

#4 – Action /New Brilliant Corners

MEMORANDUM

Date: December 21, 2023

To: Melinda Sullivan, Executive Director

From: Shannon Rains, Housing Specialist

Re: Contract Request – Brilliant Corners

We received POS funds in the amount of \$1,075,000 from Fiscal Year 2022-23 to develop a 4-bedroom Specialized Residential Facility for young adults with medical and behavioral/mental health needs. A Request for Proposal (RFP) was issued and advertised broadly to our service provider community and sent to known qualified providers. The Housing Development Organization (HDO) Brilliant Corners was the only entity to submit a proposal. Brilliant Corners is an established HDO with a successful record in developing permanent housing for people with developmental disabilities.

Brilliant Corners will find a 4-bedroom, 2-bath home in the LRC catchment area and remodel it to meet the behavioral/medical needs of these adults.

DDS has awarded \$1,075,000 for this project: \$650,000 for acquisition and up to \$425,000 for renovation.

Because this contract is above \$250,000, Board approval is needed.

Thank you for your consideration of this request.

_____ Approved

_____ Denied

Melinda Sullivan, Executive Director

Date

Provider/Organization: Brilliant Corners

Request for Proposals Checklist

This checklist will be used each time a "Request for Proposals" is issued and will be attached to a memo to the Executive Director when seeking approval to grant an award and issue a contract. All contracts of \$250,000 or more will be sent to the Board of Directors for final approval.

Reason for Solicitation of Proposals

X Unmet client need X Available CRDP start-up funds ___ Other: _____

Amount of start-up award/contract, if applicable: \$1,075,000 (\$650,000 for acquisition and up to \$425,000 for renovation)

Description of Service/Program Solicited

Service Category: Provider will find a renovate a 4-bedroom, 2 bath home in the LRC catchment area.

Persons Served: Young adults with medical and behavioral/mental health needs who are transitioning from more restrictive living situations and require more intensive supports.

Service Capacity: 4 people

Special Service Requirements: Housing Development Organization (HDO) or similar should have experience developing housing for people with developmental disabilities, mental health issues and/or incompatible behaviors.

Target/Start Date: February 15, 2024

Notification of Request for Proposals (RFP)

Date that Notice of RFP posted on website: 11/16/2023

Date that Notice of RFP mailed to known, qualified or interested parties: 11/17/2023

Receipt of Proposals

Total number of proposals received: 1 Number of proposals disqualified: 0

Reason for disqualification: ☐ Received after deadline ☐ Did not meet content/format requirementsNumber of qualified proposals that proceeded to review and evaluation: n/a **Proposal Evaluation/Selection Committee included:**

☒ Director of Community Services ☐ Resource Developer ☐ Regional Manager
☐ Director of Clinical Services ☐ Service Coordinator ☐ Parent/Community Member
☐ Quality Assurance ☒ Other: Housing Specialist and Vendorization/Rates Supervisor
☐ _____

Evaluation of ProposalsTotal number of proposals evaluated: 1 Number of proposals eliminated after evaluation: 0

Reason for elimination: (N/A)

☐ Applicant did not meet provider qualifications/requirements
☐ Applicant has less experience/expertise in comparison with other applicants
☐ Applicant has too many other projects in development
☐ Proposal did not meet service/program requirements
☐ Proposal was not as innovative and/or responsive to RFP criteria
☐ Budget was not as cost-effective/realistic in comparison with other applicants
☐ Applicant is not as financially sound as other applicants
☐ Other: _____

Number of proposals that proceeded to interview: n/a **Interviews with RFP Applicants**Date of interviews: n/a Number of RFP applicants interviewed: n/a **Scoring of Proposals after Completion of Interviews**Score for winning proposal/applicant by interviewer (out of 30 points): n/a Average score for winning proposal: n/a Average score for other proposals/applicants: n/a

Name of Provider/Organization Selected: Brilliant Corners

Narrative:

Describe the contents of proposal or qualities, expertise or experience of applicant that distinguished the winning/selected bid:

Brilliant Corners has demonstrated and extensive experience developing homes for the Lanterman Regional Center as well other regional centers. The Brilliant Corners team is very familiar with LRC's catchment area and CPP housing guidelines.

Brilliant Corners was the only entity to submit a proposal despite broad advertising to our service provider community as well as specific outreach to qualified service providers. Given our extensive and recent positive experience developing with Brilliant Corners and due to the fact that they were the only applicant, an interview was not necessary for selection.



Approved by Director of Community Services

1/03/2023

Date

Approved by Executive Director

Date

Board approval for RFP start-up award/contract was granted on:

Date



BRILLIANT CORNERS

Where housing and services come together

BRILLIANT CORNERS

CPP/CRDP HDO HOUSING PROPOSAL

FISCAL YEAR 2022-2023
One (1) Specialized Residential Facility (SRF)

Submitted to Frank D. Lanterman Regional Center

December 7, 2023

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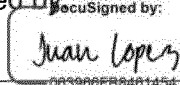
FRANK D. LANTERMAN REGIONAL CENTER

Attachment – A

APPLICATION/PROPOSAL COVERSHEET

Name of Applicant or Organization Submitting Proposal		
Brilliant Corners		
Name of parent corporation, if applicable		
Applicant's mailing address		
527 W. 7th Street, Floor 11, Los Angeles, CA 90014		
Contact person for project		
Juan Lopez, Associate Director of Supportive Housing Development		
Contact phone number	Contact fax number	Contact e-mail address
(213)804-3238	(213)232-0198	jjlopez@brilliantcorners.org
Author of proposal or consultant assisting with proposal		Author/consultant phone number
Graciela Flores, Project Manager		(213)925-2203
List all Regional Centers with which you have single-family housing projects.		
Reg. Center	Indicate if home is a CCF, ICF, EBSH, CHH	Contact Person & email address
Eastern Los Angeles Regional Center	EBSH	Rhoda Tong rtong@elarc.org
Frank D. Lanterman Regional Center	SRF, EBSH	Shannon Rains srains@lanterman.org
Central Valley Regional Center	ARF, Prader Willi SRF, CCH, EBSH, ARFPSHN, GHCSHN	Lucy Esquivel lesquivel@cvrc.org

Regional Center of Orange County	EBSH, CCH	Theresa Ta tta@rcocdd.com	
San Diego Regional Center	EBSH, CCH, GHCSHN	Erik Peterson erik.peterson@sdr.org	
San Gabriel Pomona Regional Center	EBSH	Lisa Cipres lcipres@sgprc.org	
Westside Regional Center	ARFPSHN	Monica Jauregui MonicaJ@westsiderc.org	
Harbor Regional Center	EBSH, ARFPSHN	Stacy L. Schafer Stacy.Schafer@harborrc.org	
<u>List any projects currently in development</u>			
Reg. Center	Indicate whether project is currently in the acquisition or renovation		Anticipated Provider Lease Date
	Please see Brilliant Corners Development Roster Attached		

Application submitted by: DocuSigned by:


12/7/2023

Signature (person must be authorized to bind organization)

Date

Attachment – B

DEVELOPMENT QUESTIONNAIRE

The response to each question is not to exceed 1-page

Name of Applicant/Organization: **Brilliant Corners**

1. Background and Experience: Provide a brief history of your Housing Development Organization and your experience in working with Regional Centers and with the Department of Developmental Services and their Housing Guidelines.

Brilliant Corners has been developing housing for persons with intellectual/developmental disabilities since 2005, when it was established as West Bay Housing Corporation. With currently over 240 properties completed of service-enriched, community-based housing reserved for persons with developmental disabilities. Brilliant Corners has developed Multifamily Supportive Housing, Shared Living Homes, Adult Residential Facilities, Residential Facilities for Elderly, Adult Residential Facilities for Persons with Special Healthcare Needs, Community Crisis Homes, and Enhanced Behavioral Support Homes. Brilliant Corners' homes provide community-based housing for persons who have transitioned from Agnews, Sonoma, Lanterman, Fairview, Porterville, and Sierra Vista Developmental Centers, as well as several privately-owner facilities. Brilliant Corners' homes serve individuals with a range of special needs, including sensory impairment, medical fragility, severe physical disability, mental health diagnosis, forensic involvement, PICA, severe or complex behaviors, autism, cerebral palsy, and intellectual disabilities. Brilliant Corners' properties are developed in partnership with 19 Regional Centers, numerous public health and housing agencies, and over two dozen service providers. Brilliant Corners has substantial working relationships with multiple general contractors, architects, structural engineers, real estate professionals, affordable housing attorneys, affordable housing auditors, financial consultants, and other professionals whose expertise helps make CPP and similar housing developments a success. In addition to developing and managing properties, Brilliant Corners provides one-on-one housing services to persons with developmental disabilities and their families. Brilliant Corners also develops, owns, and manages supportive housing for other special needs populations, including persons transitioning from homelessness or institutionalizations.

2. Development Experience: Briefly summarize your expertise for developing new programs. Highlight similarities between current or previous homes developed, your plans to address the service needs for this RFP and an estimated timeline for completion of the renovations once escrow has closed.

Brilliant Corners has demonstrated success designing, developing, and implementing new programs with our agency partners throughout the state. Brilliant Corners has successfully developed the first Enhanced Behavioral Supports Home in the State, the first Enhanced Behavioral Supports Clean Home for Individuals with Severe PICA in the State, the first Crisis Home in the State with a commercial fire sprinkler system, and various other home types/models over our years of experience working with the I/DD Housing Development community. Our team highly values input from our Regional Center and Service Provider partner agencies throughout the development process to develop homes that best meet the unique needs of the individuals targeted for each home. When working with the selected service provider it is our hope and experience from past projects that the service provider plays an integral part in the development of the home. During property selection, the service provider and regional center input is crucial in helping to determine what property, environment and neighborhood will work best for the future residents of the home. During the design phase, the provider assists with items such as: "line of sight" to residents, licensing standards, resident and staff safety, means of egress, floor plan layouts and design, etc. Finally, during the construction phase, the provider leads in designing the finishes of the home from bathroom tile and flooring to wall and kitchen cabinet paint colors. After construction is completed and the home is turned over to the provider, we want the transition/licensing period and the ongoing operation of the home to be a success for the residents and staff associated with this home. We have found that team collaboration with the Regional Center, our Housing Development Team and the Service Provider is why we are able to create and operate successful environments for residents to live in. If Brilliant Corners is selected to develop this home, Brilliant Corners will work diligently with FDLRC and the selected service provider to identify potential sites. Following an accepted offer, Brilliant Corners will open escrow, which typically lasts between 45-60 days. Typically, Brilliant Corners will submit plans to the City/County for plan review and permitting once all contingencies has been removed during escrow. Plan review is approximately 60-90 days. Following Plan Approval, construction is typically completed in 90 days with fire clearance for licensing to follow. For a more detailed timeline, please see attached Project Timeline.

3. Staff Qualifications: Do you, your staff and/or your organization currently possess the credentials, skills, training and/or years of experience noted in the Project Requirements Section as: 1) required for this RFP and/or 2) preferred for this RFP? (Briefly explain)

Brilliant Corners employs over 120 full-time personnel in its Housing Development, Property Management, Housing Services, Case Management, and Administrative departments. Brilliant Corners' Los Angeles Office consists of one Director of Multifamily Housing Development, One Associate Director of Supportive Housing Development, three full-time Project Managers, one full-time Project Coordinator, and five full-time property managers and technicians. Brilliant Corners has the capacity to assign existing leadership and Project Management staff to LA projects or to hire additional personnel as needed.

Juan Lopez joined Brilliant Corners in January of 2016 as a Development Project Manager for the Southern California Region. Since then, Mr. Lopez has successfully acquired and redeveloped over nineteen (19) Community Placement Plan (CPP) homes for the purpose of providing housing for individuals with special needs transitioning out of developmental centers. His housing experience includes developing ARF's, ARFPSHN's, SRF's, EBSH's, and Community Crisis Homes. In July of 2019, Mr. Lopez transitioned into the role of Senior Project Manager and immediately took on several more challenging projects. In February of 2020, Mr. Lopez step in as the Regional Manager for the Southern California Region. Currently, Mr. Lopez is the Associate Director of Housing Development and supervises the housing development activities Statewide. Other experience includes helping Brilliant Corners secure fifty-three (53) Project Based Vouchers and over \$14 Million in funding for Multifamily Development. Mr. Lopez also brings more than ten years of construction and finish carpentry experience. Mr. Lopez holds a M.S in Urban Planning and a B.A. in Policy, Planning, & Development from the University of Southern California.

Graciela Flores joined Brilliant Corners in February 2017 as part of the Flexible Housing Subsidy Pool Program providing housing services for homeless individuals. Currently, Graciela is a Project Manager for the CPP Housing Development team after serving as a Project Coordinator for both the CPP and Multifamily Housing Development teams. Her housing experience includes developing SRF's, ARFPSHN's, EBSH's, and Community Crisis Homes. Graciela has ample experience with the CPP model and holds professional relationships with regional centers throughout Southern California. Before joining Brilliant Corners, Graciela provided administrative support for a local planning and engineering firm for eight years. Graciela is a native of Los Angeles and is passionate about housing equity and affordability for all. She holds a Bachelor of Science Degree in Public Health from California State University, Los Angeles.

4. LRC Catchment Area: Describe your familiarity with the Lanterman catchment area. Is there one jurisdiction that is easier/better to work with than another when considering siting of the home? Please explain.

To date, Brilliant Corners has acquired and developed 6 homes in the Lanterman Catchment area. In these past years, our team has found Pasadena and some neighborhoods in Los Angeles as favorable areas within the FDLRC catchment area for development due to the larger lot sizes and the quality, availability, and pricing of the housing stock. The City of Los Angeles and the City of Pasadena both allow for a more streamlined plan check and permitting process.

The Brilliant Corners team also has both professional and personal knowledge of the FDLRC catchment area. Aside from working in proximity to the FDLRC catchment, a large portion of our development team has lived or currently lives in or around the FDLRC catchment area. This provides our development team with the appropriate context during site search and gives our team unique insight into neighborhood resources, potential for NIMBY, and any potential difficulties that may arise during development.

5. Typical Renovations: Describe the typical renovations you have made to single-family homes for persons with intellectual/developmental disabilities to ensure the home meets their current and future needs.

For renovation, Brilliant Corners will always prioritize Life/Safety first. Our development will analyze a potential home for any hazards in or around the site (i.e. Pools on-site or next door, busy streets, harmful plants, accessibility issues, fire safety, etc...). Next, our team addresses functionality, structural concerns, financial feasibility, and creating a home-like environment for potential residents. Oftentimes these aspects are competing with one another and Brilliant Corners will typically draw from our previous development experience and the expertise of our Regional Center/Service Provider partners. Typical renovations include but are not limited to: widening hallways/doorways for accessibility, renovating bathrooms for accessibility/aging in place, hardening/softening wall treatments, installing new fencing, installing new tempered windows, installing residential fire sprinklers, installing ramping/new walkways, installing new HVAC, etc.

6. Financial Resources: What financial resources do you bring to the project (e.g., line of credit, cash or fluid capital reserves, etc.)?

Brilliant Corners has demonstrated financial capacity to professionally develop, own and manage high-quality community-based housing for people with disabilities. Brilliant Corners financial capacity is unrivalled among housing nonprofits in the DDS system, with \$86M in current assets, roughly \$372M in total assets (including A Home for Life LLC, Octavia Court, Inc., Avalon 1355 Partners, LP and Brilliant Corners LA Supportive Housing LLC), consistent positive annual cash flow.

Brilliant Corners has not only multiple lines of credit through lenders in the Southern California region but also has built longstanding relationships with these lenders including JP Morgan Chase/First Republic Bank, Clearinghouse CDFI, and Pacific Premier Bank to continue to utilize access of mortgage loans for our CPP homes throughout the region.

Attachment – C
PROFESSIONAL RESUMES AND REFERENCES

Name of Applicant/Organization: Brilliant Corners

Submit a professional resume for all staff and consultants identified or referenced in application, including individual(s) who will be administrator, if known.

<u>List all staff and/or consultants for whom a resume is attached</u>	
Name	Job Title/Type of Consultant
William F. Pickel	Chief Operating Officer
Serena Fields	Director of Housing Development & Management
Juan Lopez	Associate Director of Supportive Housing Development
Cesar Lopez	Senior Project Manager
Graciela Flores	Project Manager
Benilda Glen	Project Manager
Karla Escobar	Project Coordinator
Jonathan Hull	Regional Property Manager
Alfonzo Watson	Senior Property Manager
Jackelene Sanchez	Property Manager
Carlos Lainez	Regional Facilities Manager
Hector Chitay	Maintenance Technician
Rafael E. Quintanila	Maintenance Technician
Hector Sierra	Maintenance Technician

List three references, including job title and agency affiliation, who can be contacted regarding applicant's qualifications, experience and ability to implement this proposal. References must be professional in nature. References from members of the applicant's governing board and/or applicant's family members are excluded from consideration.

Name: Jack Stanton Phone: (714)796-5100

Job Title: Associate Director of Housing

Agency Affiliation: Regional Center of Orange County

Phone:

Name: Erik Peterson

(858)576-2872

Job Title: Resource Development Manager

Agency Affiliation: San Diego Regional Center

Name: Lucy Esquivel

Phone: (559)276-4341

Job Title: Resource Developer

Agency Affiliation: Central Valley Regional Center



Financial Standing

Documents on following pages. Fiscal Year 2022-2023 currently in the process of being audited, once they are made available, they will be submitted to the Regional Center for review.

**BRILLIANT CORNERS
AND AFFILIATES**

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

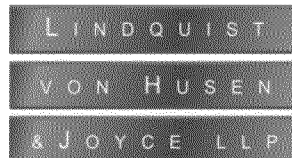
YEAR ENDED JUNE 30, 2021

BRILLIANT CORNERS AND AFFILIATES
COMBINED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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* * * *



Board of Directors
Brilliant Corners and Affiliates
San Francisco, California

S. SCOTT SEAMANDS
ALEXIS H. WONG
CHARLOTTE SIEW-KUN TAY
CATHY L. HWANG
RITA B. DELA CRUZ
STANLEY WOO
SCOTT K. SMITH

CRISANTO S. FRANCISCO
JOE F. HUIE

INDEPENDENT AUDITOR'S REPORT

Report on the Combined Financial Statements

We have audited the accompanying combined financial statements of Brilliant Corners, a California nonprofit public benefit corporation, and Affiliates, which comprise the combined statement of financial position as of June 30, 2021, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Brilliant Corners and Affiliates as of June 30, 2021, and the changes in their net assets and their cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic combined financial statements taken as a whole. The accompanying supplementary information on pages 20 through 24, and the supplementary information required by San Francisco Mayor's Office of Housing and Community Development on pages 26 through 30, are presented for purposes of additional analysis and are not a required part of the basic combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the combined financial statements as a whole.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2022 on our consideration of Brilliant Corners and Affiliates' internal control over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Brilliant Corners and Affiliates' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Brilliant Corners and Affiliates' internal control over financial reporting and compliance.

Sindquist, von Huesen and Joyce LLP

February 15, 2022

BRILLIANT CORNERS AND AFFILIATES
COMBINED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021

ASSETS

Current assets:	
Cash and cash equivalents	\$ 35,329,301
Receivables:	
Housing services and housing development contracts, net	34,637,045
Grants and contributions – foundations and other	1,814,712
Rent	1,350,848
Related-party	140,717
Other	2,146,793
Note receivable – current portion (Note 4)	30,000
Prepaid expenses	10,514,640
Total current assets	<u>85,964,056</u>
Restricted cash (Note 3)	5,910,453
Note receivable – net of current portion (Note 4)	210,000
Property and equipment – net (Note 5)	254,619,297
Other assets	<u>294,352</u>
Total assets	<u><u>\$ 346,998,158</u></u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable and accrued expenses	\$ 18,835,330
Program advances	34,065,612
Interest payable – current portion (Note 7)	394,069
Real estate debt – current portion (Note 7)	4,255,250
Total current liabilities	<u>57,550,261</u>
Tenant security deposits	1,141,598
Interest payable – net of current portion (Note 7)	2,158,333
Real estate debt – net of current portion (Note 7)	112,952,446
Notes payable (Note 8)	<u>4,814,900</u>
Total liabilities	<u>178,617,538</u>
Net assets:	
Without donor restrictions:	
Undesignated	155,738,882
Board-designated (Note 9)	284,592
Total without donor restrictions	<u>156,023,474</u>
With donor restrictions (Note 9)	<u>12,357,146</u>
Total net assets	<u>168,380,620</u>
Total liabilities and net assets	<u><u>\$ 346,998,158</u></u>

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

BRILLIANT CORNERS AND AFFILIATES
COMBINED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
Support and revenue:			
Housing services and housing development:			
Grants and contributions	\$ 356,230,474	\$ -	\$ 356,230,474
Other housing services and housing development income	602,304	-	602,304
	<u>356,832,778</u>	<u>-</u>	<u>356,832,778</u>
Rental and property management income (Note 10)	20,806,200	-	20,806,200
Grants and contributions – foundations and other	10,122,975	9,195,559	19,318,534
Project acquisition and renovation management	16,386,925	-	16,386,925
Other	2,038,851	-	2,038,851
Net assets released from restrictions (Note 9)	3,564,209	(3,564,209)	-
Total income	<u>409,751,938</u>	<u>5,631,350</u>	<u>415,383,288</u>
Expenses:			
Program services	374,066,582	-	374,066,582
General and administrative	6,252,362	-	6,252,362
Business development	961,392	-	961,392
Total expenses	<u>381,280,336</u>	<u>-</u>	<u>381,280,336</u>
Change in net assets before other revenue (expenses)	<u>28,471,602</u>	<u>5,631,350</u>	<u>34,102,952</u>
Other revenue (expenses):			
Deferred interest expense (Note 7)	(277,500)	-	(277,500)
Loss of property due to fire, net (Note 5)	(1,244,529)	-	(1,244,529)
Depreciation (Note 5)	(5,136,707)	-	(5,136,707)
Total other revenue (expenses)	<u>(6,658,736)</u>	<u>-</u>	<u>(6,658,736)</u>
Change in net assets	21,812,866	5,631,350	27,444,216
Net assets, beginning of year, as restated (Note 16)	<u>134,210,608</u>	<u>6,725,796</u>	<u>140,936,404</u>
Net assets, end of year	<u>\$ 156,023,474</u>	<u>\$ 12,357,146</u>	<u>\$ 168,380,620</u>

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

BRILLIANT CORNERS AND AFFILIATES
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021

	<i>Program Services</i>	<i>General and Administrative</i>	<i>Business Development</i>	<i>Total</i>
Client rents and subsidy payments	\$ 249,621,409	\$ -	\$ -	\$ 249,621,409
Client furniture and move-in costs	73,289,865	-	-	73,289,865
Salaries and wages	18,246,234	4,132,154	494,239	22,872,627
Outside and consulting services	13,133,320	506,823	304,030	13,944,173
Interest (Notes 7 and 8)	5,437,110	-	25,611	5,462,721
Payroll taxes and benefits (Note 12)	4,361,217	553,071	74,341	4,988,629
Maintenance	3,471,226	295,677	11,598	3,778,501
Rent (Note 11)	1,492,210	415,345	19,237	1,926,792
Bad debt	904,799	-	-	904,799
Travel and training	952,731	127,624	10,407	1,090,762
Property taxes and licenses	791,127	-	-	791,127
Telephone	275,375	48,189	3,572	327,136
Office expenses	245,909	32,056	15,551	293,516
Insurance	602,493	37,463	2,806	642,762
Utilities	318,079	-	-	318,079
Legal	238,554	14,122	-	252,676
Accounting and audit	19,582	70,114	-	89,696
Other	665,342	19,724	-	685,066
Total expenses before other expenses	374,066,582	6,252,362	961,392	381,280,336
Deferred interest expense (Note 7)	277,500	-	-	277,500
Loss of property due to fire, net	1,244,529	-	-	1,244,529
Depreciation (Note 5)	4,976,348	160,359	-	5,136,707
Total	\$ 380,564,959	\$ 6,412,721	\$ 961,392	\$ 387,939,072

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

BRILLIANT CORNERS AND AFFILIATES
COMBINED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021

Cash flows from operating activities:	
Change in net assets	\$ 27,444,216
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	5,136,707
Loss of property due to fire, net	1,244,529
Interest – amortization of debt issuance costs	152,342
(Increase) decrease in assets:	
Receivables:	
Housing services and housing development contracts	8,960,437
Grants and contributions – foundations and other	(339,712)
Rent	(598,296)
Related-party	(91,833)
Property taxes	118,373
Other	(1,057,192)
Prepaid expenses	(1,412,313)
Other assets	35,981
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	(4,727,706)
Program advances	(8,622,225)
Interest payable	276,018
Tenant security deposits liability	161,674
Net cash provided by operating activities	<u>26,681,000</u>
Cash flows from investing activities:	
Decrease in short-term investments	1,001,907
Decrease in notes receivable	30,000
Purchase of property and equipment	<u>(27,550,152)</u>
Net cash used in investing activities	<u>(26,518,245)</u>
Cash flows from financing activities:	
Payment of debt issuance costs	(297,485)
Proceeds from real estate debt	12,638,325
Payments of real estate debt	<u>(3,499,871)</u>
Net cash provided by financing activities	<u>8,840,969</u>
Net increase in cash, cash equivalents, and restricted cash	9,003,724
Cash, cash equivalents, and restricted cash, beginning of year	<u>32,236,030</u>
Cash, cash equivalents, and restricted cash, end of year	<u><u>\$ 41,239,754</u></u>

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

BRILLIANT CORNERS AND AFFILIATES
COMBINED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021

Supplementary information:

Cash paid for interest – net of capitalized portion	<u>\$ 5,705,930</u>
Cash and cash equivalents	\$ 35,329,301
Restricted cash	<u>5,910,453</u>
Total cash, cash equivalents and restricted cash shown in the combined statement of cash flows	<u>\$ 41,239,754</u>

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

BRILLIANT CORNERS AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Brilliant Corners (BC), a nonprofit public benefit corporation, was formed in 2004. BC's primary purpose is to increase affordable supportive housing opportunities for vulnerable populations, with emphases on people with developmental disabilities and people transitioning from homelessness and institutional settings. BC fulfills this purpose by developing and managing both licensed and unlicensed affordable supportive housing, by implementing scattered-site supportive housing programs, and by providing an array of housing-related services, including clinical case management.

On April 6, 2006, BC formed a wholly owned limited liability company, A Home for Life, LLC (AHFL), to own, operate, lease, manage and maintain thirteen single- family residences to be used as dwellings for people with disabilities. AHFL, through its agreement with various organizations (known as the Bay Area Housing Plan), received renovated property, along with the assumption of the debt associated with such property, to facilitate this purpose.

In February 2013, BC formed a wholly owned limited liability company, WBHC LA Supportive Housing, LLC (LASH), to own and operate fifteen residential properties in the Los Angeles area to be used as dwellings for 56 households transitioning from homelessness.

In August 2019, BC formed Shine BC-LA, a nonprofit corporation, to operate and implement Brilliant Corners' Flexible Housing Subsidy Pool (FHSP) program in Southern California.

Two significant programs have expanded in recent years. BC's partnership with the Los Angeles County Department of Health Services (LA DHS) to administer the FHSP has helped house over 9,747 people and is anticipated to serve over 10,000 people over the next several years. BC and Affiliates are working with the California Department of Developmental Services (DDS) and the majority of the state's 21 nonprofit Regional Centers to create community-based housing for individuals who remain in the state- run institutional settings which closed in 2021. BC is acquiring and converting single-family homes to specialized residential facilities deed-restricted for people with disabilities.

The BC's primary sources of project acquisition, renovation management, and housing services revenue are from contracts with its funding agencies, principally: Regional Centers throughout the state, each of which receives pass-through funds from the California Department of Developmental Services; public health agencies such as the San Francisco County Department of Public Health and Los Angeles County Departments of Health Services, and the Veterans Administration. Revenue from such agencies accounted for more than 88% of the total revenue for the year-ended June 30, 2021.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Combination

The combined financial statements include the accounts of BC, its wholly owned limited liability companies, and Shine BC-LA (collectively, BC and Affiliates). All material intercompany balances and transactions have been eliminated in the combined financial statements.

