CMFA SPECIAL FINANCE AGENCY VIII
SENIOR ESSENTIAL HOUSING REVENUE BONDS, SERIES 2021A-1
JUNIOR ESSENTIAL HOUSING REVENUE BONDS, SERIES 2021A-2
(ELAN HUNTINGTON BEACH)

CONTINUING DISCLOSURE ANNUAL REPORT
FOR THE
FISCAL YEAR ENDING JUNE 30, 2024

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I. INTRODUCTION

Pursuant to the Continuing Disclosure Agreement, dated August 31, 2021 (the "Disclosure Agreement"), the CMFA Special Finance Agency VIII (the "Agency") hereby provides its continuing disclosure annual report for the fiscal year ending June 30, 2024 (the "Continuing Disclosure Annual Report") in connection with the Agency's Senior Essential Housing Revenue Bonds, Series 2021A-1 and Junior Essential Housing Revenue Bonds, Series 2021A-2 (Elan Huntington Beach) (collectively, the "Bonds").

Each maturity of the Bonds is identified by the corresponding CUSIP Number set forth below. The CUSIP numbers below are provided for the convenience of Bondholders. The Agency is not responsible for the accuracy or completeness of such numbers.

Series	Maturity Date	CUSIP
2021A-1	August 1, 2056	12574VAA0
2021A-2	August 1, 2047	12574VAB8

Other Matters: This Continuing Disclosure Annual Report is provided solely pursuant to the Disclosure Agreement. The filing of this Continuing Disclosure Annual Report does not constitute or imply any representation (i) that all of the information provided is material to investors, (ii) regarding any other financial, operating or other information about the Agency, the Facilities, or the Bonds, or (iii) that no changes, circumstances or events have occurred since the end of the fiscal year to which this Continuing Disclosure Annual Report relates (other than as contained in this Continuing Disclosure Annual Report), or any other date specified with respect to any of the information contained in this Continuing Disclosure Annual Report, or that no other information exists, which may have a bearing on the security for the Bonds, or an investor's decision to buy, sell, or hold the Bonds. The information contained in this Continuing Disclosure Annual Report has been delivered by the Program Administrator. No statement in this Continuing Disclosure Annual Report should be construed as a prediction or representation about future financial performance of the Agency or the Facilities.

Dated: January 15, 2025

CMFA Special Finance Agency VIII

Pursuant to the Disclosure Agreement, the Continuing Disclosure Annual Report of the Agency shall include the following information:

(a) (1) audited financial statements for the Agency, on a consolidated basis, and (2) audited financial statements for the Facilities, supplied by the Project Administrator pursuant to the Project Administration Agreement in each case including a balance sheet and related statements of income and changes in financial position as of the end of such fiscal year and for such fiscal year, which shall be prepared and reported on without qualification by an independent certified public accountant in accordance with GAAP, and shall fairly present the financial condition of the Agency and the Facilities, as applicable, as of the end of such fiscal year;

(b) a certificate signed by the Disclosure Representative stating that (1) during such fiscal year to the best of the Agency's actual knowledge, the Agency has observed and performed all of its covenants and agreements set forth in the Indenture and the other Bond Documents, except as disclosed in such certificate, and (2) no Event of Default has occurred or exists, except as disclosed in such certificate; and

(c) an occupancy report provided by the Project Administrator pursuant to the Project Administration Agreement stating each lease of all or any part of the Facilities in effect as of the last day of the month prior to the date of delivery thereof, and including the breakdown of (1) units by each income restriction category pursuant to the Regulatory Agreement, (2) market rate units, and (3) other units to the extent tenant income is unknown at the time.

As described above, the audited financial statements of the Agency and the Facilities for the fiscal year ended June 30, 2024 are set forth in Appendices A and B hereto, respectively. The occupancy report and the Disclosure Representative certificate are set forth in Appendices C and D hereto, respectively.

APPENDIX A
AUDITED FINANCIAL STATEMENTS OF THE AGENCY
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

CMFA Special Finance Agency VIII

Consolidated Financial Statements

Year Ended June 30, 2024

WIPFLI

WIPFLI

Independent Auditor's Report

To the Board of Directors
CMFA Special Finance Agency VIII
Carlsbad, California

Opinion

We have audited the consolidated financial statements of CMFA Special Finance Agency VIII (the "Agency"), which comprise the consolidated statement of net position as of June 30, 2024, and the related consolidated statements of revenues, expenses and change in net position, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Agency as of June 30, 2024, and the change in net position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States ("GAAP").

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of CMFA Special Finance Agency VIII and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

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

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

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

In performing an audit in accordance with GAAS, we:

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that a management's discussion and analysis and the budgetary comparison information, be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Consolidating Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of net position, consolidating statement of revenues, expenses, and change in net position, and consolidating statement of cash flows, are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, change in net position, and cash flows of the individual companies and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Wipfli LLP

Wipfli LLP
Radnor, Pennsylvania

January 15, 2025

CMFA Special Finance Agency VIII
Management's Discussion and Analysis
For the Year Ended June 30, 2024

This section of the CMFA Special Finance Agency VIII's (the Agency) annual financial report presents the Management's Discussion and Analysis (MD&A) of its financial performance during the year ended June 30, 2024. The information in this section should be read in conjunction with the consolidated financial statements and the notes following this section.

GENERAL BACKGROUND, OVERVIEW AND PROGRAMS

The Agency was organized on July 1, 2021, under the provisions of the Joint Exercise of Powers Act of the Government Code of the State of California. The Agency is a joint exercise of powers authority and public entity formed pursuant to a Joint Exercise of Powers Agreement (Agreement) between the California Municipal Finance Authority (the Authority) and the City of Huntington Beach, California (City) as charter members, to which certain other cities and counties may in the future join as additional members. The Agency is authorized and empowered under the Act and the Agreement to issue bonds to undertake the financing and/or refinancing of any purpose or activity permitted under the Act or any other law, including projects that provide affordable local housing for low-income, median-income and moderate-income families and individuals.

FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED JUNE 30, 2024

- Restricted cash and investment balances for FY2024 are $3,240,247 below the prior year due to DSCR releases of capitalized interest and coverage reserve funds.
- FY2024 operating revenues are $273,770 above the prior year due to rent increases and sustained high occupancy rates.
- Bonds payable have decreased $1,961,186 from the prior year due to debt principal payments and amortization of the bond premium.

OVERVIEW OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Agency's consolidated financial statements include the MD&A, consolidated financial statements, and accompanying notes to the consolidated financial statements. This report also includes other information intended to furnish additional detail to the intended users.

The transactions of the Agency are accounted for utilizing the accrual basis of accounting.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Agency report information using accounting principles generally accepted in the United States of America (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. These statements offer both short-term and long-term financial information about the Agency's activities.

- The ***Consolidated Statement of Net Position*** includes all the Agency's assets and liabilities as of June 30, 2024 and provides information about the nature and amounts of investments in resources (assets) and the obligations to the Agency's creditors (liabilities). It also provides the basis for evaluating the capital structure of the Agency and assessing the liquidity and financial flexibility of the Agency.

- The ***Consolidated Statement of Revenues, Expenses and Change in Net Position*** accounts for all the Agency's revenues and expenses for the year ended June 30, 2024. This Statement reflects the results of the Agency's operations over the year and can be used to determine the Agency's creditworthiness and its ability to successfully recover all its costs through user fees and other income.

- The ***Consolidated Statement of Cash Flows*** provides information about the Agency's cash receipts and cash payments during the year ended June 30, 2024. This Statement reports cash receipts, cash payments, and net changes in cash resulting from operating and investing activities. The Statement provides answers to questions about where cash came from, what cash was used for and what caused changes in cash for the reporting period covered.

The accompanying ***Notes to the Consolidated Financial Statements*** provide additional information that is essential to a full understanding of the data provided in the consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF NET POSITION

The assets, liabilities, and net position as of June 30, 2024, and 2023 and changes from the prior year are shown in the table below.

	2024	**2023**	**Change**
Assets:			
Cash and cash equivalents	715,632	664,433	51,199
Restricted cash and investments	14,192,086	17,432,333	(3,240,247)
Other current assets	292,692	209,203	83,489
Other assets	135,670,512	137,815,692	(2,145,180)
Total assets	**150,870,922**	**156,121,661**	**(5,250,739)**
Liabilities:			
Current liabilities	2,948,491	3,377,237	(428,746)
Long-term bonds payable	160,240,752	162,206,938	(1,966,186)
Total liabilities	**163,189,243**	**165,584,175**	**(2,394,932)**
Deferred inflow of resources	282,024	-	282,024
Net position (deficit)	**(12,600,345)**	**(9,462,514)**	**(3,137,831)**

ASSETS

Restricted Cash and Investments

Restricted cash and investments are set aside for specified purposes, such as refundable deposits to tenants, servicing of the Project's outstanding debt obligations and the construction of capital assets. Such assets have been restricted by either bond indenture, law or through contractual obligations.

The reduction in restricted cash was due to releases of certain reserve funds upon meeting debt service coverage thresholds.

NET POSITION

The following table presents a condensed consolidated statement of revenues, expenses and change in net position for the years ended June 30, 2024, and 2023.

Condensed Consolidated Statement of Revenues, Expenses and Change in Net Position

	2024	2023	Change
Operating revenues	8,259,976	7,986,206	273,770
Operating expenses	6,618,297	6,744,975	(126,678)
Nonoperating expenses	4,779,511	5,087,439	(307,928)
Change in net position	**(3,137,832)**	**(3,846,208)**	**708,376**
Net position - beginning of year	(9,462,513)	(5,616,306)	(3,846,207)
Net Position - end of year	**(12,600,345)**	**(9,462,513)**	**(3,137,831)**

LIABILITIES

Bonds Payable

Bonds payable decreased in FY2024 by $1,961,186. This comprises a principal payment on the Series 2021A Bonds of $1,810,000 as well as $151,186 amortization of the bond premium.

OPERATING REVENUES

Operating revenues increased over the previous year by $273,770. This was mainly due to the increase in rental rates and sustainment of occupancy rates for the period. The increase in residential income was due to rental rate increases.

Operating revenues:	**2024**	**2023**	**Change**
Rental income	7,670,846	7,066,434	604,412
Other income	589,130	919,772	(330,642)
Total operating revenues	**8,259,976**	**7,986,206**	**273,770**

OPERATING EXPENSES

Operating expenses decreased from $6,744,975 in FY2023 to $6,618,297 in FY2024 – a decrease of $126,678. This is due to a decrease in repair and maintenance costs for the fiscal year.

CMFA Special Finance Agency VIII
Consolidated Statement of Net Position

As of June 30,	2024
Assets	
Current assets:	
Cash and cash equivalents	$ 715,632
Restricted cash	288,348
Restricted investments	13,903,738
Tenants accounts receivable	14,525
Lease receivables, current portion	244,989
Prepaid expenses and other assets	33,178
Total current assets	15,200,410
Lease receivables, net of current portion	1,721
Capital assets, net	135,618,647
Leasing commissions, net	50,144
Total assets	$ 150,870,922
Liabilities, Deferred Inflow of Resources, and Net Position	
Current liabilities:	
Accounts payable	$ 360,585
Accrued expenses	72,372
Accrued interest	2,222,667
Security deposits	287,867
Current portion of bonds payable	5,000
Total current liabilities	2,948,491
Long-term bonds payable, net	160,240,752
Total liabilities	163,189,243
Deferred inflow of resources	282,024
Net position:	
Net investment in capital assets	(26,849,772)
Restricted for debt service and other purposes	14,191,605
Unrestricted	57,822
Total net position (deficit)	(12,600,345)
Total liabilities, deferred inflow of resources, and net position	$ 150,870,922

See accompanying notes to the consolidated financial statements.

