor is bound by a fully executed contract (1 additional point).	1	0
(iv) All permits or permit-ready letters (subject only to payment of fees) in hand (3 points).	3	0		
C. Loan Size and Structure	1. Maximum Amount	Add points as follows: 0.5 points for every 2% by which the per-unit subsidy requested is lower than the maximum subsidy permitted, up to a maximum of 11 points.	11	0
		To receive points, Project pro forma must show positive annual cashflow throughout the term of the subsidy. Does it show a positive annual cashflow throughout the term of the subsidy?	0	0
E. Public Benefit Requirements	1. Affordability Restrictions	Add 5 points for a 99-year affordability election.	5	5
	5. Resident Services	Add points for providing services consistent with LACAHS standards as follows: 5 points for a Case Manager and 3 points for each additional Service Category listed in the LACAHS Services Standards (i.e., categories 2-6), up to a maximum of 17 points.	17	17
F. Credit Risk Standards	1a. Sponsor Experience/Track Record	(i) Add points as follows: 1 point per year of extremely low-income/permanent supportive housing project development and operating experience in Los Angeles County above 5 years, up to a maximum of 8 points.	8	3
		(i) Add points as follows: 1 point for each completed and operated extremely low income/permanent supportive housing project in Los Angeles County above 3 projects in the past 15 years, up to a maximum of 6 points.	6	6
		Deduct -5 points for each compliance/reporting violation with LA County, CDLAC, or TCAC in the past 5 years, up to -15 points.	0	0
		Deduct -5 point for each portfolio project with DSCR below 1.0x, up to -15 points.	0	0
	1b. Sponsor Financial Strength	Add 1 point for sponsor with at least (i) \$15 million of net worth for private entities and \$5 million for Eligible Nonprofit entities.	1	1
		Add 1 point for sponsor with at least (ii) \$6 million of liquidity for private entities and \$1.5 million for Eligible Nonprofit entities.	1	1
	1c. Sponsor Contribution	Add 1 point for every 5% of total development costs contributed to the project by sponsor (e.g., cash, equity contributions), up to a maximum of 4 points.	4	0
	7a. Manager Experience	(i) Add points as follows: 3 points for at least 10 years of property management experience on extremely-low income/permanent supportive housing projects in California.	3	3
		(i) Add points as follows: 1 point for each extremely low income/permanent supportive housing project managed in Los Angeles County in the past 15 years, up to a maximum of 5 points.	5	4
		(ii) Deduct points as follows: -1 point for less than 3 years of income restricted property management experience in California.	0	0

		(ii) Deduct points as follows: -1 point for less than 2 income restricted projects managed in California in the past 15 years.	0	0
	7b. Service Provider Experience	(i) Add points as follows: 2 points for at least 10 years of services experience in California.	2	2
		(i) Add points as follows: 1 point for each extremely low-income/permanent supportive housing project served in Los Angeles County in the past 15 years, up to a maximum of 6 points.	4	4
		(ii) Deduct points as follows: -1 point for less than 3 years of services experience in California.	0	0
		(ii) Deduct points as follows: -1 point for less than 2 projects served in Los Angeles County in the past 15 years.	0	0
G. Efficiency Standards	1. Sponsor/Related Party Capital	Where sponsor or a related party is contributing capital in the form of a loan, is the cost of such capital consistent with a publicly supported project? Deduct points as follows: -3 points for every percentage point of interest rate on such a loan above 8%.	0	0
	3. Cost Containment	Option 1 (New Construction/Rehab): Add points as follows: 2.5 points for every 5% by which Adjusted Total Development Cost per square foot is lower than the LACAHS Unit Cost Benchmark, up to a maximum of 10 points.	10	5
SUBTOTAL SCORE			100	67
BONUS POINTS			5	3
TOTAL SCORE			105	70

Kingdom Development, Inc. and Subsidiaries

Financial Analysis (2022–2025)

Introduction

Kingdom Development, Inc. (“KDI”) is a California-based nonprofit public benefit corporation established in 2015 with a mission to improve the welfare and living conditions of low-income and senior populations through the development and operation of affordable housing. Through its consolidated structure, KDI sponsors, develops, and manages a growing portfolio of affordable housing communities and maintains ownership interests in numerous affiliated limited partnerships and operating entities supported by Low-Income Housing Tax Credit (“LIHTC”) financing and other public funding sources.

This financial review evaluates KDI’s financial condition and sponsor capacity based on audited consolidated financial statements for the fiscal years ended December 31, 2022, 2023, and 2024, as well as unaudited and unconsolidated financial information for the period ended December 31, 2025. The audited financial statements for 2022 through 2024 received unqualified audit opinions, indicating that the financial statements present fairly, in all material respects, the organization’s financial position and results of operations in accordance with generally accepted accounting principles (GAAP).

As a nonprofit housing sponsor, KDI’s consolidated financial statements include the parent entity along with its wholly owned subsidiaries and controlled real estate partnerships. Accordingly, the reported financial position reflects both corporate-level activity and project-level assets, liabilities, and development-related financing structures, including LIHTC partnerships and bond-financed properties. As a result, consolidated balances, particularly total assets, debt levels, and liquidity, may not fully reflect the organization’s unrestricted sponsor-level capacity or standalone financial flexibility.

The unaudited 2025 financial information provides additional insight into more recent operating trends and sponsor-level positioning; however, as these figures are internally prepared and unconsolidated, they should be viewed as supplemental to the audited financial statements.