Accounting Method

BC and Affiliates use the accrual method of accounting, which recognizes income in the period earned and expenses when incurred, regardless of the timing of payments.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles of the United State of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

BRILLIANT CORNERS AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

Basis of Presentation

BC and Affiliates report information regarding their financial position and activities according to two classes of net assets, as applicable: net assets without donor restrictions and net assets with donor restrictions.

- Net assets without donor restrictions include those assets over which the Board of Directors has discretionary control in carrying out the operations of BC and Affiliates.
- Net assets with donor restrictions include those assets subject to donor restrictions and for which the applicable restrictions were not met as of the end of the current reporting period. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. When a donor restriction expires – that is, when a stipulated time restrictions ends or purpose restriction is accomplished – net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statement of activities as *net assets released from restrictions*. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates the resources be maintained in perpetuity. BC and Affiliates have no net assets with non-expiring donor restrictions as of June 30, 2021.

Revenue Recognition

Grants and Contributions

Contributions and grants, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional; that is when the conditions on which they depend are substantially met. Contributions in which the use is limited by the donor are reported as increases in net assets with donor restrictions. Contributions that are restricted by the donor or are conditional are reported as increases in net assets without donor restriction if the restrictions or conditions are satisfied in the fiscal year in which the contributions are recognized. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restrictions are accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statement of activities as net assets released from restrictions. Contributions of assets other than cash are recorded at their estimated fair value at the date of contribution.

Contributed services are stated at their estimated fair value, if they are ordinarily purchased and are of a specialized nature, or if they enhance a non-financial asset.

BC and Affiliates receive certain contributions on a reimbursement basis. Such contributions are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when BC and Affiliates have incurred expenditures in compliance with specific donor provisions. An amount of \$453,700,000 of contributions has not been recognized as of June 30, 2021, and will be recognized when BC and Affiliates incur expenditures in compliance with the donor provisions. Amounts received prior to incurring qualifying expenditures, if any, are reported as program advances in the combined statement of financial position.

Housing Services

BC and Affiliates provide various housing services to government agencies and managed care plans. These services include being a fiscal agent, overseeing the timely payment of tenant rents and assisting in identifying qualified housing. Billing to the government agencies occurs at the end of each month for services rendered in that particular month. Payment of rent on behalf of eligible tenants has been treated as a program cost; payment of rents along with payment for other services by government agencies has been included in revenue and support.

BRILLIANT CORNERS AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

Funds received in advance for property acquisition or rehabilitation and housing services are included in program advances in the combined statement of financial position until the conditions upon which they depend are substantially met.

Rental Property Income

Rental income from leased properties, along with other related fees, are recognized as income in the month the rent is earned. BC and Affiliates enter into long-term rental agreements (generally either one-year leases or fifteen-year leases). Rent is generally due on the first of each month. Rental payments received in advance are deferred until earned. All leases between BC and Affiliates and tenants of the property are considered operating leases. Rental income for owned property is shown at its maximum gross potential. Vacancy loss is shown as a reduction in rental income. BC and Affiliates' policy is to charge a late fee should a tenant not pay rent within 5 days of the due date.

Revenue from resident fees, rents and services is recognized in the period rendered.

Project Acquisition and Renovation Management

BC and Affiliates receive funding from Regional Centers to assist in the acquisition and rehabilitation of properties to make them suitable for tenant needs. The support is earned during the period in which the acquisition and rehabilitation costs are incurred.

Cash, Cash Equivalents, and Restricted Cash

Cash is defined as demand deposit accounts, as well as cash on hand. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash. Generally, money market accounts and investments with original maturities of three months or less qualify as cash equivalents. Restricted cash are funds restricted as to their use, such as replacement reserves, debt service reserve, operating reserves, and tenant security deposits. BC and Affiliates maintains cash on deposit at banks in excess of the Federal Deposit Insurance Corporation limit. The uninsured cash balance, including restricted cash, was approximately \$36,806,000 as of June 30, 2021. BC and Affiliates have not experienced any losses in such accounts.

Receivables

BC and Affiliates evaluate the need to write off a receivable based on its review of the aging of the receivables and historical collection experience. An allowance for doubtful accounts reflects management's best estimate of probable losses inherent in the receivables balance. Receivables are written off when deemed uncollectible. The allowance for doubtful accounts was \$1,258,055 as of June 30, 2021.

Property and Equipment

Property and equipment are stated at cost as of the date of acquisition, or fair market value as of the date of donation. Assets with a cost greater than \$5,000 are capitalized. The cost of maintenance and repairs for the properties are charged to expense when incurred. Depreciation is computed using the straight-line method over the estimated economic lives of the assets.

The economic lives of the assets are estimated as follows:

Buildings and improvements	20 to 40 years
Furniture and equipment	3 to 10 years
Vehicles	5 years

BRILLIANT CORNERS AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

In accordance with generally accepted accounting of the United States of America, BC and Affiliates review their property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the property to the future net undiscounted cash flows expected to be generated by the property, including any estimated proceeds from the eventual disposition of the property. If the property is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the property exceeds the fair value of such property. There was no impairment loss recognized in 2021.

Construction in Progress

BC and Affiliates incur costs during a major repair of the Project. Such costs include construction costs, as well as governmental fees, legal and consulting fees, if any. BC and Affiliates record these costs as assets (construction in progress). Major repair costs are considered to be construction in progress until they are placed in service. Construction in progress is not depreciated until the completion of the development.

Debt Issuance Costs

Costs incurred in order to obtain acquisition and permanent financing are stated at cost and amortized on a straight-line basis into interest expense over the terms of the respective loans. Debt issuance costs are reported as a direct deduction from the face of the related debt.

Income Taxes

BC and Shine BC-LA are tax-exempt pursuant to the Internal Revenue Code Section 501(c)(3) and related California code sections. Accordingly, BC and Shine BC-LA are generally exempt from federal or state income taxes.

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

BC and Affiliates believe that they have appropriate support for any tax positions taken, and, as such, do not have any uncertain tax positions that are material to the combined financial statements. BC and Affiliates' informational returns and limited liability companies' income tax returns for the fiscal years ended 2017 through 2020 are subject to examination by the Internal Revenue Service and the California Franchise Tax Board, generally for three years and four years, respectively, after they are filed.

Functional Expenses Allocation

Costs of providing the various programs and other activities have been summarized on a functional basis in the combined statement of functional expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services based on management's analysis of time and effort spent on the programs and supportive services. Accordingly, certain costs, including payroll, payroll taxes and benefits, rent, insurance, and telephone, have been allocated among the programs, general and administrative support, and business development expenses.

Subsequent Events

Management has evaluated subsequent events through February 15, 2022, the date on which the combined financial statements were available to be issued.

BRILLIANT CORNERS AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 3 – RESTRICTED CASH

Restricted cash consists of the following as of June 30, 2021:

Replacement reserves	\$ 2,904,017
Debt service reserve	1,826,958
Tenant security deposits	1,088,439
Operating reserves	<u>91,039</u>
Total	<u><u>\$ 5,910,453</u></u>

Replacement Reserves and Operating Reserves

In accordance with long-term debt agreements, DDS's housing guidelines, and Regional Center contracts, BC and Affiliates have established replacement reserve and operating reserve accounts. Withdrawals from the reserves require prior written approval from the respective lender.

Debt Service Reserve

The debt service reserve was funded from the bond refinance proceeds described in Note 8. This reserve is held by the bond fiduciary and is available to cover debt service on bonds should a default occur. BC and Affiliates have irrevocably authorized Golden Gate Regional Center to instruct the bond fiduciary on the disposition of the reserve.

Tenant Security Deposits

BC and Affiliates are required to hold security deposits in separate bank accounts in the name of the properties.

NOTE 4 – NOTE RECEIVABLE

In 2019, BC provided funds to Florence Towne, LLC totaling \$300,000 for certain costs in connection with the development of a property as affordable housing. The loan bears no interest and requires annual payments in the amount of \$30,000 until maturity in 2029. The balance of the note receivable was \$240,000 as of June 30, 2021.

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30, 2021:

Land	\$ 88,857,222
Building and improvements	179,916,781
Furniture and equipment	1,191,485
Vehicles	<u>308,612</u>
	270,274,100
Less: accumulated depreciation	<u>(24,952,457)</u>
	245,321,643
Construction in progress	<u>9,297,654</u>
Total property and equipment	<u><u>\$ 254,619,297</u></u>

BRILLIANT CORNERS AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

Generally, the rental properties leased to provide housing for developmentally disabled individuals are subject to restrictive covenants which limit the use of the property exclusively for the benefit of individuals with developmental disabilities. Depreciation expense was \$5,136,707 in 2021.

During 2021, fire occurred in three residential properties of BC resulting in a net loss of property equal to \$1,244,529. BC carries general liability insurance to protect against such loss. In accordance with accounting principles generally accepted in the United States of America, such loss is presented as a loss from continuing operations in the combined statement of activities.

NOTE 6 – LINE OF CREDIT

BC entered into a \$1,000,000 line of credit with a commercial bank, which matures on February 5, 2022. The line of credit bears variable interest. There was no outstanding balance as of June 30, 2021. No interest was incurred in 2021.

NOTE 7 – REAL ESTATE DEBT

Real estate debt by entity consists of the following as of June 30, 2021:

	<i>Interest Payable</i>	<i>Principal</i>
Brilliant Corners	\$ 394,069	\$ 107,480,446
A Home for Life, LLC	-	6,536,444
WBHC LA Supportive Housing, LLC	2,158,333	5,550,000
Total	2,552,402	119,566,890
Less:		
Unamortized debt issuance costs ⁽¹⁾	-	(2,359,194)
Current portion	(394,069)	(4,255,250)
Long-term portion	<u>\$ 2,158,333</u>	<u>\$ 112,952,446</u>

- ⁽¹⁾ Costs incurred to obtain construction and permanent financing were \$3,473,210 as June 30, 2021 and are amortized on a straight-line basis into interest expense over the terms of the respective loans. Interest expense for amortization of debt issuance costs was \$152,342 in 2021.

Brilliant Corners

BC acquires and renovates properties to provide affordable housing for persons with developmental disabilities. The properties are financed by conventional lenders. Terms of the agreements generally require monthly payments of principal and interest at rates ranging from 3% to 7.75%, to be repaid in full at various maturity dates through October 2051.

In 2021, interest expense was \$4,681,387, and capitalized interest was \$633,444.

BRILLIANT CORNERS AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

186 properties have profit participation agreements with DDS. Each agreement requires BC to pay DDS up to a maximum amount should a transfer of the property or BC's interest in the property occur. The profit participation agreements expire between October 2113 and June 2119, and the maximum amount that may be required to be paid to DDS ranges between approximately \$98,400 and \$850,000 per property, and in the aggregate totals approximately \$46,000,000.

A Home for Life, LLC

AHFL was established to serve as the fee owner of thirteen properties that were acquired and rehabilitated under the Bay Area Housing Plan (BAHP) to serve as residences for individuals with developmental disabilities. AHFL acquired properties and assumed certain related loans financed by California Housing Finance Agency (CalHFA).

During the year ended June 30, 2011, the CalHFA loans were refinanced with a loan from the California Health Facilities Financing Authority (CHFFA) using proceeds from a bond issuance. AHFL also assumed long term residency lease agreements with the service providers who staff each property to provide the necessary care for the residents of the property.

Bond financing requires monthly payments sufficient to retire bonds that mature at various dates and accrue interest at varying rates. Monthly payments of approximately \$149,000, including interest at an approximate effective rate of 8.48%, are required to satisfy this obligation, which matures incrementally through February 1, 2026. The individual properties are collateral for the debt.

Interest expense was \$603,381 in 2021.

WBHC LA Supportive Housing, LLC

LASH was established to acquire and manage fifteen properties in the Los Angeles area originally owned by another non-profit organization. In addition to managing the properties, BC provides supportive services to the tenants that occupy the properties under a contract with LA DHS.

To assist in the acquisition of the properties, a loan was obtained and is now held by the City of Los Angeles. The note bears 5% simple interest. Annual payments of principal and interest are required from residual receipts, as defined in the loan agreement, to be repaid in full in September 2068.

Interest expense was of \$277,500 in 2021.

Principal payments over the next five years, for the years ending June 30 are as follows:

	<i>Brilliant Corners</i>	<i>A Home for Life, LLC</i>	<i>WBHC LA Supportive Housing, LLC</i>	<i>Total</i>
2022	\$ 2,985,305	\$ 1,269,945	\$ -	\$ 4,255,250
2023	2,834,574	1,368,869	-	4,203,443
2024	2,974,926	1,476,450	-	4,451,376
2025	3,123,885	1,593,923	-	4,717,808
2026	3,278,022	827,257	-	4,105,279
Thereafter	92,283,734	-	5,550,000	97,833,734
Total	<u>\$107,480,446</u>	<u>\$ 6,536,444</u>	<u>\$ 5,550,000</u>	<u>\$ 119,566,890</u>

BRILLIANT CORNERS AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 8 – NOTES PAYABLE

Notes payable consist of the following as of June 30, 2021:

Paycheck Protection Program loan ⁽¹⁾	\$ 3,814,900
Working capital loan ⁽²⁾	<u>1,000,000</u>
Total	<u><u>\$ 4,814,900</u></u>

- ⁽¹⁾ Due to uncertainty of the current economic conditions, BC requested and received loan funds administered by CRF Small Business Loan Company, LLC, totaling \$3,814,900 from the Paycheck Protection Program (PPP), a program authorized under the CARES Act and the PPP Flexibility Act, to support ongoing operations and to retain workers and maintain payroll. Loan funds are fully guaranteed by the Small Business Administration and eligible for forgiveness if used on eligible costs for a covered period of 24-weeks, including the requirement to maintain staff and compensation levels. Any unforgiven funds are due by April 2022 or renegotiated to extend the maturity date to April 2025. The loan bears 1% simple interest per annum. Monthly payments of principal and interest are required, commencing in November 2021. BC applied for forgiveness of the loan and is expecting approval in 2022.
- ⁽²⁾ BC obtained a working capital loan in the amount of \$1,000,000 from the California Community Foundation. The loan bears interest at 2% compounding quarterly. Payments of interest only are required on a quarterly basis, commencing on July 1, 2020. The principal balance and any unpaid interest are due in April 2025. Interest expense was \$25,611 in 2021.

NOTE 9 – NET ASSETS

Net Assets without Donor Restrictions – Board-Designated Operating Reserve

The Board of Directors has designated \$284,592 of the net assets without donor restrictions as of June 30, 2021 as a board-designated operating reserve. The board-designated reserve is held in operating cash.

Net Assets with Donor Restrictions

Net assets with donor restrictions are for the following purposes:

	<i>June 30, 2020, As Restated</i>	<i>Contributions</i>	<i>Releases from Restrictions</i>	<i>June 30, 2021</i>
Los Angeles FHSP	\$ 5,985,805	\$ 5,670,559	\$ (3,237,962)	\$ 8,418,402
San Francisco FHSP	739,991	25,000	(300,264)	464,727
Capacity building	-	3,500,000	(25,983)	3,747,017
Total	<u>\$ 6,725,796</u>	<u>\$ 9,195,559</u>	<u>\$ (3,564,209)</u>	<u>\$ 12,357,146</u>

NOTE 10 – LEASING ACTIVITIES AS LESSOR (RENTAL PROPERTY INCOME)

BC and Affiliates own properties which are leased to entities who provide services to residents with developmental disabilities. BC and Affiliates are paid monthly fees based on the number of patients served by local Regional Centers.

BRILLIANT CORNERS AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

Brilliant Corners/WHBC LA Supportive Housing, LLC

In addition to owning and managing properties as affordable housing rented directly to low- income households, BC and LASH lease properties to service agencies that provide licensed residential care services to its residents. Most leases are for a lease term of fifteen years. The future revenue from the 181 properties whose construction is complete, and leases are executed is \$15,212,236 annually for the next five years. 13 properties out 181 properties have a term of one year and continue after the expiration of the lease on a month-to-month basis or are not currently occupied and consequently their annual income is not included in annual lease income for the successive five years.

There are 31 properties under construction as of June 30, 2021. It is anticipated each will execute 15-year leases.

Total gross lease income (before vacancy) for the year ended June 30, 2021 amounted to approximately \$17,448,651.

A Home for Life, LLC

Each of the thirteen properties under AHFL have executed leases which expire on February 1, 2026. The lease agreements call for monthly rent equal to the monthly required debt service and certain other expenses. BC also earns miscellaneous fees under the lease agreements. The lease revenue over the next five years from the AHFL property leases (exclusive of miscellaneous fees) is \$1,784,929 annually.

The executed leases indicate that at the end of the lease term, the rental income would be reduced to zero. Management believes an amendment will be made to provide rental income to AHFL sufficient to cover ongoing operating costs.

Total lease income (including miscellaneous fees of approximately \$150,000 each year) from the AHFL properties amounted to \$1,935,940 in 2021.

NOTE 11 – LEASE COMMITMENTS

BC leases its office premises in San Francisco under an agreement which expired on November 30, 2021 and was subsequently converted to a month-to-month lease. BC also leases office space in Los Angeles, Rancho Cucamonga, San Diego, and San Mateo under agreements which expire between May 2022 and November 2024. The total current monthly lease payment for all locations is approximately \$128,000. For the year-ended June 30, 2021, total rent expense was \$1,617,266 and is included in Rent in the accompanying combined statement of functional expenses.

Lease commitments related to office space for the next five years ending June 30 are as follows:

2022	\$ 1,350,524
2023	807,123
2024	571,133
2025	82,081
2026	-

BC and Affiliates also lease certain office equipment under non-cancelable operating leases which expire at various times until November 30, 2022. Annual obligations in connection with these leases are less than \$14,000 each year.

BRILLIANT CORNERS AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 12 – RETIREMENT PLAN

BC established a 403(b) Retirement Plan for its eligible employees effective January 1, 2011. BC contributes to the plan in an amount equal to 100% of the employee's contribution up to 5% of the employee's annual compensation. The total employer contribution for the year ended June 30, 2021 was \$824,685.

NOTE 13 – RELATED-PARTY

A board member of BC is also a partner of a law firm engaged by BC. During the years ended June 30, 2021, BC incurred approximately \$279,000 for legal services from this law firm.

NOTE 14 – LIQUIDITY AND AVAILABILITY

BC and Affiliates strive to maintain liquid financial assets sufficient to cover 90 days of general expenditures. BC and Affiliates' sources of liquidity include cash, including the board-designated operating reserve (see Note 10), the line of credit, and cash advances from contracts to meet its operating needs.

Financial assets available to meet general expenditures within one year of the combined statement of financial position date are as follows:

Cash	\$ 35,329,301
Receivables	40,090,115
Note receivable – current portion	<u>30,000</u>
	75,449,416
Less:	
Cash subject to expenditure for specific purpose	(10,722,146)
Receivables subject to expenditure for specific purpose	<u>(1,635,000)</u>
Net financial assets available to meet general expenditures	<u><u>\$ 63,092,270</u></u>

NOTE 15 – OTHER MATTER

COVID-19 Pandemic

The emergence and spread of the coronavirus (COVID-19) has affected businesses and economic activities in the U.S. and beyond. The extent of the impact of COVID-19 on BC and Affiliates' operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, the effects on individual and government contributors, residents, service providers, employees, and business partners, and changes in business practices, all of which are uncertain and cannot be determined at this time.

BRILLIANT CORNERS AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 16 – PRIOR PERIOD ADJUSTMENTS

Certain errors in previously issued financial statements were discovered and corrected in 2021 which resulted in an increase (decrease) in the balance of net assets without donor restrictions and net assets with donor restrictions.

	<i>Net Assets Without Donor Restrictions</i>	<i>Net Assets With Donor Restriction</i>	<i>Total</i>
Balance, June 30, 2020, as previously reported	\$ 131,760,197	\$ 10,328,596	\$ 142,088,793
Adjustment for understatement in recognition of revenue ⁽¹⁾	1,375,000	-	1,375,000
Adjustment of overstatement in recognition of revenue ⁽¹⁾	(2,557,389)	-	(2,557,389)
Adjustment of understatement of program advances ⁽²⁾	30,000	-	30,000
Adjustment of release of net assets ⁽³⁾	3,602,800	(3,602,800)	-
Total	<u>\$ 134,210,608</u>	<u>\$ 6,725,796</u>	<u>\$ 140,936,404</u>

- ⁽¹⁾ Contributions and grants were recognized on a cash-basis. In accordance with generally accepted accounting principles of the United State of America, such revenue is recognized: (a) during the period the promise is received, if unconditional; and (b) when the conditions upon which they depend are substantially met, if conditional. Accordingly, an adjustment was made during the current year to correct the misstatement of revenue, which impacted net assets.
- ⁽²⁾ Brilliant Corners received an amount of \$300,000 from LA DHS in a prior year. The funds were loaned to a third party, bearing no interest and requiring annual payments of \$30,000 until maturity in 2029 (see Note 5). During the year ended June 30, 2021, Brilliant Corners became aware that LA DHS had intended for Brilliant Corners to apply the annual payments from such related loan against future billings. Accordingly, an adjustment was made during the current year to correct the misstatement of revenue, which impacted net assets.
- ⁽³⁾ As of June 30, 2020, the releases of net assets with donor restrictions were understated for certain contributions with donor restrictions which have already expired when either the purpose restriction has been accomplished or the stipulated time restriction ended.

SUPPLEMENTARY INFORMATION: COMBINING SCHEDULES

BRILLIANT CORNERS AND AFFILIATES
COMBINING SCHEDULE OF FINANCIAL POSITION
JUNE 30, 2021

	<i>Brilliant Corners</i>	<i>A Home For Life, LLC</i>	<i>WBHC LA Supportive Housing, LLC</i>	<i>Subtotal</i>	<i>Eliminations</i>	<i>Total</i>
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 35,187,607	\$ 17,561	\$ 124,133	\$ 35,329,301	\$ -	\$ 35,329,301
Receivables:						
Housing services and						
housing development contracts, net	34,510,787	90,246	36,012	34,637,045	-	34,637,045
Grants and contributions – foundations and other	1,814,712	-	-	1,814,712	-	1,814,712
Rent	1,337,348	-	13,500	1,350,848	-	1,350,848
Related-party	295,627	-	-	295,627	(154,910)	140,717
Other	2,146,793	-	-	2,146,793	-	2,146,793
Note receivable – current portion	30,000	-	-	30,000	-	30,000
Prepaid expenses	10,507,597	7,043	-	10,514,640	-	10,514,640
Total current assets	85,830,471	114,850	173,645	86,118,966	(154,910)	85,964,056
Restricted cash	3,669,433	2,038,250	202,770	5,910,453	-	5,910,453
Note receivable – net of current portion	210,000	-	-	210,000	-	210,000
Property and equipment – net	234,747,642	14,777,953	5,093,702	254,619,297	-	254,619,297
Other assets	294,352	-	-	294,352	-	294,352
Total assets	\$ 324,751,898	\$ 16,931,053	\$ 5,470,117	\$ 347,153,068	\$ (154,910)	\$ 346,998,158

BRILLIANT CORNERS AND AFFILIATES
COMBINING SCHEDULE OF FINANCIAL POSITION

JUNE 30, 2021

	<i>Brilliant Corners</i>	<i>A Home For Life, LLC</i>	<i>WBHC LA Supportive Housing, LLC</i>	<i>Subtotal</i>	<i>Eliminations</i>	<i>Total</i>
LIABILITIES AND NET ASSETS						
Current liabilities:						
Accounts payable and accrued expenses	\$ 18,814,710	\$ 122,743	\$ 11,629	\$ 18,949,082	\$ (113,752)	\$ 18,835,330
Program advances	33,916,572	141,761	7,279	34,065,612	-	34,065,612
Related-party payable	-	-	41,158	41,158	(41,158)	-
Interest payable – current portion	394,069	-	-	394,069	-	394,069
Real estate debt – current portion	2,985,305	1,269,945	-	4,255,250	-	4,255,250
Total current liabilities	56,110,656	1,534,449	60,066	57,705,171	(154,910)	57,550,261
Tenant security deposits	1,137,841	-	3,757	1,141,598	-	1,141,598
Interest payable – net of current portion	-	-	2,158,333	2,158,333	-	2,158,333
Real estate debt – net of current portion	102,523,081	4,937,565	5,491,800	112,952,446	-	112,952,446
Notes payable	4,814,900	-	-	4,814,900	-	4,814,900
Total non-current liabilities	108,475,822	4,937,565	7,653,890	121,067,277	-	121,067,277
Total liabilities	164,586,478	6,472,014	7,713,956	178,772,448	(154,910)	178,617,538
Net assets (deficit):						
Without donor restrictions:						
Undesignated	147,523,682	10,459,039	(2,243,839)	155,738,882	-	155,738,882
Board-designated	284,592	-	-	284,592	-	284,592
Total without donor restrictions	147,808,274	10,459,039	(2,243,839)	156,023,474	-	156,023,474
With donor restrictions	12,357,146	-	-	12,357,146	-	12,357,146
Total net assets (deficit)	160,165,420	10,459,039	(2,243,839)	168,380,620	-	168,380,620
Total liabilities and net assets (deficit)	\$ 324,751,898	\$ 16,931,053	\$ 5,470,117	\$ 347,153,068	\$ (154,910)	\$ 346,998,158

BRILLIANT CORNERS AND AFFILIATES
COMBINING SCHEDULE OF ACTIVITIES

JUNE 30, 2021

	<i>Brilliant Corners</i>	<i>A Home For Life, LLC</i>	<i>WBHC LA Supportive Housing, LLC</i>	<i>Subtotal</i>	<i>Eliminations</i>	<i>Total</i>
Support and revenue:						
Housing services and housing development:						
Grants and contributions	\$ 355,892,189	\$ 173,544	\$ 164,741	\$ 356,230,474	\$ -	\$ 356,230,474
Other housing services and housing development income	609,570	-	-	609,570	(7,266)	602,304
	356,501,759	173,544	164,741	356,840,044	(7,266)	356,832,778
Rental and property management income						
Grants and contributions – foundations and other	18,526,280	1,935,940	494,770	20,956,990	(150,790)	20,806,200
Project acquisition and renovation management	19,318,534	-	-	19,318,534	-	19,318,534
Other	16,386,925	-	-	16,386,925	-	16,386,925
	1,883,070	155,721	60	2,038,851	-	2,038,851
Total support and revenue	412,616,568	2,265,205	659,571	415,541,344	(158,056)	415,383,288
Expenses:						
Program services	372,539,252	1,155,699	522,421	374,217,372	(150,790)	374,066,582
General and administrative	6,235,162	750	23,716	6,259,628	(7,266)	6,252,362
Business development	961,392	-	-	961,392	-	961,392
Total expenses	379,735,806	1,156,449	546,137	381,438,392	(158,056)	381,280,336
Change in net assets before other revenue (expenses)	32,880,762	1,108,756	113,434	34,102,952	-	34,102,952
Other revenue (expenses):						
Deferred interest expense	-	-	(277,500)	(277,500)	-	(277,500)
Loss of property due to fire, net	(1,244,529)	-	-	(1,244,529)	-	(1,244,529)
Depreciation	(4,845,863)	(227,043)	(63,801)	(5,136,707)	-	(5,136,707)
Total other revenue (expenses)	(6,090,392)	(227,043)	(341,301)	(6,658,736)	-	(6,658,736)
Change in net assets	26,790,370	881,713	(227,867)	27,444,216	-	27,444,216
Net assets (deficit), beginning of year, as restated	133,375,050	9,577,326	(2,015,972)	140,936,404	-	140,936,404
Net assets (deficit), end of year	\$ 160,165,420	\$ 10,459,039	\$ (2,243,839)	\$ 168,380,620	\$ -	\$ 168,380,620