CMFA Special Finance Agency VIII

Consolidated Statement of Revenues, Expenses and Change in Net Position

Year Ended June 30,		2024
Operating revenues:		
Rental income	$	7,670,846
Other income		589,130
Total operating revenues		8,259,976
Operating expenses:		
Advertising		36,820
Depreciation and amortization		4,119,352
General and administrative		168,694
Insurance		188,254
Other		207,760
Property management fees		207,493
Project administration fees		250,000
Repairs and maintenance		458,100
Salaries and benefits		451,936
Utilities		529,888
Total operating expenses		6,618,297
Net operating income		1,641,679
Nonoperating income (expense):		
Interest expense		(5,193,648)
Interest income		414,137
Total nonoperating expense		(4,779,511)
Change in net position		(3,137,832)
Net deficit at June 30, 2023		(9,462,513)
Net deficit at June 30, 2024	$	(12,600,345)

See accompanying notes to the consolidated financial statements.

CMFA Special Finance Agency VIII

Consolidated Statement of Cash Flows

Year Ended June 30,	2024
Cash flows from operating activities:	
Cash received from customers	$ 8,504,966
Cash paid to suppliers and service providers	(2,950,701)
Net cash flows from operating activities	5,554,265
Cash flows from capital and related financing activities:	
Purchases of capital assets	(1,922,045)
Payments for leasing commissions	(50,406)
Principal payments on bonds	(1,810,000)
Interest payments on bond	(5,375,000)
Net cash flows from financing activities	(9,157,451)
Cash flows from investing activities:	
Net change in restricted investments	3,068,094
Interest income	414,137
Net cash flows from investing activities	3,482,231
Net change in cash, cash equivalents, and restricted cash	(120,955)
Cash, cash equivalents, and restricted cash - beginning of year	1,124,935
Cash, cash equivalents, and restricted cash - end of year	$ 1,003,980

CMFA Special Finance Agency VIII

Consolidated Statement of Cash Flows (Continued)

Year Ended June 30,		2024
Net operating income	$	1,641,679
Adjustments to reconcile net operating income to net cash flows from operating activities:		
Depreciation and amortization		4,119,352
Changes in operating assets and liabilities:		
Tenant accounts receivable		53,248
Prepaid expenses and other assets		108,252
Lease receivables		(246,710)
Accounts payable		81,739
Accrued expenses		(491,747)
Deferred inflow of resources		265,994
Security deposits		22,458
Total adjustments		3,912,586
Net cash flows from operating activities	$	5,554,265
Cash, cash equivalents, and restricted cash:		
Cash and cash equivalents	$	715,632
Restricted cash and cash equivalents		
Tenant security deposits		287,867
Restricted cash equivalents in accordance with bond indenture		481
Total cash, cash equivalents, and restricted cash	$	1,003,980
Supplemental cash flow information:		
Noncash financing activities:		
Amortization of bond premium	$	(151,186)
Accrued interest		30,166

See accompanying notes to the consolidated financial statements.

Note 1: Organization, Operations and Reporting Entity

The CMFA Special Finance Agency VIII (the "Agency") was organized on July 1, 2021 under the provisions of the Joint Exercise of Powers Act (Act) of the Government Code of the State of California. The Agency is a joint exercise of powers authority and public entity formed pursuant to a Joint Exercise of Powers Agreement (Agreement) between the California Municipal Finance Authority (the Authority) and the City of Huntington Beach, California (City) as charter members, to which certain cities and counties may in the future join as additional members. The Agency is authorized and empowered under the Act and the Agreement to issue bonds to undertake the financing and/or refinancing of any purpose or activity permitted under the Act or any other law, including projects that provide affordable local housing for low-income, median-income and moderate-income families and individuals. The Agency is governed by the Board of Directors consisting of, ex officio, the board of directors of the Authority.

Elan Huntington Beach, Huntington Beach, California (Elan)

On August 31, 2021, the Agency issued Essential Housing Revenue Bonds Series 2021A-1 (Senior Bonds), Essential Housing Revenue Bonds Series 2021A-2 (Junior Bonds) and Subordinate Essential Housing Revenue Bonds Series 2021B (Series 2021-B Bonds). The Series 2021B Bonds were directly issued to, or at the direction of, Catalyst Housing Group LLC, a California limited liability company (Catalyst) in exchange for the sale and assignment of certain assets to the Agency, including its purchase rights to the project, a business plan for the Agency, and certain intellectual property created by Catalyst for the Agency. The bonds, with an aggregate principal amount of $155,295,000 were issued pursuant to a Trust Indenture (the "Indenture") by and between the Agency and Wilmington Trust, National Association, (the "Trustee") to finance the acquisition of a 274-unit multifamily residential community that also contains approximately 7,923 square feet of ground floor retail space and related improvements, personal property and equipment known as Elan Huntington Beach located at 18504 Beach Boulevard, Huntington Beach, California (the "Project").

The accompanying consolidated financial statements include the accounts of the Agency and its subsidiary, Elan Huntington Beach, after elimination of all material intercompany transactions and accounts.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting

The Agency's consolidated financial statements have been prepared using the accrual basis of accounting in accordance with GAAP as prescribed by the Governmental Accounting Standards Board. Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has been incurred, regardless of the timing of the cash flows.

Note 2: Summary of Significant Accounting Policies (Continued)

Use of Estimates

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

Cash and Cash Equivalents

Cash equivalents are defined as short-term, highly liquid investments, which are readily convertible to cash and have remaining maturities of three months or less at the date of acquisition.

Restricted Cash and Investments and Investment Income

Restricted cash and investments represent the unspent proceeds of the bonds that are held by the Trustee. These investments are made up of various funds that were required to be funded by the Indenture. Also included in restricted cash are tenant security deposit funds. See Note 3 for a listing of the funds held by the Trustee.

Restricted investments are made up of money market funds and guaranteed investment contracts. The guaranteed investment contracts are considered trading securities, therefore are measured at fair value.

All investment income is reported as nonoperating revenues (expenses) in the accompanying consolidated statement of revenues, expenses, and changes in net position. Realized gains or losses are determined by specific identification.

Tenant Accounts Receivable

Tenant accounts receivable are uncollateralized residential rents, which are due at the beginning of each month. Payments of tenant receivables are allocated to the specific charges identified on the tenant's remittance or, if unspecified, are applied to past due balances first, then the current unpaid charges. Management individually reviews all tenant receivables and based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that could be uncollectible. Any amounts that remain outstanding after management has used reasonable collection efforts are deemed uncollectible and written-off through a charge to the valuation allowance and elimination of the tenant accounts receivable. There is $1,833 of uncollectible allowance recorded as of June 30, 2024.

Note 2: Summary of Significant Accounting Policies (Continued)

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as observable inputs such as quoted market prices in active markets; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore, requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Tenant Security Deposit Funds

Tenant security deposits represent tenant deposits held in accordance with the respective tenant's lease agreement which are held in trust for the tenants until they vacate the property. Any amounts not returned to the tenant due to lease violations are transferred to the Project's general operating account.

Capital Assets

Capital assets are defined by the Agency as assets with an initial, individual cost of $1,000 or more and an estimated useful life of more than one year. Capital assets are recorded at historical cost or estimated historical cost, if actual cost is not available, and when placed in service. Capital assets are depreciated on a straight-line basis over the estimated useful lives of the assets (3 - 30 years). Depreciation of capital assets is recorded as an expense against operations. Repairs and maintenance costs are charged to expense as incurred.

Management reviews the recoverability of its capital assets in accordance with the provisions of GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. GASB Statement No. 42 requires the recognition of impairment of capital assets in the event an asset's service utility has declined significantly and unexpectedly. Accordingly, management evaluates its assets' utility annually or when an event occurs that may impair recoverability of the asset.

Long-Lived Assets

The Agency reviews its long-lived assets periodically to determine potential impairment by comparing the carrying value of those assets with the estimated future undiscounted cash flows expected to result from the use of the assets, including cash flows from disposition. Should the sum of the expected future undiscounted cash flows be less than the carrying value, the Agency would recognize an impairment loss at that time. No impairment loss was recognized in the fiscal year 2024.

Leasing Commission Costs

Leasing commissions have been capitalized and are amortized over the related lease term using the straight-line method. Amortization expense for the year ended June 30, 2024 was $261.

Note 2: Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the consolidated statement of net position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. At this time, the Agency has no items that are reported in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents the acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Original Issue Premium

Original issue premium represents the difference between the face value of the bonds and the consideration received. Original issue premium is deferred and amortized over the life of the bonds using the straight-line method. Amortization of the premium is reflected as a decrease to interest expense in the consolidated statement of revenues, expenses, and change in net position.

Net Position

Net position of the Agency is classified in three components:

- *Net investment in capital assets* consists of capital assets, including bond proceeds held for capital assets, net of accumulated depreciation and reduced by any outstanding borrowings used to finance the purchase or construction of those assets.

- *Restricted for debt service and other purposes* is net position that is restricted for the future payment of debt and is required to be held under an agreement with the Trustee, as well as other funds included in restricted investments.

- *Unrestricted net position* is the remaining net position that does not meet the definition of net investment in capital assets or restricted for debt service and other purposes.

Income Taxes

As an essential government function, the Agency and Project are generally exempt from federal and state income taxes under Section 115 of the Internal Revenue Code and a similar provision of state law.

Note 2: Summary of Significant Accounting Policies (Continued)

Advertising Expenses

Advertising costs are expensed as incurred. Advertising costs expensed during the year ended June 30, 2024 were $36,820.

Revenue Recognition

Housing units are rented under operating lease agreements with terms that vary, but a majority of lease terms are one year or less. Rent income from tenants is recognized in the month in which it is earned rather than received. Other income consists of income from pet rent, parking, laundry, and utility reimbursements from tenants.

GASB 87 Lease Accounting

The Project is a lessor in multiple housing units lease agreements. The Project accounts for its leases in accordance with the Governmental Accounting Standards Board ("GASB"), Statement No. 87, *Leases*. If the contract provides the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Lease receivable and deferred inflow of resources are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The deferred inflow of resources is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred. See Note 9 for leases.

The Project uses its incremental borrowing rate as the discount rate.

The Project has elected to not recognize lease receivable and deferred inflow of resources for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to renew the lease agreement. Leases containing termination clauses in which either party may terminate the lease without cause and the notice period is less than 12 months are deemed short-term leases. The Project recognizes short-term lease income on a straight-line basis over the lease term.

Subsequent Events

The Agency has evaluated subsequent events through January 15, 2025, which is the date the consolidated financial statements were available to be issued.

Note 3: Deposits and Investments

The Agency's restricted cash and investments are subject to several types of risk:

Interest Rate Risk – Interest rate risk is the risk that the changes in interest rates will adversely affect the fair value of an investment. The Agency does have a formal investment policy for interest rate risk.

Credit Risk - Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2024, the Agency's investments were not rated.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Agency's deposits may not be returned to it. The Agency does have a deposit policy for custodial credit risk. The Project's deposits are held with the Trustee and are fully insured. The Agency's deposits are collateralized.

