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RESOLUTION 87-48

RESOLUTION AUTHORIZING A FINAL LOAN COMMITMENT

WHEREAS, the California Housing Finance Agency staff has reviewed a loan application from Rotary Hacienda Inc., under the 80/20 State-Local Rental Housing Finance Program for Rotary Hacienda Senior Housing 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 87-22 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
86-27-N	Rotary Hacienda Senior Housing San Mateo	82	\$4,165,000 410,000 (2nd Mortgage)

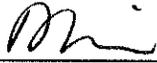
- (2) The final commitment letter shall specifically state that the commitment is subject to the Agency's ability to sell its bonds in an amount sufficient to fund the commitment.

- (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 87-48 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 : Warren Seeto  
CALIFORNIA HOUSING FINANCE AGENCY

Subject : Rotary Hacienda Sr. Housing  
San Mateo, San Mateo County  
CHFA #86-27-N

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 for the development of 82 housing units for the elderly in the City of San Mateo. We hereby request a first mortgage in the amount of \$4,165,000, and a feasibility loan in the amount of \$410,000. The second mortgage 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 \$4,165,000 for the first mortgage, and \$410,000 for the feasibility loan. The developer has obtained a conditional loan commitment from First Interstate Mortgage Company.

Market Study - MAI Appraisal

The firm of Investment Property Economic Consultants, completed an independent market study and has issued an MAI Appraisal dated June 21, 1987. The economic value determined by this appraisal is \$5,210,000 which resulted in a 80% loan to value. This appraisal is summarized on page 5 of the Application Mortgage Financing (CHFA-3).

Financial Requirements

Under the State/Local guidelines, the normal minimum cash investment of 20% of replacement costs is required from the locality if the sponsor is a non-profit entity. In the case of this project, the 20% equity is represented by land and CDBG financial contribution by the City. The total equity represents \$1,034,005. The Agency's feasibility loan will be

used to write down the interest rate to allow 49% of the units to be affordable to both low and very low income persons, and the remaining units will be at rents that will be marketable to the elderly in the area.

CHFA's permanent loan fee of \$104,125 (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 escrow is required:

Operating Expense Reserve	\$52,148
Rent-Up Escrow Account	\$78,223

Occupancy Requirements

17 units (20%) must be occupied by very low income tenants.  
23 units (29%) 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). The remaining 42 units will not be regulated.