BRILLIANT CORNERS AND AFFILIATES
COMBINING SCHEDULE OF CASH FLOWS

JUNE 30, 2021

	<i>Brilliant Corners</i>	<i>A Home For Life, LLC</i>	<i>WBHC LA Supportive Housing, LLC</i>	<i>Subtotal</i>	<i>Eliminations</i>	<i>Total</i>
Cash flows from operating activities:						
Change in net assets	\$ 26,790,370	\$ 881,713	\$ (227,867)	\$ 27,444,216	\$ -	\$ 27,444,216
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:						
Depreciation	4,845,863	227,043	63,801	5,136,707	-	5,136,707
Loss of property due to fire, net	1,244,529	-	-	1,244,529	-	1,244,529
Interest – amortization of debt issuance costs	79,979	71,121	1,242	152,342	-	152,342
(Increase) decrease in assets:						
Receivables:						
Housing services and housing development contracts	8,745,170	249,774	(34,507)	8,960,437	-	8,960,437
Grants and contributions – foundations and other	(339,712)	-	-	(339,712)	-	(339,712)
Rent	(596,293)	-	(2,003)	(598,296)	-	(598,296)
Related-party	323,380	-	-	323,380	(415,213)	(91,833)
Property taxes	118,373	-	-	118,373	-	118,373
Other	(1,057,192)	-	-	(1,057,192)	-	(1,057,192)
Prepaid expenses	(1,410,138)	(2,175)	-	(1,412,313)	-	(1,412,313)
Other assets	35,981	-	-	35,981	-	35,981
Increase (decrease) in liabilities:						
Accounts payable and accrued expenses	(4,716,925)	(305,836)	(161,316)	(5,184,077)	456,371	(4,727,706)
Program advances	(8,608,267)	(19,517)	5,559	(8,622,225)	-	(8,622,225)
Related-party payable	-	-	41,158	41,158	(41,158)	-
Interest payable	(1,482)	-	277,500	276,018	-	276,018
Tenant security deposits liability	161,674	-	-	161,674	-	161,674
Net cash provided by (used in) operating activities	25,615,310	1,102,123	(36,433)	26,681,000	-	26,681,000

BRILLIANT CORNERS AND AFFILIATES
COMBINING SCHEDULE OF CASH FLOWS

JUNE 30, 2021

	<i>Brilliant Corners</i>	<i>A Home For Life, LLC</i>	<i>WBHC LA Supportive Housing, LLC</i>	<i>Subtotal</i>	<i>Eliminations</i>	<i>Total</i>
Cash flows from investing activities:						
Decrease in short-term investments	1,001,907	-	-	1,001,907	-	1,001,907
Decrease in notes receivable	30,000	-	-	30,000	-	30,000
Purchase of property and equipment	(27,505,763)	(44,389)	-	(27,550,152)	-	(27,550,152)
Net cash used in investing activities	(26,473,856)	(44,389)	-	(26,518,245)	-	(26,518,245)
Cash flows from financing activities:						
Payment of debt issuance costs	(297,485)	-	-	(297,485)	-	(297,485)
Proceeds from real estate debt	12,638,325	-	-	12,638,325	-	12,638,325
Payments of real estate debt	(2,318,960)	(1,180,911)	-	(3,499,871)	-	(3,499,871)
Net cash provided by (used in) financing activities	10,021,880	(1,180,911)	-	8,840,969	-	8,840,969
Net increase (decrease) in cash, cash equivalents, and restricted cash	9,163,334	(123,177)	(36,433)	9,003,724	-	9,003,724
Cash, cash equivalents, and restricted cash, beginning of year	29,693,706	2,178,988	363,336	32,236,030	-	32,236,030
Cash, cash equivalents and restricted cash, end of year	\$ 38,857,040	\$ 2,055,811	\$ 326,903	\$ 41,239,754	\$ -	\$ 41,239,754
Supplementary information:						
Cash paid for interest – net of capitalized portion	\$ 5,102,549	\$ 603,381	\$ -	\$ 5,705,930	\$ -	\$ 5,705,930
Cash and cash equivalents	\$ 35,187,607	\$ 17,561	\$ 124,133	\$ 35,329,301	\$ -	\$ 35,329,301
Restricted cash	3,669,433	2,038,250	202,770	5,910,453	-	5,910,453
Total cash, cash equivalents and restricted cash shown in the combining schedule of cash flows	\$ 38,857,040	\$ 2,055,811	\$ 326,903	\$ 41,239,754	\$ -	\$ 41,239,754

**SUPPLEMENTARY INFORMATION REQUIRED BY SAN FRANCISCO
MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT
(MOHCD)**

BRILLIANT CORNERS AND AFFILIATES
SUPPLEMENTARY INFORMATION REQUIRED BY MOHCD
SCHEDULE OF OPERATING REVENUES AND EXPENSES
YEAR ENDED JUNE 30, 2021

Project Street Address: 1340 Portola Drive, San Francisco, CA 94127

	Rental income:	
5120	Gross potential tenant rents	\$ 157,120
5121	Rental assistance payments (inc. LO SP)	-
5140	Commercial unit rents	-
	Total rental income	<u>157,120</u>
	Vacancies:	
5220	Apartments	-
5240	Stores and commercial	-
	Total vacancies	<u>-</u>
	Net rental revenue (rental income less vacancies)	<u>157,120</u>
	Other revenue:	
5170	Rent revenue – garage and parking	-
5190	Miscellaneous rent revenue	-
5300	Supportive services income	-
5400	Interest revenue – project operations (from operating account only)	-
5400	Interest revenue – project operations (from all other accounts)	-
5910	Laundry and vending revenue	-
5920	Tenant charges	-
5990	Miscellaneous revenue (see details)	-
	Total other revenue	<u>-</u>
	Total revenue	<u>157,120</u>

BRILLIANT CORNERS AND AFFILIATES
SUPPLEMENTARY INFORMATION REQUIRED BY MOHCD
SCHEDULE OF OPERATING REVENUES AND EXPENSES
YEAR ENDED JUNE 30, 2021

Project Street Address: 1340 Portola Drive, San Francisco, CA 94127

	Management expenses:	
6320	Management fee	-
	"Above the line" asset management fee	-
	Total management expenses	-
	Salaries/benefits:	
6310	Office salaries	10,522
6330	Manager's salary	-
6723	Employee benefits: health insurance and disability insurance	1,080
	Employee benefits: retirement and other salary/benefit expenses	418
6331	Administrative rent free unit	-
	Total salary/benefits expenses	12,020
	Administrative:	
6210	Advertising and marketing	-
6311	Office expenses	258
6312	Office rent	828
6340	Legal expense – property	119
6350	Audit expense	-
6351	Bookkeeping/accounting services	-
6370	Bad debts	26
6390	Miscellaneous administrative expenses	731
	Total administrative expenses	1,962
	Utilities:	
6450	Electricity	31
6451	Water	2,809
6452	Gas	-
6453	Sewer	3,216
	Total utilities expenses	6,056
	Taxes and licenses:	
6710	Real estate taxes	16,121
6711	Payroll taxes (project's share)	809
6790	Miscellaneous taxes, licenses, permits and insurance	5
	Total taxes and licenses expenses	16,935
	Insurance:	
6720	Property and liability insurance (hazard)	2,229
6721	Fidelity bond insurance	-
6722	Workers' compensation	-
6724	Director and officers liabilities insurance	-
	Total insurance expenses	2,229

BRILLIANT CORNERS AND AFFILIATES
SUPPLEMENTARY INFORMATION REQUIRED BY MOHCD
SCHEDULE OF OPERATING REVENUES AND EXPENSES
YEAR ENDED JUNE 30, 2021

Project Street Address: 1340 Portola Drive, San Francisco, CA 94127

	Maintenance and repairs:	
6510	Payroll	-
6515	Supplies	1
6520	Contracts	314
6525	Garbage and trash removal	723
6530	Security payroll/contracts	-
6546	HVAC repairs and maintenance	658
6570	Vehicle and maintenance equipment operation and repairs	1,772
6590	Miscellaneous operating and maintenance expenses (see details)	4,383
	Total maintenance and repairs expenses	<u>7,851</u>
6900	Supportive services	<u>-</u>
	Capital and non-capital expenditures to be reimbursed from replacement reserve	<u>-</u>
	Total operating expenses	<u>47,053</u>
	Financial expenses:	
6820	Interest on mortgage (or bonds) payable	15,127
6825	Interest on other mortgages	-
6830	Interest on notes payable (long term)	-
6840	Interest on notes payable (short term)	-
6850	Mortgage insurance premium/service charge	-
6890	Miscellaneous financial expenses	-
	Total financial expenses	<u>15,127</u>
6000	Total cost of operations before depreciation	62,180
5060	Operating profit before depreciation	94,940
	Depreciation and amortization expenses:	
6600	Depreciation expense	18,823
6610	Amortization expense	<u>-</u>
	Operating income	<u>76,117</u>
	Net entity expenses:	
7190	Other expenses	<u>-</u>
	Total net entity expenses	<u>-</u>
3250	Change in total net assets from operations	<u>\$ 76,117</u>

BRILLIANT CORNERS AND AFFILIATES
SUPPLEMENTARY INFORMATION REQUIRED BY MOHCD
COMPUTATION OF SURPLUS CASH
YEAR ENDED JUNE 30, 2021

Project Street Address: 1340 Portola Drive, San Francisco, CA 94127

Operating revenue	\$ 157,120
Operating expenses	<u>47,053</u>
Net adjusted operating income	<u>110,067</u>
Other activities:	
Mandatory debt service – principal	(79,477)
Mandatory debt service – interest	(15,126)
Deposits to replacement reserve account	<u>(4,800)</u>
Total other activities	<u>(99,403)</u>
Surplus cash	<u><u>\$ 10,664</u></u>
Distribution of surplus cash:	
To repay outstanding loan	<u><u>\$ 10,664</u></u>

BRILLIANT CORNERS AND AFFILIATES
SUPPLEMENTARY INFORMATION REQUIRED BY MOHCD
SUMMARY OF REPLACEMENT RESERVE AND
OPERATING RESERVE ACTIVITIES
YEAR ENDED JUNE 30, 2021

Project Street Address: 1340 Portola Drive, San Francisco, CA 94127

	<i>Replacement Reserve</i>	<i>Operating Reserve</i>
Balance, June 30, 2020	\$ 39,390	\$ 45,389
Deposits	4,800	-
Interest earned	-	-
Withdrawals	-	-
Balance, June 30, 2021	<u>\$ 44,190</u>	<u>\$ 45,389</u>

**BRILLIANT CORNERS
AND AFFILIATES**

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

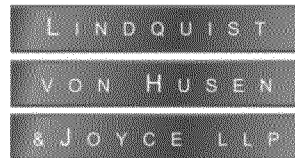
YEARS ENDED JUNE 30, 2022 AND 2021

BRILLIANT CORNERS AND AFFILIATES
COMBINED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND 2021

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* * * *



Board of Directors
Brilliant Corners and Affiliates
San Francisco, California

ALEXIS H. WONG
CHARLOTTE SIEW-KUN TAY
CATHY L. HWANG
RITA B. DELA CRUZ
SCOTT K. SMITH
CRISANTO S. FRANCISCO
JOE F. HUIE

SHERMAN G. LEONG

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying combined financial statements of Brilliant Corners, a California nonprofit public benefit corporation, and Affiliates, which comprise the combined statements of financial position as of June 30, 2022 and 2021, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements present fairly, in all material respects, the combined financial position of Brilliant Corners and Affiliates as of June 30, 2022 and 2021, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Combined Financial Statements

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

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

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

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

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

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

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying supplementary information on pages 23 through 32, and the supplementary information required by San Francisco Mayor's Office of Housing and Community Development on pages 34 through 38, are presented for the purpose of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2023 on our consideration of Brilliant Corners and Affiliates' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Brilliant Corners and Affiliates' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Brilliant Corners and Affiliates' internal control over financial reporting and compliance.

Lindquist, von Huen and Joyce LLP

February 13, 2023

BRILLIANT CORNERS AND AFFILIATES
COMBINED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	2022	2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 35,863,055	\$ 35,329,301
Cash – development	134,669	-
Receivables:		
Housing services and housing development contracts, net	30,901,622	34,637,045
Grants and contributions – foundations and other	6,195,078	1,814,712
Rent	1,148,469	1,349,048
Related-party	24,149	140,717
Property taxes	12,959	-
Other	161,935	2,146,793
Note receivable – current portion (Note 4)	30,000	30,000
Prepaid expenses	11,453,527	10,514,640
Total current assets	<u>85,925,463</u>	<u>85,962,256</u>
Restricted cash (Note 3)	6,828,406	5,910,453
Note receivable – net of current portion (Note 4)	180,000	210,000
Property and equipment – net (Note 5)	279,506,212	254,619,297
Other assets	<u>399,405</u>	<u>294,352</u>
Total assets	<u><u>\$ 372,839,486</u></u>	<u><u>\$ 346,996,358</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 16,554,962	\$ 18,833,530
Accounts payable – development	101,003	-
Program advances – current portion (Note 2)	6,610,582	9,779,689
Interest payable – current portion (Note 7)	489,740	394,069
Real estate debt – current portion (Note 7)	4,780,163	4,255,250
Total current liabilities	<u>28,536,450</u>	<u>33,262,538</u>
Tenant security deposits	1,548,818	1,141,598
Program advances – net of current portion (Note 2)	24,285,923	24,285,923
Interest payable – net of current portion (Note 7)	2,435,833	2,158,333
Real estate debt – net of current portion (Note 7)	120,472,856	112,952,446
Notes payable (Note 8)	<u>1,000,000</u>	<u>4,814,900</u>
Total liabilities	<u>178,279,880</u>	<u>178,615,738</u>
Net assets:		
Without donor restrictions:		
Controlling interest	174,973,444	155,738,882
Controlling interest – board-designated (Note 9)	321,254	284,592
Non-controlling interest	1,979,941	-
Total without donor restrictions	<u>177,274,639</u>	<u>156,023,474</u>
With donor restrictions (Note 9)	<u>17,284,967</u>	<u>12,357,146</u>
Total net assets	<u>194,559,606</u>	<u>168,380,620</u>
Total liabilities and net assets	<u><u>\$ 372,839,486</u></u>	<u><u>\$ 346,996,358</u></u>

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

BRILLIANT CORNERS AND AFFILIATES
COMBINED STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2022 AND 2021

	2022		2021	
	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>
	<i>Total</i>		<i>Total</i>	
Support and revenue:				
Housing services and housing development:				
Grants and contributions	\$ 258,035,354	\$ -	\$ 258,035,354	\$ -
Other housing services and housing development income	550,010	-	550,010	-
	258,585,364	-	258,585,364	-
Rental and property management income (Note 10)				
Grants and contributions – foundations and other	21,613,541	-	21,613,541	-
Project acquisition and renovation management	7,705,938	12,027,625	19,733,563	9,195,559
Forgiveness of debt (Note 7)	15,228,478	-	15,228,478	-
Other	3,814,900	-	3,814,900	-
	288,251	-	288,251	-
Net assets released from restrictions (Note 9)	7,099,804	(7,099,804)	3,564,209	(3,564,209)
Total income	314,336,276	4,927,821	319,264,097	5,631,350
Expenses:				
Program services	279,815,457	-	279,815,457	-
General and administrative	7,718,704	-	7,718,704	-
Business development	1,579,834	-	1,579,834	-
Total expenses	289,113,995	-	289,113,995	-
Change in net assets before other expenses	25,222,281	4,927,821	30,150,102	5,631,350
Other expenses:				
Deferred interest expense (Note 7)	(277,500)	-	(277,500)	-
Loss of property due to fire, net (Note 5)	-	-	-	-
Depreciation (Note 5)	(5,709,335)	-	(5,709,335)	-
Total other expenses:	(5,986,835)	-	(5,986,835)	-
Change in net assets	19,235,446	4,927,821	24,163,267	5,631,350
Net assets, beginning of year	156,023,474	12,357,146	168,380,620	6,725,796
Capital contribution	2,015,719	-	2,015,719	-
Net assets, end of year	\$ 177,274,639	\$ 17,284,967	\$ 194,559,606	\$ 12,357,146
			\$ 156,023,474	\$ 168,380,620

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

BRILLIANT CORNERS AND AFFILIATES
COMBINED STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2022 AND 2021

	2022			
	<i>Program Services</i>	<i>General and Administrative</i>	<i>Business Development</i>	<i>Total</i>
Client rents and subsidy payments	\$ 163,630,388	\$ -	\$ -	\$ 163,630,388
Client furniture and move-in costs	45,489,709	-	-	45,489,709
Salaries and wages	21,955,481	4,753,866	602,848	27,312,195
Outside and consulting services	27,359,931	1,284,276	715,663	29,359,870
Interest (Notes 7 and 8)	5,752,694	-	20,278	5,772,972
Payroll taxes and benefits (Note 12)	5,239,738	519,040	97,790	5,856,568
Maintenance	3,625,594	299,423	28,134	3,953,151
Rent (Note 11)	1,700,381	274,629	29,923	2,004,933
Bad debt	511,686	-	-	511,686
Travel and training	1,247,357	205,823	63,256	1,516,436
Property taxes and licenses	878,715	-	-	878,715
Telephone	233,189	59,061	3,496	295,746
Office expenses	263,918	68,097	7,112	339,127
Insurance	967,690	-	3,274	970,964
Utilities	346,926	-	-	346,926
Legal	189,661	48,554	1,330	239,545
Accounting and audit	6,645	140,750	-	147,395
Other	415,754	65,185	6,730	487,669
Total expenses before other expenses	279,815,457	7,718,704	1,579,834	289,113,995
Deferred interest expense (Note 7)	277,500	-	-	277,500
Depreciation (Note 5)	5,563,479	145,856	-	5,709,335
Total	\$ 285,656,436	\$ 7,864,560	\$ 1,579,834	\$ 295,100,830

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

BRILLIANT CORNERS AND AFFILIATES
COMBINED STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2022 AND 2021

	2021			
	<i>Program Services</i>	<i>General and Administrative</i>	<i>Business Development</i>	<i>Total</i>
Client rents and subsidy payments	\$ 249,621,409	\$ -	\$ -	\$ 249,621,409
Client furniture and move-in costs	73,289,865	-	-	73,289,865
Salaries and wages	18,246,234	4,132,154	494,239	22,872,627
Outside and consulting services	13,133,320	506,823	304,030	13,944,173
Interest (Notes 7 and 8)	5,437,110	-	25,611	5,462,721
Payroll taxes and benefits (Note 12)	4,361,217	553,071	74,341	4,988,629
Maintenance	3,471,226	295,677	11,598	3,778,501
Rent (Note 11)	1,492,210	415,345	19,237	1,926,792
Bad debt	904,799	-	-	904,799
Travel and training	952,731	127,624	10,407	1,090,762
Property taxes and licenses	791,127	-	-	791,127
Telephone	275,375	48,189	3,572	327,136
Office expenses	245,909	32,056	15,551	293,516
Insurance	602,493	37,463	2,806	642,762
Utilities	318,079	-	-	318,079
Legal	238,554	14,122	-	252,676
Accounting and audit	19,582	70,114	-	89,696
Other	665,342	19,724	-	685,066
Total expenses before other expenses	374,066,582	6,252,362	961,392	381,280,336
Deferred interest expense (Note 7)	277,500	-	-	277,500
Loss of property due to fire, net	1,244,529	-	-	1,244,529
Depreciation (Note 5)	4,976,348	160,359	-	5,136,707
Total	\$ 380,564,959	\$ 6,412,721	\$ 961,392	\$ 387,939,072

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

BRILLIANT CORNERS AND AFFILIATES
COMBINED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ 24,163,267	\$ 27,444,216
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	5,709,335	5,136,707
Loss of property due to fire, net	-	1,244,529
Interest – amortization of debt issuance costs	160,629	152,342
Forgiveness of debt	(3,814,900)	-
(Increase) decrease in assets:		
Receivables:		
Housing services and housing development contracts	3,735,423	8,960,437
Grants and contributions – foundations and other	(4,380,366)	(339,712)
Rent	200,579	(598,296)
Related-party	116,568	(91,833)
Property taxes	(12,959)	118,373
Other	1,984,858	(1,057,192)
Prepaid expenses	(938,887)	(1,412,313)
Other assets	(105,053)	35,981
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(2,439,851)	(4,727,706)
Program advances	(3,169,107)	(8,622,225)
Interest payable	373,171	276,018
Tenant security deposits liability	407,220	161,674
Net cash provided by operating activities	21,989,927	26,681,000
Cash flows from investing activities:		
Decrease in short-term investments	-	1,001,907
Decrease in notes receivable	30,000	30,000
Purchase of property and equipment	(30,333,964)	(27,550,152)
Net cash used in investing activities	(30,303,964)	(26,518,245)
Cash flows from financing activities:		
Capital contribution	2,015,719	-
Payment of debt issuance costs	(169,671)	(297,485)
Proceeds from real estate debt	16,355,745	12,638,325
Payments of real estate debt	(8,301,380)	(3,499,871)
Net cash provided by financing activities	9,900,413	8,840,969
Net increase in cash, cash equivalents, and restricted cash	1,586,376	9,003,724
Cash, cash equivalents, and restricted cash, beginning of year	41,239,754	32,236,030
Cash, cash equivalents, and restricted cash, end of year	\$ 42,826,130	\$ 41,239,754

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

BRILLIANT CORNERS AND AFFILIATES
COMBINED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
Supplementary information:		
Cash paid for interest – net of capitalized portion	\$ 6,084,737	\$ 5,705,930
Noncash investing and financing activities:		
Assets acquired by assuming liabilities	\$ 262,286	\$ -
Cash and cash equivalents	\$ 35,863,055	\$ 35,329,301
Cash – development	134,669	-
Restricted cash	6,828,406	5,910,453
Total cash, cash equivalents and restricted cash shown in the combined statements of cash flows	\$ 42,826,130	\$ 41,239,754

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

BRILLIANT CORNERS AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Brilliant Corners (BC), a nonprofit public benefit corporation, was formed in 2004. BC's primary purpose is to increase affordable supportive housing opportunities for vulnerable populations, with emphases on people with developmental disabilities and people transitioning from homelessness and institutional settings. BC fulfills this purpose by developing and managing both licensed and unlicensed affordable supportive housing, by implementing scattered-site supportive housing programs, and by providing an array of housing-related services, including clinical case management.

On April 6, 2006, BC formed a wholly owned limited liability company, A Home for Life, LLC (AHFL), to own, operate, lease, manage and maintain thirteen single- family residences to be used as dwellings for people with disabilities. AHFL, through its agreement with various organizations (known as the Bay Area Housing Plan), received renovated property, along with the assumption of the debt associated with such property, to facilitate this purpose.

In February 2013, BC formed a wholly owned limited liability company, WBHC LA Supportive Housing, LLC (LASH), to own and operate fifteen residential properties in the Los Angeles area to be used as dwellings for 56 households transitioning from homelessness.

In August 2019, BC formed Shine BC-LA, a nonprofit corporation, to operate and implement Brilliant Corners' Flexible Housing Subsidy Pool (FHSP) program in Southern California.

In April 2021, Avalon 1355 Partners, LP (Avalon), a Delaware limited partnership, was formed to acquire land and to develop, finance, construct, own, maintain, and operate a 54-unit multifamily apartment complex for low-income households located in Los Angeles, California, which will operate under the name of Avalon 1355 (the Project). Construction of the Project is currently ongoing as of June 30, 2022. Avalon is controlled by its managing general partner, Avalon 1355 BC, LLC, whose sole member is BC. Avalon's income or loss will be allocated to the partners in accordance with its partnership agreement as follows:

Avalon 1355 BC, LLC, managing general partner	0.0049%
Avalon 1355 GP, LLC, administrative general partner	0.0051%
U.S.A. Institutional Tax Credit Fund CXLI L.P., investment partnership	99.99%
The Richman Group Capital Corporation, special limited partner	-

In June 2022, Toyon Gardens, L.P. (Toyon Gardens), a California limited partnership, was formed to acquire, own, operate, manage, and lease an affordable housing development for low-income persons. Toyon Gardens is controlled by its general partner, Toyon Gardens LLC, whose sole member is BC. There was no activity during the fiscal year ended June 30, 2022.

Two significant programs have expanded in recent years. BC's partnership with the Los Angeles County Department of Health Services (LA DHS) to administer the FHSP has helped house over 10,000 people. BC and Affiliates are working with the California Department of Developmental Services (DDS) and the majority of the state's 21 nonprofit Regional Centers to create community-based housing for individuals who remain in the state- run institutional settings. BC is acquiring and converting single-family homes to specialized residential facilities deed-restricted for people with disabilities.

BC's primary sources of project acquisition, renovation management, and housing services revenue are from contracts with its funding agencies, principally: Regional Centers throughout the state, each of which receives pass-through funds from the California Department of Developmental Services; public health agencies such as the San Francisco County Department of Public Health and Los Angeles County Departments of Health Services, and the Veterans Administration. Revenue from such agencies accounted for more than 82% of the total revenue for the year-ended June 30, 2022.

BRILLIANT CORNERS AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Combination

The combined financial statements include the accounts of BC, its wholly owned limited liability companies, Shine BC-LA, and the partnerships (collectively, BC and Affiliates). The partnerships' equity held by a limited partner is shown as non-controlling interests in net assets without donor restrictions. All material intercompany balances and transactions have been eliminated in the combined financial statements.

Accounting Method

BC and Affiliates use the accrual method of accounting, which recognizes income in the period earned and expenses when incurred, regardless of the timing of payments.

Use of Estimates

The preparation of combined financial statements in conformity with generally accepted accounting principles of the United State of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

BC and Affiliates report information regarding their financial position and activities according to two classes of net assets, as applicable: net assets without donor restrictions and net assets with donor restrictions.

- Net assets without donor restrictions include those assets over which the Board of Directors has discretionary control in carrying out the operations of BC and Affiliates.
- Net assets with donor restrictions include those assets subject to donor restrictions and for which the applicable restrictions were not met as of the end of the current reporting period. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. When a donor restriction expires – that is, when a stipulated time restrictions ends or purpose restriction is accomplished – net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statements of activities as *net assets released from restrictions*. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates the resources be maintained in perpetuity. BC and Affiliates have no net assets with non-expiring donor restrictions as of June 30, 2022.

Revenue Recognition

Grants and Contributions

Grants and contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met. Contributions in which the use is limited by the donor are reported as increases in net assets with donor restrictions. Contributions that are restricted by the donor or are conditional are reported as increases in net assets without donor restriction if the restrictions or conditions are satisfied in the fiscal year in which the contributions are recognized. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restrictions are accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statements of activities as net assets released from restrictions. Contributions of assets other than cash are recorded at their estimated fair value at the date of contribution.

BRILLIANT CORNERS AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND 2021

Contributed services are stated at their estimated fair value, if they are ordinarily purchased and are of a specialized nature, or if they enhance a non-financial asset.

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation.

BC and Affiliates receive certain contributions on a reimbursement basis. Such contributions are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when BC and Affiliates have incurred expenditures in compliance with specific donor provisions. An amount of \$687,900,000 of contributions has not been recognized as of June 30, 2022, and will be recognized when BC and Affiliates incur expenditures in compliance with the donor provisions. Amounts received prior to incurring qualifying expenditures, if any, are reported as program advances in the combined statements of financial position. The balance of program advances was \$30,896,505 and \$34,065,612 as of June 30, 2022 and 2021, respectively. An amount of \$24,285,923 was advanced from LA DHS in a prior year and is not expected to be applied to current billings as of June 30, 2022.

Housing Services

BC and Affiliates provide various housing services to government agencies and managed care plans. These services include being a fiscal agent, overseeing the timely payment of tenant rents and assisting in identifying qualified housing. Billing to the government agencies occurs at the end of each month for services rendered in that particular month. Payment of rent on behalf of eligible tenants is treated as a program cost; receipts from government agencies for rent and other services for tenants are included in revenue and support.

Funds received in advance for housing services are included in program advances in the combined statements of financial position until the conditions upon which they depend are substantially met.

Rental Property Income

Rental income from leased properties, along with other related fees, are recognized as income in the month the rent is earned. BC and Affiliates enter into long-term rental agreements (generally either one-year leases or fifteen-year leases). Rent is generally due on the first of each month. Rental payments received in advance are deferred until earned. All leases between BC and Affiliates and tenants of the property are considered operating leases. Rental income for owned property is shown at its maximum gross potential. Vacancy loss is shown as a reduction in rental income. BC and Affiliates' policy is to charge a late fee should a tenant not pay rent within 5 days of the due date.