BALANCE SHEET

Balance Sheet	Audited Consolidated		Audited Consolidated		Audited Consolidated		Unaudited Unconsolidated	
	12/31/2022	% of Assets	12/31/2023	% of Assets	12/31/2024	% of Assets	12/31/2025	% of Assets
Cash & cash equivalents	\$ 2,178,237	2%	\$ 2,401,626	1%	\$ 4,963,158	3%	\$ 5,800,981	14%

Other Current Assets	\$ 2,063,685	2%	\$ 3,090,617	2%	\$ 3,091,488	2%	\$ 7,542,503	18%
Long-Term Assets	\$ 130,361,176	97%	\$ 169,448,235	97%	\$ 182,747,612	96%	\$ 28,853,792	68%
Total Assets	\$ 134,603,098	100%	\$ 174,940,478	100%	\$ 190,802,258	100%	\$ 42,197,276	100%
Current Liabilities	\$ 5,122,362	4%	\$ 4,683,727	3%	\$ 7,771,479	4%	\$ 6,237,087	64%
Long-Term Liabilities	\$ 126,607,188	96%	\$ 167,967,039	97%	\$ 174,069,943	96%	\$ 3,584,480	36%
Total Liabilities	\$ 131,729,550	100%	\$ 172,650,766	100%	\$ 181,841,422	100%	\$ 9,821,567	100%
Net Assets without Donor Restrictions	\$ 2,873,548	100%	\$ (658,069)	-29%	\$ 4,772,916	53%	\$ -	0%
Other Net Assets	\$ -	0%	\$ 2,947,781	129%	\$ 4,187,920	47%	\$ 32,375,710	100%
Total Net Assets	\$ 2,873,548	100%	\$ 2,289,712	100%	\$ 8,960,836	100%	\$ 32,375,710	100%

Financial Condition and Trends

From 2022 through 2024, Kingdom Development, Inc. (“KDI”) maintained a rapidly expanding consolidated balance sheet driven by significant growth in real estate assets, notes receivable, and investments associated with its affordable housing development platform. Total assets increased from approximately \$134.6 million in 2022 to \$174.9 million in 2023 and further to approximately \$190.8 million in 2024, reflecting continued portfolio expansion, project stabilization, and increased lending and development-related activity.

In 2022, KDI reported total liabilities of approximately \$131.7 million and net assets of approximately \$2.9 million, resulting in a highly leveraged capital structure, with a Debt-to-Worth ratio of approximately 45.8x. This elevated leverage is primarily attributable to the consolidation of project-level debt, including bonds and other financing structures typical of LIHTC transactions, rather than solely corporate-level obligations.

In 2023, total assets increased to approximately \$174.9 million, while liabilities rose to approximately \$172.7 million. Net assets declined to approximately \$2.3 million, driven by operating losses and significant non-cash charges, including investment impairments. As a result, leverage increased materially, with the Debt-to-Worth ratio rising to approximately 75.4x, reflecting a constrained net asset position relative to the scale of consolidated liabilities.

By 2024, total assets increased further to approximately \$190.8 million. Liabilities also increased to approximately \$181.8 million; however, net assets improved significantly to approximately \$9.0 million due to strong operating performance and reduced impairment activity. As a result, the Debt-to-Worth ratio declined materially to approximately 20.3x, indicating improved capitalization, though leverage remains elevated on a consolidated basis due to the inclusion of project-level debt.

The 2025 unaudited and unconsolidated balance sheet reflects a materially smaller asset base of approximately \$42.2 million and total liabilities of approximately \$9.8

million, with net assets of approximately \$32.4 million. The 12/31/25 statements are unconsolidated and exclude most consolidated real estate entities and associated debt. As such, the 2025 figures are not directly comparable to prior audited periods but provide insight into sponsor-level financial capacity, which appears significantly stronger with a much lower Debt-to-Worth ratio of approximately 0.30x.

Liquidity, Leverage, and Long-Term Sustainability

KDI's liquidity profile over the audited period reflects modest but improving short-term coverage, alongside variability driven by development timing, receivable activity, and changes in deferred revenue. In 2022, the organization reported current assets of approximately \$4.2 million against current liabilities of approximately \$5.1 million, resulting in a Current Ratio of approximately 0.83x. Cash totaled approximately \$2.2 million, representing approximately 71 days cash on hand, indicating relatively constrained liquidity and reliance on timing of inflows to meet near-term obligations.

In 2023, liquidity improved modestly, with current assets increasing to approximately \$5.5 million and current liabilities declining to approximately \$4.7 million, resulting in a Current Ratio of approximately 1.17x. Cash remained relatively stable at approximately \$2.4 million, or approximately 73 days cash on hand. While coverage improved to slightly above breakeven, liquidity remained tight and dependent on receivables and operating cash flows.

By 2024, current assets increased further to approximately \$8.1 million, while current liabilities rose to approximately \$7.8 million, resulting in a Current Ratio of approximately 1.04x. Cash increased materially to approximately \$5.0 million, representing approximately 99 days cash on hand and indicating improved liquidity capacity. Despite this improvement, short-term coverage remains relatively thin, reflecting the working capital demands and timing variability associated with development activities, including receivable collections and deferred revenue recognition.

From a leverage perspective, KDI's consolidated balance sheet reflects a highly leveraged structure due to the inclusion of project-level debt, including bonds and notes payable associated with LIHTC-financed developments. Total liabilities represented approximately 95% to 99% of total assets during the audited period, with debt primarily tied to long-term real estate assets. While this results in elevated leverage ratios on a consolidated basis, such leverage is typical for nonprofit housing developers and is generally supported by stabilized property operations, restricted reserves, and long-term financing structures.

The 2025 unaudited and unconsolidated financials reflect a higher current ratio of approximately 2.14x and increased reported cash balances; however, it excludes

project-level liabilities and reflect primarily sponsor-level activity. As such, the 2025 liquidity metrics are not directly comparable to prior periods but provide insight into the underlying corporate liquidity position.

Overall, KDI's long-term sustainability is supported by its continued growth in real estate assets, increasing operating revenues, and improved net asset position in 2024. While consolidated leverage remains elevated due to the nature of its development platform, the organization demonstrates improving operating performance and liquidity trends, with sustainability largely dependent on continued project execution, stabilization of developments, and effective management of receivables, debt obligations, and development-related cash flows.

