CalHFA California Housing Finance Agency

# Multifamily Subsidy Funds Policy

## CalHFA Multifamily Programs

September 10, 2015

# Subsidy Funds

- Total of $105 million multifamily subsidy funds under the Agency's control
  - RHCP - $15 million
  - Earned Surplus - $77 million
  - FAF Savings - $14 million

# Policy Changes

- Increased per unit and total subsidy limits in high cost areas
- Revised required developer deferral amounts
- Added language on repayment of residual receipt loans

# Allocation of Funds

- Current expectation of 3 to 5 years of use prior to recycling
- Projects limited to $20,000 per unit of subsidy and $2.5 million in total subsidy
- Projects in high cost areas limited to $40,000 per unit of subsidy and up to $3.5 million in total subsidy

# Regional Variation in Gaps

## Low End


- $25,000 per unit

*(El Dorado, Placer & Nevada)*

- $31,000 per unit

*(Kings & Tulare)*

## State Average:

## $86,000.00 per unit


## High End


- $230,000 per unit

*(San Francisco)*

- $126,000 per unit

*(San Mateo, Santa Clara & Santa Cruz)*

# Gap Coverage by County, Percent

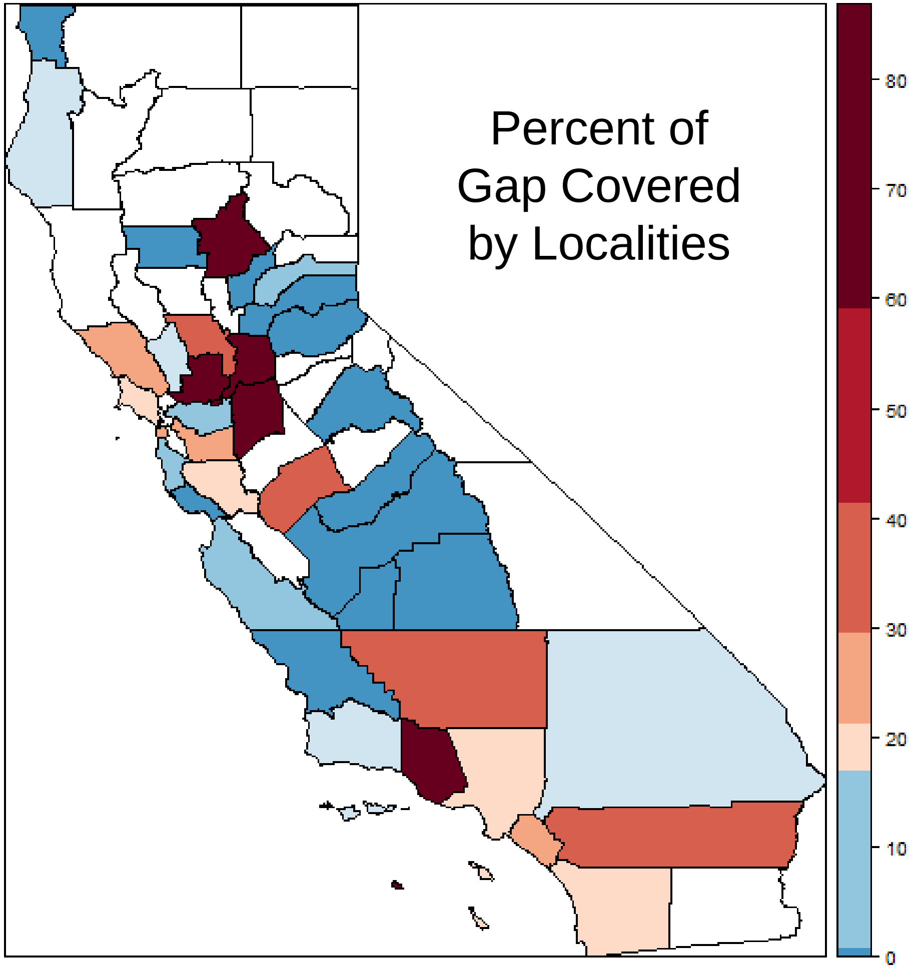
Range of Local Support*

- 70% of gap needs

*(Sacramento)*

- 0% of gap needs

*(Kings, Tuolumne, etc.)*




**excludes locally distributed federal dollars like CDBG, HOME*

# General Restrictions

- Any subsidy must be tied to a CalHFA 1st lien loan
- Subsidy must be identified as needed in CalHFA underwriting process
- Non-portfolio projects must be new construction or substantial rehabilitation

# Financial Restrictions

- Equity cannot be taken out of the project prior to receiving subsidy funds
- Developer fees will be allowed up to TCAC limits, but with requirement to contribute or defer fee equal to subsidy being provided – up to 50% of allowed fee
- Any savings during construction period must partially be used to repay any residual receipt loans
- Subsidy to be repaid through residual receipts at not less than pro-rata share to all residual receipts payments

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