Although not part of the Indenture, included in restricted cash and cash equivalents are tenant security deposits of $287,867 as of June 30, 2024. As such, this amount is not included in the table below summarizing restricted cash and investments by fund.

Pursuant to the Indenture, the Agency was required to establish certain restricted reserves with bond proceeds that were funded at closing for the bond issuance. All reserve accounts are restricted for specific use and withdrawals from the restricted accounts are subject to approval by the Trustee.

The following table provides a summary of restricted investments by fund as required by the Indenture:

Fund/Account Name	2024
Revenue fund	$ 696,828
Operating Reserve fund	448,493
Administrative Expenses fund	163,637
Excess Revenue fund	3,002
Extraordinary Expense fund	500,000
Project Acquisition fund	41,924
Environmental Assurance fund	44,009
Capital Reserve fund	1,186,580
Senior Debt Service account	1,210,997
Senior Debt Service Reserve fund	3,015,000
Junior Debt Service account	770,941
Junior Debt Service Reserve fund	1,991,800
Subordinate Debt Service account	3,830,527
Total	$ 13,903,738

Note 3: Deposits and Investments (Continued)

Revenue Fund

Pursuant to the Project Administration Agreement (Note 7), at the end of each month, the operator is required to transfer all monies into the revenue fund held by the Trustee as soon as practicable as long as any bonds remain outstanding.

Operating Reserve Fund

The operating reserve fund is used to cure any deficiency in the senior debt service account. If at any time the amount on deposit in the operating reserve fund exceeds the operating reserve requirement, amounts in excess of the operating reserve requirement shall be deposited into the revenue fund. As of June 30, 2024, the deposits on hand in the operating reserve fund met the operating reserve requirement of $448,493.

Administrative Expenses Fund

The administrative expenses fund shall be used only for the purpose of paying administrative expenses. In the event the amount in the administrative expenses fund is insufficient to pay the administrative expenses, the Trustee shall apply amounts in the operating reserve fund for the payment of administrative expenses.

Excess Revenue Fund

Excess revenue fund shall be applied first to the revenue fund to satisfy any insufficiency of payments required pursuant to flow of funds, and then to the redemption of bonds. On the first date upon which no bonds remain outstanding, any and all moneys in the excess revenue fund shall be transferred by the Trustee to the project jurisdiction.

Extraordinary Expense Fund

The extraordinary expense fund is used to pay for extraordinary expenses, as approved by the Agency and processed by the Trustee. The Trustee will disburse monies from the extraordinary expense fund to the Agency for certain expenses meeting the extraordinary definition in the Indenture. After discharge of the Indenture, the Agency shall retain any monies in the extraordinary expense fund, unless a different arrangement is agreed to at the Agency's discretion. As of June 30, 2024, the deposits on hand in the coverage reserve fund met the coverage reserve deposit requirement of $500,000.

Project Acquisition Fund

The project acquisition fund is used to pay the amounts required by the provision of the Indenture Agreement and make disbursements of amounts in accordance with a request of the project administrator for the purposes of paying a portion of the purchase price of the Project.

Note 3: Deposits and Investments (Continued)

Environmental Financial Assurance Fund

The environment financial assurance fund shall be used solely for the purposes of satisfying the financial assurance mechanism pursuant to the Indenture.

Capital Reserve Fund

The capital reserve fund is used to cure any deficiency in the senior debt service account. The monies in this account shall be used for the purposes of paying for capital expenses included in the capital budget or otherwise expressly authorized by the project administration agreement and capital expenses not included in the capital budget with the prior written consent of the Agency.

Senior Debt Service Account

The senior debt service account is used to pay out on or before each interest payment date, for the Senior Bonds, the amount required for the interest payment on such interest payment date and pay out on or before each principal payment date, the amount required for the principal payment due on such due date.

Senior Debt Service Reserve Fund

The senior debt service reserve fund is used to cure any deficiency in the senior debt service subaccount of the debt service fund. As of June 30, 2024, the balance on deposit in the senior debt service reserve fund met the requirement outlined in the trust indenture.

Junior Debt Service Account

The junior debt service account is used to pay out on or before each interest payment date, for the Junior Bonds, the amount required for the interest payment on such interest payment date and pay out on or before each principal payment date, the amount required for the principal payment due on such due date.

Junior Debt Service Reserve Fund

The junior debt service reserve fund is used to cure any deficiency in the junior debt service subaccount of the debt service fund. As of June 30, 2024, the balance on deposit in the junior debt service reserve fund met the requirement outlined in the Indenture.

Subordinate Debt Service Account

The subordinate debt service account is used to fund any interest that is due and payable on the next ensuing interest payment on each series of outstanding subordinate bonds.

Note 4: Fair Value Measurements

The following is a description of the valuation methodologies used for assets measured at fair value.

Quoted market prices are used to determine the fair value of investments in publicly traded equity securities and exchange traded funds. Certificates of deposit, corporate bonds, and government obligations are valued using quotes from pricing vendors based on recent trading activity and other observable market data.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, while the Agency believes their valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value could result in a different fair value measurement at the reporting date.

Information regarding assets at fair value on a recurring basis as of June 30, 2024, is as follows:

		Recurring Fair Value Measurements Using		
Investment Type	Total Assets at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market mutual funds	$ 7,948,444	$ 7,948,444	$ -	$ -
Guaranteed investment contracts	5,955,294	-	5,955,294	-
Totals	$ 13,903,738	$ 7,948,444	$ 5,955,294	$ -

Following is a description of the valuation methodology and significant inputs used for each asset and liability measured at fair value on a recurring or nonrecurring basis, as well as the classification of the asset or liability within the fair value hierarchy.

Money market funds - The fair value of money market funds are based on inputs that are observable, such as quoted prices for similar assets in active markets, interest rates, yield curve volatilities and credit risk.

Guaranteed investment contracts - The fair value of guaranteed investment contracts are based on inputs that are observable, such as quoted prices for similar assets in active markets, interest rates, yield curve volatilities and credit risk. Interest rate is 1.63%. The contract issuer is contractually obligated to repay the principal and interest at the specified interest rate that is guaranteed to the investment holder. The investment holder may withdraw the full principal balance on deposit, terminating the contract, at any time.

Note 5: Capital Assets

The capital assets balance at June 30, 2024, consists of the following activity:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Capital assets not depreciated:				
Land	$ 27,705,748	$ -	$ -	$ 27,705,748
Capital assets depreciable:				
Building and improvements	117,093,895	1,869,988	-	118,963,883
Furniture, fixtures and equipment	507,725	52,057	-	559,782
Total depreciable capital assets	117,601,620	1,922,045	-	119,523,665
Less accumulated depreciation:				
Building and improvements	(7,466,091)	(4,011,135)	-	(11,477,226)
Furniture, fixtures and equipment	(25,584)	(107,956)	-	(133,540)
Total accumulated depreciation	(7,491,675)	(4,119,091)	-	(11,610,766)
Total capital assets, depreciable (net)	110,109,945	(2,197,046)	-	107,912,899
Capital assets, net	$ 137,815,693	$ (2,197,046)	$ -	$ 135,618,647

Depreciation expense for the year ended June 30, 2024 was $4,119,091.

Note 6: Bonds Payable

On August 31, 2021, the Agency issued Essential Housing Revenue Bonds Series 2021 A-1 (Senior Bonds) (Series 2021A-1 Bonds) in the amount of $100,500,000 and Essential Housing Revenue Bonds Series 2021 A-2 (Junior Bonds) (Series 2021A-2 Bonds) in the amount of $49,795,000, collectively, the Series 2021A Bonds. The proceeds of the Series 2021A Bonds were used for financing the cost of the acquisition of a multifamily rental housing facility and related improvements known as Elan Huntington Beach and the costs of issuance of the Series 2021A Bonds.

Concurrently with the issuance of the Series 2021A Bonds, the Agency directly issued Subordinate Essential Housing Revenue Bonds Series 2021B (Series 2021B Bonds) in the amount of $5,000,000 to Catalyst Housing Group LLC, a California limited liability company (Catalyst) in exchange for the sale and assignment of certain assets to the Agency, including its purchase rights to Elan Huntington Beach, a business plan and certain intellectual property created by Catalyst.

Note 6: Bonds Payable (Continued)

The bonds are summarized as follows:

Obligations	Original Amount	Interest Rate	Final Maturity Date	Balance Outstanding June 30, 2024
Essential Housing Revenue Bonds, Series 2021A-1	$ 100,500,000	3.00 %	August 1, 2056	$ 100,500,000
Essential Housing Revenue Bonds, Series 2021A-2	49,795,000	4.00 %	August 1, 2047	47,985,000
Essential Housing Revenue Bonds, Series 2021B	5,000,000	8.00 %	August 1, 2061	5,000,000

Activity for the bonds was as follows for the year ended June 30, 2024:

Obligations	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024
Essential Housing Revenue Bonds Series 2021A-1	$ 100,500,000	$ -	$ -	$ 100,500,000
Essential Housing Revenue Bonds Series 2021A-2	49,795,000	-	(1,810,000)	47,985,000
Subordinate Essential Housing Revenue Bonds, Series 2021B	5,000,000	-	-	5,000,000
Unamortized Bond Premium	6,911,938	-	(151,186)	6,760,752
Totals	$ 162,206,938	$ -	$ (1,961,186)	$ 160,245,752

Note 6: Bonds Payable (Continued)

Interest payments on the bonds are due semi-annually (February 1st and August 1st) commencing February 1, 2022. Principal payments are not to be made on any bond unless and until such bond is tendered to the Trustee for cancellation; however partial payments may be made from time to time at the election of ownership. $5,000 of the outstanding principal balance is classified as a current liability and the remaining $160,240,752 is classified as a long-term liability as of June 30, 2024.

The bonds require the Project to maintain a DSCR, as defined in the agreement, of 1.10:1.00, measured on an annual basis. If the DSCR calculated is not equal to or greater than 1.10:1.00, the Agency will cause the Project Administrator to select and appoint, a Housing Consultant to make written recommendations regarding the fees, rentals, rates and charges imposed and collected by or on behalf of the Project Administrator and transferred to the Trustee, in connection with the operation of the Project, and regarding improvements or changes in the operations or management of or the services rendered by the Project Administrator; provided, however, that in the event that a Housing Consultant shall deliver a report to the Project Administrator, the Agency and the Trustee stating that state or federal laws or regulations or administrative interpretations of such laws or regulations then in existence do not permit, or by their application make it impracticable for the Project Administrator to conduct its business so as to maintain the DSCR at a level sufficient to meet the debt service coverage requirement, then the debt service coverage requirement shall be reduced to the highest practicable ratio permitted by the laws or regulations then in effect but in no event less than 1.00:1.00.

