



BOARD OF DIRECTORS

*California Housing Finance Agency
Board of Directors*

May 17, 2016

Department of Consumer Affairs
1747 North Market Blvd.
Hearing Room (HQ-2-#186)
Sacramento, CA
(916) 574-7307

10:00 a.m.

1.	Roll Call.			
2.	Approval of the minutes of the March 15, 2016, Board of Directors meeting.			1
3.	Approval of the minutes of the April 11, 2016, Board of Directors meeting.			5
4.	Chairman/Executive Director comments.			
5.	Discussion, recommendation and possible action regarding final loan commitment for the following projects:			
	<u>NUMBER</u>	<u>DEVELOPMENT</u>	<u>LOCALITY</u>	<u>UNITS</u>
	16-001-N	Sutter Terrace	Roseville/ Placer	100
	A. Resolution 16-08			7
	<u>NUMBER</u>	<u>DEVELOPMENT</u>	<u>LOCALITY</u>	<u>UNITS</u>
	16-002-N	Renwick Square	Elk Grove/ Sacramento	150
	B. Resolution 16-09			33
6.	Discussion, recommendation and possible action to adopt the Agency’s proposed Strategic Business Plan, Item 6-A and proposed Operating Budget for Fiscal Year 2016/2017, Item 6-B. (Don Cavier)			59

Attachments:

A.	FY 2016-17 Proposed Business Plan.....	69
B.	FY 2016-17 CalHFA Operating Budget:	
	Consolidated CalHFA and MIS Operating Budget	71
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	Resolution 16-11	99
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C.	Update on Loans Approved by Senior Loan Committee:	
	(i) William Byron Rumford Senior Plaza Apartment (Berkeley/Alameda County)	153
D.	Legislative Update.....	175
E.	Keep Your Home California Update.....	193

9. Discussion of other Board matters.
10. Public testimony: Discussion only of other matters to be brought to the Board's attention.
11. Adjournment
12. Handouts

NOTES**

PARKING: Public parking at Department of Consumer Affairs is free.

FUTURE MEETING DATE: Next CalHFA Board of Directors Meeting will be July 13, 2016, at 1747 North Market Blvd., Hearing Room (HQ-2-#186), Sacramento, CA

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CalHFA Board of Directors
Minutes of Meeting Held March 15, 2016

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The regular meeting of the California Housing Finance Agency Board of Directors was held on the above date at the Department of Consumer Affairs, the Chairman and the Secretary being present. The meeting opened at 10:05 a.m.

Agenda item 1: Roll call was taken and the following Board Members were present: Vince Brown for Treasurer Chiang, Michael Gunning, Jonathan Hunter, Susan Riggs for Acting Secretary Podesta, Preston Prince, Ben Metcalf, Dalila Sotelo, Stephen Russell, Eraina Ortega for Michael Cohen, Tia Boatman Patterson and Janet Falk. Board members AnaMarie Avila Farias and Eileen Gallagher joined the meeting after the initial roll call. (Board members present: 13.)

Chairman, Janet Falk, reminded the Board members that since we are now video recording the Board meetings and it will be searchable by name, to please raise your hand and state your name. She introduced new Board members as follows: Director of HCD, Ben Metcalf and Stephen Russell, Executive Director of the San Diego Housing Federation.

Agenda item 2: A motion was made by Susan Riggs to approve the minutes of the January 13, 2016 Board of Directors meeting and was approved with a roll call vote. Ayes: Vince Brown, Michael Gunning, Jonathan Hunter, Susan Riggs, Preston Prince, Dalila Sotelo and Janet Falk. Abstentions: Ben Metcalf and Stephen Russell. The minutes were approved. (Ayes: 7; Nays: 0; Abstentions: 2.)

Agenda item 3: Executive Director reported on the National Council State Housing Agencies in Washington, DC; welcomed our two new board members and welcomed back Susan Riggs now representing BCSH. Director also advised that she accepted the invitation to serve on the Fannie Mae Affordable Housing Council.

Agenda item 4: Ken Giebel, Director of Single Family Programs and Claire Tauriainen, Attorney III, presented staff recommendation seeking approval to increase the Area Median Income (AMI) for Single Family Program eligibility to 140% in counties identified as high cost. A motion was made by Jonathan Hunter to approve Resolution 16-02 and was approved with a roll call vote. Ayes: Vince Brown, Michael Gunning, Jonathan Hunter, Susan Riggs, Preston Prince, Ben Metcalf, Dalila Sotelo, Stephen Russell and Janet Falk. Resolution 16-02 was approved. (Ayes: 9; Nays: 0; Abstentions: 0.)

