VICTORY GARDENS, LP

(A California Limited Partnership)
DBA Victory Gardens

TCAC #CA-20-066

FINAL COST CERTIFICATION

November 23, 2022

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BOWMAN

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' COST CERTIFICATION REPORT

Partnership Name:	**Victory Gardens, LP**
Project Name:	**Victory Gardens**
TCAC #:	**CA-20-066**

We have audited the costs included in the accompanying California Tax Credit Allocation Committee ("TCAC") Final Cost Certification of the above referenced Partnership (the "Partnership") for the above referenced Project (the "Project") as of November 23, 2022.

Management's Responsibility for the Final Cost Certification

Management is responsible for the preparation and fair presentation of the Final Cost Certification in accordance with the accounting practices prescribed by the Internal Revenue Service, under the accrual method of accounting, and in conformity with the format and regulations set by TCAC, which is a comprehensive basis of accounting other than generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Final Cost Certification that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Final Cost Certification based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Final Cost Certification is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Final Cost Certification, based upon pertinent documentation verifying the Project's final total development costs. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Final Cost Certification, 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 Final Cost Certification 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 Final Cost Certification.

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

Opinion

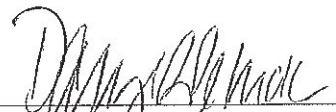
In our opinion, the Final Cost Certification referred to above presents fairly, in all material respects, the Project's final total development costs of $26,848,415 and the percentage of the Project's aggregate basis financed with tax-exempt bond proceeds of 0% as of November 23, 2022, in accordance with the basis of accounting described below. For purposes of complying with the requirements of TCAC, we certify that the designated costs contained in the Final Cost Certification are properly includable in eligible basis, as that term is defined in Internal Revenue Code Section 42, as amended, and are presented in accordance with standard accounting principles.

Basis of Accounting

The accompanying Final Cost Certification was prepared in conformity with the accounting practices prescribed by the Internal Revenue Service, under the accrual method of accounting, and in conformity with the format and regulations set by TCAC, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Restriction on Use

This report is intended solely for the information and use of the management of the Partnership and for filing with TCAC and is not intended for any other purpose. This report should not be used by anyone other than the specified parties. We have no financial interest in this Project other than in the practice of our profession.



Signature of Tax Professional

February 15, 2023
Date

DARYL R. PETRICK, CPA, PARTNER
Printed name of Signatory

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
FINAL COST CERTIFICATION
Sources and Uses of Funds