The Project's principal and interest payments are flexible based on cash flows from the Project. Based on management projections at the time of underwriting, the amortization schedule is as follows:

Year Ending June 30	Principal	Interest	Total
2025	$ 5,000	$ 5,375,800	$ 5,380,800
2026	140,000	5,374,600	5,514,600
2027	315,000	5,367,300	5,682,300
2028	220,000	5,353,000	5,573,000
2029	675,000	5,342,800	6,017,800
2030-2034	10,800,000	25,481,100	36,281,100
2035-2039	14,740,000	23,210,500	37,950,500
2040-2044	26,005,000	19,405,000	45,410,000
2045-2049	37,395,000	14,010,275	51,405,275
2050-2054	52,380,000	7,440,800	59,820,800
2055-2059	5,810,000	2,087,150	7,897,150
2060-2061	5,000,000	1,000,000	6,000,000
Totals	$ 153,485,000	$ 119,448,325	$ 272,933,325

Note 6: Bonds Payable (Continued)

Long-term pledged revenues as of June 30, 2024 is as follows:

Type of Pledged Revenue	Fiscal Year Maturity Date	Pledged Revenue to Maturity	Debt Principal & Interest Expense for the Year Ended 2024	2024 Pledged Revenue Available
Net Rental Revenue:				
Essential Housing Revenue Bonds, Series 2021 A	2056	$ 252,933,325	$ 6,603,648	$ 678,040
Essential Housing Revenue Bonds, Series 2021 B	2061	20,000,000	400,000	400,000
Totals		$ 272,933,325	$ 7,003,648	$ 1,078,040

Note 7: Related Party Transactions

The Agency signed a Project Administration Agreement (PAA) with a third-party Administrator, Catalyst, on August 1, 2021, for the Project that establishes the terms and conditions upon which the third-party Administrator shall, as an independent contractor, monitor, supervise, coordinate, analyze and report to the Agency with respect to the project and the project Manager's performance under the PAA. The PAA renews automatically on its anniversary date unless terminated as a result of circumstances as defined by the PAA. Project administration fees incurred and paid to the project Administrator under the PAA during the year ended through June 30, 2024, were $250,000. All project administration fees were paid by June 30, 2024, as such, there was no accrued expense at June 30, 2024.

The Agency also signed a Property Management Agreement (PMA) with a third-party property Manager, Greystar, on August 1, 2021, for the project that establishes the terms and conditions for the operation and maintenance of the project including preparing annual operating budgets, marketing and leasing the project, collecting rents, managing the payment of operating expenses for the project, maintenance and repair of the project and management of on-site employees. The PMA renews automatically on its anniversary date unless terminated as a result of circumstances as defined by the PMA. The property management fees are the greater of 2.50% of gross operating revenue or $12,600 per month. Property management fees and reimbursable expenses incurred for the year ended June 30, 2024, were $207,493 and $613,565. Accrued property management fees at June 30, 2024, were $17,648.

Under terms of the Indenture, the Project must pay the Agency an annual administrative fee of $150,000 payable each August 1, commencing August 1, 2022. Annual administrative fees prepaid as of June 30, 2024, were $26,667.

Note 7: Related Party Transactions (Continued)

The Project is subject to a Public Benefit Agreement, which the Agency signed with the City of Huntington Beach (City), and is dated as of August 1, 2021. Pursuant to the Public Benefit Agreement, commencing 15 years after the date of issuance of the Series 2021A Bonds (the sale right exercise date or August 1, 2036), and for a period of time thereafter terminating on the date that is the earlier of 14 years from the sale right exercise date, or the date on which there is no debt outstanding, the City shall have the right to cause the Agency to sell all of the Agency's right, title and interest, including the fee simple title to the real property, in and to all property and assets used in or related to the project to the City or the City's designee, at a sales price at least equal to the sum of an amount sufficient to prepay any debt secured by the project and any expenses associated with effecting the sale.

Note 8: Commitments and Contingencies

In the ordinary course of business, the Agency occasionally becomes involved in legal proceedings relating to contracts, environmental issues, or other matters. While any proceeding or litigation has an element of uncertainty, management of the Agency believes that the outcome of any pending or threatened actions, will not have a material adverse effect on the business or financial condition of the Agency. It is at least reasonably possible that within the near term an outcome pertaining to these matters could differ from management's estimates, and the resulting change could be material to the consolidated financial statements.

Note 9: Leases

The Project enters into lease agreements for each housing unit with terms that vary, but a majority of lease terms are one year or less. Occasionally, a few lease agreements are leased with terms exceeding twelve months. Each lease agreement entered does not grant lease renewal options.

The lease agreements do not contain any material residual value guarantees or material restrictive covenants. Payments due under the lease contracts include fixed payments.

The lease receivable is initially measured at the present value of the remaining lease fixed payments over twelve months, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Project's incremental borrowing rate.

Lease payments included in the measurement of the lease receivable associated to these lease agreements comprise of only fixed payments.

The deferred inflow of resources is initially measured at the commencement of the lease term. This is equal to the amount of the lease receivable plus any lease payments related to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. As of June 30, 2024, the deferred inflow of resources was $282,024, which includes $35,314 of deferred revenue.

As lease payments are received, the lease receivable will be reduced, and the deferred inflow of resources will be recognized as revenue.

Note 9: Leases (Continued)

Maturities of lease receivables are as follows as of June 30, 2024:

	Total Lease Payments	Amounts Representing Interest	Present Value of Lease Payments
2025	$ 257,481	$ 12,492	$ 244,989
2026	1,809	88	1,721
Totals	$ 259,290	$ 12,580	$ 246,710

Supplementary Information

CMFA Special Finance Agency VIII

Consolidating Statement of Net Position

As of June 30, 2024

	Agency	Elan Huntington Beach	Eliminations	Consolidated
Assets				
Current assets:				
Cash and cash equivalents	$ 169,900	$ 545,732	$ -	$ 715,632
Restricted cash	-	288,348	-	288,348
Restricted investments	-	13,903,738	-	13,903,738
Tenant accounts receivable, net	-	14,525	-	14,525
Lease receivables, current portion	-	244,989	-	244,989
Prepaid expenses and other assets	-	59,845	(26,667)	33,178
Total current assets	169,900	15,057,177	(26,667)	15,200,410
Lease receivables, net of current portion	-	1,721	-	1,721
Capital assets, net	-	135,618,647	-	135,618,647
Leasing commissions, net	-	50,144	-	50,144
Total assets	$ 169,900	$ 150,727,689	$ (26,667)	$ 150,870,922
Liabilities, Deferred Inflow of Resources, and Net Position				
Current liabilities:				
Accounts payable	$ -	$ 360,585	$ -	$ 360,585
Accrued expenses	-	72,372	-	72,372
Accrued interest	-	2,222,667	-	2,222,667
Security deposits	-	287,867	-	287,867
Current portion of bonds payable	-	5,000	-	5,000
Total current liabilities	-	2,948,491	-	2,948,491
Long-term bonds payable, net	-	160,240,752	-	160,240,752
Total liabilities	-	163,189,243	-	163,189,243
Deferred inflow of resources	26,667	282,024	(26,667)	282,024
Net position:				
Net investment in capital assets	-	(26,849,772)	-	(26,849,772)
Restricted for debt service and other purposes	-	14,191,605	-	14,191,605
Unrestricted	143,233	(85,411)	-	57,822
Total net position (deficit)	143,233	(12,743,578)	-	(12,600,345)
Total liabilities, deferred inflow of resources, and net position	$ 169,900	$ 150,727,689	$ (26,667)	$ 150,870,922

See Independent Auditor's Report.

CMFA Special Finance Agency VIII

Consolidating Statement of Revenues, Expenses, and Change in Net Position

Year Ended June 30, 2024

	Agency	Elan Huntington Beach	Eliminations	Consolidated
Operating revenues:				
Rental income	$ -	$ 7,670,846	$ -	$ 7,670,846
Other income	123,333	589,130	(123,333)	589,130
Total operating revenues	123,333	8,259,976	(123,333)	8,259,976
Operating expenses:				
Advertising	-	36,820	-	36,820
Depreciation and amortization	-	4,119,352	-	4,119,352
General and administrative	101,329	190,698	(123,333)	168,694
Insurance	100	188,154	-	188,254
Other	-	207,760	-	207,760
Property management fees	-	207,493	-	207,493
Project administration fees	-	250,000	-	250,000
Repairs and maintenance	-	458,100	-	458,100
Salaries and benefits	-	451,936	-	451,936
Utilities	-	529,888	-	529,888
Total operating expenses	101,429	6,640,201	(123,333)	6,618,297
Net operating income	21,904	1,619,775	-	1,641,679
Nonoperating revenues (expenses):				
Interest expense	-	(5,193,648)	-	(5,193,648)
Interest income	-	414,137	-	414,137
Total nonoperating expense	-	(4,779,511)	-	(4,779,511)
Change in net position (deficit)	21,904	(3,159,736)	-	(3,137,832)
Net position (deficit) at June 30, 2023	121,329	(9,583,842)	-	(9,462,513)
Net position (deficit) at June 30, 2024	$ 143,233	$ (12,743,578)	$ -	$ (12,600,345)

See Independent Auditor's Report.

CMFA Special Finance Agency VIII

Consolidating Statement of Cash Flows

Year Ended June 30, 2024

	Agency	Elan Huntington Beach	Eliminations	Consolidated
Cash flows from operating activities:				
Cash received from customers	$ 150,000	$ 8,354,966	$ -	$ 8,504,966
Cash paid to suppliers and service providers	(101,429)	(2,849,272)	-	(2,950,701)
Net cash flows from operating activities	48,571	5,505,694	-	5,554,265
Cash flows from capital and related financing activities:				
Purchases of capital assets	-	(1,922,045)	-	(1,922,045)
Payments for lease commissions	-	(50,406)	-	(50,406)
Principal payments on bonds	-	(1,810,000)	-	(1,810,000)
Interest payments on bonds	-	(5,375,000)	-	(5,375,000)
Net cash flows from financing activities	-	(9,157,451)	-	(9,157,451)
Cash flows from investing activities:				
Net change in restricted investments	-	3,068,094	-	3,068,094
Interest income	-	414,137	-	414,137
Net cash flows from investing activities	-	3,482,231	-	3,482,231
Net change in cash and cash equivalents	48,571	(169,526)	-	(120,955)
Cash, cash equivalents, and restricted cash - beginning of year	121,329	1,003,606	-	1,124,935
Cash, cash equivalents, and restricted cash - end of year	$ 169,900	$ 834,080	$ -	$ 1,003,980

See Independent Auditor's Report.

CMFA Special Finance Agency VIII

Consolidating Statement of Cash Flows (Continued)

Year Ended June 30, 2024

	Agency	Elan Huntington Beach	Eliminations	Consolidated
Net operating income	$ 21,904	$ 1,619,775	$ -	$ 1,641,679
Adjustments to reconcile net operating income to net cash flows from operating activities:				
Depreciation and amortization	-	4,119,352	-	4,119,352
Changes in operating assets and liabilities:				
Tenant accounts receivable	-	53,248	-	53,248
Prepaid expenses and other assets	-	81,585	26,667	108,252
Lease receivable	-	(246,710)	-	(246,710)
Accounts payable	-	81,739	-	81,739
Accrued expenses	-	(491,747)	-	(491,747)
Deferred inflow of resources	26,667	265,994	(26,667)	265,994
Security deposits	-	22,458	-	22,458
Total adjustments	26,667	3,885,919	-	3,912,586
Net cash flows from operating activities	$ 48,571	$ 5,505,694	$ -	$ 5,554,265
Cash, cash equivalents, and restricted cash:				
Cash and cash equivalents	$ 169,900	$ 545,732	$ -	$ 715,632
Restricted cash and cash equivalents:				
Tenant security deposit funds	-	287,867	-	287,867
Restricted cash and cash equivalents in accordance with bond indenture	-	481	-	481
Total cash, cash equivalents, and restricted cash	$ 169,900	$ 834,080	$ -	$ 1,003,980
Supplemental cash flow information:				
Noncash financing activities:				
Amortization of bond premium	$ -	$ (151,186)	$ -	$ (151,186)
Accrued interest	-	30,166	-	30,166

See Independent Auditor's Report.