STATEMENT OF ACTIVITIES/INCOME STATEMENT

Statement of Activities	% of		% of		% of		% of	
	Audited Consolidated 12/31/2022	Revenues	Audited Consolidated 12/31/2023	Revenues	Audited Consolidated 12/31/2024	Revenues	Unaudited Unconsolidated 12/31/2025	Revenues
Income								
Rental income	\$ 5,415,399	31%	\$ 7,509,476	40%	\$ 13,141,692	47%	\$ -	0%
State LIHTC sale revenue, net	\$ 5,119,955	30%	\$ 4,104,982	22%	\$ 1,685,228	6%	\$ -	0%
Development income	\$ 5,119,955	30%	\$ 4,104,982	22%	\$ 1,685,228	6%	\$ -	0%
Other Income	\$ 1,576,865	9%	\$ 2,832,567	15%	\$ 11,644,141	41%	\$ 11,488,710	100%
Total Income	\$ 17,232,174	100%	\$ 18,552,007	100%	\$ 28,156,289	100%	\$ 11,488,710	100%
Expenses								
Salaries and benefits	\$ 2,731,664	37%	\$ 2,730,903	35%	\$ 4,588,931	38%	\$ (4,581,083)	87%
Operating and maintenance	\$ 1,959,478	26%	\$ 1,661,743	21%	\$ 1,702,186	14%	\$ (250)	0%
Administrative	\$ 1,212,290	16%	\$ 1,802,493	23%	\$ 2,901,141	24%	\$ (54,061)	1%
Other Expenses	\$ 1,561,145	21%	\$ 1,671,995	21%	\$ 2,745,502	23%	\$ (612,197)	12%
Total Expenses	\$ 7,464,577	100%	\$ 7,867,134	100%	\$ 11,937,760	100%	\$ (5,247,591)	100%
Change in Net Assets (Operating Activities)	\$ (637,149)	-4%	\$ (3,531,912)	-19%	\$ 2,655,550	9%	\$ 6,241,119	54%
Change in Net Assets (Restricted Income/Expenses)	\$ -	0%	\$ 2,948,076	16%	\$ 4,015,574	14%	\$ -	0%
Total Change in Net Assets	\$ (637,149)	-4%	\$ (583,836)	-3%	\$ 6,671,124	24%	\$ 6,241,119	54%

KDI's revenue profile is moderately diversified across rental operations, development fee income, LIHTC-related revenue, and consulting activities, with an increasing reliance on earned income from real estate operations and development activity over the review period. In 2022, total revenue was approximately \$17.2 million, with primary contributions from State LIHTC sales revenue of approximately \$5.1 million (30%), rental income of approximately \$5.4 million (31%), and development income of approximately \$4.4 million (26%), increasing to approximately \$3.2 million (17%) in 2023 and \$8.1 million (29%) in 2024. Consulting income contributed approximately \$1.4 million (8%). Total expenses were approximately \$7.5 million, resulting in income from operations of approximately \$9.8 million. However, after accounting for non-operating expenses, including interest expense, depreciation, and investment impairments, the

organization reported a net decrease in net assets of approximately \$(0.6) million, reflecting the impact of non-cash and financing-related costs.

In 2023, total revenue increased modestly to approximately \$18.6 million. Rental income grew to approximately \$7.5 million (40%), becoming the largest revenue source, while development income declined to approximately \$3.2 million (17%) and LIHTC sales revenue decreased to approximately \$4.1 million (22%). Consulting income increased to approximately \$2.1 million (11%). Total expenses increased slightly to approximately \$7.9 million, resulting in income from operations of approximately \$10.7 million. Despite strong operating performance, the organization reported a net loss of approximately \$(3.5) million due primarily to a substantial impairment of investments in limited partnerships of approximately \$7.2 million, as well as ongoing interest and depreciation expenses.

In 2024, total revenue increased significantly to approximately \$28.2 million, reflecting strong growth in both rental and development-related income. Rental income increased to approximately \$13.1 million (47%), while development income increased materially to approximately \$8.1 million (29%), representing a key driver of revenue growth. Consulting income remained stable at approximately \$2.5 million (9%), while LIHTC sales revenue declined to approximately \$1.7 million (6%). Additional revenue streams, including grant revenue and software subscriptions, contributed modestly to overall diversification. Total expenses increased to approximately \$11.9 million, resulting in income from operations of approximately \$16.2 million. After accounting for non-operating items, including interest expense, depreciation, and reduced impairment charges, the organization reported a positive change in net assets of approximately \$2.7 million, indicating improved overall profitability.

The 2025 unaudited and unconsolidated statements reflect total revenue of approximately \$11.5 million. Revenue composition shifts significantly, with development income of approximately \$3.8 million (33%) and financial advisory and related service income representing a substantial portion of total revenue. Additional sources include staffing fees, annual partnership fees, and application income, indicating a transition toward more fee-based and service-oriented revenue streams at the sponsor level.

Overall, KDI demonstrates a growing and increasingly diversified revenue base, with strong contributions from rental operations and development activity. While operating performance is consistently positive, overall profitability has historically been influenced by non-cash items such as investment impairments and depreciation, as well as financing costs. The 2024 results indicate improved earnings stability, while the 2025 sponsor-level financials suggest a shift toward fee-based income streams, though comparability is limited due to differences in reporting scope.

CASH FLOW STATEMENT

Cash Flow Statement	Audited	Audited	Audited
	Consolidated 12/31/2022	Consolidated 12/31/2023	Consolidated 12/31/2024
Operating Activities	\$ 19,128,247	\$ 3,547,175	\$ 18,337,014
Investing Activities	\$ (38,103,621)	\$ (16,155,651)	\$ (8,163,641)
Financing Activities	\$ 14,736,560	\$ 6,769,953	\$ (7,108,447)
Net Increase (decrease) in Cash	\$ (4,238,814)	\$ (5,838,523)	\$ 3,064,926

KDI's cash flow activity reflects the capital-intensive nature of its affordable housing development platform, characterized by significant investing outflows and reliance on both operating cash flow and financing activity to support growth and project-level investments. In 2022, the organization generated strong operating cash flow of approximately \$19.1 million, driven largely by non-cash adjustments, including significant investment impairments, and favorable working capital changes, particularly deferred revenue. This was more than offset by substantial investing outflows of approximately \$(38.1) million, primarily related to investments in limited partnerships, property acquisitions, and funding of notes receivable. Financing activities provided approximately \$14.7 million, partially offsetting these uses. As a result, total cash decreased by approximately \$(4.2) million during the year.