Revenue from resident fees, rents and services is recognized in the period rendered.

Project Acquisition and Renovation Management

BC and Affiliates receive funding from Regional Centers to assist in the acquisition and rehabilitation of properties to make them suitable for tenant needs. The support is earned during the period in which the acquisition and rehabilitation costs are incurred.

Funds received in advance for property acquisition or rehabilitation are included in program advances in the combined statements of financial position until the conditions upon which they depend are substantially met.

BRILLIANT CORNERS AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND 2021

Cash, Cash Equivalents, and Restricted Cash

Cash is defined as demand deposit accounts, as well as cash on hand. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash. Generally, money market accounts and investments with original maturities of three months or less qualify as cash equivalents. Restricted cash are funds restricted as to their use, such as replacement reserves, debt service reserve, operating reserves, and tenant security deposits. BC and Affiliates maintain cash on deposit at banks in excess of the Federal Deposit Insurance Corporation limit. The uninsured cash balance, including restricted cash, was approximately \$28,399,000 as of June 30, 2022. BC and Affiliates have not experienced any losses in such accounts.

Receivables

BC and Affiliates evaluate the need to write-off a receivable based on their review of the aging of the receivables and historical collection experience. An allowance for doubtful accounts reflects management's best estimate of probable losses inherent in the receivables balance. Receivables are written off when deemed uncollectible. The allowance for doubtful accounts was \$1,258,055 as of June 30, 2022 and 2021.

Property and Equipment

Property and equipment are stated at cost as of the date of acquisition, or fair market value as of the date of donation. Assets with a cost greater than \$5,000 are capitalized. The cost of maintenance and repairs for the properties are charged to expense when incurred. Depreciation is computed using the straight-line method over the estimated economic lives of the assets.

The economic lives of the assets are estimated as follows:

Buildings and improvements	20 to 40 years
Furniture and equipment	3 to 10 years
Vehicles	5 years

In accordance with generally accepted accounting standards, BC and Affiliates review their property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the property to the future net undiscounted cash flows expected to be generated by the property, including any estimated proceeds from the eventual disposition of the property. If the property is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the property exceeds the fair value of such property. There were no impairment losses recognized in 2022 and 2021.

Construction in Progress

BC and Affiliates incur costs during a major repair or rehabilitation. Such costs include construction costs, as well as governmental fees, legal and consulting fees, if any. BC and Affiliates record these costs as assets (construction in progress). Major repair or rehabilitation costs are considered to be construction in progress until they are placed in service. Construction in progress is not depreciated until completion.

Debt Issuance Costs

Costs incurred in order to obtain acquisition and permanent financing are stated at cost and amortized on a straight-line basis into interest expense over the terms of the respective loans. Debt issuance costs are reported as a direct deduction from the face of the related debt.

BRILLIANT CORNERS AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND 2021

Income Taxes

BC and Shine BC-LA are tax-exempt pursuant to the Internal Revenue Code Section 501(c)(3) and related California code sections. Accordingly, BC and Shine BC-LA are generally exempt from federal or state income taxes.

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

No provision for federal and state income taxes is included in the combined financial statements for the partnerships. The income or loss of the partnerships is reported by the partners on their income tax returns.

BC and Affiliates believe that they have appropriate support for any tax positions taken, and, as such, do not have any uncertain tax positions that are material to the combined financial statements. BC and Affiliates' informational returns and limited liability companies' income tax returns for the fiscal years ended 2018 through 2021 are subject to examination by the Internal Revenue Service and the California Franchise Tax Board, generally for three years and four years, respectively, after they are filed.

Functional Expenses Allocation

Costs of providing the various programs and other activities have been summarized on a functional basis in the combined statements of functional expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services based on management's analysis of time and effort spent on the programs and supportive services. Accordingly, certain costs, including payroll, payroll taxes and benefits, rent, insurance, and telephone, have been allocated among the programs, general and administrative support, and business development expenses.

Subsequent Events

Management has evaluated subsequent events through February 13, 2023, the date on which the combined financial statements were available to be issued.

NOTE 3 – RESTRICTED CASH

Restricted cash consists of the following as of June 30, 2022 and 2021:

	2022	2021
Replacement reserves	\$ 3,514,709	\$ 2,904,017
Debt service reserve	1,827,521	1,826,958
Tenant security deposits	1,395,110	1,088,439
Operating reserves	91,066	91,039
Total	<u>\$ 6,828,406</u>	<u>\$ 5,910,453</u>

Replacement Reserves and Operating Reserves

In accordance with long-term debt agreements, DDS's housing guidelines, and Regional Center contracts, BC and Affiliates have established replacement reserve and operating reserve accounts. Withdrawals from certain reserves require prior written approval from respective lenders.

BRILLIANT CORNERS AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND 2021

Debt Service Reserve

The debt service reserve was funded from the bond refinance proceeds described in Note 7. This reserve is held by the bond fiduciary and is available to cover debt service on bonds should a default occur. BC and Affiliates have irrevocably authorized Golden Gate Regional Center to instruct the bond fiduciary on the disposition of the reserve.

Tenant Security Deposits

BC and Affiliates are required to hold security deposits in separate bank accounts in the name of the properties.

NOTE 4 – NOTE RECEIVABLE

In 2019, BC provided funds to Florence Towne, LLC totaling \$300,000 for certain costs in connection with the development of a property as affordable housing. The loan bears no interest and requires annual payments in the amount of \$30,000 until maturity in 2029. The balance of the note receivable was \$210,000 and \$240,000 as of June 30, 2022 and 2021, respectively.

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30, 2022 and 2021:

	2022	2021
Land	\$ 96,463,006	\$ 88,857,222
Building and improvements	203,166,741	179,916,781
Furniture and equipment	1,269,975	1,191,485
Vehicles	346,815	308,612
	<u>301,246,537</u>	<u>270,274,100</u>
Less: accumulated depreciation	(30,631,392)	(24,952,457)
	<u>270,615,145</u>	<u>245,321,643</u>
Construction in progress	8,891,067	9,297,654
	<u>8,891,067</u>	<u>9,297,654</u>
Total property and equipment	<u>\$ 279,506,212</u>	<u>\$ 254,619,297</u>

Generally, the rental properties leased to provide housing for developmentally disabled individuals are subject to restrictive covenants which limit the use of the property exclusively for the benefit of individuals with developmental disabilities. Depreciation expense was \$5,709,335 and \$5,136,707 in 2022 and 2021, respectively.

During 2021, fire occurred in three residential properties of BC resulting in a net loss of property equal to \$1,244,529. BC carries general liability insurance to protect against such loss. In accordance with accounting principles generally accepted in the United States of America, such loss is presented as a loss from continuing operations in the combined statements of activities.

NOTE 6 – LINE OF CREDIT

BC entered into a \$1,000,000 line of credit with a commercial bank, which matures on February 5, 2023. The line of credit bears variable interest. No interest was incurred in 2022 and 2021.

BRILLIANT CORNERS AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 7 – REAL ESTATE DEBT

Real estate debt by entity consists of the following as of June 30, 2022 and 2021:

	2022		2021	
	<i>Interest Payable</i>	<i>Principal</i>	<i>Interest Payable</i>	<i>Principal</i>
Brilliant Corners	\$ 489,740	\$ 111,979,864	\$ 394,069	\$ 107,480,446
A Home for Life, LLC	-	5,266,499	-	6,536,444
WBHC LA Supportive Housing, LLC	2,435,833	5,550,000	2,158,333	5,550,000
Avalon 1355 Partners, LP	-	4,824,891	-	-
Total	2,925,573	127,621,254	2,552,402	119,566,890
Less:				
Unamortized debt issuance costs ⁽¹⁾	-	(2,368,235)	-	(2,359,194)
Current portion	(489,740)	(4,780,163)	(394,069)	(4,255,250)
Long-term portion	\$ 2,435,833	\$ 120,472,856	\$ 2,158,333	\$ 112,952,446

- ⁽¹⁾ Costs incurred to obtain construction and permanent financing were \$3,642,880 and \$3,473,210 as of June 30, 2022 and 2021, respectively, and are amortized on a straight-line basis into interest expense over the terms of the respective loans. Interest expense for amortization of debt issuance costs was \$160,629 and \$152,342 in 2022 and 2021, respectively.

Brilliant Corners

BC acquires and renovates properties to provide affordable housing for persons with developmental disabilities. The properties are financed by conventional lenders. Terms of the agreements generally require monthly payments of principal and interest at rates ranging from 0% to 7.75%, to be repaid in full at various maturity dates through 2052.

Interest expense was \$5,077,320 and \$4,681,387 in 2022 and 2021, respectively. Capitalized interest was \$650,274 and \$633,444 in 2022 and 2021, respectively.

186 properties have profit participation agreements with DDS. Each agreement requires BC to pay DDS up to a maximum amount should a transfer of the property or BC's interest in the property occur. The profit participation agreements expire between November 2044 and June 2120, and the maximum amount that may be required to be paid to DDS ranges between approximately \$98,400 and \$850,000 per property, and in the aggregate totals approximately \$51,000,000.

A Home for Life, LLC

AHFL was established to serve as the fee owner of thirteen properties that were acquired and rehabilitated under the Bay Area Housing Plan (BAHP) to serve as residences for individuals with developmental disabilities. AHFL acquired properties and assumed certain related loans financed by California Housing Finance Agency (CalHFA).

During the year ended June 30, 2011, the CalHFA loans were refinanced with a loan from the California Health Facilities Financing Authority (CHFFA) using proceeds from a bond issuance. AHFL also assumed long term residency lease agreements with the service providers who staff each property to provide the necessary care for the residents of the property.

BRILLIANT CORNERS AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND 2021

Bond financing requires monthly payments sufficient to retire bonds that mature at various dates and accrue interest at varying rates. Monthly payments of approximately \$149,000, including interest at an approximate effective rate of 8.48%, are required to satisfy this obligation, which matures incrementally through February 1, 2026. The individual properties are collateral for the debt.

Interest expense was \$514,745 and \$603,381 in 2022 and 2021, respectively.

WBHC LA Supportive Housing, LLC

LASH was established to acquire and manage fifteen properties in the Los Angeles area originally owned by another non-profit organization. In addition to managing the properties, BC provides supportive services to the tenants that occupy the properties under a contract with LA DHS.

To assist in the acquisition of the properties, a loan was obtained and is now held by the City of Los Angeles. The note bears 5% simple interest. Annual payments of principal and interest are required from residual receipts, as defined in the loan agreement, to be repaid in full in September 2068.

Interest expense was of \$277,500 annually in 2022 and 2021.

Avalon 1355 Partners, LP

Avalon was established to acquire land and construct and manage an apartment complex in Los Angeles, California. The land acquisition was financed by a loan from Supportive Housing Solutions Fund LLC, which bore 6% simple interest per annum. The loan was repaid in full in February 2022. Construction is financed by a loan from Bank of America in the maximum amount of \$15,675,000, bearing variable interest and requiring monthly interest-only payments, with the entire principal and accrued interest due in August 2024, with an option to extend to February 2025. Construction will also be financed by a loan from Los Angeles County Development Authority (LACDA) and City of Los Angeles. The LACDA loan, in the total amount of \$7,580,000, will be funded from No Place Like Home (NPLH) Program funds of \$7,000,000 and Affordable Housing Trust Funds (AHTF) of \$580,000, of which NPLH Program funds will bear no interest and require payments based on 50% of residual receipts, as defined in the loan agreement, with the entire principal and accrued interest due 55 to 57 years based on initial disbursement, AHTF will bear 3% simple interest per annum and require payments based on 50% of residual receipts, with the entire principal and accrued interest due 57 years based on initial disbursement. The City of Los Angeles loan, in the maximum amount of \$7,000,000, will bear 3% simple interest per annum and require payments from residual receipts, with the entire principal and accrued interest due 57 years from execution of the promissory note. The LACDA and City of Los Angeles loans have not been drawn as of June 30, 2022.

Interest expense was of \$-0- in 2022 and 2021. Capitalized interest was \$146,422 and \$-0- in 2022 and 2021, respectively.

BRILLIANT CORNERS AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND 2021

Principal payments over the next five years, for the years ending June 30 are as follows:

	<i>Brilliant Corners</i>	<i>A Home for Life, LLC</i>	<i>WBHC LA Supportive Housing, LLC</i>	<i>Avalon 1355 Partners, LP</i>	<i>Total</i>
2023	\$ 3,411,294	\$ 1,368,869	\$ -	\$ -	\$ 4,780,163
2024	3,173,229	1,476,450	-	-	4,649,679
2025	3,294,542	1,593,923	-	-	4,888,465
2026	3,456,296	827,257	-	-	4,283,553
2027	3,557,166	-	-	-	3,557,166
Thereafter	95,087,337	-	5,550,000	4,824,891	105,462,228
Total	<u>\$ 111,979,864</u>	<u>\$ 5,266,499</u>	<u>\$ 5,550,000</u>	<u>\$ 4,824,891</u>	<u>\$ 127,621,254</u>

NOTE 8 – NOTES PAYABLE

Notes payable consist of the following as of June 30, 2022 and 2021:

	2022	2021
Paycheck Protection Program loan ⁽¹⁾	\$ -	\$ 3,814,900
Working capital loan ⁽²⁾	1,000,000	1,000,000
Total	<u>\$ 1,000,000</u>	<u>\$ 4,814,900</u>

⁽¹⁾ Due to uncertainty of the current economic conditions (see Note 15), BC requested and received loan funds administered by CRF Small Business Loan Company, LLC, totaling \$3,814,900 from the Paycheck Protection Program (PPP), a program authorized under the CARES Act and the PPP Flexibility Act, to support ongoing operations and to retain workers and maintain payroll. Loan funds were fully guaranteed by the Small Business Administration and eligible for forgiveness if used on eligible costs for a covered period of 24-weeks, including the requirement to maintain staff and compensation levels. Any unforgiven funds were due by April 2022 or renegotiated to extend the maturity date to April 2025. The loan bore 1% simple interest per annum. Monthly payments of principal and interest were required, commencing in November 2021. The loan was forgiven in 2022.

⁽²⁾ BC obtained a working capital loan in the amount of \$1,000,000 from the California Community Foundation. The loan bears interest at 2% compounding quarterly. Payments of interest only are required on a quarterly basis, commencing on July 1, 2020. The principal balance and any unpaid interest are due in April 2025. Interest expense was \$20,278 and \$25,611 in 2022 and 2021, respectively.

NOTE 9 – NET ASSETS

Net Assets without Donor Restrictions – Controlling Interest – Board-Designated Operating Reserve

The Board of Directors has designated \$321,254 and \$284,592 of the net assets without donor restrictions as of June 30, 2022 and 2021, respectively, as a board-designated operating reserve. The board-designated reserve is held in operating cash.

BRILLIANT CORNERS AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND 2021

Net Assets with Donor Restrictions

Net assets with donor restrictions as of June 30, 2022 and 2021 are for the following purposes:

	2022			
	<i>June 30, 2021</i>	<i>Contributions</i>	<i>Releases from Restrictions</i>	<i>June 30, 2022</i>
Los Angeles FHSP	\$ 8,418,402	\$ 11,222,625	\$ (5,891,077)	\$ 13,749,950
San Francisco FHSP	464,727	805,000	(703,920)	565,807
Capacity building	3,474,017	-	(504,807)	2,969,210
Total	<u>\$ 12,357,146</u>	<u>\$ 12,027,625</u>	<u>\$ (7,099,804)</u>	<u>\$ 17,284,967</u>

	2021			
	<i>June 30, 2020</i>	<i>Contributions</i>	<i>Releases from Restrictions</i>	<i>June 30, 2021</i>
Los Angeles FHSP	\$ 5,985,805	\$ 5,670,559	\$ (3,237,962)	\$ 8,418,402
San Francisco FHSP	739,991	25,000	(300,264)	464,727
Capacity building	-	3,500,000	(25,983)	3,747,017
Total	<u>\$ 6,725,796</u>	<u>\$ 9,195,559</u>	<u>\$ (3,564,209)</u>	<u>\$ 12,357,146</u>

NOTE 10 – LEASING ACTIVITIES AS LESSOR (RENTAL PROPERTY INCOME)

BC and Affiliates own properties which are leased to entities who provide services to residents with developmental disabilities. BC and Affiliates are paid monthly fees based on the number of patients served by local Regional Centers.

Brilliant Corners/WBHC LA Supportive Housing, LLC

In addition to owning and managing properties as affordable housing rented directly to low-income households, BC and LASH lease properties to service agencies that provide licensed residential care services to their residents. Most leases are for a lease term of fifteen years. The future revenue from the 218 properties whose construction is complete and leases are executed is approximately \$18,700,000 annually for the next five years. 4 properties out of the 218 properties have a term of one year and continue after the expiration of the lease on a month-to-month basis or are not currently occupied and consequently, their annual income is not included in annual lease income for the successive five years.

There are 21 properties under construction as of June 30, 2022. It is anticipated each will execute 15-year leases.

Total gross lease income (before vacancy) was \$18,702,022 and \$17,448,651 in 2022 and 2021, respectively.

A Home for Life, LLC

Each of the thirteen properties under AHFL have executed leases which expire on February 1, 2026. The lease agreements call for monthly rent equal to the monthly required debt service and certain other expenses. BC also earns miscellaneous fees under the lease agreements. The lease revenue over the next five years from the AHFL property leases (exclusive of miscellaneous fees) is \$1,784,929 annually.

BRILLIANT CORNERS AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND 2021

The executed leases indicate that at the end of the lease term, the rental income would be reduced to zero. Management believes an amendment will be made to provide rental income to AHFL sufficient to cover ongoing operating costs.

Total lease income (including miscellaneous fees of approximately \$150,000 each year) from the AHFL properties amounted to \$1,936,337 and \$1,935,940 in 2022 and 2021, respectively.

NOTE 11 – LEASE COMMITMENTS

BC leased office space in San Francisco under an agreement which expired on November 30, 2021 and converted to a month-to-month lease through March 2022. During 2022, BC entered into a new lease agreement for office space in San Francisco, effective through February 2025. BC also leases office space in Los Angeles, San Diego, and San Mateo under agreements which expire between March 2023 and July 2025. BC leased office space in Rancho Cucamonga under an agreement which expired in May 2022. The total current monthly lease payment for all locations is approximately \$142,000. Total rent expense was \$1,701,962 and \$1,617,266 in 2022 and 2021, respectively, and is included in Rent in the accompanying combined statements of functional expenses.

Lease commitments related to office space for the next five years ending June 30 are as follows:

2023	\$ 1,504,398
2024	1,261,112
2025	615,105
2026	25,462
2027	-

BC and Affiliates also lease certain office equipment under non-cancelable operating leases which expire at various times until December 2026. Annual obligations in connection with these leases are less than \$19,000 each year.

NOTE 12 – RETIREMENT PLAN

BC established a 403(b) Retirement Plan for its eligible employees effective January 1, 2011. BC contributes to the Plan in an amount equal to 100% of the employee's contribution up to 5% of the employee's annual compensation. The total employer contribution for the years ended June 30, 2022 and 2021 was \$840,796 and \$824,685, respectively.

NOTE 13 – RELATED-PARTY

A board member of BC is also a partner of a law firm engaged by BC. During the years ended June 30, 2022 and 2021, BC incurred approximately \$219,000 and \$279,000, respectively, for legal services from this law firm.

BRILLIANT CORNERS AND AFFILIATES
NOTES TO COMBINED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 14 – LIQUIDITY AND AVAILABILITY

BC and Affiliates strive to maintain liquid financial assets sufficient to cover 90 days of general expenditures. BC and Affiliates' sources of liquidity include cash, including the board-designated operating reserve (see Note 10), the line of credit, and cash advances from contracts to meet its operating needs.

Financial assets available to meet general expenditures within one year of the combined statements of financial position date are as follows:

	2022	2021
Cash	\$ 35,863,055	\$ 35,329,301
Cash – development	134,669	-
Receivables	38,444,212	40,088,315
Note receivable – current portion	30,000	30,000
	<hr/> 75,034,505	<hr/> 75,449,416
Less:		
Cash subject to expenditure for specific purpose	(11,364,967)	(10,722,146)
Receivables subject to expenditure for specific purpose	<hr/> (5,920,000)	<hr/> (1,635,000)
Net financial assets available to meet general expenditures	<hr/> <hr/> \$ 57,749,538	<hr/> <hr/> \$ 63,092,270

NOTE 15 – OTHER MATTER

COVID-19 Pandemic

The emergence and spread of the coronavirus (COVID-19) has affected businesses and economic activities in the U.S. and beyond. The extent of the impact of COVID-19 on BC and Affiliates' operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, the effects on individual and government contributors, residents, service providers, employees, and business partners, and changes in business practices, all of which are uncertain and cannot be determined at this time.

NOTE 16 – SUBSEQUENT EVENTS

Subsequent to year end, Blue Elderberry Gardens, L.P., a California limited partnership, and Harbor City BC, LLC and Alvarado & Temple, LLC, California limited liability companies, were formed to own and operate affordable housing projects. BC is the sole member of the general partner of Blue Elderberry Gardens, L.P. and the limited liability companies.

SUPPLEMENTARY INFORMATION: COMBINING SCHEDULES

BRILLIANT CORNERS AND AFFILIATES
COMBINING SCHEDULES OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	2022				
	Brilliant Corners	A Home For Life, LLC	WBHC LA Supportive Housing, LLC	Avalon 1355 Partners, LP	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 35,745,212	\$ 28,039	\$ 89,804	\$ -	\$ 35,863,055
Cash – development	-	-	-	134,669	-
Receivables:					
Housing services and					
housing development contracts, net	30,675,668	218,966	6,988	-	30,901,622
Grants and contributions – foundations and other	6,195,078	-	-	-	6,195,078
Rent	1,118,893	-	29,576	-	1,148,469
Related-party	349,824	-	-	-	349,824
Property taxes	12,959	-	-	-	12,959
Other	160,265	1,670	-	-	161,935
Note receivable – current portion	30,000	-	-	-	30,000
Prepaid expenses	11,444,917	6,008	2,602	-	11,453,527
Total current assets	85,732,816	254,683	128,970	134,669	86,251,138
				(325,675)	85,925,463
Restricted cash	4,557,191	2,035,943	235,272	-	6,828,406
Note receivable – net of current portion	180,000	-	-	-	180,000
Property and equipment – net	252,918,307	14,590,187	5,050,231	6,947,487	279,506,212
Other assets	399,405	-	-	-	399,405
Total assets	\$ 343,787,719	\$ 16,880,813	\$ 5,414,473	\$ 7,082,156	\$ 373,165,161
				(325,675)	\$ 372,839,486

BRILLIANT CORNERS AND AFFILIATES
COMBINING SCHEDULES OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	2022				
	<i>Brilliant Corners</i>	<i>A Home For Life, LLC</i>	<i>WBHC LA Supportive Housing, LLC</i>	<i>Avalon 1355 Partners, LP</i>	<i>Total</i>
LIABILITIES AND NET ASSETS					
Current liabilities:					
Accounts payable and accrued expenses	\$ 16,320,099	\$ 329,390	\$ 31,384	\$ 161,283	\$ 16,842,156
Accounts payable – development	-	-	-	101,003	101,003
Program advances – current portion	6,441,037	141,761	12,746	15,038	6,610,582
Related-party payable	-	-	38,481	-	38,481
Interest payable – current portion	489,740	-	-	-	489,740
Real estate debt – current portion	3,411,294	1,368,869	-	-	4,780,163
Total current liabilities	26,662,170	1,840,020	82,611	277,324	28,862,125
Tenant security deposits	1,545,061	-	3,757	-	1,548,818
Program advances – net of current portion	24,285,923	-	-	-	24,285,923
Interest payable – net of current portion	-	-	2,435,833	-	2,435,833
Real estate debt – net of current portion	106,515,107	3,639,817	5,493,041	4,824,891	120,472,856
Notes payable	1,000,000	-	-	-	1,000,000
Total non-current liabilities	133,346,091	3,639,817	7,932,631	4,824,891	149,743,430
Total liabilities	160,008,261	5,479,837	8,015,242	5,102,215	178,605,555
Net assets (deficit):					
Without donor restrictions:					
Controlling interest	166,173,237	11,400,976	(2,600,769)	-	174,973,444
Controlling interest – board-designated	321,254	-	-	-	321,254
Non-controlling interest	-	-	-	1,979,941	1,979,941
Total without donor restrictions	166,494,491	11,400,976	(2,600,769)	1,979,941	177,274,639
With donor restrictions	17,284,967	-	-	-	17,284,967
Total net assets (deficit)	183,779,458	11,400,976	(2,600,769)	1,979,941	194,559,606
Total liabilities and net assets (deficit)	\$ 343,787,719	\$ 16,880,813	\$ 5,414,473	\$ 7,082,156	\$ 373,165,161
					\$ (325,675)
					\$ 372,839,486

BRILLIANT CORNERS AND AFFILIATES
COMBINING SCHEDULES OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	2021					
	Brilliant Corners	A Home For Life, LLC	WBHC LA Supportive Housing, LLC	Subtotal	Eliminations	Total
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 35,187,607	\$ 17,561	\$ 124,133	\$ 35,329,301	\$ -	\$ 35,329,301
Receivables:						
Housing services and housing development contracts, net	34,510,787	90,246	36,012	34,637,045	-	34,637,045
Grants and contributions – foundations and other	1,814,712	-	-	1,814,712	-	1,814,712
Rent	1,335,548	-	13,500	1,349,048	-	1,349,048
Related-party	295,627	-	-	295,627	(154,910)	140,717
Other	2,146,793	-	-	2,146,793	-	2,146,793
Note receivable – current portion	30,000	-	-	30,000	-	30,000
Prepaid expenses	10,507,597	7,043	-	10,514,640	-	10,514,640
Total current assets	85,828,671	114,850	173,645	86,117,166	(154,910)	85,962,256
Restricted cash	3,669,433	2,038,250	202,770	5,910,453	-	5,910,453
Note receivable – net of current portion	210,000	-	-	210,000	-	210,000
Property and equipment – net	234,747,642	14,777,953	5,093,702	254,619,297	-	254,619,297
Other assets	294,352	-	-	294,352	-	294,352
Total assets	\$ 324,750,098	\$ 16,931,053	\$ 5,470,117	\$ 347,151,268	\$ (154,910)	\$ 346,996,358

BRILLIANT CORNERS AND AFFILIATES
COMBINING SCHEDULES OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	2021					
	Brilliant Corners	A Home For Life, LLC	WBHC LA Supportive Housing, LLC	Subtotal	Eliminations	Total
LIABILITIES AND NET ASSETS						
Current liabilities:						
Accounts payable and accrued expenses	\$ 18,812,910	\$ 122,743	\$ 11,629	\$ 18,947,282	\$ (113,752)	\$ 18,833,530
Program advances – current portion	9,630,649	141,761	7,279	9,779,689	-	9,779,689
Related-party payable	-	-	41,158	41,158	(41,158)	-
Interest payable – current portion	394,069	-	-	394,069	-	394,069
Real estate debt – current portion	2,985,305	1,269,945	-	4,255,250	-	4,255,250
Total current liabilities	31,822,933	1,534,449	60,066	33,417,448	(154,910)	33,262,538
Tenant security deposits	1,137,841	-	3,757	1,141,598	-	1,141,598
Program advances – net of current portion	24,285,923	-	-	24,285,923	-	24,285,923
Interest payable – net of current portion	-	-	2,158,333	2,158,333	-	2,158,333
Real estate debt – net of current portion	102,523,081	4,937,565	5,491,800	112,952,446	-	112,952,446
Notes payable	4,814,900	-	-	4,814,900	-	4,814,900
Total non-current liabilities	132,761,745	4,937,565	7,653,890	145,353,200	-	145,353,200
Total liabilities	164,584,678	6,472,014	7,713,956	178,770,648	(154,910)	178,615,738
Net assets (deficit):						
Without donor restrictions:						
Controlling interest	147,523,682	10,459,039	(2,243,839)	155,738,882	-	155,738,882
Controlling interest – board-designated	284,592	-	-	284,592	-	284,592
Total without donor restrictions	147,808,274	10,459,039	(2,243,839)	156,023,474	-	156,023,474
With donor restrictions	12,357,146	-	-	12,357,146	-	12,357,146
Total net assets (deficit)	160,165,420	10,459,039	(2,243,839)	168,380,620	-	168,380,620
Total liabilities and net assets (deficit)	\$ 324,750,098	\$ 16,931,053	\$ 5,470,117	\$ 347,151,268	\$ (154,910)	\$ 346,996,358