APPENDIX B
AUDITED FINANCIAL STATEMENTS OF THE FACILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Elan Huntington Beach

Financial Statements

Year Ended June 30, 2024

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WIPFLI

Independent Auditor's Report

Board of Directors
CMFA Special Finance Agency VIII
Carlsbad, California

Opinion

We have audited the accompanying financial statements of Elan Huntington Beach, a division of the CMFA Special Finance Agency VIII, which comprise the statement of net position as of June 30, 2024, and the related statements of revenues, expenses, and change in net position, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Elan Huntington Beach as of June 30, 2024, and the changes in net position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States (''GAAP'').

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Elan Huntington Beach and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

- Identify and assess the risks of material misstatement of the 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 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 Elan Huntington Beach’s 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 financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Elan Huntington Beach's 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that a management's discussion and analysis and the budgetary comparison information presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Wipfli LLP

Wipfli LLP
Radnor, Pennsylvania

October 23, 2024

Elan Huntington Beach
(A division of the CMFA Special Finance Agency VIII)
Management's Discussion and Analysis

This section of Elan Huntington Beach (the Project), a division of the CMFA Special Finance Agency VIII's (the Agency) annual financial report presents the Management's Discussion and Analysis (MD&A) of its financial performance during the year ended June 30, 2024. The information in this section should be read in conjunction with the financial statements and the notes following this section.

GENERAL BACKGROUND, OVERVIEW AND PROGRAMS

The Agency was organized on July 1, 2021, under the provision of the Joint Exercise of Powers Act of the Government Code of the State of California. The Agency is a joint exercise of powers authority and public entity formed pursuant to a Joint Exercise of Powers Agreement (Agreement) between the California Municipal Finance Authority (the Authority) and the City of Huntington Beach, California (City) as charter members, to which certain other cities and counties may in the future join as additional members. The Agency is authorized and empowered under the Act and the Agreement to issue bonds to undertake the financing and/or refinancing of any purpose or activity permitted under the Act or any other law, including projects that provide affordable local housing for low-income, median-income and moderate-income families and individuals.

FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED JUNE 30, 2024

- Restricted cash balances for FY2024 are $3,240,247 below the prior year due to DSCR releases of capitalized interest and coverage reserve funds.

- FY2024 operating revenues are $273,770 above the prior year due to rent increases and sustained high occupancy.

- Bonds payable have decreased $1,961,186 from the prior year due to debt principal repayment and amortization of the bond premium.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Agency's financial statements include the MD&A, financial statements, and accompanying notes to the basic financial statements. This report also includes other information intended to furnish additional detail to the intended users.

Basis of Presentation: The transactions of the Project are accounted for as an enterprise fund utilizing the accrual basis of accounting.

FINANCIAL STATEMENTS

The financial statements of the Project report information using accounting principles generally accepted in the United States of America (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. These statements offer both short-term and long-term financial information about the Project's activities.

- The ***Statement of Net Position*** includes all the Project's assets and liabilities as of June 30, 2024, and provides information about the nature and amounts of investments in resources (assets) and the obligations to the Project's creditors (liabilities). It also provides the basis for evaluating the capital structure of the Project and assessing the liquidity and financial flexibility of the Project.

- The ***Statement of Revenues, Expenses and Change in Net Position*** accounts for all the Project's revenues and expenses for the year ended June 30, 2024. This Statement reflects the results of the Project's operations over the year and can be used to determine the Project's creditworthiness and its ability to successfully recover all its costs through user fees and other income.

- The ***Statement of Cash Flows*** provides information about the Project's cash receipts and cash payments during the year ended June 30, 2024. This Statement reports cash receipts, cash payments, and net changes in cash resulting from operating and investing activities. The Statement provides answers to questions about where cash came from, what cash was used for and what caused changes in cash for the reporting period covered.

The accompanying ***Notes to the Basic Financial Statements*** provide additional information that is essential to a full understanding of the data provided in the financial statements.

CONDENSED STATEMENTS OF FINANCIAL POSITION

The assets, liabilities, and net position as of June 30, 2024, and 2023 and changes from the prior year are shown in the table below.

	2024	**2023**	**Change**
Asset:			
Cash	545,732	543,105	2,627
Restricted cash	14,192,086	17,432,333	(3,240,247)
Other current assets	319,359	209,203	110,156
Other assets	135,670,512	137,815,692	(2,145,180)
Total assets	**150,727,689**	**156,000,333**	**(5,272,644)**
Liabilities:			
Current liabilities	2,948,491	3,377,237	(428,746)
Long-term debt	160,240,752	162,206,938	(1,966,186)
Total liabilities	**163,189,243**	**165,584,175**	**(2,394,932)**
Deferred inflow of resources	282,024	-	282,024
Net position (deficit)	**(12,743,578)**	**(9,583,842)**	**(3,159,736)**

ASSETS

Restricted Cash and Investments

Restricted cash and investments are set aside for specified purposes, such as refundable deposits to tenants, servicing of the Project's outstanding debt obligations and the construction of capital assets. Such assets have been restricted by either bond indenture, law or through contractual obligations.

The reduction in restricted cash was due to releases of certain reserve funds upon meeting debt service coverage thresholds.

NET POSITION

The following table presents a condensed statement of revenues, expenses and change in net position for the years ended June 30, 2024, and 2023.

Condensed Statement of Revenues, Expenses and Change in Net Position

	2024	2023	Change
Revenues	8,259,976	7,986,206	273,770
Operating expenses	6,640,201	6,792,535	(152,334)
Non-Operating expenses	4,779,511	5,087,439	(307,928)
Change in net position	(3,159,736)	(3,893,768)	734,032
Net position - beginning of year	(9,583,842)	(5,690,074)	(3,893,768)
Net Position - end of year	(12,743,578)	(9,583,842)	(3,159,736)

LIABILITIES

Long-Term Debt

Bonds payable decreased in FY2024 by $1,961,186. This comprises a principal payment on the series 2021A bonds of $1,810,000 as well as $151,186 amortization of the bond premium.

OPERATING REVENUES

Operating revenues increased over the previous year by $273,770. This was mainly due to the increase in rental rate and sustainment of occupancy for the period. The increase in residential income was due to rent increases.

Operating Revenues:	**2024**	**2023**	**Change**
Rental income	7,670,846	7,066,434	604,412
Other income	589,130	919,772	(330,642)
Total operating revenues	8,259,976	7,986,206	273,770

OPERATING EXPENSES

Operating expenses decreased from $6,792,535 in FY2023 to $6,640,201 in FY2024 – a decrease of $152,334. This is due to a decrease in repair and maintenance costs for the period.

Elan Huntington Beach
Statement of Net Position

As of June 30,	2024
Assets	
Current assets:	
Cash and cash equivalents	$ 545,732
Restricted cash	288,348
Restricted investments	13,903,738
Tenants accounts receivable, net	14,525
Lease receivable, current portion	244,989
Prepaid expenses and other assets	59,845
Total current assets	15,057,177
Lease receivable, net of current portion	1,721
Capital assets, net	135,618,647
Leasing commissions, net	50,144
Total assets	$ 150,727,689
Liabilities, Deferred Inflow of Resources, and Net Position	
Current liabilities:	
Accounts payable	$ 360,585
Accrued expenses	72,372
Accrued interest	2,222,667
Security deposits	287,867
Current portion of bonds payable	5,000
Total current liabilities	2,948,491
Bonds payable	160,240,752
Total liabilities	163,189,243
Deferred inflow of resources	282,024
Net position:	
Net investment in capital assets	(26,849,772)
Restricted for debt service and other purposes	14,191,605
Unrestricted	(85,411)
Total net position (deficit)	(12,743,578)
Total liabilities, deferred inflow of resources, and net position	$ 150,727,689

See accompanying notes to financial statements.

Elan Huntington Beach

Statement of Revenues, Expenses, and Change in Net Position

Year Ended June 30,	2024
Operating revenues:	
Rental income	$ 7,670,846
Other income	589,130
Total operating revenues	8,259,976
Operating expenses	
Advertising	36,820
Depreciation and amortization	4,119,352
General and administrative	190,698
Insurance	188,154
Other	207,760
Property management fees	207,493
Project administration fees	250,000
Repairs and maintenance	458,100
Salaries and benefits	451,936
Utilities	529,888
Total operating expenses	6,640,201
Income from operations	1,619,775
Nonoperating income (expense):	
Interest expense	(5,193,648)
Interest income	414,137
Change in net position	(3,159,736)
Net deficit at June 30, 2023	(9,583,842)
Net deficit at June 30, 2024	$ (12,743,578)

See accompanying notes to financial statements.

Elan Huntington Beach
Statement of Cash Flows

Year Ended June 30,		2024
Cash flows from operating activities:		
Cash received from customers	$	8,354,966
Cash paid to suppliers and service providers		(2,849,272)
Net cash flows from operating activities		5,505,694
Cash flows from capital and related financing activities:		
Purchases of capital assets		(1,922,045)
Payments for lease commissions		(50,406)
Principal payments on bonds		(1,810,000)
Interest payments on bonds		(5,375,000)
Net cash flows from capital and financing activities		(9,157,451)
Cash flows from investing activities:		
Net change in restricted investments		3,068,094
Interest income		414,137
Net cash flows from investing activities		3,482,231
Net change in cash, cash equivalents, and restricted cash		(169,526)
Cash, cash equivalents, and restricted cash - beginning of year		1,003,606
Cash, cash equivalents, and restricted cash - end of year	$	834,080
Net operating income	$	1,619,775
Adjustments to reconcile net operating income to net cash, cash equivalents, and restricted cash from operating activities:		
Depreciation and amortization		4,119,352
Changes in operating assets and liabilities:		
Tenant accounts receivable		53,248
Prepaid expenses		81,585
Lease receivables		(246,710)
Accounts payable		81,739
Accrued expenses		(491,747)
Deferred inflow of resources		265,994
Security deposits		22,458
Total adjustments		3,885,919
Net cash flows from operating activities	$	5,505,694
Cash, cash equivalents, and restricted cash:		
Cash and cash equivalents	$	545,732
Restricted cash and cash equivalents		
Tenant security deposits		287,867
Deposits with a fiscal agent		481
Total cash, cash equivalents, and restricted cash	$	834,080
Supplemental cash flow information:		
Noncash financing activities:		
Amortization of bond premium	$	(151,186)
Accrued interest		30,166

See accompanying notes to financial statements.

Elan Huntington Beach
Notes to the Financial Statements

Note 1: Organization, Operations and Reporting Entity

The CMFA Special Finance Agency VIII (the Agency) was organized on July 1, 2021, under the provisions of the Joint Exercise of Powers Act (Act) of the Government Code of the State of California. The Agency is a joint exercise of powers authority and public entity formed pursuant to a Joint Exercise of Powers Agreement (Agreement) between the California Municipal Finance Authority (the Authority) and the City of Huntington Beach, California as charter members, to which certain other cities and counties may in the future join as additional members. The Agency is authorized and empowered under the Act and the Agreement to issue bonds to undertake the financing and/or refinancing of any purpose or activity permitted under the Act or any other law, including projects that provide affordable local housing for low-income, median-income and moderate-income families and individuals. The Agency is governed by the Board of Directors consisting of, ex officio, the board of directors of the Authority.