Project Name: VICTORY GARDENS Project No: CA-20-055	TOTAL PROJECT COST	RESIDENTIAL COST	COMMERCIAL COST	TAX CREDIT EQUITY	HCD VHHP LOAN	COUNTY OF SAN JOAQUIN CDBG LOAN	COUNTY OF SAN JOAQUIN HOME LOAN	COUNTY OF SAN JOAQUIN LAND LEASE LOAN	HCD CESH LOAN	SPECIAL LIMITED PARTNER EQUITY	GENERAL PARTNER EQUITY	DEFERRED DEVELOPMENT FEE	SUBTOTAL	70% PVC FOR NEW CONST/ REHAB	30% PVC FOR ACQUISITION
LAND COST/ACQUISITION															
Land Cost or Value	-	-	-	-	-	-	-		-	-	-	-	-		
Demolition	-	-	-	-	-	-	-		-	-	-	-	-		
Land Lease Rent Prepayment	690,000	690,000	-	-	-	-	-	690,000	-	-	-	-	690,000		
Legal/Broker Fees	-	-	-	-	-	-	-		-	-	-	-	-		
Total Land Cost or Value	690,000	690,000	-	-	-	-	-	690,000	-	-	-	-	690,000		
Existing Improvements Value	-	-	-	-	-	-	-	-	-	-	-	-	-		-
Off-Site Improvements	364,627	364,627	-	364,627	-	-	-	-	-	-	-	-	364,627	364,627	-
Assumed Accrued Interest on Existing Debt	-	-	-	-	-	-	-	-	-	-	-	-	-		-
Total Acquisition Cost	364,627	364,627	-	364,627	-	-	-	-	-	-	-	-	364,627		-
Total Land Cost/ Acquisition Cost	1,054,627	1,054,627	-	364,627	-	-	-	690,000	-	-	-	-	1,054,627		
NEW CONSTRUCTION															
Site Work	2,340,276	2,340,276	-	1,415,276	-	925,000	-	-	-	-	-	-	2,340,276	2,340,276	
Structures	11,223,430	11,223,430	-	3,320,830	6,802,600	-	1,100,000	-	-	100	100	-	11,223,430	11,223,430	
General Requirements	748,995	748,995	-	748,995	-	-	-	-	-	-	-	-	748,995	748,995	
Contractor Overhead	286,096	286,096	-	286,096	-	-	-	-	-	-	-	-	286,096	286,096	
Contractor Profit	858,288	858,288	-	858,288	-	-	-	-	-	-	-	-	858,288	858,288	
General Liability Insurance	138,712	138,712	-	138,712	-	-	-	-	-	-	-	-	138,712	138,712	
Performance Bond	143,869	143,869	-	143,869	-	-	-	-	-	-	-	-	143,869	143,869	
Total Rehabilitation Costs	15,739,666	15,739,666	-	6,911,866	6,802,600	925,000	1,100,000	-	-	100	100	-	15,739,666	15,739,666	
Total Relocation Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
REHABILITATION															
Site Work	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Structures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
General Requirements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Contractor Overhead	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Contractor Profit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Prevailing Wages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
General Liability Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total New Construction Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
ARCHITECTURAL FEES															
Design	670,792	670,792	-	670,792	-	-	-	-	-	-	-	-	670,792	670,792	
Supervision	65,000	65,000	-	65,000	-	-	-	-	-	-	-	-	65,000	65,000	
Total Architectural Costs	735,792	735,792	-	735,792	-	-	-	-	-	-	-	-	735,792	735,792	
Survey & Engineering	208,184	208,184	-	208,184	-	-	-	-	-	-	-	-	208,184	208,184	
CONSTRUCTION INTEREST & FEES															
Construction Loan Interest	1,237,688	1,237,688	-	1,237,688	-	-	-	-	-	-	-	-	1,237,688	353,073	
Origination Fee	172,560	172,560	-	172,560	-	-	-	-	-	-	-	-	172,560	172,560	
Credit Enhancement & Application Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Taxes	3,155	3,155	-	3,155	-	-	-	-	-	-	-	-	3,155	3,155	
Insurance	142,218	142,218	-	142,218	-	-	-	-	-	-	-	-	142,218	118,818	
Title & Recording	50,856	50,856	-	50,856	-	-	-	-	-	-	-	-	50,856	49,547	-
Other Financing Fees	34,605	34,605	-	34,605	-	-	-	-	-	-	-	-	34,605	34,605	
Total Construction Interest & Fees	1,641,082	1,641,082	-	1,641,082	-	-	-	-	-	-	-	-	1,641,082	729,758	-
PERMANENT FINANCING															
Loan Origination Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	XXXXXXXX	
Credit Enhancement & Application Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	XXXXXXXX	
Title & Recording	25,000	25,000	-	25,000	-	-	-	-	-	-	-	-	25,000	XXXXXXXX	
Legal Fees	15,000	15,000	-	15,000	-	-	-	-	-	-	-	-	15,000	XXXXXXXX	
Total Permanent Financing Costs	40,000	40,000	-	40,000	-	-	-	-	-	-	-	-	40,000	-	

See Independent Auditors' Cost Certification Statement

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
FINAL COST CERTIFICATION
Sources and Uses of Funds