BRILLIANT CORNERS AND AFFILIATES
COMBINING SCHEDULES OF ACTIVITIES
YEARS ENDED JUNE 30, 2022 AND 2021

	2022				
	Brilliant Corners	A Home For Life, LLC	WBHC LA Supportive Housing, LLC	Avalon 1355 Partners, LP	Total
Support and revenue:					
Housing services and housing development:					
Grants and contributions	\$ 257,586,239	\$ 218,966	\$ 230,149	\$ -	\$ 258,035,354
Other housing services and housing development income	557,276	-	-	-	(7,266)
	258,143,515	218,966	230,149	-	258,585,364
Rental and property management income	19,338,399	1,936,337	489,595	-	21,764,331
Grants and contributions – foundations and other	19,733,563	-	-	-	(150,790)
Project acquisition and renovation management	15,228,478	-	-	-	19,733,563
Forgiveness of debt	3,814,900	-	-	-	-
Other	130,804	156,477	970	-	15,228,478
Total support and revenue	316,389,659	2,311,780	720,714	-	3,814,900
Expenses:					
Program services	278,112,568	1,142,452	711,227	-	288,251
General and administrative	7,667,176	750	22,266	35,778	(158,056)
Business development	1,579,834	-	-	-	319,422,153
Total expenses	287,359,578	1,143,202	733,493	35,778	279,815,457
Change in net assets before other expenses	29,030,081	1,168,578	(12,779)	(35,778)	(150,790)
Other expenses:					
Deferred interest expense	-	-	(277,500)	-	(7,266)
Depreciation	(5,416,043)	(226,641)	(66,651)	-	7,718,704
Total other expenses:	(5,416,043)	(226,641)	(344,151)	-	1,579,834
Change in net assets	23,614,038	941,937	(356,930)	(35,778)	289,113,995
Net assets (deficit), beginning of year	160,165,420	10,459,039	(2,243,839)	-	30,150,102
Capital contribution	-	-	-	2,015,719	-
Net assets (deficit), end of year	\$ 183,779,458	\$ 11,400,976	\$ (2,600,769)	\$ 1,979,941	\$ 194,559,606

BRILLIANT CORNERS AND AFFILIATES
COMBINING SCHEDULES OF ACTIVITIES
YEARS ENDED JUNE 30, 2022 AND 2021

	2021				
	WBHC LA				
Brilliant Corners	A Home For Life, LLC	Supportive Housing, LLC	Subtotal	Eliminations	Total
\$ 355,892,189	\$ 173,544	\$ 164,741	\$ 356,230,474	\$ -	\$ 356,230,474
609,570	-	-	609,570	(7,266)	602,304
356,501,759	173,544	164,741	356,840,044	(7,266)	356,832,778
18,526,280	1,935,940	494,770	20,956,990	(150,790)	20,806,200
19,318,534	-	-	19,318,534	-	19,318,534
16,386,925	-	-	16,386,925	-	16,386,925
1,883,070	155,721	60	2,038,851	-	2,038,851
412,616,568	2,265,205	659,571	415,541,344	(158,056)	415,383,288
372,539,252	1,155,699	522,421	374,217,372	(150,790)	374,066,582
6,235,162	750	23,716	6,259,628	(7,266)	6,252,362
961,392	-	-	961,392	-	961,392
379,735,806	1,156,449	546,137	381,438,392	(158,056)	381,280,336
32,880,762	1,108,756	113,434	34,102,952	-	34,102,952
	-	(277,500)	(277,500)	-	(277,500)
(1,244,529)	-	-	(1,244,529)	-	(1,244,529)
(4,845,863)	(227,043)	(63,801)	(5,136,707)	-	(5,136,707)
(6,090,392)	(227,043)	(341,301)	(6,658,736)	-	(6,658,736)
26,790,370	881,713	(227,867)	27,444,216	-	27,444,216
133,375,050	9,577,326	(2,015,972)	140,936,404	-	140,936,404
\$ 160,165,420	\$ 10,459,039	\$ (2,243,839)	\$ 168,380,620	\$ -	\$ 168,380,620

BRILLIANT CORNERS AND AFFILIATES
COMBINING SCHEDULES OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 AND 2021

	2022				
	Brilliant Corners	A Home For Life, LLC	WBHCLA Supportive Housing, LLC	Avalon 1355 Partners, LP	Total
Cash flows from operating activities:					
Change in net assets	\$ 23,614,038	\$ 941,937	\$ (356,930)	\$ (35,778)	\$ 24,163,267
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:					
Depreciation	5,416,043	226,641	66,651	-	5,709,335
Interest – amortization of debt issuance costs	88,267	71,121	1,241	-	160,629
Forgiveness of debt	(3,814,900)	-	-	-	(3,814,900)
(Increase) decrease in assets:					
Receivables:					
Housing services and housing development contracts	3,835,119	(128,720)	29,024	-	3,735,423
Grants and contributions – foundations and other	(4,380,366)	-	-	-	(4,380,366)
Rent	216,655	-	(16,076)	-	200,579
Related-party	(54,197)	-	-	-	(54,197)
Property taxes	(12,959)	-	-	-	(12,959)
Other	1,986,528	(1,670)	-	-	1,984,858
Prepaid expenses	(937,320)	1,035	(2,602)	-	(938,887)
Other assets	(105,053)	-	-	-	(105,053)
Increase (decrease) in liabilities:					
Accounts payable and accrued expenses	(2,492,811)	206,647	19,755	-	(2,266,409)
Program advances	(3,189,612)	-	5,467	15,038	(3,169,107)
Related-party payable	-	-	(2,677)	-	(2,677)
Interest payable	95,671	-	277,500	-	373,171
Tenant security deposits liability	407,220	-	-	-	407,220
Net cash provided by (used in) operating activities	20,672,323	1,316,991	21,353	(20,740)	21,989,927

BRILLIANT CORNERS AND AFFILIATES
COMBINING SCHEDULES OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 AND 2021

	2022				
	<i>Brilliant Corners</i>	<i>A Home For Life, LLC</i>	<i>WBHC LA Supportive Housing, LLC</i>	<i>Avalon 1355 Partners, LP</i>	<i>Total</i>
Cash flows from investing activities:					
Decrease in notes receivable	30,000	-	-	-	- 30,000
Purchase of property and equipment	(23,586,708)	(38,875)	(23,180)	(6,685,201)	(30,333,964)
Net cash used in investing activities	(23,556,708)	(38,875)	(23,180)	(6,685,201)	(30,303,964)
Cash flows from financing activities:					
Capital contribution	-	-	-	2,015,719	2,015,719
Payment of debt issuance costs	(169,671)	-	-	-	(169,671)
Proceeds from real estate debt	7,990,354	-	-	8,365,391	16,355,745
Payments of real estate debt	(3,490,935)	(1,269,945)	-	(3,540,500)	(8,301,380)
Net cash provided by (used in) financing activities	4,329,748	(1,269,945)	-	6,840,610	9,900,413
Net increase (decrease) in cash, cash equivalents, and restricted cash	1,445,363	8,171	(1,827)	134,669	1,586,376
Cash, cash equivalents, and restricted cash, beginning of year	38,857,040	2,055,811	326,903	-	41,239,754
Cash, cash equivalents and restricted cash, end of year	\$ 40,302,403	\$ 2,063,982	\$ 325,076	\$ 134,669	\$ 42,826,130
Supplementary information:					
Cash paid for interest – net of capitalized portion	\$ 5,481,356	\$ 603,381	\$ -	\$ -	\$ 6,084,737
Noncash investing and financing activities:					
Assets acquired by assuming liabilities	\$ -	\$ -	\$ -	\$ 262,286	\$ 262,286
Cash and cash equivalents	\$ 35,745,212	\$ 28,039	\$ 89,804	\$ -	\$ 35,863,055
Cash – development	-	-	-	134,669	134,669
Restricted cash	4,557,191	2,035,943	235,272	-	6,828,406
Total cash, cash equivalents and restricted cash shown in the combining schedules of cash flows	\$ 40,302,403	\$ 2,063,982	\$ 325,076	\$ 134,669	\$ 42,826,130

BRILLIANT CORNERS AND AFFILIATES
COMBINING SCHEDULES OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 AND 2021

	2021					
	Brilliant Corners	A Home For Life, LLC	WBHC LA Supportive Housing, LLC	Subtotal	Eliminations	Total
Cash flows from operating activities:						
Change in net assets	\$ 26,790,370	\$ 881,713	\$ (227,867)	\$ 27,444,216	\$ -	\$ 27,444,216
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:						
Depreciation	4,845,863	227,043	63,801	5,136,707	-	5,136,707
Loss of property due to fire, net	1,244,529	-	-	1,244,529	-	1,244,529
Interest – amortization of debt issuance costs	79,979	71,121	1,242	152,342	-	152,342
(Increase) decrease in assets:						
Receivables:						
Housing services and housing development contracts	8,745,170	249,774	(34,507)	8,960,437	-	8,960,437
Grants and contributions – foundations and other	(339,712)	-	-	(339,712)	-	(339,712)
Rent	(596,293)	-	(2,003)	(598,296)	-	(598,296)
Related-party	323,380	-	-	323,380	(415,213)	(91,833)
Property taxes	118,373	-	-	118,373	-	118,373
Other	(1,057,192)	-	-	(1,057,192)	-	(1,057,192)
Prepaid expenses	(1,410,138)	(2,175)	-	(1,412,313)	-	(1,412,313)
Other assets	35,981	-	-	35,981	-	35,981
Increase (decrease) in liabilities:						
Accounts payable and accrued expenses	(4,716,925)	(305,836)	(161,316)	(5,184,077)	456,371	(4,727,706)
Program advances	(8,608,267)	(19,517)	5,559	(8,622,225)	-	(8,622,225)
Related-party payable	-	-	41,158	41,158	(41,158)	-
Interest payable	(1,482)	-	277,500	276,018	-	276,018
Tenant security deposits liability	161,674	-	-	161,674	-	161,674
Net cash provided by (used in) operating activities	25,615,310	1,102,123	(36,433)	26,681,000	-	26,681,000

BRILLIANT CORNERS AND AFFILIATES
COMBINING SCHEDULES OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 AND 2021

	2021					
	Brilliant Corners	A Home For Life, LLC	WBHC LA Supportive Housing, LLC	Subtotal	Eliminations	Total
Cash flows from investing activities:						
Decrease in short-term investments	1,001,907	-	-	1,001,907	-	1,001,907
Decrease in notes receivable	30,000	-	-	30,000	-	30,000
Purchase of property and equipment	(27,505,763)	(44,389)	-	(27,550,152)	-	(27,550,152)
Net cash used in investing activities	(26,473,856)	(44,389)	-	(26,518,245)	-	(26,518,245)
Cash flows from financing activities:						
Payment of debt issuance costs	(297,485)	-	-	(297,485)	-	(297,485)
Proceeds from real estate debt	12,638,325	-	-	12,638,325	-	12,638,325
Payments of real estate debt	(2,318,960)	(1,180,911)	-	(3,499,871)	-	(3,499,871)
Net cash provided by (used in) financing activities	10,021,880	(1,180,911)	-	8,840,969	-	8,840,969
Net increase (decrease) in cash, cash equivalents, and restricted cash	9,163,334	(123,177)	(36,433)	9,003,724	-	9,003,724
Cash, cash equivalents, and restricted cash, beginning of year	29,693,706	2,178,988	363,336	32,236,030	-	32,236,030
Cash, cash equivalents and restricted cash, end of year	\$ 38,857,040	\$ 2,055,811	\$ 326,903	\$ 41,239,754	\$ -	\$ 41,239,754
Supplementary information:						
Cash paid for interest – net of capitalized portion	\$ 5,102,549	\$ 603,381	\$ -	\$ 5,705,930	\$ -	\$ 5,705,930
Cash and cash equivalents	\$ 35,187,607	\$ 17,561	\$ 124,133	\$ 35,329,301	\$ -	\$ 35,329,301
Restricted cash	3,669,433	2,038,250	202,770	5,910,453	-	5,910,453
Total cash, cash equivalents and restricted cash shown in the combining schedules of cash flows	\$ 38,857,040	\$ 2,055,811	\$ 326,903	\$ 41,239,754	\$ -	\$ 41,239,754

**SUPPLEMENTARY INFORMATION REQUIRED BY SAN FRANCISCO
MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT
(MOHCD)**

BRILLIANT CORNERS AND AFFILIATES
SUPPLEMENTARY INFORMATION REQUIRED BY MOHCD
SCHEDULES OF OPERATING REVENUES AND EXPENSES
YEARS ENDED JUNE 30, 2022 AND 2021

Project Street Address: 1340 Portola Drive, San Francisco, CA 94127

		2022	2021
	Rental income:		
5120	Gross potential tenant rents	\$ 157,120	\$ 157,120
5121	Rental assistance payments (inc. LOSP)	-	-
5140	Commercial unit rents	-	-
	Total rental income	<u>157,120</u>	<u>157,120</u>
	Vacancies:		
5220	Apartments	-	-
5240	Stores and commercial	-	-
	Total vacancies	<u>-</u>	<u>-</u>
	Net rental revenue (rental income less vacancies)	<u>157,120</u>	<u>157,120</u>
	Other revenue:		
5170	Rent revenue – garage and parking	-	-
5190	Miscellaneous rent revenue	-	-
5300	Supportive services income	-	-
5400	Interest revenue – project operations (from operating account only)	12	-
5400	Interest revenue – project operations (from all other accounts)	7	-
5910	Laundry and vending revenue	-	-
5920	Tenant charges	-	-
5990	Miscellaneous revenue (see details)	1	-
	Total other revenue	<u>20</u>	<u>-</u>
	Total revenue	<u>157,140</u>	<u>157,120</u>

BRILLIANT CORNERS AND AFFILIATES
SUPPLEMENTARY INFORMATION REQUIRED BY MOHCD
SCHEDULES OF OPERATING REVENUES AND EXPENSES
YEARS ENDED JUNE 30, 2022 AND 2021

Project Street Address: 1340 Portola Drive, San Francisco, CA 94127

		2022	2021
	Management expenses:		
6320	Management fee	-	-
	"Above the line" asset management fee	-	-
	Total management expenses	-	-
	Salaries/benefits:		
6310	Office salaries	11,748	10,522
6330	Manager's salary	-	-
6723	Employee benefits: health insurance and disability insurance	1,007	1,080
	Employee benefits: retirement and other salary/benefit expenses	442	418
6331	Administrative rent free unit	-	-
	Total salary/benefits expenses	13,197	12,020
	Administrative:		
6210	Advertising and marketing	-	-
6311	Office expenses	181	258
6312	Office rent	713	828
6340	Legal expense – property	499	119
6350	Audit expense	-	-
6351	Bookkeeping/accounting services	-	-
6370	Bad debts	-	26
6390	Miscellaneous administrative expenses	4,727	731
	Total administrative expenses	6,120	1,962
	Utilities:		
6450	Electricity	91	31
6451	Water	2,501	2,809
6452	Gas	-	-
6453	Sewer	3,038	3,216
	Total utilities expenses	5,630	6,056
	Taxes and licenses:		
6710	Real estate taxes	14,849	16,121
6711	Payroll taxes (project's share)	919	809
6790	Miscellaneous taxes, licenses, permits and insurance	310	5
	Total taxes and licenses expenses	16,078	16,935
	Insurance:		
6720	Property and liability insurance (hazard)	1,749	2,229
6721	Fidelity bond insurance	-	-
6722	Workers' compensation	-	-
6724	Director and officers liabilities insurance	-	-
	Total insurance expenses	1,749	2,229

BRILLIANT CORNERS AND AFFILIATES
SUPPLEMENTARY INFORMATION REQUIRED BY MOHCD
SCHEDULES OF OPERATING REVENUES AND EXPENSES
YEARS ENDED JUNE 30, 2022 AND 2021

Project Street Address: 1340 Portola Drive, San Francisco, CA 94127

		2022	2021
	Maintenance and repairs:		
6510	Payroll	-	-
6515	Supplies	75	1
6520	Contracts	366	314
6525	Garbage and trash removal	1,711	723
6530	Security payroll/contracts	-	-
6546	HVAC repairs and maintenance	36	658
6570	Vehicle and maintenance equipment operation and repairs	452	1,772
6590	Miscellaneous operating and maintenance expenses (see details)	8,799	4,383
	Total maintenance and repairs expenses	<u>11,439</u>	<u>7,851</u>
6900	Supportive services	-	-
	Capital and non-capital expenditures to be reimbursed from replacement reserve	-	-
	Total operating expenses	<u>54,213</u>	<u>47,053</u>
	Financial expenses:		
6820	Interest on mortgage (or bonds) payable	10,727	15,127
6825	Interest on other mortgages	-	-
6830	Interest on notes payable (long term)	-	-
6840	Interest on notes payable (short term)	-	-
6850	Mortgage insurance premium/service charge	-	-
6890	Miscellaneous financial expenses	-	-
	Total financial expenses	<u>10,727</u>	<u>15,127</u>
6000	Total cost of operations before depreciation	64,940	62,180
5060	Operating profit before depreciation	92,200	94,940
	Depreciation and amortization expenses:		
6600	Depreciation expense	19,036	18,823
6610	Amortization expense	-	-
	Operating income	<u>73,164</u>	<u>76,117</u>
	Net entity expenses:		
7190	Other expenses	-	-
	Total net entity expenses	<u>-</u>	<u>-</u>
3250	Change in total net assets from operations	<u>\$ 73,164</u>	<u>\$ 76,117</u>

BRILLIANT CORNERS AND AFFILIATES
SUPPLEMENTARY INFORMATION REQUIRED BY MOHCD
COMPUTATION OF SURPLUS CASH
YEARS ENDED JUNE 30, 2022 AND 2021

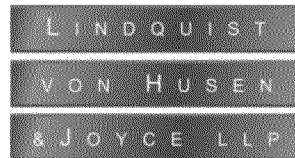
Project Street Address: 1340 Portola Drive, San Francisco, CA 94127

	2022	2021
Operating revenue	\$ 157,140	\$ 157,120
Less: interest earned on restricted accounts	(7)	-
Adjusted operating income	<u>157,133</u>	<u>157,120</u>
Operating expenses	<u>54,213</u>	<u>47,053</u>
Net adjusted operating income	<u>102,920</u>	<u>110,067</u>
Other activities:		
Mandatory debt service – principal	(83,877)	(79,476)
Mandatory debt service – interest	(10,727)	(15,127)
Deposits to replacement reserve account	(4,800)	(4,800)
Total other activities	<u>(99,404)</u>	<u>(99,403)</u>
Surplus cash	<u>\$ 3,516</u>	<u>\$ 10,664</u>
Distribution of surplus cash:		
To repay outstanding loan	<u>\$ 3,516</u>	<u>\$ 10,664</u>

BRILLIANT CORNERS AND AFFILIATES
SUPPLEMENTARY INFORMATION REQUIRED BY MOHCD
SUMMARY OF REPLACEMENT RESERVE AND
OPERATING RESERVE ACTIVITIES
YEARS ENDED JUNE 30, 2022 AND 2021

Project Street Address: 1340 Portola Drive, San Francisco, CA 94127

	<i>Replacement Reserve</i>	<i>Operating Reserve</i>
Balance, June 30, 2020	\$ 39,390	\$ 45,389
Deposits	4,800	-
Interest earned	-	-
Withdrawals	-	-
	<hr/>	<hr/>
Balance, June 30, 2021	44,190	45,389
Deposits	4,800	-
Interest earned	-	7
Withdrawals	(4,176)	-
	<hr/>	<hr/>
Balance, June 30, 2022	<u>\$ 44,814</u>	<u>\$ 45,396</u>



Board of Directors
Brilliant Corners and Affiliates
San Francisco, California

ALEXIS H. WONG
CHARLOTTE SIEW-KUN TAY
CATHY L. HWANG
RITA B. DELA CRUZ
SCOTT K. SMITH
CRISANTO S. FRANCISCO
JOE F. HUIE

SHERMAN G. LEONG

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the combined financial statements of Brilliant Corners and Affiliates, which comprise the combined statement of financial position as of June 30, 2022, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated February 13, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered Brilliant Corners and Affiliates' internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of Brilliant Corners and Affiliates' internal control. Accordingly, we do not express an opinion on the effectiveness of Brilliant Corners and Affiliates' internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Lindquist, von Huen and Joyce LLP

February 13, 2023

NPO Key Staff Resumes

Brilliant Corners employs over 200 full-time personnel* in its Housing Development, Property Management, Housing Services, Case Management and Administrative departments. Brilliant Corners' Los Angeles Office consists of one Director of Housing Development, one Associate Director of Supportive Housing Development, two Senior Project Managers, one full-time Project Manager, one full-time Project Coordinator and five full time property managers and 6 technicians. Brilliant Corners has the capacity to assign existing leadership and Project Management staff to LA projects or to hire additional personnel as needed. The following key personnel would be assigned significant roles in the event that Brilliant Corners is selected to develop this home in partnership with Frank D. Lanterman Regional Center.

Continued on following page

Staff Experience including Key Staff Resumes

The following key personnel would be assigned significant roles in the development of the specialized residential facility in partnership with Westside Regional Center:

William F. Pickel, Executive Director, Brilliant Corners

Mr. Pickel joined Brilliant Corners as Executive Director in November 2007. During his tenure, Mr. Pickel has overseen the dramatic expansion of Brilliant Corners Housing Development, Property Management, and Housing Services programs:

- ◆ Brilliant Corners portfolio of owned and managed homes, including those in the development pipeline, expanded from 3 to over 100 properties totaling over 400 units of affordable, supportive, community-based housing reserved for people with developmental disabilities;
- ◆ Brilliant Corners successfully leveraged funding to acquire and substantially renovate 30 new homes for people with developmental disabilities transitioning to the community from institutional settings;
- ◆ Brilliant Corners negotiated a comprehensive housing partnership agreement with the Golden Gate Regional Center in conformance with new California Department of Developmental Services Housing Guidelines, including acquisition and renovation standards, quality assurance procedures, and long-term use restrictions;
- ◆ Brilliant Corners secured \$2.5M in new grants for the Octavia Court HUD Section 811 supportive housing complex and vocational arts space for people with developmental disabilities in San Francisco;
- ◆ Brilliant Corners created a new Housing Services Department to provide community placement, rental subsidy, housing retention, and related housing services to people with developmental disabilities, placing dozens of Regional Center consumers in new apartment homes;
- ◆ Brilliant Corners successfully secured a new contract with the City and County of San Francisco's Dept. of Public Health to master lease up to 500 units of community-based housing for people currently living at Laguna Honda Hospital. This institutional downsizing program for people with various disabilities and medical needs complements Brilliant Corners licensed home development activities on behalf of Regional Center consumers at Laguna Honda Hospital as well as its GGRC Housing Services efforts, creating a City-wide network of quality, affordable, Brilliant Corners-controlled units that Brilliant Corners can modify to create accessibility for either DPH or GGRC clients as needed;
- ◆ Secured a contract with the U.S. Department of Veteran's Affairs to provide intensive clinical case management and housing to 175 chronically homeless veterans in 2012;
- ◆ Brilliant Corners secured contracts to develop CRDP homes in partnership with a number of Regional Centers including Westside, Kern, Inland, San Gabriel/Pomona, and Central Valley among others.

Prior to joining Brilliant Corners, Mr. Pickel served as Grant Writer, Project Manager, Senior Project Manager, and Director of Housing Development for Christian Church Homes (aka California Community Housing) from 1999 to 2007, where he had primary responsibility for all funding applications and acquisitions, securing \$250M in federal, state, local and private funding in support of 18 multifamily projects, including 10 successful HUD Section 202 Housing for the Elderly applications and three acquisition deals preserving over 400 units of at-risk affordable housing. Mr. Pickel holds an M.A. in Religious Studies from Boston University, a B.A. in Literature from the State University of New Jersey, and an Advanced Affordable Housing Development Training Institute Certificate from the Local Initiative Support Corporation. Mr. Pickel supervises the LA project team and will be involved in all major project decisions and milestones.

Serena Fields, Director of Housing Development & Management

Ms. Fields joined Brilliant Corners in August of 2016 and currently serves as the Director of Supportive Housing Development and Management for California. She brings more than ten years of public sector experience as a City Planner, managing various levels of residential and commercial projects and has experience with CEQA documents, policy development, community building, and collaborating with community stakeholders, neighboring government organizations, volunteer groups (Planning Commissions & Design Review Boards), real estate professionals, developers and architects/landscape architects. Prior to relocating to Northern California, Ms. Fields managed CPP development in conjunction with the San Diego Regional Center, which included a total of nine CPP projects: six (6) SRF's, one (1) ARFPSHN, and two (2) ARF homes. She holds a Bachelor's of Science Degree in Health Science from Saint Mary's College, Moraga, CA and is currently a licensed salesperson with the California Bureau of Real Estate.

Vanessa Luna, Director of Multifamily Housing, Brilliant Corners

Vanessa Luna joined Brilliant Corners in March of 2020 to oversee the creation of its multifamily housing development pipeline statewide. Ms. Luna joins Brilliant Corners with 14 years of experience in supportive housing development focused in the Los Angeles area. Over the last seven years during her time as a housing director for a Los Angeles-based nonprofit, Ms. Luna added 356 supportive and affordable housing units among six Low-Income Housing Tax Credit developments to the pipeline. Together, these totaled over \$100 million in financing. Over 200 of these units were for households experiencing homelessness or with special needs. Ms. Luna has also focused on innovative construction techniques, such as the use of shipping containers, to bring down the cost of construction and has an interest in the intersection of affordable housing with issues of environmental justice and climate resiliency. Ms. Luna holds a Master of Planning degree from the University of Southern California.

Juan Lopez, Associate Director of Supportive Housing Development (Southern California Region)

Juan Lopez joined Brilliant Corners in January of 2016 as Development Project Manager for the Southern California Region. Since then, Mr. Lopez has successfully acquired and redeveloped over seventeen (19) Community Placement Plan (CPP) homes for the

purpose of providing housing for individuals with special needs transitioning out of developmental centers. His housing experience includes developing ARF's, ARFPSHN's, SRF's, EBSH's, and Community Crisis Homes. In July of 2019, Mr. Lopez transitioned into the role of Senior Project Manager and immediately took on several more challenging projects. Currently, Mr. Lopez supervises the housing development activities for the Southern California Development Team. Other experience includes helping Brilliant Corners secure fifty-three (53) Project Based Vouchers and over \$14 Million in funding for Multifamily Development. Mr. Lopez also brings more than ten years of construction and finish carpentry experience. Mr. Lopez holds a M.S in Urban Planning and a B.A. in Policy, Planning, & Development from the University of Southern California.

Cesar Lopez, Project Manager (Southern California Region)

Cesar Lopez joined Brilliant Corners in July of 2021 as a Project Manager. Prior to joining the team, Cesar worked for the San Gabriel/Pomona Regional Center (SGPRC) as a Housing Specialist where he was responsible for securing housing for individuals via Section 8 vouchers, Permanent Supportive Housing units or market rate units. Cesar was also the CPP liaison between SGPRC and HDO's. Cesar brings a great amount of CPP experience and knowledge and is very familiar with the Department of Developmental Services (DDS) process. Cesar holds a Bachelor of Arts Degree in Social Work (BASW) from California State University, Los Angeles.