In 2023, operating cash flow declined significantly to approximately \$3.5 million, reflecting reduced non-cash adjustments and unfavorable changes in working capital, including reductions in deferred revenue and increases in receivables. Investing outflows continued at approximately \$(16.2) million, reflecting ongoing development and investment activity. Financing activities provided approximately \$6.8 million, resulting in a net decrease in cash of approximately \$(5.8) million for the year.

In 2024, operating cash flow increased materially to approximately \$18.3 million, supported by improved operating performance, favorable working capital changes, particularly increases in deferred revenue, and reduced impairment activity. Investing outflows declined to approximately \$(8.2) million, reflecting a moderation in capital deployment, though still indicative of continued development activity, including funding of notes receivable. Financing activities resulted in a net outflow of approximately \$(7.1) million, driven primarily by repayments of notes payable. As a result, total cash increased by approximately \$3.1 million during the year.

KDI's cash flow profile is characterized by variability in operating cash flow and consistently negative investing cash flows associated with its development pipeline and investment strategy. These uses of cash are supported by a combination of operating cash generation and financing activity, with fluctuations largely tied to the timing of development activity, capital deployment, and debt financing.

STRENGTHS, WEAKNESSES & MITIGATING FACTORS

Strengths

KDI demonstrates several key financial strengths that support its capacity as a nonprofit affordable housing sponsor. First, the organization has shown meaningful improvement in its net asset position, increasing from approximately \$2.3 million in 2023 to approximately \$9.0 million in 2024. While net assets remain modest relative to the size of the consolidated balance sheet, the positive trend reflects improved operating performance and reduced non-cash impairment activity.

KDI has also demonstrated strong operating performance. The organization generated consistent operating surpluses across all audited periods, with income from operations increasing from approximately \$9.8 million in 2022 to \$10.7 million in 2023 and further to \$16.2 million in 2024. This indicates that core operations, including rental income, development activity, and consulting services, are generating sufficient revenue to cover operating expenses and support ongoing activities.

Revenue growth represents another notable strength. Total revenues increased from approximately \$17.2 million in 2022 to \$28.2 million in 2024, reflecting expansion of the organization's real estate portfolio and increased development activity. Rental income nearly doubled over the period, becoming the largest and most stable revenue source, while development income increased significantly in 2024. This growth demonstrates the organization's ability to scale operations and generate earned revenue.

KDI also benefits from an increasingly diversified revenue base. In addition to rental and development income, the organization generates revenue from consulting services, LIHTC-related activity, grants, and other ancillary sources. The addition of new revenue streams in 2024, including grant revenue and software-related income, further enhances diversification and reduces reliance on any single income source.

Liquidity has improved over the review period. Cash balances increased from approximately \$2.2 million in 2022 to approximately \$5.0 million in 2024, and days cash on hand increased from approximately 71 days to approximately 99 days. While liquidity remains relatively tight compared to larger organizations, the upward trend indicates strengthening short-term financial capacity.

Additionally, KDI has demonstrated strong operating cash flow generation in 2022 and 2024, with operating cash flows of approximately \$19.1 million and \$18.3 million, respectively. This reflects the organization's ability to generate cash from core activities, supported by favorable working capital dynamics and development-related inflows.

Finally, the 2025 unaudited and unconsolidated financials reflect a significantly stronger sponsor-level balance sheet, including approximately \$32.4 million in net assets and relatively low reported liabilities. While not directly comparable to the consolidated financials, this provides additional evidence of underlying corporate financial capacity outside of project-level debt structures.

Overall, KDI demonstrates improving financial performance, growing revenue, increasing liquidity, and strengthening net assets, which collectively support its capacity to operate and expand as an affordable housing developer and sponsor.

Weaknesses and Mitigating Factors

While KDI demonstrates improving financial performance, several balance sheet and operating characteristics warrant consideration. A significant portion of the organization's asset base is concentrated in long-term and development-related assets, including property and equipment, notes receivable, restricted reserves, and investments in limited partnerships. As of December 31, 2024, fixed assets represented approximately 79% of total assets, while additional balances were tied to notes receivable and partnership investments. This asset composition reflects the organization's development-focused platform; however, it limits overall balance sheet liquidity, as a substantial portion of assets is not readily convertible to cash.

Liquidity metrics also reflect this structure. While the current ratio improved from approximately 0.83x in 2022 to 1.04x in 2024, coverage remains relatively thin. The acid ratio, while improving from approximately 0.43x to 0.64x over the same period, indicates continued reliance on receivables and other non-cash current assets to meet short-term obligations. Although cash balances increased to approximately \$5.0 million in 2024, overall liquidity remains modest relative to the scale of operations and consolidated liabilities.

Leverage remains elevated on a consolidated basis. Total liabilities represented approximately 95% to 99% of total assets during the audited period, driven primarily by bonds and notes payable associated with project-level financing. This results in high Debt-to-Worth ratios, particularly in 2022 and 2023 when net assets were limited. While typical for affordable housing developers utilizing LIHTC structures, this level of leverage reduces balance sheet flexibility and increases dependence on continued project performance and access to financing.

Operating performance has also exhibited variability. While the organization consistently generated strong operating income, overall changes in net assets were impacted by non-cash items, including significant impairment losses in 2022 and 2023. The resulting net losses in those years highlight sensitivity to investment performance and accounting

adjustments, which can materially affect reported earnings despite stable core operations.

Cash flow trends further reflect variability. Operating cash flow declined significantly in 2023 before rebounding in 2024, with fluctuations largely driven by changes in working capital, particularly deferred revenue and receivables, as well as the timing of development-related activity. In addition, investing cash outflows have been consistently significant due to ongoing investment in real estate and affiliated entities, requiring continued reliance on operating cash generation and financing sources.

The 2025 unaudited and unconsolidated financial statements introduce additional limitations to comparability. The asset base is more concentrated in receivables, investments, and partnership interests, and excludes most project-level assets and liabilities included in the audited financials. Additionally, certain income and expense categories differ materially from prior periods, reflecting a shift to sponsor-level reporting. As such, the 2025 results should be viewed as supplemental and not directly comparable to the audited consolidated financial statements.