<u>Elan Huntington Beach, Huntington Beach, California (Elan)</u>

On August 31, 2021, the Agency issued Essential Housing Revenue Bonds Series 2021A-1 (Senior Bonds), Essential Housing Revenue Bonds Series 2021A-2 (Junior Bonds) and Subordinate Essential Housing Revenue Bonds Series 2021B (Series 2021B Bonds). The Series 2021B Bonds were directly issued to, or at the direction of, Catalyst Housing Group LLC (Catalyst), a California limited liability company, in exchange for the sale and assignment of certain assets to the Agency, including its purchase rights to the project, a business plan for the Agency, and certain intellectual property created by Catalyst for the Agency. The bonds, with an aggregate principal amount of $155,295,000, were issued to finance the acquisition of a 274- unit multifamily residential rental community that also contains approximately 7,923 square feet of ground floor retail space and related improvements, personal property and equipment known as Elan Huntington Beach located at 18504 Beach Boulevard, Huntington Beach, California (the Project).

The accompanying financial statements of Elan Huntington Beach are intended to present the financial position, changes in financial position and cash flows, of only that portion of the business-type activities of the Agency that are attributable to the transactions of Elan Huntington Beach. They do not purport to, and do not, present fairly the financial position of the Agency as of June 30, 2024, and the changes in its financial position and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America (GAAP).

Note 2: Summary of Significant Accounting Policies

Basis of Accounting

The Project's financial statements have been prepared using the accrual basis of accounting in accordance with GAAP as prescribed by the Governmental Accounting Standards Board. Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has been incurred, regardless of the timing of the cash flows.

Note 2: Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain 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 reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates.

Cash and Cash Equivalents

Cash equivalents are defined as short-term, highly liquid investments, which are readily convertible to cash and have remaining maturities of three months or less at the date of acquisition.

Restricted Cash and Investments and Investment Income

Restricted cash and investments represent the unspent proceeds of the Bonds that are held by the Trustee. These investments are made up of various funds that were required to be funded by the Indenture. Also included in restricted cash are tenant security deposit funds. See Note 3 for a listing of the funds held by the Trustee.

Restricted investments are made up of money market funds and guaranteed investment contracts. The guaranteed investment contracts are considered trading securities, therefore are measured at fair value.

All investment income is reported as nonoperating revenues (expenses) in the accompanying statement of revenues, expenses, and changes in net position. Realized gains or losses are determined by specific identification.

Tenant Accounts Receivable

Tenant accounts receivable are uncollateralized residential rents, which are due at the beginning of each month. Payments of tenant receivables are allocated to the specific charges identified on the tenant’s remittance or, if unspecified, are applied to past due balances first, then the current unpaid charges. Management individually reviews all tenant receivables and based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that could be uncollectible. Any amounts that remain outstanding after management has used reasonable collection efforts are deemed uncollectible and written-off through a charge to the valuation allowance and elimination of the tenant accounts receivable. Management has recorded an allowance for doubtful accounts of $1,833 as of June 30, 2024.

Note 2: Summary of Significant Accounting Policies (Continued)

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as observable inputs such as quoted market prices in active markets; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore, requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Tenant Security Deposit Funds

Tenant security deposits represent tenant deposits held in accordance with the respective tenant's lease agreement which are held in trust for the tenants until they vacate the property. Any amounts not returned to the tenant due to lease violations are transferred to the Project's general operating account.

Capital Assets

Capital assets are defined by the Agency as assets with an initial, individual cost of $1,000 or more and an estimated useful life of more than one year. Capital assets are recorded at historical cost or estimated historical cost, if actual cost is not available, and when placed in service. Capital assets are depreciated on a straight-line basis over the estimated useful lives of the assets (3 - 30 years). Depreciation of capital assets is recorded as an expense against operations. Repairs and maintenance costs are charged to expense as incurred.

Management reviews the recoverability of its capital assets in accordance with the provisions of GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. GASB Statement No. 42 requires the recognition of impairment of capital assets in the event an asset's service utility has declined significantly and unexpectedly. Accordingly, management evaluates its assets' utility annually or when an event occurs that may impair recoverability of the asset.

Long-Lived Assets

The Project reviews their long-lived assets periodically to determine potential impairment by comparing the carrying value of those assets with the estimated future undiscounted cash flows expected to result from the use of the assets, including cash flows from disposition. Should the sum of the expected future undiscounted cash flows be less than the carrying value, the Project would recognize an impairment loss at that time. No impairment loss was recognized in the fiscal year 2024.

Leasing Commissions

Leasing commissions have been capitalized and are amortized over the related lease term using the straight-line method. Amortization expense for the year ended June 30, 2024 was $261.

Note 2: Summary of Significant Accounting Policies (Continued)

Deferred Outflows / Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. At this time, the Project has no items that are reported in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents the acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Original Issue Premium

Original issue premium represents the difference between the face value of the bonds and the consideration received. Original issue premium is deferred and amortized over the life of the bonds using the straight-line method. Amortization of the premium is reflected as a decrease to interest expense in the statement of revenues, expenses, and change in net position.

Net Position

Net position of the Project is classified in three components:

Net investment in capital assets consists of capital assets, including bond proceeds held for capital assets, net of accumulated depreciation and reduced by any outstanding borrowings used to finance the purchase or construction of those assets.

Restricted for debt service and other purposes is net position that is restricted for the future payment of debt and is required to be held under an agreement with the Trustee, as well as other funds included in restricted investments.

Unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets or restricted for debt service and other purposes.

Income Taxes

As an essential government function of the Agency, the Project is generally exempt from federal and state income taxes under Section 115 of the Internal Revenue Code and a similar provision of state law.

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs expensed during the year ended June 30, 2024 were $36,820.

Note 2: Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Housing units are rented under operating lease agreements with terms that vary, but a majority of lease terms are one year or less. Rent income is recognized in the month in which it is earned rather than received.

GASB 87 Lease Accounting

The Project is a lessor in multiple housing units lease agreements. The Project accounts for its leases in accordance with the Governmental Accounting Standards Board ("GASB"), Statement No. 87, Leases. If the contract provides the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Lease receivable and deferred inflow of resources are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The deferred inflow of resources is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred. See Note 9 for leases.

The Project uses its incremental borrowing rate as the discount rate.

The Project has elected to not recognize lease receivable and deferred inflow of resources for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to renew the lease agreement. Leases containing termination clauses in which either party may terminate the lease without cause and the notice period is less than 12 months are deemed short-term leases. The Project recognizes short-term lease income on a straight-line basis over the lease term.

Subsequent Events

The Project has evaluated subsequent events through October 23, 2024, which is the date the financial statements were available to be issued.

Note 3: Deposits and Investments

The Project's restricted cash and investments are subject to several types of risk:

Interest Rate Risk – Interest rate risk is the risk that the changes in interest rates will adversely affect the fair value of an investment. The Project does not have a formal investment policy for interest rate risk.

Credit Risk - Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2024, the Project's investments were not rated.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Project's deposits may not be returned to it. The Project does not have a deposit policy for custodial credit risk. The Project's deposits are held with the Trustee and are fully insured.

Although not part of the Indenture, included in restricted cash and cash equivalents are tenant security deposits of $287,867 as of June 30, 2024. As such, this amount is not included in the table below summarizing restricted cash and investments by fund.

Pursuant to the Indenture, the Project was required to establish certain restricted reserves with bond proceeds that were funded at closing for the bond issuance. All reserve accounts are restricted for specific use and withdrawals from the restricted accounts are subject to approval by the Trustee.

The following table provides a summary of restricted investments by fund as required by the Indenture:

Fund/Account Name	**2024**
Revenue fund	$ 696,828
Operating Reserve fund	448,493
Administrative Expenses fund	163,637
Excess Revenue fund	3,002
Extraordinary Expense fund	500,000
Project Acquisition fund	41,924
Environmental Assurance fund	44,009
Capital Reserve fund	1,186,580
Senior Debt Service account	1,210,997
Senior Debt Service Reserve fund	3,015,000
Junior Debt Service account	770,941
Junior Debt Service Reserve fund	1,991,800
Subordinate Debt Service fund	3,830,527
Total	$ 13,903,738

Note 3: Deposits and Investments (Continued)

*Revenue Fun*d

Pursuant to the Project Administration Agreement (Note 7), at the end of each month, the operator is required to transfer all monies into the revenue fund held by the Trustee as soon as practicable as long as any bonds remain outstanding.

Operating Reserve Fund

The operating reserve fund is used to cure any deficiency in the senior debt service account. If at any time the amount on deposit in the operating reserve fund exceeds the operating reserve requirement, amounts in excess of the operating reserve requirement shall be deposited into the revenue fund. As of June 30, 2024, the deposits on hand in the operating reserve fund met the operating reserve requirement of $448,493.

Administrative Expenses Fund

The administrative expenses fund shall be used only for the purpose of paying administrative expenses. In the event the amount in the administrative expenses fund is insufficient to pay the administrative expenses, the trustee shall apply amounts in the operating reserve fund for the payment of administrative expenses.

Excess Revenue Fund

Excess revenue fund shall be applied first to the revenue fund to satisfy any insufficiency of payments required pursuant to flow of funds, and then to the redemption of bonds. On the first date upon which no bonds remain outstanding, any and all monies in the excess revenue fund shall be transferred by the Trustee to the project jurisdiction.

Extraordinary Expense Fund

The extraordinary expense fund is used to pay for extraordinary expenses, as approved by the Agency and processed by the Trustee. The Trustee will disburse monies from the extraordinary expense fund to the Agency for certain expenses meeting the extraordinary definition in the Indenture. After discharge of the Indenture, the Agency shall retain any monies in the extraordinary expense fund, unless a different arrangement is agreed to at the Agency's discretion. As of June 30, 2024, the deposits on hand in the coverage reserve fund met the coverage reserve deposit requirement of $500,000.

Project Acquisition Fund

The project acquisition fund is used to pay the amounts required by the provision of the Indenture Agreement and make disbursements of amounts in accordance with a request of the project administrator for the purposes of paying a portion of the purchase price of the Project.

Note 3: Deposits and Investments (Continued)

Environmental Financial Assurance Fund

The environment financial assurance fund shall be used solely for the purposes of satisfying the financial assurance mechanism pursuant to the bond indenture.

Capital Reserve Fund

The capital reserve fund is used to cure any deficiency in the senior debt service account. The monies in this account shall be used for the purposes of paying for capital expenses included in the capital budget or otherwise expressly authorized by the project administration agreement and capital expenses not included in the capital budget with the prior written consent of the Authority.

Senior Debt Service Account

The senior debt service account is used to pay out on or before each interest payment date, for the series 2021 A1 bonds, the amount required for the interest payment on such interest payment date and pay out on or before each principal payment date, the amount required for the principal payment due on such due date.

Senior Debt Service Reserve Fund

The senior debt service reserve fund is used to cure any deficiency in the senior debt service subaccount of the debt service fund. As of June 30, 2024, the balance on deposit in the senior debt service reserve fund met the requirement outlined in the trust indenture.

Junior Debt Service Account

The junior debt service account is used to pay out on or before each interest payment date, for the series 2021 A2 bonds, the amount required for the interest payment on such interest payment date and pay out on or before each principal payment date, the amount required for the principal payment due on such due date.

Junior Debt Service Reserve Fund

The subordinate debt service reserve fund is used to cure any deficiency in the junior debt service subaccount of the debt service fund. As of June 30, 2024, the balance on deposit in the senior debt service reserve fund met the requirement outlined in the trust indenture.

Subordinate Debt Service Account

The subordinate debt service account is used to fund any interest that is due and payable on the next ensuing interest payment on each series of outstanding subordinate bonds.