Agenda items 5 and 6: Don Cavier, Chief Deputy Director of CalHFA, presented the mid-year update on the business plan and the operating budget of the Agency and answered questions from the Board.

46 Agenda item 7: Tony Sertich, Director of Multifamily Programs, presented an update regarding
47 Multifamily lending programs and discussion was had with the Board.

48

49 Agenda item 8: Tim Hsu, Director of Finance, presented staff report and Resolution 16-03 (with
50 amendments) authorizing the Agency's single family bond indentures, the issuance of single
51 family bonds, short term credit facilities for homeownership purposes, and related financial
52 agreements and contracts for services. A motion was made by Dalila Sotelo to approve
53 Resolution 16-03 and was approved with a roll call vote. Ayes: AnaMarie Avila Farias, Vince
54 Brown, Michael Gunning, Jonathan Hunter, Susan Riggs, Ben Metcalf, Dalila Sotelo, Stephen
55 Russell and Janet Falk. Abstention: Eileen Gallagher. Non-voting: Preston Prince. Resolution
56 16-03 was approved as amended. (Ayes: 9; Nays: 0; Abstentions:1; Non-voting:1)

57

58 Agenda item 9: Tim Hsu, Director of Finance, presented staff report and Resolution 16-04
59 authorizing the Agency's single family non-bond strategies. A motion was made by Jonathan
60 Hunter to approve Resolution 16-04 and was approved with a roll call vote. Ayes: AnaMarie
61 Avila Farias, Vince Brown, Eileen Gallagher, Michael Gunning, Jonathan Hunter, Susan Riggs,
62 Ben Metcalf, Dalila Sotelo, Stephen Russell and Janet Falk. Non-voting: Preston Prince.
63 Resolution 16-04 was approved. (Ayes: 10; Nays: 0; Abstentions: 0; Non-voting:1.)

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65 Agenda item 10: Tim Hsu, Director of Finance, presented staff report and Resolution 16-05
66 (with amendments) authorizing the Agency's multifamily bond indentures, the issuance of
67 multifamily bonds, short term credit facilities for multifamily purposes, and related financial
68 agreements and contracts for services. A motion was made by Dalila Sotelo to approve
69 Resolution 16-05 and was approved with a roll call vote. Ayes: AnaMarie Avila Farias, Vince
70 Brown, Michael Gunning, Jonathan Hunter, Susan Riggs, Ben Metcalf, Dalila Sotelo, Stephen
71 Russell and Janet Falk. Abstention: Eileen Gallagher. Non-voting: Preston Prince. Resolution
72 16-05 was approved as amended. (Ayes: 9; Nays: 0; Abstentions:1; Non-voting:1.)

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74 Agenda item 11: Tim Hsu, Director of Finance, presented staff report and Resolution 16-06
75 authorizing the Agency's multifamily non-bond strategies. A motion was made by Jonathan
76 Hunter to approve Resolution 16-06 and was approved with a roll call vote. Ayes: AnaMarie
77 Avila Farias, Vince Brown, Eileen Gallagher, Michael Gunning, Jonathan Hunter, Susan Riggs,
78 Ben Metcalf, Stephen Russell and Janet Falk. Non-voting: Dalila Sotelo and Preston Prince.
79 Resolution 16-06 was approved. (Ayes: 9; Nays: 0; Abstentions: 0; Nonvoting: 2.)

80

81 Agenda item 12: Tim Hsu, Director of Finance, presented staff report and Resolution 16-07
82 authorizing applications to the California Debt Limit Allocation Committee for private activity
83 bond allocations for the Agency's homeownership and multifamily programs. A motion was
84 made by Michael Gunning to approve Resolution 16-07 and was approved with a roll call vote.
85 Ayes: AnaMarie Avila Farias, Vince Brown, Eileen Gallagher, Michael Gunning, Jonathan
86 Hunter, Susan Riggs, Ben Metcalf, Stephen Russell and Janet Falk. Non-voting: Dalila Sotelo
87 and Preston Prince. Resolution 16-07 was approved. (Ayes: 9; Nay: 0; Abstentions: 0; Non-
88 voting: 2.)

89

90 Agenda item 13: Tim Hsu provided overview of finance reports.

91 Agenda item 14: Board Chair reminded members the April Board meeting is to go over the
92 business plan and obtain feedback.

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94 Agenda item 15: There was no public testimony to present.

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96 The meeting adjourned at 11:56 a.m.

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**CalHFA Board of Directors
Minutes of Meeting Held April 11, 2016**

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The regular meeting of the California Housing Finance Agency Board of Directors was held on the above date via video conference at dual California Housing Finance Agency locations (Sacramento and Culver City offices), the Chairman and the Secretary being present. The meeting opened at 10:04 a.m.