These considerations are partially mitigated by improving net asset levels, strong operating performance, and increasing revenue generation, particularly from rental and development activity. In addition, the 2025 sponsor-level financials reflect a significantly lower leverage profile and higher net asset base relative to liabilities, indicating stronger financial capacity at the corporate level outside of project-specific debt structures. Overall, while KDI's financial profile reflects the inherent risks and variability associated with a development-driven platform, these risks are supported by improving trends and an expanding operating base.

Conclusion

Overall, Kingdom Development, Inc. reflects the financial profile of a growing nonprofit affordable housing sponsor with an expanding development platform and increasing operational scale. The organization has demonstrated consistent growth in its asset base, increasing revenue generation, and strong operating performance, particularly in 2024, driven by rental operations and development activity.

While the consolidated financial statements reflect a complex structure with significant real estate assets, long-term receivables, and project-level debt, these characteristics are consistent with the organization's role as a LIHTC developer and sponsor. Leverage remains elevated on a consolidated basis; however, it is largely attributable to project financing structures rather than solely corporate-level obligations. Liquidity has improved over the review period, though it remains relatively tight compared to the scale of operations and continues to be influenced by the timing of receivables and development-related cash flows.

Variability in net income and cash flow is primarily driven by non-cash items, including investment impairments, depreciation, and interest expense, as well as the timing of development transactions. These fluctuations are typical for organizations engaged in active real estate development and do not, in isolation, indicate underlying operational weakness.

The 2025 unaudited and unconsolidated financial statements are not directly comparable to prior audited periods due to differences in reporting scope; however, they reflect a significantly stronger sponsor-level balance sheet, including higher net assets and lower relative leverage, providing additional evidence of underlying corporate financial capacity.

Based on the financial information reviewed, KDI demonstrates improving financial performance, increasing revenue capacity, and sufficient financial resources to support ongoing operations and development activities. While certain risks related to liquidity, leverage, and asset concentration remain, the organization appears to possess adequate financial capacity to perform as a nonprofit affordable housing sponsor.

Kingdom Development, Inc. and Subsidiaries

Parent Entity Balance Sheet, Liquidity and Net Worth Analysis

While the audited financial statements are presented on a consolidated basis, the December 31, 2025 unaudited and unconsolidated balance sheet provides useful insight into current sponsor-level liquidity and net worth. As of December 31, 2025, KDI reported approximately \$42.2 million in total assets, \$9.8 million in total liabilities, and approximately \$32.4 million in total net assets, reflecting a materially stronger equity position at the sponsor level relative to the consolidated financial statements.

Current assets totaled approximately \$13.3 million and include approximately \$5.8 million in cash and cash equivalents, as well as balances in development-related receivables, grants receivable, and investment securities. While a portion of current assets consists of receivables and other non-cash items, the organization maintains a meaningful level of liquidity through its cash position, which provides readily available resources to support near-term operating and development needs.

It should be noted that the 2025 balance sheet reflects a different reporting scope than the audited consolidated financial statements and excludes most project-level assets, liabilities, and related financing structures. As such, these figures are not directly comparable to prior audited periods but are useful in evaluating sponsor-level financial capacity independent of project-specific debt.

Under the LACAHS A NOFA sponsor financial capacity criteria, eligible nonprofit sponsors must demonstrate a minimum of \$1.0 million in net worth and \$500,000 in liquidity. Based on the December 31, 2025 balance sheet, KDI exceeds both thresholds, with approximately \$32.4 million in net worth and approximately \$5.8 million in cash and cash equivalents.