Project Name: VICTORY GARDENS Project No: CA-20-066	TOTAL PROJECT COST	RESIDENTIAL COST	COMMERCIAL COST	TAX CREDIT EQUITY	HCD VHHP LOAN	COUNTY OF SAN JOAQUIN CDBG LOAN	COUNTY OF SAN JOAQUIN HOME LOAN	COUNTY OF SAN JOAQUIN LAND LEASE LOAN	HCD CESH LOAN	SPECIAL LIMITED PARTNER EQUITY	GENERAL PARTNER EQUITY	DEFERRED DEVELOPMENT FEE	SUBTOTAL	70% PVC FOR NEW CONST/ REHAB	30% PVC FOR ACQUISITION
Subtotals Forward	19,419,351	19,419,351	-	9,901,551	6,802,600	925,000	1,100,000	690,000	-	100	100	-	19,419,351	17,413,400	
LEGAL FEES															
Lender Legal Paid by Applicant	50,000	50,000	-	50,000	-	-	-	-	-	-	-	-	50,000	50,000	
Other: Owner Legal	225,943	225,943	-	225,943	-	-	-	-	-	-	-	-	225,943	199,647	-
Total Attorney Costs	275,943	275,943	-	275,943	-	-	-	-	-	-	-	-	275,943	249,647	-
RESERVES															
Rent Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	XXXXXXXX	
Capitalized Rent Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	XXXXXXXX	
3-Month Operating Reserve	285,903	285,903	-	285,903	-	-	-	-	-	-	-	-	285,903	XXXXXXXX	
Other: HCD Transition Reserve	675,112	675,112	-	675,112	-	-	-	-	-	-	-	-	675,112	XXXXXXXX	
Other: Capitalized Operating Subsidy Reserve	2,800,000	2,800,000	-	2,391,015	-	-	-	-	408,985	-	-	-	2,800,000	XXXXXXXX	
Total Reserve Costs	3,761,015	3,761,015	-	3,352,030	-	-	-	-	408,985	-	-	-	3,761,015	-	
CONTINGENCY COSTS															
Construction Hard Cost Contingency	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Soft Cost Contingency	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Contingency Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
OTHER PROJECT COSTS															
TCAC App/Allocation/Monitoring Fees	101,095	101,095	-	101,095	-	-	-	-	-	-	-	-	101,095	XXXXXXXX	
Environmental Audit	97,333	97,333	-	97,333	-	-	-	-	-	-	-	-	97,333	97,333	
Local Development Impact Fees	433,732	433,732	-	433,732	-	-	-	-	-	-	-	-	433,732	433,732	
Permit Processing Fees	401,937	401,937	-	401,937	-	-	-	-	-	-	-	-	401,937	401,937	
Marketing	107,666	107,666	-	107,666	-	-	-	-	-	-	-	-	107,666	XXXXXXXX	
Furnishings	269,664	269,664	-	269,664	-	-	-	-	-	-	-	-	269,664	269,664	
Market Study	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other: Accounting	38,825	38,825	-	38,825	-	-	-	-	-	-	-	-	38,825	38,825	
Appraisal Costs	17,075	17,075	-	17,075	-	-	-	-	-	-	-	-	17,075	17,075	
Other: Wage Monitor	19,779	19,779	-	19,779	-	-	-	-	-	-	-	-	19,779	19,779	
Other: Prepaid Asset Management Fee	5,000	5,000	-	5,000	-	-	-	-	-			-	5,000	-	
Total Other Costs	1,492,106	1,492,106	-	1,492,106	-	-	-	-	-	-	-	-	1,492,106	1,278,345	
SUBTOTAL PROJECT COST	24,948,415	24,948,415	-	15,021,630	6,802,600	925,000	1,100,000	690,000	408,985	100	100	-	24,948,415	19,306,019	-
DEVELOPER COSTS															
Developer Overhead/Profit	1,900,000	1,900,000	-	1,900,000	-	-	-	-	-	-	-	-	1,900,000	1,900,000	-
Consultant/Processing Agent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Administration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Broker Fees Paid to a Related Party	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Const. Oversight by Developer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Developer Costs	1,900,000	1,900,000	-	1,900,000	-	-	-	-	-	-	-	-	1,900,000	1,900,000	-
TOTAL PROJECT COSTS	$ 26,848,415	$ 26,848,415	$ -	$ 16,921,630	$ 6,802,600	$ 925,000	$ 1,100,000	$ 690,000	$ 408,985	$ 100	$ 100	$ -	$ 26,848,415	21,206,019	-

FOR PLACED IN SERVICE APPLICATION SUBMISSIONS:

SYNDICATION (Investor & General Partner)

Organizational Fee	-
Bridge Loan Fees/Exp.	-
Legal Fees	32,040
Consultant Fees	62,531
Accountant Fees	-
Tax Opinion	-
Other: Due Diligence	$ 50,000
Total Syndication Costs	$ 144,571

CERTIFICATION BY OWNER:

As General Partner of the above-referenced low-income housing project, I certify under penalty of perjury, that the project costs contained herein are, to the best of my knowledge, accurate and actual costs associates with the acquisition, construction, and/or rehabilitation of this project and that the corresponding sources of funds shown are the only funds received by the Partnership for the development of the project. I authorize the California Tax Credit Allocation Committee to utilize this information to calculate the low-income housing tax credit.

Signature of General Partner

Peter W. Ragsdale

Printed Name of Signatory

CERTIFICATION OF CPA/TAX PROFESSIONAL:

As the tax professional for the above-referenced low-income housing project, I certify under penalty of perjury, that the percentage of aggregate basis financed by tax-exempt bonds is: 0%.

Signature of Project CPA/Tax Professional

Daryl R. Petrick, CPA, Partner

Date 2/15/23

See Independent Auditors' Cost Certification Statement