Graciela Flores, Project Manager (Southern California Region)

Graciela Flores joined Brilliant Corners in February 2017 as part of the Flexible Housing Subsidy Pool Program providing housing services for homeless individuals. Currently, Graciela is a Project Manager for the CPP Housing Development team after serving as a Project Coordinator for both the CPP and Multifamily Housing Development teams. Her housing experience includes developing SRF's, ARFPSHN's, EBSH's, and Community Crisis Homes. Graciela has ample experience with the CPP model and holds professional relationships with regional centers throughout Southern California. Before joining Brilliant Corners, Graciela provided administrative support for a local planning and engineering firm for eight years. Graciela is a native of Los Angeles and is passionate about housing equity and affordability for all. She holds a Bachelor of Science Degree in Public Health from California State University, Los Angeles.

Benilda Glen, Project Manager (Southern California Region)

Benilda Glen joined Brilliant Corners in May of 2022 as a Project Manager. Prior to joining the team, Benilda worked for the San Gabriel/Pomona Regional Center (SG/PRC) as a Resource Developer where she was responsible for assisting potential vendors in developing services, primarily licensed residential facilities, for individuals with intellectual disabilities. Benilda was also the primary developer for residential CPPs awarded by DDS. Benilda brings a great amount of both CCL and CPP experience and knowledge and is very familiar with the Department of Developmental Services (DDS) process. Benilda holds a Bachelor of Arts Degree in Psychology from the University of La Verne

Karla Escobar, Project Coordinator (Southern California Region)

Karla Escobar joined Brilliant Corners in March 2022 as a Project Coordinator for the Housing Development team providing administrative support. Prior to joining Brilliant Corners, Karla was an office manager and provided extensive administrative support to cross functional teams in staffing services catered to the IT industry.

Jonathan Hull, Regional Property Manager (Southern California Region)

Jonathan was born in northern Texas where he spent his early years growing up on a corn farm. At the age of 5, his parents relocated to Phoenix, Arizona. After high school he attended Arizona State University where he earned a Bachelor of Science in Real Estate Development. Upon graduation he joined a prominent investment real estate group located in Scottsdale, Arizona. He began his career in residential sales but found himself well suited for property management. As a property manager he gained experience in the management of seasonal vacation properties, multi-family housing, and mixed-use commercial space. After enduring many scorching summers in Arizona, he relocated to beautiful Los Angeles, California. Jonathan joined Brilliant Corners in the spring of 2019. During his time with BC Jonathan has focused on the enhancement of existing relationships with service providers and improving the quality and consistency of the services offered by the property management department.

Alfonzo Watson, Senior Property Manager (Southern California Region)

Mr. Watson initially joined Brilliant Corners in February 2016 as a Lead Housing Coordinator but transitioned into Supportive Housing Management in February 2017. Mr. Watson brings with him prior experience working in housing for Veterans affairs and as a construction superintendent in real estate development.

Carlos Lainez, Regional Facilities Manager (Southern California Region) joined Brilliant Corners in April 2019 as a Property Manager for the Housing Management Team. Mr. Lainez has 10 years of property management experience working with commercial and residential properties as well as working with housing programs such as Section 8 and HUD. Carlos holds a Bachelor of Science Degree from University of California, Los Angeles.

Jackelene Sanchez, Property Manager (Southern California Region) joined Brilliant Corners in February 2018 as a Housing Coordinator in the Flex Housing Subsidy Pool program. Jackie holds a Bachelor of Science Degree from Mount St. Mary's University. She has a background in psychology and criminology, has been with BC for 5 years.

Rafael E. Quintanilla, Maintenance Technician (Southern California Region)

Rafael has over 7 years of expertise in maintenance and general home repair skills within a multi-family portfolio, and is a licensed electrician. His experience includes overseeing and performing all types of general maintenance such as basic HVAC maintenance, painting, dry-wall work, tiling, light plumbing, and any electrical work.

Hector Chitay, Maintenance Technician (Southern California Region)



Hector joined Brilliant Corners as a maintenance technician for the Southern California Region in June 2018.

Hector Sierra, Maintenance Technician (Southern California Region)

Hector joined Brilliant Corners as a maintenance technician for the Southern California Region in September 2018.

Development Roster



Address	Beds	Property Type	Funder	Service Provider	Year Completed	
6932 Chapman Ave, Garden Grove 92845	4	EBSH	DDS/RCOC		In Construction	
3110 Joy St, West Covina, CA 91791	4	EBSH	DDS/SGPRC		In Construction	
2815 Ross Lane, Escondido, CA 92025	5	GHCSHN	DDS/SDRC		In Construction	
13102 Ethelbee Way, Santa Ana	4	EBSH	DDS/RCOC		In Construction	
15421 Johnson Rd, Bakersfield	4	EBSH	DDS/KRC	Mars Group III, Inc.	2023	
1910 E. Silva St, Long Beach	4	EBSH	DDS/HRC	Mountain Top	In Construction	
2466 248th St, Lomita	4	EBSH	DDS/HRC	Mountain Top	In Construction	
14817 Janine Dr Whittier, CA 90605	4	EBSH	DDS/ELARC	Greater Heights	In Construction	
615 W Robinwood Ln. Fresno, CA 93704	5	GHCSHN	DDS/CVRC	Redubla Residential Care, LLC	In Construction	
6027 N. Harrison Ave. Fresno, CA 93711	5	EBSH-DESP	DDS/CVRC	Kasa Real, Inc.	In Construction	
13767 Proctor Valley Rd. Jamul, Ca 91935	4	CCH	DDS/SDRC	YAI	In Construction	
10940 Dakota Ave. Fresno, CA 93723	4	EBSH	DDS/CVRC	AMVA	In Construction	
1200 N. El Molino, Pasadena CA	4	SRF	DDS/FDLRC	Mercedes Diaz	2023	
11702 Stephanie Lane, Garden Grove	4	EBSH	DDS/RCOC	Telecare Corp	2023	
2255 W Crestwood Ln, Anaheim	4	EBSH	DDS/RCOC	Telecare Corp	2023	
28493 Cerveza Court, Escondido, CA	4	EBSH	DDS/SDRC	Merakey	In Construction	
581 Shays Way Ramona, Ca 92065	4	EBSH	DDS/SDRC	Merakey	In Construction	
611 Laconia, Los Angeles, CA	5	ARFPSHN	DDS/WRC	N/A	In Construction	
7752 Elwyn Ave, Elverta CA 95626	4	CCH	DDS/ACRC	Telecare Corp	In Construction	
7620 Clement Rd. Vacaville, CA 95688	4	EBSH w/DE	DDS/NBRC	Golden Braveheart Manor LLC	In Construction	
4278 Ruby Ln. Vacaville, CA 95688	4	EBSH w/DE	DDS/NBRC	Telecare Corp	In Construction	
3700 Eastern Ave Sacramento, CA 95821	5	GHCSHN -5 bedrooms	DDS/ACRC	TBD	In Construction	
1200 Carson Woods Fortuna, CA 95540	4	EBSH Adults	DDS/RCRC	YAI	In Construction	
2540 Belport Ln. Sacramento, CA 95821	4	EBSH Adults	DDS/ACRC	People's Care	In Construction	
4767 Midway Rd. Vacaville, CA 95688	4	EBSH w/DE&SP	DDS/NBRC	Walk of Life	In Construction	
6704 Strutevant Dr. Penngrove, CA 94951	4	SRF-Adult	DDS/NBRC	Lola Manor	In Construction	
4790 Kingdom Way, Sheridan, CA 95681	4	EBSH-DE/SP	DDS/ACRC	Summit Therapeutics	In Construction	
22370 Via Seco Street, Apple Valley, CA 92308	4	EBSH-DE/SP	DDS/IRC	Laygo Management Services	2022	
21303 E Cloverton St. Covina, CA 91724	4	SRF-Adult ASD	DDS/SGPRC	TBD	2022	
8543 W Ave C12 Lancaster, CA 93536	4	CCH	DDS/ELARC	People's Care	2023	
17287 Deep Creek Ct Visalia, CA 93292	5	EBSH/STAR Homes	DDS/CVRC	DDS	2023	
32029 Success Valley Dr. Porterville Dr. CA 93257	5	CCH/STAR Homes	DDS/CVRC	DDS	2023	
14605 Alkosh Rd, Jamul, CA 91935	4	CCH	DDS/SDRC	Fred Finch	2023	
8736 El Verano, Elverta, CA 95626	4	CCH	DDS/ACRC	Telecare Corp	2022	
1715 E Tabor Ave. Fairfield, CA 94533	4	EBSH	DDS/RCEB	Young Adult Institute Inc.	2022	
1775 White Ln, Stockton, CA 95215	4	EBSH	DDS/VMRC	Telecare Corp	2022	
33340 Meadow Dr, Springville, CA 93265	5	CCH	DDS/CVRC	TBD	2021	
41 Morey Ave, Sacramento CA 95838	4	EBSH	DDS/ACRC	Turning Point of Central California Inc.	2022	
2371 Empire Avenue, Brentwood, CA 94513	4	CCH	DDS/RCEB	Young Adult Institute Inc.	2022	
3293 Camino Diablo, Byron, CA 94514	4	CCH	DDS/RCEB	Young Adult Institute Inc.	In Construction	
12602 Ave 336, Visalia, CA 93291	4	EBSH	DDS/CVRC	TBD	2021	
35158 Wyse Rd Agua Dulce, CA 91390	4	EBSH	DDS/NLACRC	Elwyn	2022	
1610 N Valley Burbank, CA 91505	4	SRF	DDS/FDLRC	Mercades Diaz	2022	
8716 Nogal Ave, Whittier, CA 90606	4	EBSH	DDS/ELARC	Successful People	2022	
1774 W Chalet Avenue, Anaheim, CA 92804	4	SRF	DDS/RCOC	Frances James	2022	
12545 McGee Dr. Whittier, CA 90606	4	EBSH	DDS/ELARC	Faith Joy, LLC	2022	
4893 N. Tisha Ave, Fresno, CA, 93723	4	EBSH	DDS/CVRC	TBD	2021	
945 Zumwalt Ave. Tulare, CA 93274	4	CCH	DDS/CVRC	TBD	2021	
25136 Road 44, Tulare, CA 93274	4	CCH	DDS/CVRC	TBD	2021	
13304 Lambert Rd, Whittier, CA	3	EBSH	DDS/ELARC	Deesha Inc.	2021	
21345 Old Rd 44, Redding CA 96003	4	CCH	DDS/FNRC	Merakey	2021	
2700 Pacini St, Bakersfield, 93314	3	EBSH	DDS/KRC	Aimes Homes	2020	
8029 Vargas Ct, Bakersfield, Ca 93313	4	EBSH	DDS/KRC	Endless Possibilities Services Inc.	2020	
3328 Shale Peak Ln, Vacaville, CA 95688	4	EBSH	DDS/RCEB	TBD	In Construction	
25143 Jack Rabbit Acres, Escondido	4	CCH	DDS/SDRC	Community Research Foundation (CRF)	2022	
308 S. San Angelo Ave. La Puente, CA	2	EBSH	DDS/SGPRC	ResCare	2021	
3511 Delaware Ave. Stockton, CA	4	EBSH	DDS/VMRC	Merakey	2022	
17834 N Davis, Lodi, CA		CCH	DDS/VMRC	YAI	2022	
604 Hunter Ln, Santa Rosa, CA	4	EBSH Youth	DDS/NBRC	Vilon Inc.	2021	
12857 Cherokee Lane, Galt, CA	4	EBSH Nursing	DDS/ACRC	TBD	2021	
10799 Simmerhorn, Galt, CA	4	EBSH	DDS/ACRC	TBD	2021	
5641 West 4th St. Rio Linda	4	CCH	DDS/ACRC	TBD	2021	
3610 Wallace Rd, Santa Rosa, CA, 95404	3	EBSH	DDS/NBRC	Kwanza Care, LLC	2021	
3711 Lindero Dr, Concord, CA 94519	4	EBSH	DDS/RCEB	Sele, Inc.	2021	
2888 Franklin Rd, Yuba City, CA 95993	4	EBSH	DDS/RCEB	TBD	2021	
1051 Electric St, Gardena CA	4	CCH	DDS/WRC	TBD	2021	
205 Hillside Dr, Antioch, CA 94509	4	EBSH	DDS/RCEB	TBD	2020	
8617 Tenaya Court, Stockton, CA	4	EBSH	DDS/VMRC	TBD	2020	
25164 Road 44, Tulare, CA 93274	4	CCH	DDS/CVRC	Liberty Healthcare	2020	
1051 Nantucket, La Habra, CA 90631	3	EBSH	DDS/ELARC	ResCare	2020	
5730 Cedars Road, Redding, CA 96001	4	CCH	DDS/FNRC	Liberty Residential Services Inc.	2020	
10268 Fremontia Road Oak Hills, CA 92344	4	EBSH	DDS/IRC	TBD	2020	
17358 Sycamore Ln, Apple Valley, CA 92307	4	EBSH	DDS/IRC	TBD	2020	
23250 Zuni Rd, Apple Valley, CA 92307	4	EBSH	DDS/IRC	TBD	2020	
41218 Crest Drive, Hemet, CA 92544	4	EBSH	DDS/IRC	Benson Homes	2020	
14405 Meacham Road, Bakersfield, CA 93314	4	EBSH	DDS/KRC	Kern Adult	2020	
7821 English Hills Road, Vacaville, CA 95688	5	CCH	DDS/NBRC	Anka Behavioral Health, Inc.	2020	
146 S. Covina Blvd Ave, La Puente, CA 91746	4	CCH	DDS/SGPRC	Liberty Healthcare	2020	
14055 Lomitas Ave, La Puente, CA 91746	4	CCH	DDS/SGPRC	Liberty Healthcare	2020	
3874 W. 132ndSt. Hawthorne, CA 90250	3	Family Teaching Home	DDS/WRC	Journeys	2020	
10521 Condon Ave, Inglewood, CA 90304	4	EBSH	DDS/WRC	Inclusions	2020	
4442 W. 130th St. Hawthorne, CA 90250	4	CCH	DDS/WRC	Inclusions	2020	
1051 Eletric St. Hawthorne, CA 90248	4	CCH	DDS/WRC	TBD	2020	
10170 Justamere Lane, Elk Grove, California 95624	4	EBSH Children	DDS/ACRC	Walk of Life	2019	
12956 Alta Mesa, Herald, CA 95638	4	EBSH	DDS/ACRC	Telecare	2019	
2177 White St. Pasadena, CA 91107	3	SRF	DDS/FDLRC	B-All Unlimited	2019	
475 W. Washington Blvd Pasadena, CA 91103	4	SRF	DDS/FDLRC	LWII Inc	2019	
761 Boylston Street Pasadena, CA 91104	3	SRF	DDS/FDLRC	LWII Inc	2019	
810 Eucalyptus Avenue, Novato, CA 94945	4	SRF	DDS/GGRC	Yumi Homes LLC	2019	
222 Camino Los Banos San Jacinto, CA 92583	4	EBSH	DDS/IRC	Benson Homes	2019	
29220 Via Las Palmas, Thousand Palms, CA 92276	4	EBSH	DDS/IRC	Benson Homes	2019	
32055 Lindenberger Road, Menifee, CA 92584	4	EBSH Children	DDS/IRC	Wonderland of Choice Premier Services	2019	
35525 Pony Trail Rd Hemet, CA 92545	4	ARF	DDS/IRC	Benson Homes	2019	

Development Roster



Address	Beds	Property Type	Funder	Service Provider	Year Completed	
3256 Jenkins Road, Bakersfield, CA 93314	5	ARFPSHN-B	DDS/KRC	Atenar Community Services	2019	
6742 Coffee Road Bakersfield, CA 93308	4	CCH	DDS/KRC	AIMES	2019	
8130 Norris Road Bakersfield, CA 93312	4	EBSH	DDS/KRC	MARS Group	2019	
1912 Moosup Court, Fairfired, CA 94533	4	SRF	DDS/NBRC	A Place of Grace	2019	
7952 Charlotte Lane, Vacaville, CA 95688	4	EBSH	DDS/NBRC	BAT Residential, Inc	2019	
12921 Gilbert Street, Garden Grove, CA 92841	2	EBSH	DDS/RCOC	Integrated Treatment Services	2019	
12932 Malena Dr. Santa Ana , CA	5	ARFPSHN	DDS/RCOC	Continental Post Acute	2019	
1438 W Janeen Way Anaheim, CA 92801	5	ARFPSHN	DDS/RCOC	Continental Post Acute	2019	
17777 Buena Vista Ave, Yorba Linda, CA 92886	5	ARFPSHN	DDS/RCOC	Continental Post Acute	2019	
606 N. Carleton Ave Anaheim, CA 92801	5	ARFPSHN	DDS/RCOC	Continental Post Acute	2019	
1404 Ash St. Ramona, CA 92065	4	ARF	DDS/SDRC	Liberty Residential Services Inc.	2019	
2151 Amanda Lane Escondido, CA 92029	4	SRF	DDS/SDRC	Merakey Allos	2019	
2281 Ritter Place, Escondido CA 92029	4	SRF	DDS/SDRC	Real Homes Inc.	2019	
2915 Duck Pond Ramona, CA 92065	4	ARF	DDS/SDRC	Liberty Residential Services Inc.	2019	
4516 Paseo de La Vista Bonita, CA 91902	4	ARF	DDS/SDRC	Rienda Services, Inc	2019	
479 Amparo Drive Escondido, CA 92025	4	SRF	DDS/SDRC	Merakey Allos	2019	
1423 E. Puente Ave, West Covina, CA 91791	4	EBSH	DDS/SGPRC	People's Care	2019	
21203 Hobart Blvd. Torrance, CA 90501	3	EBSH	DDS/WRC	CABA	2019	
257 Blackstone Drive San Rafael, CA 94903	3	EBSH	GGRC	ILE, Inc.	2019	
2590 Consolation Court, Shingle Springs, CA 95682	4	CCH	DDS/ACRC	Summit Therapeutic Services, Inc.	2018	
3333 Parks Lane, Carmichael, CA 95608	4	EBSH	DDS/ACRC	Anka Behavioral Health, Inc.	2018	
13531 Perry Drive, Visalia, CA 93292	4	CCH	DDS/CVRC	MARS Group	2018	
14453 Ave 433, Visalia, CA 93292	4	EBSH-PICA	DDS/CVRC	People's Care	2018	
4122 Ellery Way Fresno, CA 93722	5	ARFPSHN	DDS/CVRC	Atenar Community Service	2018	
2253 Elmgrove St Los Angeles, CA 90031	3	SRF	DDS/FDLRC	B-ALL Unlimited	2018	
1027 Las Pavadas Avenue, San Rafael, CA 94903	4	RCFE	DDS/GGRC	Romar Raquinio & Selene Cruz-Astorga	2018	
105 Tamara Way, Windsor, CA 95492	4	ARFPSHN	DDS/GGRC	Amy Narciso/Nemia Atendido	2018	
1380 Joyce street, Novato, CA 94947	4	SRF-Medical or Behavioral	DDS/GGRC	Rosemarie Veridiano	2018	
1702 Echo Ave., San Mateo, CA 94401	4	ARF	DDS/GGRC	G&G Residential Services	2018	
238 Sandpiper Court, Foster City, CA 94404	4	SRF-Adult ASD	DDS/GGRC	Liz and Manny Haake	2018	
313 East Oakwood BLVD, Redwood City, CA 94061	4	ARFPSHN	DDS/GGRC	Narasol, Inc.	2018	
472 Alameda de la Loma, Novato 94949	4	RCFE	DDS/GGRC	Gerlou Abriam-Stewart and Libia Cruz-Leon	2018	
75 Juanita Court, Novato, CA 94945	4	SRF-Behavioral	DDS/GGRC	Marian Residential	2018	
856 Cypress Avenue, Novato, CA 94947	4	SRF-Medical & Behavioral	DDS/GGRC	MIK, LLC	2018	
15730 Strebtor Dr Bakersfield, CA 90247	4	SRF	DDS/KRC	California Mentor	2018	
3702 Abbey Road BakersField, CA 93309	5	ARFPSHN	DDS/KRC	California Mentor	2018	
6444 Houghton Bakersfield, CA 93313	4	Mal Adaptive Behavioral	DDS/KRC	California Mentor	2018	
1839 Alan Drive, Penngrove CA 94951	4	EBSH	DDS/NBRC	Kwanza Care, LLC	2018	
3365 Petaluma Hill Rd., Sonoma, CA 95404	4	EBSH	DDS/NBRC	Partners For Inclusion	2018	
3840 Stafford Springs Way, Fairfield, CA 94533	5	ARFPSHN	DDS/NBRC	BelenHaven 1	2018	
5679 Queen Anne Drive, Santa Rosa, CA 95409	4	ARFPHSN	DDS/NBRC	Serena Homes LLC	2018	
2913 Sunnywood Drive Fullerton, CA 92835	5	ARFPHSN	DDS/OCRC	Independent Options	2018	
5939 Pleasants Valley Road, Vacaville, CA 95688	5	CCH	DDS/RCEB	DDS	2018	
1702 La Colina Dr. North Tustin, CA 92705	5	ARFPSHN	DDS/RCOC	ResCare	2018	
618 Briarwood Drive Brea, CA 92821	5	ARFPSHN	DDS/RCOC	Independent Options	2018	
857 Larchwood Dr. Brea, CA 92821	5	ARFPSHN	DDS/RCOC	Independent Options	2018	
14420 Orange Grove Ave Hacienda Heights, CA 91745	4	Med Behavioral	DDS/SGPRC	Elwyn, Inc.	2018	
3010 E. Virginia Ave. West Covina, CA 91791	4	SRF	DDS/SGPRC	Insight 4 Living	2018	
527 Rancho Lindo Dr Covina, CA 95124	4	Med-Behavioral	DDS/SGPRC	Elwyn, Inc.	2018	
1436 W 185th St Gardena, CA 90248	4	EBSH	DDS/WRC	CABA	2018	
15331 S. Ainsworth St. Gardena, CA 90247	3	EBSH	DDS/WRC	Integrated Treatment Services	2018	
26491 Aracena Dr Los Angeles, CA 92691	5	ARFPHSN	DDS/WRC	Meryemana	2018	
506 W. Plymouth St. Inglewood, CA 90302	4	EBSH	DDS/WRC	CABA	2018	
5432 W. 116th St Inglewood, CA 90304	3	SRF	DDS/WRC	CABA	2018	
8700 Ramsgate Ave Los Angeles, CA 90045	6	Multi-Family - Homeless	DHS	DHS	2018	
1311 Sweetwood Drive, Daly City, CA 94015	4	RCFE	Union Bank/Brilliant Corners Equity	KIMM, Inc.	2018	
4841 Loch Lomond, Carmichael, CA 95608	5	ARFPSHN	DDS/ACRC	Elwyn, Inc.	2017	
5029 Engle Road, Carmichael, CA 95608	5	ARFPSHN	DDS/ACRC	Elwyn, Inc.	2017	
5035 Illinois Avenue, Fair Oaks, CA 95628	4	EBSH	DDS/ACRC	Aacres CA, LLC	2017	
6804 Santa Juanita Avenue, Orangevale, CA 95662	4	CCH	DDS/ACRC	Strategies to Empower People (STEP)	2017	
2526 W. Atlanta Ave Fresno, CA 93711	5	ARFPSHN	DDS/CVRC	Atenar Community Service	2017	
14238 Christine Dr. Whittier, CA 90605	4	SRF	DDS/ELARC	Mercedes Diaz Homes	2017	
1505 Maddux Drive, Redwood City, CA 94061	4	ARFPSHN	DDS/GGRC	Claire Ascalon and Espie Sorongon	2017	
1590 Greenwood Way, San Bruno, CA 94066	4	ARF-Med/Behavioral	DDS/GGRC	Marian Residential	2017	
16 Garden Avenue, San Rafael, CA 94903	4	SRF-RCFE	DDS/GGRC	Bayhome Living	2017	
1647 Roberta Drive, San Mateo, CA 94403	4	RCFE	DDS/GGRC	Fatollah Ghlichloo	2017	
2460 Evergreen Drive, San Bruno, CA 94066	4	SRF-RCFE	DDS/GGRC	G&G Residential Services	2017	
2880 Berkshire Drive, San Bruno, CA 94066	4	SRF-RCFE	DDS/GGRC	Marian Residential	2017	
3250 Crestmoor, San Bruno, CA 94066	4	ARFPSHN	DDS/GGRC	Tina's Care Home	2017	
988 Norton Street, San Mateo, CA 94401	4	ARFPSHN	DDS/GGRC	Mirra Raxakoul	2017	
14032 Olema Rd Apple Valley, CA 92307	4	SRF	DDS/IRC	Treatment and Development	2017	
15953 Kewanee Rd Apple Valley, CA 92307	4	ARF	DDS/IRC	Treatment and Development	2017	
26589 California Ave Hemet, CA 92545	4	Acute Crisis	DDS/IRC	Benson Homes	2017	
1004 Yarkon Ct, Fairfield, CA 94533	4	SRF-Mod Behaviors / Medical	DDS/NBRC	Narsan Homes	2017	
1022 Hyland Drive, Santa Rosa CA 95404	4	SRF	DDS/NBRC	Lola Manor LLC.	2017	
1466 Country Manor Drive, Santa Rosa, CA 95401	5	ARFPHSN	DDS/NBRC	ERAH	2017	
180 El Ritero, Sonoma, CA 95476	5	ARFPSHN	DDS/NBRC	Elwyn, Inc.	2017	
1925 Alderbrook Lane, Santa Rosa 95405	5	ARFPSHN	DDS/NBRC	Elwyn, Inc.	2017	
1944 Hidden Valley Rd., Santa Rosa, CA 95404	4	EBSH	DDS/NBRC	BAT Residential, Inc	2017	
2307 Warwick Drive, Santa Rosa, CA 95405	4	SRF	DDS/NBRC	BAT Residential, Inc	2017	
3044 German Street, Fairfield, CA 94534	5	ARFPSHN	DDS/NBRC	BelenHaven 2	2017	
3500 Happy Valley Court, Santa Rosa 95409	4	EBSH	DDS/NBRC	Elwyn, Inc.	2017	
3789 Clay Bank Rd, Fairfield, CA 94533	4	SRF-Behavioral/Chronic Health	DDS/NBRC	R&L Residential Services	2017	
4151 Barnes Road Santa Rosa CA 95403	4	EBSH	DDS/NBRC	Elwyn, Inc.	2017	
449 Dawson Creek Drive, Fairfield, CA 94534	4	SRF-Mod Behaviors/Medical	DDS/NBRC	Narsan Homes	2017	
503 Via Vaquero, Fairfield, CA 94534	4	ARF	DDS/NBRC	Edrine Home, LLC	2017	
615 Christine Drive, Vacaville, CA 95687	4	SRF-Mild Behavioral	DDS/NBRC	Adelaide Home, LLC	2017	
7110 Steiger Hill Rd. Vacaville, CA 95688	5	CCH	DDS/NBRC	Anka Behavioral Health, Inc.	2017	
7427 Locke Road, Vacaville, CA 95688	5	CCH	DDS/NBRC	Anka Behavioral Health, Inc.	2017	
909 Calle Del Caballo, Fairfield, CA 94534	4	SRF-Behavioral/Nursing	DDS/NBRC	The Wayne Home, LLC	2017	
937 Eve Court, Rohnert Park, CA 94928	4	SRF	DDS/NBRC	Partners For Inclusion	2017	
1144 E. Chase Ave, El Cajon, CA 92020	4	SRF	DDS/SDRC	A Place of Grace	2017	
1432 Ramona View Court Ramona, CA 92065	4	ARF	DDS/SDRC	AACRES CA, LLC	2017	

