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RESOLUTION 87-47

RESOLUTION AUTHORIZING A FINAL LOAN COMMITMENT

WHEREAS, the California Housing Finance Agency staff has reviewed a loan application from Belvedere Tiburon Housing Association under the 80/20 State-Local Rental Housing Finance Program for 515 San Rafael Avenue Apartments and has recommended to the Lending /Insurance Committee of the Board of Directors such loan be approved; and

WHEREAS, the Lending/Insurance Committee has reviewed that loan application and concurs in the recommendation of the staff; and

WHEREAS, the Board of Directors has approved an initial loan commitment Resolution 87-20 on May 14, 1987 for such project; and

WHEREAS, based upon the recommendation of staff and the Lending/Insurance Committee, the Board of Directors has determined that a final loan commitment be made for such project.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the California Housing Finance Agency:

- (1) The Executive Director, or in the Executive Director's absence, the Director of Programs of the California Housing Finance Agency is hereby authorized to transmit a final commitment letter, subject to the recommended terms and conditions set forth therein and in the attached report of CHFA staff dated August 20, 1987 in relation to a multifamily housing development described as follows:

PROJECT NUMBER	DEV. NAME/ LOCALITY	# UNITS	MORTGAGE AMOUNT
86-11-N	515 San Rafael Avenue Apts. Belvedere	11	\$636,000 150,000 (2nd Mortgage)

- (2) The final commitment letter shall specifically state that the commitment is subject to the Agency's ability to sell its bonds in an amount sufficient to fund the commitment.

- (3) The Executive Director, or in the Executive Director's absence, the Director of Programs of the California Housing Finance Agency has the authority

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to modify the mortgage amount so stated in this resolution by an amount not to exceed seven percent (7%) without further Board approval. All other changes, including changes in mortgage amount of more than seven percent (7%), must be submitted to this Board for approval.

I hereby certify that this is a true and correct copy of Resolution 87-47 adopted at a duly constituted meeting of the Board of Directors of the California Housing Finance Agency held on September 17, 1987 at Sacramento, California.

ATTEST:  _____
Secretary

State of California

M E M O R A N D U M

To : Lending/Insurance Committee Date : August 20, 1987

From : June Demerdjian
: CALIFORNIA HOUSING FINANCE AGENCY

Subject : 515 San Rafael Avenue Apts.
Belvedere/Marin County
CHFA #86-11-N (501(C)(3) CORP.)

Action Requested

The purpose of this memorandum is to recommend a Final Loan Commitment under the Agency's 80/20 State-Local Rental Housing Program. We hereby request a first mortgage in the amount of \$636,000 and a feasibility loan in the amount of \$150,000. The feasibility loan will carry an interest rate of 3%. The CHFA Board of Directors approved an Initial Commitment on May 14, 1987 in the amount of \$565,000 for the first mortgage and \$150,000 for the feasibility loan. The developer has obtained a conditional construction loan commitment from First Interstate Mortgage Company.

Market Study - MAI Appraisal

The firm of Semple Appraisals, Inc., completed an independent market study, and has issued an MAI Appraisal dated August 5, 1987. The economic value determined by this appraisal is \$1,115,000, which resulted in a 57% loan to value. This appraisal is summarized on page 5 of the Application for Mortgage Financing (CHFA-3).

Financial Requirements

Under the State-Local Program guidelines, a minimum cash equity investment of 20% of replacement cost is required from the locality when the sponsor is a non-profit entity. In the case of this project, over 45.3% equity is being provided by the locality in CDBG funds, local philanthropic contributions and the San Francisco Foundation. The Agency's feasibility loan will be used to write down the interest rate to allow 80% of the units to be affordable to low income persons, (80% of median) and 20% of the units affordable to very low income

persons (50% of median). The City of Belvedere has Article 34.

CHFA's permanent loan fee of \$15,900 (2-1/2%) will be deferred until the Agency funds the permanent loan at which time the 3-1/2% Bond Security Escrow will be returned. Also, when the permanent loan is funded, the following escrows are required:

Operating Expense Reserve	\$ 7,152
Rent-Up Escrow Account	\$10,728

Occupancy Requirements

3 units (27.3%) must be occupied by very low income tenants.
8 units (72.7%) must be occupied by low income tenants. The maximum annual rent to be paid by low and very low income tenants will be no greater than 30% of the published income limits (adjusted for family size).

JD/gr

Attachments