Kingdom Development

Balance Sheet

	Audited Consolidated 12/31/2022	% of Assets	Audited Consolidated 12/31/2023	% of Assets	Audited Consolidated 12/31/2024	% of Assets	Unaudited Unconsolidated 12/31/2025	% of Assets
Current Assets								
Cash & cash equivalents	\$ 2,178,237	2%	\$ 2,401,626	1%	\$ 4,963,158	3%	\$ 5,800,981	14%
Accounts receivable-GP fees and consulting income	\$ 714,922	1%	\$ 1,269,633	1%	\$ 1,246,553	1%	\$ -	0%
Accounts receivable-development income, current	\$ 753,807	1%	\$ 92,550	0%	\$ 969,097	1%	\$ 2,597,510	6%
Accounts receivable-residents and other	\$ 341,400	0%	\$ 1,451,282	1%	\$ 482,614	0%	\$ -	0%
Prepaid expenses	\$ 253,556	0%	\$ 277,152	0%	\$ 393,224	0%	\$ 11,957	0%
Advance to affiliates	\$ -	0%	\$ -	0%	\$ -	0%	\$ 10,542	0%
Advance to projects	\$ -	0%	\$ -	0%	\$ -	0%	\$ 1,990,330	5%
Investment securities	\$ -	0%	\$ -	0%	\$ -	0%	\$ 1,269,625	3%
Grants receivable	\$ -	0%	\$ -	0%	\$ -	0%	\$ 1,662,539	4%
Total Current Assets	\$ 4,241,922	3%	\$ 5,492,243	3%	\$ 8,054,646	4%	\$ 13,343,484	32%
Long-Term Assets								
Notes receivable	\$ 6,475,202	5%	\$ 7,429,483	4%	\$ 14,192,804	7%	\$ -	0%
Restricted cash	\$ 14,790,476	11%	\$ 8,728,564	5%	\$ 9,231,958	5%	\$ -	0%
Partnership interest	\$ -	0%	\$ -	0%	\$ -	0%	\$ 23,358,061	55%
Investments	\$ 6,280,961	5%	\$ 7,712,250	4%	\$ 7,637,160	4%	\$ -	0%
Accounts receivable-development income, long term	\$ 2,678,720	2%	\$ 2,806,199	2%	\$ 471,409	0%	\$ 1,000,000	2%
Advance to affiliates	\$ 511,435	0%	\$ 428,956	0%	\$ 984,400	1%	\$ -	0%
Advance to projects long term	\$ -	0%	\$ -	0%	\$ -	0%	\$ 400,000	1%
Unamortized costs, net	\$ -	0%	\$ 227,281	0%	\$ 239,690	0%	\$ -	0%
Utility deposits	\$ 110,340	0%	\$ 111,315	0%	\$ 113,820	0%	\$ -	0%
Total Long-Term Assets	\$ 30,847,134	23%	\$ 27,444,048	16%	\$ 32,871,241	17%	\$ 24,758,061	59%
Fixed Assets								
Right-of-use asset	\$ 234,520	0%	\$ 200,451	0%	\$ 1,111,562	1%	\$ 4,068,906	10%
Land	\$ 13,188,350	10%	\$ 18,218,660	10%	\$ 19,568,214	10%	\$ -	0%
Buildings and improvements	\$ 79,928,667	59%	\$ 134,878,454	77%	\$ 148,932,650	78%	\$ -	0%
FF&E	\$ 3,817,485	3%	\$ 7,766,877	4%	\$ 8,549,167	4%	\$ 26,825	0%
Construction in progress	\$ 6,308,287	5%	\$ -	0%	\$ -	0%	\$ -	0%
Less: accumulated depreciation	\$ (3,963,267)	-3%	\$ (19,060,255)	-11%	\$ (28,285,222)	-15%	\$ -	0%
Total Fixed Assets	\$ 99,514,042	74%	\$ 142,004,187	81%	\$ 149,876,371	79%	\$ 4,095,731	10%
TOTAL ASSETS	\$ 134,603,098	100%	\$ 174,940,478	100%	\$ 190,802,258	100%	\$ 42,197,276	100%
LIABILITIES								
Current Liabilities								
Accounts payable and accrued expenses	\$ 624,668	0%	\$ 1,076,424	1%	\$ 853,745	0%	\$ 3,022,740	7%
Deferred revenue, current portion	\$ 3,854,132	3%	\$ 1,343,548	1%	\$ 3,777,791	2%	\$ -	0%
Notes payable, current portion	\$ 216,500	0%	\$ 45,500	0%	\$ 601,516	0%	\$ -	0%
Developer advances	\$ 20,000	0%	\$ 697,878	0%	\$ 886,330	0%	\$ -	0%
Accrued interest-bonds payable	\$ 407,062	0%	\$ 1,195,637	1%	\$ 1,285,383	1%	\$ -	0%
Deferred revenue, current portion	\$ -	0%	\$ -	0%	\$ -	0%	\$ 2,985,045	7%
First mortgage or bonds payable, current portion	\$ -	0%	\$ 324,740	0%	\$ 366,714	0%	\$ -	0%
Loans from affiliates	\$ -	0%	\$ -	0%	\$ -	0%	\$ 229,302	1%
Total Current Liabilities	\$ 5,122,362	4%	\$ 4,683,727	3%	\$ 7,771,479	4%	\$ 6,237,087	15%
Long-Term Liabilities								
Resident security deposit liability	\$ 268,104	0%	\$ 292,609	0%	\$ 301,928	0%	\$ -	0%
Bonds payable	\$ 122,645,000	91%	\$ 139,790,526	80%	\$ 141,945,031	74%	\$ 54,139	0%
Less: debt issuance costs	\$ (3,633,008)	-3%	\$ (4,481,953)	-3%	\$ (4,367,603)	-2%	\$ -	0%
Notes payable, net of current portion	\$ 3,840,000	3%	\$ 23,631,233	14%	\$ 22,634,133	12%	\$ -	0%
Accrued interest-notes payable	\$ 90,655	0%	\$ 3,763,459	2%	\$ 5,232,432	3%	\$ 8,448	0%
Advances due affiliates	\$ -	0%	\$ 1,751,933	1%	\$ 2,224,111	1%	\$ -	0%
Letter of Commitment	\$ -	0%	\$ -	0%	\$ -	0%	\$ 1,022,877	2%
Charitable Commitments	\$ -	0%	\$ -	0%	\$ -	0%	\$ 32,458	0%
Lease liability	\$ 232,378	0%	\$ 201,136	0%	\$ 1,144,052	1%	\$ 1,144,052	3%
Deferred developer fees	\$ -	0%	\$ 778,154	0%	\$ 778,154	0%	\$ -	0%
Deferred revenue, net of current maturities	\$ 3,164,059	2%	\$ 2,239,942	1%	\$ 4,177,705	2%	\$ 1,322,506	3%
Total Long-Term Liabilities	\$ 126,607,188	94%	\$ 167,967,039	96%	\$ 174,069,943	91%	\$ 3,584,480	8%
TOTAL LIABILITIES	\$ 131,729,550	98%	\$ 172,650,766	99%	\$ 181,841,422	95%	\$ 9,821,567	23%
Net Assets								
Retained earnings	\$ -	0%	\$ -	0%	\$ -	0%	\$ 46,022,080	109%
Net Conduit Activities	\$ -	0%	\$ -	0%	\$ -	0%	\$ (13,646,370)	-32%
Without donor restrictions	\$ 2,873,548	2%	\$ (658,069)	0%	\$ 4,772,916	3%	\$ -	0%
Noncontrolling interest	\$ -	0%	\$ 2,947,781	2%	\$ 4,187,920	2%	\$ -	0%
NET ASSETS	\$ 2,873,548	2%	\$ 2,289,712	1%	\$ 8,960,836	5%	\$ 32,375,710	77%
TOTAL LIABILITIES & NET ASSETS	\$ 134,603,098	100%	\$ 174,940,478	100%	\$ 190,802,258	100%	\$ 42,197,277	100%
Ratios								
Current Ratio	0.83		1.17		1.04		2.14	
Acid Ratio	0.43		0.51		0.64		0.93	
Days Cash	71		73		99		-403	
Debt to Net Worth	45.84		75.40		20.29		0.30	