Note 4: Fair Value Measurements

The following is a description of the valuation methodologies used for assets measured at fair value.

Quoted market prices are used to determine the fair value of investments in publicly traded equity securities and exchange traded funds. Certificates of deposit, corporate bonds, and government obligations are valued using quotes from pricing vendors based on recent trading activity and other observable market data.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, while the Company believes their valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value could result in a different fair value measurement at the reporting date.

Information regarding assets at fair value on a recurring basis as of June 30, 2024, is as follows:

		Recurring Fair Value Measurements Using		
Investment Type	Total Assets at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Observable Inputs (Level 3)
Money market mutual funds	$ 7,948,444	$ 7,948,444	$ -	$ -
Guaranteed investment contracts	5,955,294	-	5,955,294	-
Totals	$ 13,903,738	$ 7,948,444	$ 5,955,294	$ -

Following is a description of the valuation methodology and significant inputs used for each asset and liability measured at fair value on a recurring or nonrecurring basis, as well as the classification of the asset or liability within the fair value hierarchy.

Money market funds - The fair value of money market funds are based on inputs that are observable, such as quoted prices for similar assets in active markets, interest rates, yield curve volatilities and credit risk.

Guaranteed investment contracts - The fair value of guaranteed investment contracts are based on inputs that are observable, such as quoted prices for similar assets in active markets, interest rates, yield curve volatilities and credit risk. The interest rates are 1.63%. The contract issuer is contractually obligated to repay the principal and interest at the specified interest rate that is guaranteed to the investment holder. The investment holder may withdraw the full principal balance on deposit, terminating the contract, at any time.

Note 5: Capital Assets

The capital assets balance at June 30, 2024, consists of the following activity:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Capital assets not depreciated:				
Land	$ 27,705,748	$ -	$ -	$ 27,705,748
Capital assets depreciable:				
Building and improvements	117,093,895	1,869,988	-	118,963,883
Furniture, fixtures and equipment	507,725	52,057	-	559,782
Total depreciable capital assets	117,601,620	1,922,045	-	119,523,665
Less accumulated depreciation:				
Building and improvements	(7,466,091)	(4,011,135)	-	(11,477,226)
Furniture, fixtures and equipment	(25,584)	(107,956)	-	(133,540)
Total accumulated depreciation	(7,491,675)	(4,119,091)	-	(11,610,766)
Total capital assets, depreciable (net)	110,109,945	(2,197,046)	-	107,912,899
Capital assets, net	$ 137,815,693	$ (2,197,046)	$ -	$ 135,618,647

Depreciation expense for the year ended June 30, 2024 was $4,119,091.

Note 6: Bonds Payable

On August 31, 2021, the Agency issued Essential Housing Revenue Bonds Series 2021 A-1 (Senior Bonds) (Series 2021A-1 Bonds) in the amount of $100,500,000 and Essential Housing Revenue Bonds Series 2021 A-2 (Junior Bonds) (Series 2021A-2 Bonds) in the amount of $49,795,000, collectively, the Series 2021A Bonds. The proceeds of the Series 2021A Bonds were used for financing the cost of the acquisition of a multifamily rental housing facility and related improvements known as Elan Huntington Beach and the costs of issuance of the Series 2021A Bonds.

Note 6: Bonds Payable (Continued)

Concurrently with the issuance of the Series 2021A Bonds, the Agency directly issued Subordinate Essential Housing Revenue Bonds Series 2021B (Series 2021B Bonds) in the amount of $5,000,000 to Catalyst Housing Group LLC (Catalyst), a California limited liability company, in exchange for the sale and assignment of certain assets to the Agency, including its purchase rights to Elan Huntington Beach, a business plan and certain intellectual property created by Catalyst.

The bonds are summarized as follows:

Bonds	Original Amount	Interest Rate	Final Maturity Date	Balance Outstanding June 30, 2024
Essential Housing Revenue Bonds, Series 2021 A-1	$ 100,500,000	3.00 %	August 1, 2056	$ 100,500,000
Essential Housing Revenue Bonds, Series 2021 A-2	49,795,000	4.00 %	August 1, 2047	47,985,000
Subordinate Essential Housing Revenue Bonds, Series 2021B	5,000,000	8.00 %	August 1, 2061	5,000,000

Activity for the bonds was as follows for the year ended June 30, 2024:

Bonds	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024
Essential Housing Revenue Bonds Series A-1	$ 100,500,000	$ -	$ -	$ 100,500,000
Essential Housing Revenue Bonds Series A-2	49,795,000	-	(1,810,000)	47,985,000
Subordinate Essential Housing Revenue Bonds, Series 2021B	5,000,000	-	-	5,000,000
Unamortized Bond Premium	6,911,938	-	(151,186)	6,760,752
Totals	$ 162,206,938	$ -	$ (1,961,186)	$ 160,245,752

Interest payments on the bonds are due semi-annually (February 1st and August 1st) commencing February 1, 2022. Principal payments are not to be made on either bond unless and until such bond is tendered to the Trustee for cancellation; however partial payments may be made from time to time at the election of ownership. $5,000 of the outstanding principal balance is classified as a current liability and the remaining $160,240,752 is classified as a long-term liability as of June 30, 2024.

Note 6: Bonds Payable (Continued)

The bonds require the Project to maintain a DSCR, as defined in the agreement, of 1.10:1.00, measured on an annual basis. If the DSCR calculated is not equal to or greater than 1.10:1.00, the Agency will cause the project administrator to select and appoint, a housing consultant to make written recommendations regarding the fees, rentals, rates and charges imposed and collected by or on behalf of the project administrator and transferred to the Trustee, in connection with the operation of the Project, and regarding improvements or changes in the operations or management of or the services rendered by the project administrator; provided, however, that in the event that a housing consultant shall deliver a report to the project administrator, the Agency and the Trustee stating that state or federal laws or regulations or administrative interpretations of such laws or regulations then in existence do not permit, or by their application make it impracticable for the project administrator to conduct its business so as to maintain the DSCR at a level sufficient to meet the debt service coverage requirement, then the debt service coverage requirement shall be reduced to the highest practicable ratio permitted by the laws or regulations then in effect but in no event less than 1.00:1.00.

The Agency's principal and interest payments are flexible based on cash flows from the Project. Based on management projections at the time of underwriting, the amortization schedule is as follows:

Year Ending June 30,	**Principal**	**Interest**	**Total**
2025	$ 5,000	$ 5,375,800	$ 5,380,800
2026	140,000	5,374,600	5,514,600
2027	315,000	5,367,300	5,682,300
2028	220,000	5,353,000	5,573,000
2029	675,000	5,342,800	6,017,800
2030-2034	10,800,000	25,481,100	36,281,100
2035-2039	14,740,000	23,210,500	37,950,500
2040-2044	26,005,000	19,405,000	45,410,000
2045-2049	37,395,000	14,010,275	51,405,275
2050-2054	52,380,000	7,440,800	59,820,800
2055-2059	5,810,000	2,087,150	7,897,150
2060-2061	5,000,000	1,000,000	6,000,000
Totals	$ 153,485,000	$ 119,448,325	$ 272,933,325

Note 6: Bonds Payable (Continued)

Long-term pledged revenues as of June 30, 2024 are as follows:

Type of Pledged Revenue	Fiscal Year Maturity Date	Pledged Revenue to Maturity	Debt Principal & Interest Paid During the Year Ended 2024	2024 Pledged Revenue Available
Net Rental Revenue:				
Essential Housing Revenue Bonds, Series 2021 A	2056	$ 252,933,325	$ 6,603,648	$ 678,040
Essential Housing Revenue Bonds, Series 2021 B	2061	20,000,000	400,000	400,000
Totals		$ 272,933,325	$ 7,003,648	$ 1,078,040

Note 7: Related Party Transactions

The Agency signed a Project Administration Agreement (PAA) with a third-party administrator on August 1, 2021, for the Project that establishes the terms and conditions upon which the third-party administrator shall, as an independent contractor, monitor, supervise, coordinate, analyze and report to the Agency with respect to the Project and the project manager's performance under the PAA. The PAA renews automatically on its anniversary date unless terminated as a result of circumstances as defined by the PAA. Project administration fees incurred and paid to the project administrator under the PAA during the year ended through June 30, 2024, were $250,000. All project administration fees were paid by June 30, 2024, as such, there was no accrued expense at June 30, 2024.

The Agency also signed a Property Management Agreement (PMA) with a third-party property manager on August 1, 2021, for the project that establishes the terms and conditions for the operation and maintenance of the project including preparing annual operating budgets, marketing and leasing the project, collecting rents, managing the payment of operating expenses for the project, maintenance and repair of the project and management of on-site employees. The PMA renews automatically on its anniversary date unless terminated as a result of circumstances as defined by the PMA. The property management fees are the greater of 2.50% of gross operating revenue or $12,600 per month. Property management fees and reimbursable expenses incurred for the year ended June 30, 2024 were $207,493 and $613,565. Accrued property management fees at June 30, 2024, were $17,648.

Under terms of the bond indenture, the Project must pay the Agency an annual administrative fee of $150,000 payable each August 1, commencing August 1, 2022. Annual administrative fees prepaid as of June 30, 2024 were $26,667.

Note 7: Related Party Transactions (Continued)

The project is subject to a Public Benefit Agreement, which the Agency signed with the City of Huntington Beach, California (City), and is dated as of August 1, 2021. Pursuant to the Public Benefit Agreement, commencing 15 years after the date of issuance of the Series 2021A Bonds (the sale right exercise date or August 1, 2036), and for a period of time thereafter terminating on the date that is the earlier of 14 years from the sale right exercise date, or the date on which there is no debt outstanding, the City shall have the right to cause the Agency to sell all of the Agency's right, title and interest, including the fee simple title to the real property, in and to all property and assets used in or related to the project to the City or the City's designee, at a sales price at least equal to the sum of an amount sufficient to prepay any debt secured by the project and any expenses associated with effecting the sale.

Note 8: Commitments and Contingencies

In the ordinary course of business, the Agency occasionally becomes involved in legal proceedings relating to contracts, environmental issues, or other matters. While any proceeding or litigation has an element of uncertainty, management of the Agency believes that the outcome of any pending or threatened actions, including the matters referred to below, will not have a material adverse effect on the business or financial condition of the Agency. It is at least reasonably possible that within the near term an outcome pertaining to these matters could differ from management's estimates, and the resulting change could be material to the financial statements.

Note 9: Leases

The Project enters into lease agreements for each housing unit with terms that vary, but a majority of lease terms are one year or less. Occasionally, a few lease agreements are leased with terms exceeding twelve months. Each lease agreement entered does not grant lease renewal options.

The lease agreements do not contain any material residual value guarantees or material restrictive covenants. Payments due under the lease contracts include fixed payments.

The lease receivable is initially measured at the present value of the remaining lease fixed payments over the lease term, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Project's incremental borrowing rate.

Lease payments included in the measurement of the lease receivable associated to these lease agreements comprise of only fixed payments.

The deferred inflow of resources is initially measured at the commencement of the lease term. This is equal to the amount of the lease receivable plus any lease payments related to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. As of June 30, 2024, the deferred inflow of resources was $282,024.

As lease payments are received, the lease receivable will be reduced, and the deferred inflow of resources will be recognized as revenue.