Development Roster



Address	Beds	Property Type	Funder	Service Provider	Year Completed	
17106 Garjan Lane Ramona, CA 92065	4	ARF	DDS/SDRC	Aacres CA, LLC	2017	
1857 Diesel Dr. El Cajon, CA 92019	4	ARF	DDS/SDRC	Rienda Services	2017	
431 Ferrero Lane La Puente, CA 91744	4	SRF	DDS/SGPRC	People's Care	2017	
549 S. 3rd Ave La Puente, CA 91746	3	Short Term CCH	DDS/SGPRC	Insight 4 Living	2017	
10421 S. 2nd Ave Inglewood, CA 90303	3	ARF	DDS/WRC	Ambitions CA	2017	
5130 W. 137th Place Hawthorne, CA 90250	4	SRF-Kids	DDS/WRC	Inclusions	2017	
5505 S. Garth Avenue Los Angeles, CA 90056	5	ARFPSHN	DDS/WRC	Rienda Services	2017	
32083 Manota Court Visalia, CA 93291	4	EBSH	DDS/CVRC	MARS Group	2016	
9939 Corella Ave Whittier, CA 90603	4	SRF	DDS/ELARC	Mercedes Diaz Homes	2016	
2585 Wentworth Dr., San Bruno, CA 94066	4	ARF-Behavioral w/Medical Need	DDS/GGRC	CARECO, Inc.	2016	
1618 Peterson Lane, Santa Rosa, CA 95403	5	ARFPSHN	DDS/NBRC	AEM Homes	2016	
2175 Grosse Ave., Santa Rosa, CA 95404	5	ARFPSHN	DDS/NBRC	AEM Homes	2016	
4500 Beck Lane, Vacaville, CA 95688	4	CCH	DDS/NBRC	Anka Behavioral Health, Inc.	2016	
5838 Monte Verde Drive, Santa Rosa, CA 95409	5	ARFPSHN	DDS/NBRC	AEM Homes	2016	
1755 Circo del Cielo El Cajon, CA 92020	4	ARF	DDS/SDRC	Utopia Home Care	2016	
4695 Resmar Rd La Mesa, CA 91941	4	ARF	DDS/SDRC	People's Care	2016	
4835 W. 139th St. Hawthorne, CA 90205	3	ARF	DDS/WRC	Inclusions	2016	
5007 W. 119th St. Hawthorne, CA 90250	3	ARF--Med/Behavioral	DDS/WRC	BLC Residential Care	2016	
6707 Shenandoah Ave Los Angeles, CA 90056	5	ARFPSHN	DDS/WRC	Dungarvin	2016	
8117 Handley Ave Los Angeles, CA 90045	5	ARFPSHN	DDS/WRC	Dungarvin	2016	
11805 Cog Hill Whittier, CA 90601	4	ARF	DDS/ELARC	Mercedes Diaz Homes	2015	
11649 Ivy Ave Hesperia, CA 92345	4	ARF	DDS/IRC	Treatment and Development	2015	
14025 Powers Rd Poway, CA 92064	4	ARF	DDS/SDRC	Utopia Home Care	2015	
725 Camelot Parkway El Cajon, CA 92019	4	ARF	DDS/SGPRC	Rienda Services	2015	
13916 Manor Dr. Hawthorne, CA 90250	3	ARF	DDS/WRC	Inclusions	2015	
5941-5943 W. 84th St. Los Angeles, CA 90045	3	FHA Certified Family Teaching	DDS/WRC	Diverse Journeys	2015	
7816 Flight Ave Los Angeles, CA 90045	3	Family Teaching Home	DDS/WRC	Diverse Journeys	2015	
3318 Wyoming Ave Burbank, CA 91505	3	Children's Group Home	Brilliant Corners Equity/Union Bank	ABH Inc.	2014	
7751 Vale Drive Whittier, CA 90602	4	ARF	DDS/ELARC	Mercedes Diaz Homes	2014	
383 Byxbee Street, San Francisco, CA 94123	4	RCFE	DDS/GGRC	Narasol, Inc.	2014	
527 Orange Ave., South San Francisco, CA 94080	4	RCFE	DDS/GGRC	Marian Residential	2014	
537 Cypress Street, Redwood City, CA 94063	4	ARF	DDS/GGRC	Johnson Community Connections, Inc.	2014	
19638 Mayall St. Northridge, CA 91324	4	ARF	DDS/NLACRC	Elwyn, Inc.	2014	
5149 Babcock Ave Valley Village, CA 91607	4	ARF	DDS/NLACRC	Elwyn, Inc.	2014	
6532 Kelvin Avenue Winnetka, CA 91306	4	ARF	DDS/NLACRC	Elwyn, Inc.	2014	
10429 Tristan Dr. Downey CA 90241	5	SB 962	DDS/SCLARC	Bailey Care Homes, Inc.	2014	
9294 Lubec St. Downey, CA 90240	5	SB 962	DDS/SCLARC	Bailey Care Homes, Inc.	2014	
13904 Chancellor Way, Poway, CA 92064	4	ARF	DDS/SDRC	Sea & Sun, LLC	2014	
12052 Conference St El Monte, CA 91732	4	ARF	DDS/SGPRC	Inclusions	2014	
1412 E. Covina Hills Covina Hills, CA 91724	4	ARF	DDS/SGPRC	People's Care	2014	
2441 Cameron Ave Covina Hill, CA 91724	4	ARF	DDS/SGPRC	People's Care	2014	
2325 S. Garth Ave Los Angeles, CA 90034	5	ARF	DDS/WRC	People's Care	2014	
5424 W. 118th St. Inglewood, CA 90304	3	ARF	DDS/WRC	People's Care	2014	
6702 S. Holt Ave Los Angeles, CA 90056	5	ARFPSHN	DDS/WRC	National Support Services	2014	
7013 Ramsgate Ave Los Angeles, CA 90045	3	ARF	DDS/WRC	People's Care	2014	
8013 Ramsgate Ave Los Angeles, CA 90045	3	ARF	DDS/WRC	People's Care	2014	
8924 Hargis St. Los Angeles, CA 90034	3	ARF	DDS/WRC	People's Care	2014	
118 N. Humboldt, San Mateo, CA 94401	4	ARF – Med/Behavioral	Union Bank/Brilliant Corners Equity	Oasis, Inc.	2014	
2120 N. Maple St. Burbank, CA 91505	4	Children's Group Home	Brilliant Corners Equity/Union Bank	ABH Inc.	2013	
11526 Scenic Dr. Whittier, CA 90601	4	ARF	DDS/ELARC	Elwyn, Inc.	2013	
16342 Pasada Drive Whittier, CA 90603	4	ARF	DDS/ELARC	Mercedes Diaz Homes	2013	
7919 Calmada Ave Whittier, CA 90602	4	ARF	DDS/FDLRC	Diaz Care Homes, Inc.	2013	
924 Taft Street, Redwood City, CA 94061	4	ARF-Behavioral	DDS/GGRC	Youmbi Family	2013	
5651 Kelvin Avenue Woodland Hills, CA 91367	4	ARF	DDS/NLACRC	Elwyn, Inc.	2013	
5635 W. 64th St. Los Angeles, CA 90056	5	SB 962	DDS/WRC	Elwyn, Inc.	2013	
1165 Marsh Road, Redwood City, CA 94063	4	ARF	Bank of Guam/Brilliant Corners Equity	O. Inc.	2012	
3640 Fleetwood Drive, San Bruno, CA 94055	4	ARF	Bank of Guam/Brilliant Corners Equity	BATRS, Inc.	2012	
1075 17th Avenue, Redwood City, CA 94063	4	ARF	DDS/GGRC	Marion, Inc	2012	
209 Village Lane, Daly City, CA 94015	4	ARF	DDS/GGRC	Narasol, Inc.	2012	
4 Odessa Court, Redwood City, CA 94063	4	ARF	DDS/GGRC	Insight, Inc.	2012	
624 Vanessa Drive, San Mateo, CA 94402	4	SRF/Sensory	DDS/GGRC	Golden Gate Homes	2012	
2055 Harrison Avenue, San Mateo, CA 94403	4	ARF	Guild Mortgage/Brilliant Corners Equity	R&L Residential Services, Inc.	2012	
10120 Kentucky Avenue Whittier, CA 90603	4	ARF	DDS/ELARC	Mercedes Diaz Homes	2011	
1732 Louvaine, Daly City, CA 94015	4	ARF	DDS/GGRC	Narasol, Inc.	2011	
1706 Borden, San Mateo, CA 94403	4	SRF/ARF Behavioral	GGRC/DDS	Norcal Care Homes	2010	
22 Capay Circle, South San Francisco, CA 94080	4	Single Family RCFE	GGRC/DDS	Narasol, Inc.	2010	
1340 Portola Drive, San Francisco, CA 94127	4	ARF-Behavioral	DDS/GGRC	Life Connections, Inc.	2009	
2033 Oregon Avenue, Redwood City, CA 94061	4	SRF/ARF- Behavioral	DDS/GGRC	The Cassims	2009	
371 Devon Drive, San Rafael, CA 94903	4	ARF-Behavioral	DDS/GGRC	Life Connections, Inc.	2009	
740 Palm Avenue South San Francisco, CA 94080	3	SRH- BEHAVIORAL	GGRC	PFI RESidential Services	2008	
227 Prague Street San Mateo, CA 94401	3	SRH- BEHAVIORAL	GGRC	Martha's Home: Ocean View Homes	2008	
680 Edna Way San Mateo, CA 94402	4	ARFPSHN	GGRC	Atenar Home Inc	2008	
460 Bodega Street Foster City, CA 94404	3	SRH	GGRC	NorCal Care Homes	2008	
633 Vanessa Drive San Mateo, CA 94402	4	SRH- BEHAVIORAL Elderly	GGRC	Golden Gate Homes	2008	
1415 Gordon Street Redwood City, CA 94061	5	ARFPSHN- Medically Fragile	GGRC	A&E Home, Inc	2008	
1720 Pierce Street San Mateo, CA 94403	3	SRH- BEHAVIORAL	GGRC	Pete's Home: Insight, AR	2008	
1112 Sunnyside Drive South San Francisco, CA 94080	3	SRF-ADULT CARE	GGRC	Chanze Inc	2008	
3508 Martin Drive San Mateo, CA 94403	3	SRH	GGRC	Da Rafael Homes, Inc	2008	
2990 St. Cloud Drive San Bruno, CA 94066	4	ARFPSHN-Medically Fragile	GGRC	Albacruz Investments	2008	
1219 Sabrina Court Redwood City, CA 94061	3	SRH	GGRC	B and Lee Inc	2008	
445 Sequoia Avenue Redwood City, CA 94061	3	SRH	GGRC	B and Lee Inc	2008	
2830 Medina Drive, San Bruno, CA 94066	4	ARFPSHN- Medically Fragile	GGRC	Albacruz Investments	2007	
1220 Chantal Way, Redwood City, CA 94061	4	ILS/SLS	DDS/GGRC	Kainos Home & Training Center	2006	
1234-6 Sanchez Way, Redwood City, CA 94061	6	ILS/SLS	DDS/GGRC	Kainos Home & Training Center	2006	
Total # of Homes:	260					
Total # of Rooms:	1004					

ESTIMATED USES BY SOURCE										
		CPP Start-Up:		CPP Start-Up:						
Prepared By: Graciela Flores, Project Manager		TOTAL	Mortgage	Acquisition	Rehab	Other	Other	Other	Other	
		\$ 1,733,800	\$ 658,800	\$ 650,000	\$ 425,000	\$ -	\$ -	\$ -	\$ -	\$ -
EST. ACQUISITION COSTS ¹										
	Purchase Price	\$ 1,220,000	\$ 658,800	\$ 561,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Loan Fees	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Appraisal	\$ 900	\$ -	\$ 900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Other Bank Fees	\$ 2,000	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Due Diligence Reports, Studies, Inspections, Plans	\$ 1,500	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Title, Closing, Escrow	\$ 6,900	\$ -	\$ 6,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SUB-TOTAL ACQUISITION COSTS		\$ 1,241,300	\$ 658,800	\$ 582,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DEVELOPER COSTS - Acquisition-Phase Billing ³		\$ 67,500	\$ -	\$ 67,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL ACQUISITION COSTS		\$ 1,308,800	\$ 658,800	\$ 650,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

MATCHING FUNDS RATIO ANALYSIS - ACQUISITION ONLY

Total Acquisition Cost	\$ 1,308,800	46% Down Payment, Request Waiver of 3:1 Leveraging Ratio
Acquisition Funds Leveraged	\$ 658,800	
CPP Acquisition Costs (Down payment, Closing Costs, Developer Fee, etc...)	\$ 650,000	
Non-CPP Acq. Funds Raised Per CPP Downpayment Dollar	\$ 1.01	
DDS Acq Contribution as Percentage of Total Acq Costs	49.66%	

ESTIMATED REHABILITATION COSTS²

	Renovation Hard Costs ²	\$ 213,417	\$ -	\$ -	\$ 213,417	\$ -	\$ -	\$ -	\$ -
	Local Planning & Building Permits and Fees	\$ 9,000	\$ -	\$ -	\$ 9,000	\$ -	\$ -	\$ -	\$ -
	Architectural & Engineering Fees	\$ 17,000	\$ -	\$ -	\$ 17,000	\$ -	\$ -	\$ -	\$ -
	NFPA 13D Fire Sprinklers	\$ 16,000	\$ -	\$ -	\$ 16,000	\$ -	\$ -	\$ -	\$ -
	1/4" Tempered Glass Windows Throughout Home	\$ 16,500	\$ -	\$ -	\$ 16,500	\$ -	\$ -	\$ -	\$ -
	Hardening Of Interior Walls	\$ 20,000	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -
	Landscaping	\$ 7,000	\$ -	\$ -	\$ 7,000	\$ -	\$ -	\$ -	\$ -
	Water Meter & Main Water Line Upgrade	\$ 8,500	\$ -	\$ -	\$ 8,500	\$ -	\$ -	\$ -	\$ -
	Appliances	\$ 8,500	\$ -	\$ -	\$ 8,500	\$ -	\$ -	\$ -	\$ -
	Holding Costs During Acq./Rehab - Debt Service ⁴	\$ 32,219	\$ -	\$ -	\$ 32,219	\$ -	\$ -	\$ -	\$ -
	Holding Costs During Acq/Rehab - Taxes, Utilities, Landscaping ²	\$ 9,364	\$ -	\$ -	\$ 9,364	\$ -	\$ -	\$ -	\$ -
SUB-TOTAL ESTIMATED REHABILITATION COSTS		\$ 357,500	\$ -	\$ -	\$ 357,500	\$ -	\$ -	\$ -	\$ -
DEVELOPER COSTS - Rehabilitation-Phase Billing ³		\$ 67,500	\$ -	\$ -	\$ 67,500	\$ -	\$ -	\$ -	\$ -
TOTAL EST. REHABILITATION PHASE COSTS		\$ 425,000	\$ -	\$ -	\$ 425,000	\$ -	\$ -	\$ -	\$ -
TOTAL EST. PROJECT COSTS		\$ 1,733,800	\$ 658,800	\$ 650,000.00	\$ 425,000	\$ -	\$ -	\$ -	\$ -
Funding Surplus / (Gap)		\$ 0	\$ -	\$ -	\$ 0	\$ -	\$ -	\$ -	\$ -

TOTAL EST. PROJECT COSTS - Excluding Developer Costs	\$ 1,598,800
TOTAL EST. PROJECT COSTS	\$ 1,733,800

DEVELOPER COST ANALYSIS³

Developer Costs by Phase	
DEVELOPER COSTS - Acquisition Phase Billing	\$ 67,500
DEVELOPER COST - Rehab Phase	\$ 67,500
Total Developer Costs	\$ 135,000
Developer Costs Summary - (Direct Costs, Admin/Shared Costs, Fee)	
Est. Direct Cost for Dev. Project Management Personnel, Travel, Misc.	\$ 20,000
Developer Fee (Administrative Overhead, Shared Costs, & Profit)	\$ 115,000
Total Developer Costs	\$ 135,000
Total Developer Costs as Percentage of CPP	12.56%
Total Developer Costs as Percentage of Total Project Costs	8.44%

FOOTNOTES

¹ Acquisition costs are based on multiple FDLRC catchment area projects, and recent property searches, pending actual costs available after site control.

² Renovation estimates are based on similar prior projects and will change subject to further inspection, cost estimation, and project scoping. The renovation will include construction items specifically needed to address severe behaviors such as: 1/4" pane or tempered windows, hardened of walls, rounded corners, metal door frames, structural modifications for lines of sight. Additionally, standard renovations for conversion of a single-family home to a EBSH with ambulatory and/or non-ambulatory licensure that includes code, useful life, and other necessary upgrades, as well as special accessibility, and person-centered modifications, including front and rear accessible paths of egress to public right-of-way; multiple accessible bedroom exits with path of egress to public right-of-way or fire-rated corridor; associated ramps and decking; roll-in shower; widened doors and hallways; associated layout changes; hard-wired smoke detectors.

³ Developer Costs include Direct Costs (Project Management personnel, travel, etc.) and Developer Fee (Administrative Overhead, Profit). Developer Costs are allocated across Acquisition and Renovation phases. Developer Fee allocation by phase is estimated pending escrow phase budget revise. Developer Costs reflect a flat fee of \$135,000 for an SRF.

⁴ We show 6 months of debt service per DDS limits. Licensed residential care facility developments can easily take up to 12 months from COE to Notice of Completion due to factors beyond the NPO-Developer's control depending on the proposed scope of work and the local jurisdiction's approval process. In addition, licensing and occupancy may take several months after NPO developer secures Notice of Completion and delivers a licensable home. Brilliant Corners assumes lease payments sized to cover debt service and related fixed costs commence no later than completion of proposed/accepted project scope and Regional Center acceptance of delivery of licensable property.

⁵ Property Taxes are calculated at 1.24% multiplied by the purchase price and then divided in half to account for six months of holding costs. Utilities and Landscaping are calculated at \$300/month for 6 months. This is an estimate based on past project experience.

Brilliant Corners Development Budget & Matching Funds Analysis - 24Yr Debt, Net-Net Lease Model
FDLRC CPP/CRDP FY2223-6
4-Bedroom Specialized Residential Facility for 4 Persons (Young Adults)
Location: Frank D. Lanterman Regional Center Catchment
Service Provider: TBD

VERSION: RFP			
Prepared By: Graciela Flores, Project Manager			
Date: 12/6/2023			

PROPOSED LEASE INCOME		Monthly	Annual
	Lease	\$ 9,975	\$ 119,698
TOTAL PROPOSED OPERATING INCOME		\$ 9,975	\$ 119,698

DIRECT RESIDENTIAL SERVICES COSTS ¹		Monthly	Annual
<u>Direct Residential Services - Personnel^{2,2.1}</u>			
	Property Manager	\$ 205	\$ 2,460
	Maintenance Technician	\$ 100	\$ 1,200
	Environmental Modification Supplies	\$ 350	\$ 4,200
	Travel	\$ 100	\$ 1,200
	Maintenance Van	\$ 40	\$ -
	Training	\$ 50	\$ 600
<u>Direct Residential Services - Environmental Mods & Life Safety Contracts³</u>			
	HVAC	\$ 45	\$ 540
	Lighting/Electrical	\$ 27	\$ 324
	Plumbing	\$ 208	\$ 2,496
	Gates & Fencing	\$ 60	\$ 720
	Fire Suppression (Alarm, Sprinkler, Extinguisher)	\$ 233	\$ 2,796
	Emergency Generator	\$ 233	\$ 2,796
	Septic	\$ -	\$ -
	Delayed Egress System	\$ -	\$ -
	Pool Service	\$ -	\$ -
	Water Well	\$ -	\$ -
	Lift System	\$ -	\$ -
	Yearly Property Inspection	\$ 33	\$ 396
<u>Direct Residential Services - Residential Facility Costs⁴</u>			
		\$ -	\$ -
	Utilities - Electric & Gas ⁵	\$ -	\$ -
	Utilities - Water & Sewer ⁵	\$ -	\$ -
	Utilities - Trash ⁵	\$ -	\$ -
	Utilities - Phone, Cable, Internet ⁵	\$ -	\$ -
	Gardening ⁶	\$ -	\$ -
	Landscaping Repair & Maintenance ⁶	\$ 200	\$ 2,400
	Pest Control	\$ 120	\$ 1,440
	Reserve for Replacement Mo. Deposits ⁷	\$ 1,000	\$ 12,000
	Property Taxes ⁸	\$ -	\$ -
	Insurance ⁹	\$ 300	\$ 3,600
	Licensing and Fees	\$ -	\$ -
TOTAL OPERATING EXPENSES		\$ 3,304	\$ 39,168

PROPERTY & ASSET MANAGEMENT FEE ¹⁰	Monthly	Annual
15.00%	\$1,301	\$15,613

DEBT SERVICE ¹¹	Monthly	Annual
\$ 658,800		
8.50%	\$ 5,370	\$64,437
Term/Amortization: 288 months		

TOTAL OPERATING EXPENSES, DEBT, RESERVES, TAXES	\$ 9,975	\$ 119,698
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Brilliant Corners Development Budget & Matching Funds Analysis - 24Yr Debt, Net-Net Lease Model
FDLRC CPP/CRDP FY2223-6
4-Bedroom Specialized Residential Facility for 4 Persons (Young Adults)
Location: Frank D. Lanterman Regional Center Catchment
Service Provider: TBD

<div>VERSION: RFP</div> <div>Prepared By: Graciela Flores, Project Manager</div> <div>Date: 12/6/2023</div>

NOTES

¹ All line items and costs shown under the category "Direct Residential Services Costs" are costs immediately associated with services to consumers offered by Brilliant Corners necessary to the creation and maintenance of person-centered, community-based, homelike, safe, decent, habitable residences as mandated by DDS Housing Guidelines and Regional Center contracts and as required for compliance with all state and local building codes and any applicable California Department of Social Services Community Care Licensing requirements, and exclude administrative costs including but not limited to costs associated with the administrative management of Brilliant Corners as an entity.

² All Personnel costs are for personnel whose time is 100% allocated to provision of Direct Residential Services to consumers in their home. Supplies, Travel and Training costs are directly associated with provision of residential services and exclude supplies, travel and training directly associated with administrative functions. Brilliant Corners Property Managers provide direct services necessary to the creation and maintenance of person-centered community living environments for consumers, including but not limited to primary, in-the-field, front-line responsibility for immediate and long-term safety, code compliance, accessibility, homelike setting, licensing compliance, and person-centered modifications. Property Managers, the Buy-It-Once equivalent of direct service providers, provide a direct service that is not provided by any other CPP Residential Services team member below them or on-site at the care homes, and are not involved in any way in "administrative management of the entity [Brilliant Corners]." Brilliant Corners' Maintenance Technicians are environmental modification and habitability implementers who perform a comprehensive array of person-centered, accessibility, life-safety, code-compliance, licensing compliance, and related environmental and habitability modifications necessary to the health, safety, well-being, successful housing retention and community integration of consumers in the home.

^{2.1} The Brilliant Corners CPP Residential Services Team includes following approximate staffing levels per 40-home portfolio: 1.0 FTE Property Manager, 1.0 FTE Facilities Manager, and 2.0 FTE Maintenance Technicians, for a total of 4.0 FTE for 40 CPP homes. Staffing levels are subject to adjustment in relation to geographic dispersal, percentage of specialized use homes (behavioral, medical), and other factors. Each member of the Brilliant Corners CPP Residential Services Team spends 100% of his or her time providing direct residential services necessary to the creation and maintenance of person-centered community living environments for consumers and is not involved in "administrative management of the entity [Brilliant Corners or related corporate entities]."

3 All Environmental Modification and Life Safety Contracts are direct services necessary to the immediate and long-term maintenance of a safe, decent, code-compliant, licensing-compliant, accessible, homelike, and person-centered residential environment for consumers living in the home. In addition to specific life safety and building system service contracts, Environmental Modification Contracts include contracts for routine servicing and as-needed repairs that cannot legally and/or technically be performed by Brilliant Corners' in-house Maintenance Technicians. Examples include:

- HVAC: Annual Part of preventative maintenance and care of home. Includes annual air conditioning and/or heating service to change of filters, repairs, and inspections as needed.
- Electrical/Lighting: Electrical issues in the Building or on the property including, but not limited to, defective or faulty wiring, outlets, electrical panels, circuits, and breakers.
- Plumbing: Examples of major plumbing repairs include, but are not limited to: Leaks inside walls or in the attic, underground water supply line leaks, issues with water meter or water main, sewer line issues that extend beyond simple clogged toilets or hopper sinks, water heater malfunctions or leaks, broken pressure reducing valves, drainage issues with causes that extend beyond regular tenant usage.
- Gates & Fencing: Includes repair to driveway, curbs, gates, fencing, walkways, ramping, and railings, except for damages related to negligence or misuse of the system.

Generator: Bi-annual Generator Service includes inspection fees and repair parts from a third-party vendor.

Septic: Bi-annual septic service includes septic tank pumping and related repairs. Misuse or negligence of the system will be charged back to the Service Provider.

Delayed Egress: Service Provider to set up delayed egress service in Net Net lease. The Service Providers are best positioned to act quickly in the event of a security breach.

Pool Service: Covers twice monthly cleaning.

Water well: Service and repairs for potable water wells. Non-potable well for irrigation or agricultural well systems will not receive annual testing.

- Yearly Property Inspection: Thorough inspections of all the major systems and structures of the home to ensure that physical asset and a safe homelike environment.

⁴ Residential Facility Costs are costs directly associated with provision of services to consumers living in the home, and exclude entirely all facility and occupancy costs directly associated with administrative functions.

⁵ Utilities paid by Service Provider/Tenant to promote energy conservation.

⁶ Gardening: Costs include twice monthly service, fertilization, routine maintenance, and annual landscaping upgrades, all direct residential service costs necessary to maintain a homelike setting and community standards for safe enjoyment and use by consumers.

Landscaping Repairs and Maintenance: Costs associated with the trimming of large trees and brush clearance (if applicable). Costs displayed in current budget are subject to change based on increased fire risk in regional center catchment. Fire prevention landscaping and related effective measures to treat existing land conditions (to include, but not limited to, cutting, spraying) will be planned for the duration of the renovation phase at routine intervals agreed upon by BC and identified external vendor. Routine maintenance of a similar nature to occur throughout the lifecycle of the home, once occupied, and to continue indefinitely, depending on fire conditions assessed over time. Increased development and operations costs which include the above services to be reflected in future budget submissions, following BC due diligence on options available. Proposed increase in cost to 'Landscaping' operations budget line item will be approximately double the existing figure, due to the increase in lawn maintenance from twice yearly to quarterly.

⁷ Reserve for Replacement deposits represent a direct residential service cost necessary to fund major repair and replacement and person-centered modifications over the life of the consumers' home.

⁸ Property Taxes to be paid by Brilliant Corners and reimbursed by the Service Provider. Non-profit Service Providers are eligible for welfare tax exemption.

⁹ Insurance includes property and other insurance costs directly related to the specific property. Insurance premiums are not static and are subject to change.

¹⁰ This fee must be sufficient to cover 100% of Brilliant Corners' administrative or indirect costs (including but not limited to salaries, wages and employee benefits for managerial personnel whose primary purpose is the administrative management of the entity [Brilliant Corners]; payroll management, personnel functions, accounting, budgeting, and [entity] facility management; facility and occupancy costs directly associated with administrative functions of the entity; data processing and computer support services, training, travel and licenses directly associated with administrative functions of the entity; taxes, interest, property insurance, personal liability insurance directly associated with administrative functions of the entity; depreciation; and general expenses including but not limited to communication costs and supplies directly associated with administrative functions of the entity. Any profit generated by the Property and Asset Management Fee would be less these administrative or indirect costs.

¹¹ All debt financing terms are estimates based on recent home financing pending actual mortgage loan negotiations and close of escrow.

Permanent Debt Service

Brilliant Corners Debt Service Amortization - 24Yr Debt
FDLRC CPP/CRDP FY2223-6
4-Bedroom Specialized Residential Facility for 4 Persons (Young Adults)
Location: Frank D. Lanterman Regional Center Catchment
Service Provider: TBD

Beginning Principal Balance	\$	658,800
Interest Rate		8.500%
Term (Years)		24
Amortization (Monthly)		\$5,370
Amortization (Annual)		\$64,437

Note: All terms are estimates based on recently leveraged mortgages.