Kingdom Development

Statement Of Activities

	Audited Consolidated 12/31/2022	% of Revenues	Audited Consolidated 12/31/2023	% of Revenues	Audited Consolidated 12/31/2024	% of Revenues	Unaudited Unconsolidated 12/31/2025	% of Revenues
Rental income	\$ 5,415,399	31%	\$ 7,509,476	40%	\$ 13,141,692	47%	\$ -	0%
Consulting income	\$ 1,427,750	8%	\$ 2,100,000	11%	\$ 2,525,605	9%	\$ -	0%
GP fee income	\$ 165,877	1%	\$ 388,374	2%	\$ 185,894	1%	\$ -	0%
Development income	\$ 4,434,720	26%	\$ 3,202,124	17%	\$ 8,056,310	29%	\$ 3,778,772	33%
Donation revenues	\$ 25,000	0%	\$ -	0%	\$ 3,000	0%	\$ -	0%
State LIHTC sale revenue, net	\$ 5,119,955	30%	\$ 4,104,982	22%	\$ 1,685,228	6%	\$ -	0%
Resident charges and other misc revenue	\$ 643,473	4%	\$ 1,220,384	7%	\$ 1,128,751	4%	\$ -	0%
Software subscriptions	\$ -	0%	\$ 26,667	0%	\$ 146,500	1%	\$ 60,000	1%
Lease up service coordination	\$ -	0%	\$ -	0%	\$ 120,748	0%	\$ -	0%
Grant revenue	\$ -	0%	\$ -	0%	\$ 1,162,561	4%	\$ -	0%
Miscellaneous	\$ -	0%	\$ -	0%	\$ -	0%	\$ 2,098	0%
Financial advisory services	\$ -	0%	\$ -	0%	\$ -	0%	\$ 3,834,390	33%
Loss (gain) on investment securities	\$ -	0%	\$ -	0%	\$ -	0%	\$ 56,715	0%
Applications income	\$ -	0%	\$ -	0%	\$ -	0%	\$ 725,055	6%
Interest income	\$ -	0%	\$ -	0%	\$ -	0%	\$ 32,694	0%
Staffing fees	\$ -	0%	\$ -	0%	\$ -	0%	\$ 1,699,814	15%
Annual partnership fees	\$ -	0%	\$ -	0%	\$ -	0%	\$ 1,299,172	11%
TOTAL REVENUES	\$ 17,232,174	100%	\$ 18,552,007	100%	\$ 28,156,289	100%	\$ 11,488,710	100%
Expenses								
Salaries and benefits	\$ 2,731,664	16%	\$ 2,730,903	15%	\$ 4,588,931	16%	\$ (4,581,083)	-40%
Taxes and insurance	\$ 737,800	4%	\$ 848,194	5%	\$ 1,790,474	6%	\$ (11,076)	0%
Administrative	\$ 1,212,290	7%	\$ 1,802,493	10%	\$ 2,901,141	10%	\$ (54,061)	0%
Marketing	\$ 29,483	0%	\$ 115,679	1%	\$ 59,590	0%	\$ (780)	0%
Travel	\$ 67,825	0%	\$ 21,731	0%	\$ 33,021	0%	\$ (24,791)	0%
Operating and maintenance	\$ 1,959,478	11%	\$ 1,661,743	9%	\$ 1,702,186	6%	\$ (250)	0%
Utilities	\$ 726,037	4%	\$ 686,391	4%	\$ 862,417	3%	\$ (129,787)	-1%
Charitable contributions	\$ -	0%	\$ -	0%	\$ -	0%	\$ (315,842)	-3%
Corporate board events	\$ -	0%	\$ -	0%	\$ -	0%	\$ (21,731)	0%
Professional fees	\$ -	0%	\$ -	0%	\$ -	0%	\$ (74,974)	-1%
Misc	\$ -	0%	\$ -	0%	\$ -	0%	\$ (15,908)	0%
Interest expense	\$ -	0%	\$ -	0%	\$ -	0%	\$ (108,758)	-1%
Out of period adjustments	\$ -	0%	\$ -	0%	\$ -	0%	\$ 91,450	1%
Total Expenses	\$ 7,464,577	43%	\$ 7,867,134	42%	\$ 11,937,760	42%	\$ (5,247,591)	-46%
CHANGE IN NET ASSETS (Operating Activities)	\$ 9,767,597	57%	\$ 10,684,873	58%	\$ 16,218,529	58%	\$ 6,241,119	54%
Gain on acquisition of partnership interest	\$ -	0%	\$ 3,151,074	17%	\$ 274,728	1%	\$ -	0%
Interest income	\$ 392,951	2%	\$ 385,201	2%	\$ 345,418	1%	\$ -	0%
Interest expense	\$ (4,845,703)	-28%	\$ (5,263,163)	-28%	\$ (7,007,985)	-25%	\$ -	0%
Depreciation and amortization	\$ (3,672,695)	-21%	\$ (4,205,337)	-23%	\$ (6,388,631)	-23%	\$ -	0%
Charitable contributions	\$ (343,281)	-2%	\$ (115,661)	-1%	\$ (219,667)	-1%	\$ -	0%
Development expense	\$ -	0%	\$ (913,543)	-5%	\$ -	0%	\$ -	0%
Entity revenue	\$ -	0%	\$ -	0%	\$ 265,466	1%	\$ -	0%
Entity expense	\$ -	0%	\$ -	0%	\$ (412,946)	-1%	\$ -	0%
Impairment of investments in limited partnerships	\$ (1,828,721)	-11%	\$ (7,219,000)	-39%	\$ (379,000)	-1%	\$ -	0%
Misc financial expenses	\$ (107,297)	-1%	\$ (36,356)	0%	\$ (40,362)	0%	\$ -	0%
Total Change in Net Assets	\$ (637,149)	-4%	\$ (3,531,912)	-19%	\$ 2,655,550	9%	\$ 6,241,119	54%
Temporarily Restricted Income								
Excess of net assets acquired over consideration transferred	\$ -	0%	\$ 2,948,076	16%	\$ 4,019,386	14%	\$ -	0%
Distributions	\$ -	0%	\$ -	0%	\$ (3,812)	0%	\$ -	0%
TOTAL RESTRICTED INCOME	\$ -	0%	\$ 2,948,076	16%	\$ 4,015,574	14%	\$ -	0%
CHANGE IN NET ASSETS	\$ (637,149)	-4%	\$ (583,836)	-3%	\$ 6,671,124	24%	\$ 6,241,119	54%
Net Assets, beginning of year	\$ 3,510,697		\$ 2,873,548		\$ 2,289,712		\$ 8,960,836	
Net Assets, end of year	\$ 2,873,548		\$ 2,289,712		\$ 8,960,836		\$ 15,201,955	
Ratios								
Profit Margin		-4%		-3%		24%		54%
Growth in Total Revenue				8%		52%		-59%
Growth in Total Expenses				5%		52%		-144%