Note 9: Leases (Continued)

Maturities of lease receivables are as follows as of June 30, 2024:

	Total Lease Payments	Amounts Representing Interest	Present Value of Lease Payments
2025	$ 257,481	$ 12,492	$ 244,989
2026	1,809	88	1,721
Totals	$ 259,290	$ 12,580	$ 246,710

APPENDIX C
OCCUPANCY REPORT

Income Restriction Category	Units	% of Total
Low Income (80% AMI)	109	40%
Median Income (110% AMI BMR Units)	25	9%
Moderate Income (120% AMI)	53	19%
Non-Program	68	25%
Vacant*	19	7%
Grand Total	**274**	**100%**

*includes model units

Unit #	AMI Designation
A-100	Low Income (80% AMI)
A-102	Vacant
A-104	Median Income (110% AMI BMR Units)
A-106	Non-Program
A-108	Moderate Income (120% AMI)
A-110	Low Income (80% AMI)
A-112	Non-Program
A-114	Moderate Income (120% AMI)
A-116	Low Income (80% AMI)
A-118	Non-Program
A-200	Low Income (80% AMI)
A-202	Moderate Income (120% AMI)
A-204	Median Income (110% AMI BMR Units)
A-205	Low Income (80% AMI)
A-207	Median Income (110% AMI BMR Units)
A-209	Non-Program
A-211	Low Income (80% AMI)
A-213	Low Income (80% AMI)
A-215	Low Income (80% AMI)
A-217	Non-Program
A-218	Median Income (110% AMI BMR Units)
A-220	Non-Program
A-222	Non-Program
A-223	Low Income (80% AMI)
A-225	Low Income (80% AMI)
A-226	Low Income (80% AMI)
A-227	Low Income (80% AMI)
A-228	Non-Program
A-229	Non-Program
A-230	Median Income (110% AMI BMR Units)
A-231	Low Income (80% AMI)
A-232	Low Income (80% AMI)

Unit #	AMI Designation
A-234	Median Income (110% AMI BMR Units)
A-235	Non-Program
A-236	Non-Program
A-237	Non-Program
A-238	Low Income (80% AMI)
A-239	Non-Program
A-240	Low Income (80% AMI)
A-241	Vacant
A-242	Non-Program
A-243	Moderate Income (120% AMI)
A-245	Median Income (110% AMI BMR Units)
A-247	Moderate Income (120% AMI)
A-249	Vacant
A-255	Low Income (80% AMI)
A-256	Non-Program
A-257	Non-Program
A-258	Vacant
A-259	Low Income (80% AMI)
A-261	Non-Program
A-262	Low Income (80% AMI)
A-300	Low Income (80% AMI)
A-302	Low Income (80% AMI)
A-304	Low Income (80% AMI)
A-305	Vacant
A-306	Vacant
A-307	Vacant
A-308	Non-Program
A-309	Low Income (80% AMI)
A-310	Low Income (80% AMI)
A-311	Low Income (80% AMI)
A-312	Non-Program
A-313	Low Income (80% AMI)
A-314	Non-Program
A-315	Non-Program
A-316	Non-Program
A-317	Low Income (80% AMI)
A-318	Non-Program
A-320	Moderate Income (120% AMI)
A-322	Median Income (110% AMI BMR Units)
A-323	Moderate Income (120% AMI)
A-325	Median Income (110% AMI BMR Units)
A-326	Moderate Income (120% AMI)
A-327	Low Income (80% AMI)

Unit #	AMI Designation
A-328	Low Income (80% AMI)
A-329	Low Income (80% AMI)
A-330	Low Income (80% AMI)
A-331	Non-Program
A-332	Low Income (80% AMI)
A-334	Non-Program
A-335	Moderate Income (120% AMI)
A-336	Low Income (80% AMI)
A-337	Low Income (80% AMI)
A-338	Moderate Income (120% AMI)
A-339	Moderate Income (120% AMI)
A-340	Non-Program
A-341	Non-Program
A-342	Non-Program
A-343	Low Income (80% AMI)
A-344	Moderate Income (120% AMI)
A-345	Low Income (80% AMI)
A-346	Median Income (110% AMI BMR Units)
A-347	Moderate Income (120% AMI)
A-349	Low Income (80% AMI)
A-351	Low Income (80% AMI)
A-353	Low Income (80% AMI)
A-355	Vacant
A-356	Moderate Income (120% AMI)
A-357	Median Income (110% AMI BMR Units)
A-358	Low Income (80% AMI)
A-359	Low Income (80% AMI)
A-361	Median Income (110% AMI BMR Units)
A-362	Vacant
A-400	Non-Program
A-402	Median Income (110% AMI BMR Units)
A-404	Median Income (110% AMI BMR Units)
A-405	Moderate Income (120% AMI)
A-406	Moderate Income (120% AMI)
A-407	Non-Program
A-408	Moderate Income (120% AMI)
A-409	Median Income (110% AMI BMR Units)
A-410	Non-Program
A-411	Low Income (80% AMI)
A-412	Moderate Income (120% AMI)
A-413	Low Income (80% AMI)
A-414	Median Income (110% AMI BMR Units)
A-415	Low Income (80% AMI)

Unit #	AMI Designation
A-416	Non-Program
A-417	Low Income (80% AMI)
A-418	Moderate Income (120% AMI)
A-420	Low Income (80% AMI)
A-422	Median Income (110% AMI BMR Units)
A-423	Moderate Income (120% AMI)
A-425	Low Income (80% AMI)
A-426	Non-Program
A-427	Non-Program
A-428	Moderate Income (120% AMI)
A-429	Moderate Income (120% AMI)
A-430	Median Income (110% AMI BMR Units)
A-431	Moderate Income (120% AMI)
A-432	Low Income (80% AMI)
A-434	Non-Program
A-435	Low Income (80% AMI)
A-436	Vacant
A-437	Low Income (80% AMI)
A-438	Low Income (80% AMI)
A-439	Low Income (80% AMI)
A-440	Moderate Income (120% AMI)
A-441	Low Income (80% AMI)
A-442	Low Income (80% AMI)
A-443	Moderate Income (120% AMI)
A-444	Low Income (80% AMI)
A-445	Non-Program
A-446	Low Income (80% AMI)
A-447	Moderate Income (120% AMI)
A-449	Low Income (80% AMI)
A-450	Low Income (80% AMI)
A-451	Moderate Income (120% AMI)
A-453	Low Income (80% AMI)
A-454	Non-Program
A-455	Low Income (80% AMI)
A-456	Moderate Income (120% AMI)
A-457	Low Income (80% AMI)
A-458	Low Income (80% AMI)
A-459	Low Income (80% AMI)
A-461	Low Income (80% AMI)
A-462	Moderate Income (120% AMI)
A-500	Moderate Income (120% AMI)
A-502	Low Income (80% AMI)
A-504	Low Income (80% AMI)

Unit #	AMI Designation
A-505	Non-Program
A-506	Non-Program
A-507	Median Income (110% AMI BMR Units)
A-508	Moderate Income (120% AMI)
A-509	Low Income (80% AMI)
A-510	Low Income (80% AMI)
A-511	Moderate Income (120% AMI)
A-512	Median Income (110% AMI BMR Units)
A-513	Low Income (80% AMI)
A-514	Non-Program
A-515	Non-Program
A-516	Non-Program
A-517	Non-Program
A-518	Low Income (80% AMI)
A-523	Low Income (80% AMI)
A-525	Low Income (80% AMI)
A-526	Low Income (80% AMI)
A-527	Non-Program
A-528	Low Income (80% AMI)
A-529	Low Income (80% AMI)
A-530	Non-Program
A-531	Low Income (80% AMI)
A-532	Low Income (80% AMI)
A-534	Median Income (110% AMI BMR Units)
A-535	Low Income (80% AMI)
A-536	Moderate Income (120% AMI)
A-537	Non-Program
A-538	Low Income (80% AMI)
A-539	Low Income (80% AMI)
A-540	Low Income (80% AMI)
A-541	Non-Program
A-542	Moderate Income (120% AMI)
A-543	Moderate Income (120% AMI)
A-544	Moderate Income (120% AMI)
A-545	Median Income (110% AMI BMR Units)
A-546	Non-Program
A-547	Low Income (80% AMI)
A-549	Moderate Income (120% AMI)
A-550	Non-Program
A-551	Low Income (80% AMI)
A-553	Moderate Income (120% AMI)
A-554	Low Income (80% AMI)
A-555	Non-Program

Unit #	AMI Designation
A-556	Non-Program
A-557	Low Income (80% AMI)
A-558	Non-Program
A-559	Low Income (80% AMI)
A-561	Non-Program
A-562	Moderate Income (120% AMI)
A-600	Vacant
A-602	Low Income (80% AMI)
A-604	Moderate Income (120% AMI)
A-605	Vacant
A-606	Low Income (80% AMI)
A-607	Low Income (80% AMI)
A-609	Low Income (80% AMI)
A-611	Moderate Income (120% AMI)
A-613	Moderate Income (120% AMI)
A-615	Low Income (80% AMI)
A-617	Moderate Income (120% AMI)
A-623	Moderate Income (120% AMI)
A-625	Non-Program
A-626	Low Income (80% AMI)
A-627	Non-Program
A-628	Non-Program
A-629	Non-Program
A-630	Vacant
A-631	Vacant
A-632	Low Income (80% AMI)
A-634	Moderate Income (120% AMI)
A-635	Low Income (80% AMI)
A-636	Low Income (80% AMI)
A-637	Non-Program
A-638	Median Income (110% AMI BMR Units)
A-639	Non-Program
A-640	Moderate Income (120% AMI)
A-641	Moderate Income (120% AMI)
A-642	Low Income (80% AMI)
A-643	Low Income (80% AMI)
A-644	Low Income (80% AMI)
A-645	Vacant
A-646	Median Income (110% AMI BMR Units)
A-647	Moderate Income (120% AMI)
A-649	Moderate Income (120% AMI)
A-650	Low Income (80% AMI)
A-651	Low Income (80% AMI)

Unit #	AMI Designation
A-653	Vacant
A-654	Non-Program
A-655	Low Income (80% AMI)
A-656	Non-Program
A-657	Non-Program
A-658	Low Income (80% AMI)
A-659	Low Income (80% AMI)
A-661	Median Income (110% AMI BMR Units)
A-662	Vacant
B-200	Non-Program
B-202	Low Income (80% AMI)
B-204	Non-Program
B-206	Low Income (80% AMI)
B-208	Moderate Income (120% AMI)
B-210	Moderate Income (120% AMI)
B-300	Non-Program
B-302	Low Income (80% AMI)
B-304	Moderate Income (120% AMI)
B-306	Non-Program
B-308	Vacant
B-310	Vacant
B-400	Non-Program
B-402	Low Income (80% AMI)
B-404	Moderate Income (120% AMI)
B-406	Low Income (80% AMI)
B-408	Low Income (80% AMI)
B-410	Non-Program

In 2024, the Project Administrator has been investing in upgraded reporting infrastructure. With our new capabilities, we look forward to working with our stakeholders to implement enhancements in our reporting packages.

APPENDIX D
CERTIFICATE OF THE DISCLOSURE REPRESENTATIVE

I, John Stoecker, of the CMFA Special Finance Agency VIII (the "Disclosure Representative") hereby certify that the Agency has observed and performed all of its covenants and agreements set forth in the Indenture and the other Bond Documents, and no Event of Default (as defined in the Bond Documents) has occurred or exists.

CMFA Special Finance Agency VIII, as Disclosure Representative

By: John P. Stoecker