														Debt		
Year	Month	1	2	3	4	5	6	7	8	9	10	11	12	Service	Interest	Principal
1	Beginning Balance	\$ 658,800	\$ 658,097	\$ 657,388	\$ 656,675	\$ 655,957	\$ 655,234	\$ 654,505	\$ 653,771	\$ 653,032	\$ 652,288	\$ 651,539	\$ 650,784			
	Monthly Payment	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 64,437		
	Interest Expense	\$ 4,667	\$ 4,662	\$ 4,657	\$ 4,651	\$ 4,646	\$ 4,641	\$ 4,636	\$ 4,631	\$ 4,626	\$ 4,620	\$ 4,615	\$ 4,610		\$ 55,661	
	Principal Payment	\$ 703	\$ 708	\$ 713	\$ 718	\$ 723	\$ 729	\$ 734	\$ 739	\$ 744	\$ 749	\$ 755	\$ 760			\$ 8,776
	Ending Balance	\$ 658,097	\$ 657,388	\$ 656,675	\$ 655,957	\$ 655,234	\$ 654,505	\$ 653,771	\$ 653,032	\$ 652,288	\$ 651,539	\$ 650,784	\$ 650,024			
2	Beginning Balance	\$ 650,024	\$ 649,259	\$ 648,488	\$ 647,712	\$ 646,930	\$ 646,142	\$ 645,350	\$ 644,551	\$ 643,747	\$ 642,937	\$ 642,121	\$ 641,300			
	Monthly Payment	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 64,437		
	Interest Expense	\$ 4,604	\$ 4,599	\$ 4,593	\$ 4,588	\$ 4,582	\$ 4,577	\$ 4,571	\$ 4,566	\$ 4,560	\$ 4,554	\$ 4,548	\$ 4,543		\$ 54,886	
	Principal Payment	\$ 765	\$ 771	\$ 776	\$ 782	\$ 787	\$ 793	\$ 799	\$ 804	\$ 810	\$ 816	\$ 821	\$ 827			\$ 9,552
	Ending Balance	\$ 649,259	\$ 648,488	\$ 647,712	\$ 646,930	\$ 646,142	\$ 645,350	\$ 644,551	\$ 643,747	\$ 642,937	\$ 642,121	\$ 641,300	\$ 640,473			
3	Beginning Balance	\$ 640,473	\$ 639,640	\$ 638,801	\$ 637,956	\$ 637,105	\$ 636,248	\$ 635,385	\$ 634,516	\$ 633,640	\$ 632,759	\$ 631,871	\$ 630,977			
	Monthly Payment	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 64,437		
	Interest Expense	\$ 4,537	\$ 4,531	\$ 4,525	\$ 4,519	\$ 4,513	\$ 4,507	\$ 4,501	\$ 4,494	\$ 4,488	\$ 4,482	\$ 4,476	\$ 4,469		\$ 54,041	
	Principal Payment	\$ 833	\$ 839	\$ 845	\$ 851	\$ 857	\$ 863	\$ 869	\$ 875	\$ 881	\$ 888	\$ 894	\$ 900			\$ 10,396
	Ending Balance	\$ 639,640	\$ 638,801	\$ 637,956	\$ 637,105	\$ 636,248	\$ 635,385	\$ 634,516	\$ 633,640	\$ 632,759	\$ 631,871	\$ 630,977	\$ 630,077			
4	Beginning Balance	\$ 630,077	\$ 629,170	\$ 628,257	\$ 627,337	\$ 626,411	\$ 625,479	\$ 624,539	\$ 623,593	\$ 622,641	\$ 621,681	\$ 620,715	\$ 619,742			
	Monthly Payment	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 64,437		
	Interest Expense	\$ 4,463	\$ 4,457	\$ 4,450	\$ 4,444	\$ 4,437	\$ 4,430	\$ 4,424	\$ 4,417	\$ 4,410	\$ 4,404	\$ 4,397	\$ 4,390		\$ 53,122	
	Principal Payment	\$ 907	\$ 913	\$ 920	\$ 926	\$ 933	\$ 939	\$ 946	\$ 953	\$ 959	\$ 966	\$ 973	\$ 980			\$ 11,315
	Ending Balance	\$ 629,170	\$ 628,257	\$ 627,337	\$ 626,411	\$ 625,479	\$ 624,539	\$ 623,593	\$ 622,641	\$ 621,681	\$ 620,715	\$ 619,742	\$ 618,762			
5	Beginning Balance	\$ 618,762	\$ 617,775	\$ 616,782	\$ 615,781	\$ 614,773	\$ 613,758	\$ 612,735	\$ 611,706	\$ 610,669	\$ 609,625	\$ 608,573	\$ 607,514			
	Monthly Payment	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 64,437		
	Interest Expense	\$ 4,383	\$ 4,376	\$ 4,369	\$ 4,362	\$ 4,355	\$ 4,347	\$ 4,340	\$ 4,333	\$ 4,326	\$ 4,318	\$ 4,311	\$ 4,303		\$ 52,122	
	Principal Payment	\$ 987	\$ 994	\$ 1,001	\$ 1,008	\$ 1,015	\$ 1,022	\$ 1,030	\$ 1,037	\$ 1,044	\$ 1,052	\$ 1,059	\$ 1,067			\$ 12,315
	Ending Balance	\$ 617,775	\$ 616,782	\$ 615,781	\$ 614,773	\$ 613,758	\$ 612,735	\$ 611,706	\$ 610,669	\$ 609,625	\$ 608,573	\$ 607,514	\$ 606,447			
6	Beginning Balance	\$ 606,447	\$ 605,373	\$ 604,292	\$ 603,202	\$ 602,105	\$ 601,000	\$ 599,888	\$ 598,767	\$ 597,639	\$ 596,502	\$ 595,358	\$ 594,205			
	Monthly Payment	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 64,437		
	Interest Expense	\$ 4,296	\$ 4,288	\$ 4,280	\$ 4,273	\$ 4,265	\$ 4,257	\$ 4,249	\$ 4,241	\$ 4,233	\$ 4,225	\$ 4,217	\$ 4,209		\$ 51,034	
	Principal Payment	\$ 1,074	\$ 1,082	\$ 1,089	\$ 1,097	\$ 1,105	\$ 1,113	\$ 1,121	\$ 1,128	\$ 1,136	\$ 1,145	\$ 1,153	\$ 1,161			\$ 13,403
	Ending Balance	\$ 605,373	\$ 604,292	\$ 603,202	\$ 602,105	\$ 601,000	\$ 599,888	\$ 598,767	\$ 597,639	\$ 596,502	\$ 595,358	\$ 594,205	\$ 593,044			
7	Beginning Balance	\$ 593,044	\$ 591,875	\$ 590,698	\$ 589,512	\$ 588,318	\$ 587,116	\$ 585,905	\$ 584,685	\$ 583,457	\$ 582,220	\$ 580,974	\$ 579,720			
	Monthly Payment	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 64,437		
	Interest Expense	\$ 4,201	\$ 4,192	\$ 4,184	\$ 4,176	\$ 4,167	\$ 4,159	\$ 4,150	\$ 4,142	\$ 4,133	\$ 4,124	\$ 4,115	\$ 4,106		\$ 49,849	
	Principal Payment	\$ 1,169	\$ 1,177	\$ 1,186	\$ 1,194	\$ 1,203	\$ 1,211	\$ 1,220	\$ 1,228	\$ 1,237	\$ 1,246	\$ 1,255	\$ 1,263			\$ 14,588
	Ending Balance	\$ 591,875	\$ 590,698	\$ 589,512	\$ 588,318	\$ 587,116	\$ 585,905	\$ 584,685	\$ 583,457	\$ 582,220	\$ 580,974	\$ 579,720	\$ 578,456			
8	Beginning Balance	\$ 578,456	\$ 577,184	\$ 575,902	\$ 574,612	\$ 573,312	\$ 572,004	\$ 570,685	\$ 569,358	\$ 568,021	\$ 566,675	\$ 565,319	\$ 563,954			
	Monthly Payment	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 64,437		
	Interest Expense	\$ 4,097	\$ 4,088	\$ 4,079	\$ 4,070	\$ 4,061	\$ 4,052	\$ 4,042	\$ 4,033	\$ 4,023	\$ 4,014	\$ 4,004	\$ 3,995		\$ 48,560	
	Principal Payment	\$ 1,272	\$ 1,281	\$ 1,290	\$ 1,300	\$ 1,309	\$ 1,318	\$ 1,327	\$ 1,337	\$ 1,346	\$ 1,356	\$ 1,365	\$ 1,375			\$ 15,877
	Ending Balance	\$ 577,184	\$ 575,902	\$ 574,612	\$ 573,312	\$ 572,004	\$ 570,685	\$ 569,358	\$ 568,021	\$ 566,675	\$ 565,319	\$ 563,954	\$ 562,579			
9	Beginning Balance	\$ 562,579	\$ 561,194	\$ 559,799	\$ 558,395	\$ 556,980	\$ 555,556	\$ 554,121	\$ 552,676	\$ 551,221	\$ 549,756	\$ 548,280	\$ 546,794			
	Monthly Payment	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 64,437		
	Interest Expense	\$ 3,985	\$ 3,975	\$ 3,965	\$ 3,955	\$ 3,945	\$ 3,935	\$ 3,925	\$ 3,915	\$ 3,904	\$ 3,894	\$ 3,884	\$ 3,873		\$ 47,156	
	Principal Payment	\$ 1,385	\$ 1,395	\$ 1,405	\$ 1,414	\$ 1,424	\$ 1,435	\$ 1,445	\$ 1,455	\$ 1,465	\$ 1,476	\$ 1,486	\$ 1,497			\$ 17,281
	Ending Balance	\$ 561,194	\$ 559,799	\$ 558,395	\$ 556,980	\$ 555,556	\$ 554,121	\$ 552,676	\$ 551,221	\$ 549,756	\$ 548,280	\$ 546,794	\$ 545,298			
10	Beginning Balance	\$ 545,298	\$ 543,790	\$ 542,273	\$ 540,744	\$ 539,204	\$ 537,654	\$ 536,093	\$ 534,520	\$ 532,937	\$ 531,342	\$ 529,736	\$ 528,118			
	Monthly Payment	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 64,437		
	Interest Expense	\$ 3,863	\$ 3,852	\$ 3,841	\$ 3,830	\$ 3,819	\$ 3,808	\$ 3,797	\$ 3,786	\$ 3,775	\$ 3,764	\$ 3,752	\$ 3,741		\$ 45,629	
	Principal Payment	\$ 1,507	\$ 1,518	\$ 1,529	\$ 1,539	\$ 1,550	\$ 1,561	\$ 1,572	\$ 1,584	\$ 1,595	\$ 1,606	\$ 1,617	\$ 1,629			\$ 18,808
	Ending Balance	\$ 543,790	\$ 542,273	\$ 540,744	\$ 539,204	\$ 537,654	\$ 536,093	\$ 534,520	\$ 532,937	\$ 531,342	\$ 529,736	\$ 528,118	\$ 526,489			
11	Beginning Balance	\$ 526,489	\$ 524,849	\$ 523,197	\$ 521,533	\$ 519,857	\$ 518,170	\$ 516,471	\$ 514,759	\$ 513,036	\$ 511,300	\$ 509,552	\$ 507,791			
	Monthly Payment	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 64,437		
	Interest Expense	\$ 3,729	\$ 3,718	\$ 3,706	\$ 3,694	\$ 3,682	\$ 3,670	\$ 3,658	\$ 3,646	\$ 3,634	\$ 3,622	\$ 3,609	\$ 3,597		\$ 43,966	
	Principal Payment	\$ 1,640	\$ 1,652	\$ 1,664	\$ 1,676	\$ 1,687	\$ 1,699	\$ 1,711	\$ 1,724	\$ 1,736	\$ 1,748	\$ 1,760	\$ 1,773			\$ 20,471
	Ending Balance	\$ 524,849	\$ 523,197	\$ 521,533	\$ 519,857	\$ 518,170	\$ 516,471	\$ 514,759	\$ 513,036	\$ 511,300	\$ 509,552	\$ 507,791	\$ 506,018			
12	Beginning Balance	\$ 506,018	\$ 504,233	\$ 502,435	\$ 500,624	\$ 498,800	\$ 496,964	\$ 495,114	\$ 493,251	\$ 491,376	\$ 489,486	\$ 487,584	\$ 485,668			
	Monthly Payment	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 64,437		
	Interest Expense	\$ 3,584	\$ 3,572	\$ 3,559	\$ 3,546	\$ 3,533	\$ 3,520	\$ 3,507	\$ 3,494	\$ 3,481	\$ 3,467	\$ 3,454	\$ 3,440		\$ 42,157	
	Principal Payment	\$ 1,785	\$ 1,798	\$ 1,811	\$ 1,824	\$ 1,837	\$ 1,850	\$ 1,863	\$ 1,876	\$ 1,889	\$ 1,903	\$ 1,916	\$ 1,930			\$ 22,280
	Ending Balance	\$ 504,233	\$ 502,435	\$ 500,624	\$ 498,800	\$ 496,964	\$ 495,114	\$ 493,251	\$ 491,376	\$ 489,486	\$ 487,584	\$ 485,668	\$ 483,738			
13	Beginning Balance	\$ 483,738	\$ 481,795	\$ 479,838	\$ 477,867	\$ 475,882	\$ 473,883	\$ 471,870	\$ 469,843	\$ 467,801	\$ 465,745	\$ 463,674	\$ 461,589			
	Monthly Payment	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 64,437		
	Interest Expense	\$ 3,426	\$ 3,413	\$ 3,399	\$ 3,385	\$ 3,371	\$ 3,357	\$ 3,342	\$ 3,328	\$ 3,314	\$ 3,299	\$ 3,284	\$ 3,270		\$ 40,187	
	Principal Payment	\$ 1,943	\$ 1,957	\$ 1,971	\$ 1,985	\$										

FDLRC CPP/CRDP 22/23-6 Brilliant Corners Housing Proposal Timeline for one (1) SRF		
MILESTONES and SEQUENCED STEPS	Completion Date	
	Proposed	Actual
Proposal Selection/ Notification	01/25/24	TBD
FDLRC/Brilliant Corners Contract Negotiation & Completion	02/01/24	TBD
Provide a corporation resolution that authorizes the signatory to sign on behalf of and obligate the HDO	02/02/24	TBD
Provision of Funding Commitment Letters	02/05/23	TBD
Monthly Report	03/04/24	TBD
Monthly Report	04/01/24	TBD
Provision of Evidence of Property Site Control	07/01/24	TBD
Commitment Letter	07/01/24	TBD
Monthly Report	07/01/24	TBD
Evidence of Property Insurance	08/20/24	
Escrow Closing and Property Acquisition	08/30/24	TBD
Monthly Report	08/01/24	TBD
Provision of Evidence of Property Purchase, including an Executed, Recorded Deed of Trust and Regulatory Agreement	09/13/24	TBD
Provision of Post Escrow Sources and Uses (Budget)	09/13/24	TBD
Provision of Evidence of County Tax Assessor Application (if applicable)	09/13/24	TBD
Interagency Approval of Renovation Plans	09/20/24	TBD
Submit Plans to Plan Check	09/27/24	TBD
Monthly Report	09/01/24	TBD
Monthly Report	10/01/24	TBD
Building Permit Issuance	11/26/24	TBD
Start Renovation Phase	11/27/24	TBD
Monthly Report	11/01/24	TBD
Monthly Report	12/01/24	TBD
Monthly Report	01/01/25	TBD
Executed Long-term Lease & Property Management Agreement between HDO and Service Provider	02/25/25	TBD
Complete Renovation Phase - Certificate of Occupancy	02/25/25	TBD
Monthly Report	02/01/25	TBD
Keys to Provider / Provider Move-In	2/25/2025	TBD
Fire Pre-licensing Clearance	03/10/25	TBD
Final Sources & Uses Budget	05/26/25	TBD
DDS First-Year Ops Report	02/25/26	TBD

APPLICANT/VENDOR DISCLOSURE STATEMENT**GENERAL INSTRUCTIONS**

Every applicant or vendor must complete and submit a current Applicant/Vendor Disclosure Statement, DS 1891 (disclosure statement) as part of a complete application packet for vendorization or upon request of the vendoring regional center. The following instructions are designed to clarify certain questions on the form. Instructions are listed in order of question for easy reference. See 42 CFR 455.101 for additional definitions.

Overall Authority: *Code of Federal Regulations (CFR), Title 42, Part 455; California Code of Regulations, Title 17, Section 54311. Welfare and Institutions Code, Section 4648.12.*

Important:

- **IT IS ESSENTIAL THAT ALL APPLICABLE QUESTIONS BE ANSWERED ACCURATELY AND THAT ALL INFORMATION BE CURRENT.**
- **Parents and consumers of Vouchers, Participant-Directed Services, or Purchase Reimbursements:** Complete Part 1 on page 2 and Part 3 on page 3, then proceed to **Applicant/Vendor Signature** on page 4 to sign and date.
- Failure to disclose complete and accurate information will result in a denial of enrollment and/or may be cause for termination of vendorization.
- Read **ALL** instructions when completing the disclosure statement.
- Type or print clearly in ink.
- If applicant or vendor must make corrections, please line through, date, and initial in ink. Do not use correction fluid.
- Answer all questions as of the current date.
- If additional space is needed, attach a sheet referencing the part and question being completed.
- Return this completed statement with the complete application package to the regional center to which you are applying.

Part 1: Identifying Information

- A. Specify name of the applicant or vendor, agency, facility or organization, vendor number and service code, business address, and telephone number of applicant or vendor submitting the vendor application.
- B. Specify in what capacity the applicant or vendor is doing business. For example: The name of the corporation under which they are doing business. This name must match the license name, if applicable.
- C. List the National Provider Identifier, of the applicant or vendor, if any.
- D. List the Social Security Number, Date of Birth, and/or the Federal Employer Identification Number (EIN) of the applicant or vendor, if any. Enter Vendor's nine-digit EIN assigned by the IRS in the following format: XX-XXXXXXX.
 - An EIN is used to identify the accounts of employers and certain others who have no employees.
 - For more information about an EIN, please check <http://www.irs.gov> for "Employer Identification Numbers" or "EIN".

Whenever this Disclosure Statement requests an EIN about an individual or entity, it has the same meaning.
- E. Check the entity type that best describes the structure of your organization.

Part 2: Ownership and Control Interests. Use the following definitions to identify the individuals you should enter in A, B and C of this section. See 42 CFR 455.101 for additional definitions.

- "Indirect Ownership Interest" means an ownership interest in an entity that has an ownership interest in the applicant or vendor. This term includes an ownership interest in any entity that has an indirect ownership interest in the applicant or vendor;
- "Managing Employee" means a general manager, business manager, administrator, director, or other individual who exercises operational or managerial control over, or who directly or indirectly conducts the day-to-day operation of an institution, organization, agency or business entity;
- "Ownership Interest" means the possession of equity in the capital, the stock, or the profits of the applicant or vendor.
- "Person with an Ownership or Control Interest" means a person or corporation that:
 - A) Has an ownership interest totaling 5 percent or more in an applicant or vendor;
 - B) Has an indirect ownership interest equal to 5 percent or more of an applicant or vendor;
 - C) Has a combination of direct or indirect ownership interests equal to 5 percent or more in an applicant or vendor;
 - D) Owns an interest of 5 percent or more in any mortgage, deed of trust, note, or other obligation secured by the applicant or vendor if that interest equals at least 5 percent of the value of the property or assets of the applicant or vendor;
 - E) Is an officer or director of an applicant or vendor that is organized as a corporation; or
 - F) Is a partner in an applicant or vendor that is organized as a partnership.
- "Significant Business Transaction" means any business transaction or series of transactions that, during any one fiscal year, exceed the lesser of \$25,000 and 5 percent of an applicant or vendor's total operating expenses.

State of California—Health and Human Services Agency
DS 1891 (7/2011)

Department of Developmental Services

- “Subcontractor” means an individual, agency, or organization to which an applicant or vendor has contracted or delegated some of the management functions or responsibilities of providing services.
- “Wholly Owned Supplier” means a supplier whose total ownership interest is held by an applicant or vendor or by a person, persons, or other entity with an ownership or control interest in an applicant or vendor.

Part 3: Excluded Individuals or Entities. (See page 3. *Must be disclosed if applicable.*)

“Excluded Individuals or Entities” means those individuals and entities that have been placed on either the U.S. Department of Health and Human Services Office of Inspectors’ General (OIG) List of Excluded Individuals/Entities or the Department of Health Care Services (DHCS) Medi-Cal Suspended and Ineligible Provider List of persons, or individuals and entities that have been convicted of a criminal offense related to involvement in any program under Medicare, Medicaid or the Title XX services program, or those individuals and entities that meet the criteria included in Title 17, Section 54311(a)(6).

**Title 17, California Code of Regulations, Section 54311(a)(6)
(Criteria for Excluded Individuals or Entities)**

The name, title and address of any person(s) who, as applicant or vendor, or who has ownership or control interest in the applicant or vendor, or is an agent, director, members of the board of directors, officer, or managing employee of the applicant or vendor, has within the previous ten years:

- (A) Been convicted of any felony or misdemeanor involving fraud or abuse in any government program, or related to neglect or abuse of an elder or dependent adult or child, or in any connection with the interference with, or obstruction of, any investigation into health care related fraud or abuse; or
- (B) Been found liable any civil proceeding for fraud or abuse involving any government program; or
- (C) Entered into a settlement in lieu of conviction involving fraud or abuse in any government program.

PLEASE FILL OUT

Part 1. Applicant/Vendor Information

A. Name of applicant or vendor, entity, agency, facility, or organization as reported to IRS:

Brilliant Corners

Vendor Number and Service Code:

527 W 7th St. Floor 11, Los Angeles, CA 90014

Business Address:

213-842-5219

Telephone number (with area code):

B. Name registered with California Secretary of State, if any:

Brilliant Corners

C. National Provider Identifier (NPI), if any:

D. Social Security Number (SSN), Date of Birth (DOB), and/or Federal Employer Identification Number (EIN), if any:

56-2379862

E. Check the entity type that best describes the structure of the applicant or vendor individual, business entity, agency, facility or organization: Check **only one** box:

☐ **Parent or Consumer for Vouchers, Participant-Directed Services, or Purchase Reimbursements** (Complete Part 1 above and Part 3 on page 3, then proceed to **Applicant/Vendor Signature** on page 4 to sign and date).

☐ **Sole Proprietor (Unincorporated)**

☐ **General Partnership** ☐ **Limited Partnership** ☐ **Limited Liability Partnership**

☐ **Limited Liability Company:** State of formation: _____

☐ **Governmental**

☐ **Corporation:** Corporate number: _____ State incorporated: _____

☒ **Nonprofit – Check One:** ☐ **Unincorporated Association** ☐ **Religious/Charitable**

☐ **Corporation** ☐ **Other (specify):** _____

Part 2. Ownership, indirect ownership, and managing employee interests (If not applicable, please indicate.)

A. List the name(s), title(s), address(es), SSNs, and DOBs of individuals for organizations having direct or indirect ownership interests, and/or managing employees in the applicant/vendor (see instructions for definitions). Also list all members of a group practice. Attach additional pages as necessary to list all officers, owners, management and ownership individuals and entities.

Name	Title	Address	SSN	DOB
William F. Pickel	CEO	854 Folsom Street, San Francisco, CA 94107		01/19/1964
Serena Fields	Director of Housing Development	854 Folsom Street, San Francisco, CA 94107		08/08/1979

B. List those persons named in 'A' above or 'Part 4. A' below, that are related to each other as spouse, parent, child, or sibling.

Name	Relationship	Address
N/A		

C. List the name, address, vendor number and service code, SSN, NPI and/or EIN of any other applicant or vendor in which a person with an ownership or controlling interest in the applicant or vendor also has an ownership or control interest of at least 5 percent or more. For example: Are any owners of the applicant or vendor also owners of Medicare or Medicaid facilities? (Example: sole proprietor, partnership or members of Board of Directors.)

Name	Address	Vendor Number and Service Code	SSN, NPI and/or EIN
N/A			

Part 3. Excluded Individuals or Entities (If not applicable, please indicate.)

List the name, title, and address of any person, as applicant or vendor, or entity with an ownership or control interest, any agent, director, officer, or managing employee of the applicant or vendor who is an excluded individual or entity, as defined on page 2.

Name	Title	Address
N/A		

Part 4. Subcontractor (If not applicable, please indicate.)

A. List the name, title, address, SSN, NPI and/or EIN of each person or entity with an ownership or control interest in any subcontractor in which the applicant or vendor has direct or indirect ownership of 5 percent or more. State percentage.

Name	Title	Address	Percentage	SSN, NPI and/or EIN
N/A				

B. List the name, title, address, SSN, NPI and/or EIN of each subcontractor or wholly owned supplier in which the applicant or vendor has had any significant business transactions within 5 years of the application or request.

Name	Title	Address	SSN, NPI, and/or EIN
N/A			

APPLICANT/VENDOR SIGNATURE

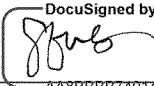
Knowingly and willfully failing to fully and accurately disclose the information requested may result in denial of a request to become vendored, or if the service provider already is vendored, a termination of its vendorization.

By signing this disclosure statement, you hereby certify and swear under penalty of perjury that (a) you have knowledge concerning the information above, and (b) the information above is true and accurate. You agree to inform the vendoring Regional Center, in writing, within 30 days of any changes or if additional information becomes available.

Serena Fields

Director of Housing Development & Management

Name of Applicant/Vendor or Authorized Representative**Title**

DocuSigned by:


4/14/2023

Signature

AA8BBB740144A9...

Date**Recordkeeping and Access to Records**

Subject to the provisions of Title 17, California Code of Regulations, Section 54311 and Code of Federal Regulations, Title 42, Part 455.105, an applicant or vendored provider agrees to provide access for the review of any and all ownership disclosure information and/or documentation upon written request by the vendoring regional center, the Department of Developmental Services, the State Medicaid Agency, Department of Health Care Services, any State survey team, the Secretary of the United States Department of Health and Human Services, or any duly authorized representatives of the above named entities.

Privacy Statement

All information requested on the application and the disclosure statement is mandatory with the exception of the social security number for any person other than the person or entity for whom an IRS Form 1099 must be provided by the Department of Developmental Services pursuant to 26 USC 6041. This information is required by the authority of Welfare and Institutions Code, Section 4648.12 and Title 17, California Code of Regulations, Section 54311. The consequences of not supplying the mandatory information requested are denial of vendorization as a regional center vendor or termination of vendorization. Any information may also be provided to the State Controller's Office, the California Department of Justice, the Department of Consumer Affairs, other state or local agencies as appropriate, fiscal intermediaries, managed care plans, the Federal Bureau of Investigation, the Internal Revenue Service, Medicare Fiscal Intermediaries, Centers for Medicare and Medicaid Services, Office of the Inspector General, Medicaid, or licensing programs in other states.

Name of Regional Center: Frank D. Lanterman Regional Center

CONFLICT OF INTEREST STATEMENT FOR CPP FUNDING

Name of HDO: Brilliant Corners

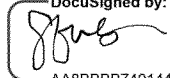
Title: Director of Housing Development and Management

I have read and understand Title 17, California Code of Regulations, Chapter 3, Subchapter 3, Article 1, upon which I declare under penalty of perjury:

1. (Name of HDO) Brilliant Corners and its officers, directors, shareholders, owners and employees have no personal, business, or financial interests, or relationships, with (Name of Regional Center) Frank D. Lanterman Regional Center or its officers, directors or employees, that would cause a reasonable person with knowledge of the relevant facts to question (Name of HDO) Brilliant Corners or (Name of Regional Center) Frank D. Lanterman Regional Center's impartiality resulting from (Name of Regional Center) Frank D. Lanterman Regional Center's engagement of (Name of HDO) Brilliant Corners to provide CPP services to (Name of Regional Center) Frank D. Lanterman Regional Center and its consumers.

2. Based on the above statement, no present or potential conflict of interest exists between (Name of HDO) Brilliant Corners and (Name of Regional Center) Frank D. Lanterman Regional Center.

DocuSigned by:



Director of Housing Development & Management

9/12/2023

Signature/Title

Date

Received by:

Name of Regional Center: Frank D. Lanterman Regional Center

Signature: _____

Name: _____

Title: _____