Kingdom Development

Cash Flow Statement

	Audited Consolidated 12/31/2022	Audited Consolidated 12/31/2023	Audited Consolidated 12/31/2024	Unaudited Unconsolidated 12/31/2025
Operating Activities				
Change in net assets	\$ (637,149)	\$ (3,531,912)	\$ 2,655,550	\$ -
Gain on interest rate cap	\$ -	\$ -	\$ -	\$ -
Depreciation and amortization	\$ 3,672,695	\$ 4,205,337	\$ 6,388,631	\$ -
Amortization of debt issuance costs	\$ 251,154	\$ 286,647	\$ 283,702	\$ -
Change in value of debt securities	\$ 80,672	\$ (46,940)	\$ (84,911)	\$ -
Impairment of investments in limited partnerships	\$ 12,337,554	\$ 7,219,000	\$ 379,000	\$ -
Accounts receivable-developer income	\$ (3,282,527)	\$ 533,778	\$ 1,458,243	\$ -
Accounts receivable-residents and other	\$ (150,149)	\$ (522,973)	\$ 828,678	\$ -
Accounts receivable-GP fees and consulting income	\$ (140,761)	\$ (554,711)	\$ 23,080	\$ -
Prepaid expenses	\$ (77,499)	\$ 24,242	\$ (118,362)	\$ -
Utility deposits	\$ (110,340)	\$ (975)	\$ (2,505)	\$ -
Accounts payable and accrued expenses	\$ 220,598	\$ 257,124	\$ (333,036)	\$ -
Deferred revenue	\$ 6,956,571	\$ (3,458,092)	\$ 4,364,567	\$ -
Accrued interest	\$ 172,502	\$ 53,857	\$ 828,275	\$ -
Resident security deposit liability	\$ (166,948)	\$ (69,130)	\$ (21,631)	\$ -
Developer advances	\$ 20,000	\$ 677,878	\$ 188,452	\$ -
Lease liability	\$ (18,126)	\$ (38,567)	\$ (51,084)	\$ -
Excess of net assets acquired over consideration transferred	\$ -	\$ (1,487,388)	\$ 1,550,365	\$ -
Net cash provided by (used in) operating activities	\$ 19,128,247	\$ 3,547,175	\$ 18,337,014	\$ -
Investing Activities				
Investments in property and equipment	\$ -	\$ -	\$ -	\$ -
Payments for property and equipment	\$ (15,388,988)	\$ (6,680,502)	\$ (935,161)	\$ -
Advances to (repayments from) affiliates	\$ 33,173	\$ 82,481	\$ (172,766)	\$ -
Funding of notes receivable	\$ (4,575,202)	\$ (954,281)	\$ (6,763,321)	\$ -
Investments in debt securities	\$ (200,000)	\$ -	\$ -	\$ -
Investments in limited partnerships	\$ (17,972,604)	\$ (8,603,349)	\$ (996,561)	\$ -
Payments for deferred costs	\$ -	\$ -	\$ (73,394)	\$ -
Net (purchase) sale of debt securities	\$ -	\$ -	\$ 777,562	\$ -
Net cash used in investing activities	\$ (38,103,621)	\$ (16,155,651)	\$ (8,163,641)	\$ -
Financing Activities:				
Advances due affiliates or bonds payable	\$ 14,710,000	\$ (150,260)	\$ (328,652)	\$ -
Proceeds from (repayment of) notes payable	\$ 680,500	\$ 6,920,213	\$ (6,391,826)	\$ -
Payments for debt issuance costs	\$ (653,940)	\$ -	\$ (384,157)	\$ -
Distributions-NCI	\$ -	\$ -	\$ (3,812)	\$ -
Net cash provided by financing activities	\$ 14,736,560	\$ 6,769,953	\$ (7,108,447)	\$ -
Net increase (decrease) in cash	\$ (4,238,814)	\$ (5,838,523)	\$ 3,064,926	\$ -
Cash, beginning of year	\$ 21,207,527	\$ 16,968,713	\$ 11,130,190	\$ -
Cash, end of year	\$ 16,968,713	\$ 11,130,190	\$ 14,195,116	\$ -
Supplemental disclosure of cash flow information:				
Cash paid for interest	\$ 4,422,047	\$ 4,922,659	\$ 3,395,728	\$ -
Supplemental disclosure of non-cash investing and financing activities:				
Initial right-of-use asset and lease liability	\$ -	\$ -	\$ -	\$ -
Transfers of loans to other real estate owned	\$ -	\$ -	\$ -	\$ -
Transfer of reserves from liability	\$ -	\$ -	\$ -	\$ -
Transfer of real estate and development	\$ -	\$ -	\$ -	\$ -
Reclassification of property and equipment to debt issuance costs	\$ -	\$ -	\$ -	\$ -
Accounts payable included in deferred fees	\$ -	\$ -	\$ -	\$ -
Increase in right-of-use assets and operating lease liabilities	\$ -	\$ -	\$ -	\$ -
Reclassification of prepaid ground lease to right-of-use assets	\$ -	\$ -	\$ -	\$ -
Cash, cash equivalents, and restricted cash:				
Cash and cash equivalents	\$ 2,178,237	\$ 2,401,626	\$ 4,963,158	\$ 5,800,981
Restricted reserves and deposits	\$ 14,790,476	\$ 8,728,564	\$ 9,231,958	\$ -
	\$ 16,968,713	\$ 11,130,190	\$ 14,195,116	\$ 5,800,981