Agenda item 1: Roll call was taken and the following Board Members were present: Tim Schaefer for Treasurer Chiang, Eileen Gallagher, Theresa Gunn for Dr. Imbasciani, Michael Gunning, Susan Riggs for Acting Secretary Podesta, Dalila Sotelo (Culver City), Stephen Russell, Eraina Ortega for Michael Cohen, Tia Boatman Patterson and Janet Falk. Board members Ben Metcalf and Jonathan Hunter (Culver City) joined the meeting after the initial roll call. (Board members present: 12.)

Agenda item 2: Executive Director Tia Boatman-Patterson reported the following:

- The Audit Committee met at 9:00 a.m. this morning and discussed staff plan to continue an additional three years of contracting with CliftonLarsonAllen auditors totaling \$782,000; and \$80,000.00 in savings anticipated from proposed legislation.
- Executive Director attended the California Economic Summit held on April 5, 2016. Summit objective is to establish the One Million Homes challenge for low and moderate income over the next decade.
- Executive Director attended a meeting in San Francisco on April 7, 2016, on the HUD Secretary's Prosperity Playbook Initiative in which HUD will visit five U.S. cities to compile resources to assist community planning and local leaders with strategies to expand affordable housing.
- CalHFA is ramping up single and multifamily lending activity and Human Resources is recruiting to fill several years of vacant positions from a self-imposed hiring freeze since we are now in lending.

Agenda item 3: Don Cavier, Chief Deputy Director of CalHFA presented the Agency's Proposed Strategic Business Plan for Fiscal Year 2016/2017, and the Board and staff discussed.

Agenda item 4: No public testimony was presented.

Agenda item 5: The meeting adjourned at 12:03 p.m.

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MULTIFAMILY PROGRAMS DIVISION
Final Review & Request for Loan Approval

Senior Loan Committee Approval Date: April 28, 2016

Project Name:	Sutter Terrace Apartments (Roseville, Placer County) 16-001-N
CalHFA Loan Amount:	\$ 5,790,000, Permanent Loan only

TRANSACTION FACTS

Loan Origination:	Jim Morgan	Underwriting:	Enoch Yeung
Asset Management:	Richard Dewey	Loan Administration:	Kevin Brown
Legal (Internal):	Marc Victor	Legal (External):	n/a
Projected Closing Date:	6/30/2016	Approval Expiration Date:	12/31/2016

1. Address	6725 Fiddymment Rd., Roseville, Placer County, 95747						
2. Legislative Districts	Congress:	4	Assembly:	6	State Senate:	4	
3. Brief Project Description	Sutter Terrace Apartments is a 100-unit senior affordable apartment complex. 20% of the units (20 units) are restricted by CalHFA to 50% AMI, the balance of the units (80 units) are at 60% AMI. The project has 80 one-bedroom units, 20 two-bedroom units, pool and a community space. The property was constructed in 1998 and acquired in 2012 by Avanath Affordable Housing I, LLC. The complex is in very good condition and requires minimal rehabilitation.						
4. Sponsor/Developer	Avanath Affordable Housing I, LLC						
5. Borrower	Sutter Terrace Roseville, LP, a Delaware limited partnership						

CALHFA LOAN TERMS

		<u>Acquisition & Rehabilitation Loan</u>	<u>Permanent Loan</u>
6. Total Loan Amount		n/a	\$5,790,000
7. Loan Term		n/a	40 years
8. Interest Rate		n/a	10-year treasury + 1.85% Currently underwritten at 3.75% The rate is subject to change and will be locked up to 60 days prior to loan closing.
9. Loan to Value		n/a	65%
10. Loan to Cost		n/a	94%

TRANSACTION CONCLUSIONS

11. Project Strengths
<ul style="list-style-type: none"> ▪ The project has been in the CalHFA portfolio since 1998 and is in good condition. ▪ The project scope will increase the amount of ADA Accessible units from 5% (5 units) to 10% (10 units). ▪ There will be no rent increase to the affordable units as a result of this refinance. ▪ There is substantial need for senior affordable housing in the western Roseville area. The project is 100% leased with a waiting list. ▪ The new financing extends the affordability of the property a minimum of 5 years from 2038 to 2043. ▪ The loan is underwritten at a 65% LTV and 1.50 DCR.
12. Project Weaknesses w/ Mitigants:
While the project has been maintained well over the past 18 years, the project has operated with relatively low replacement reserve requirements at less than \$300/unit/year. CalHFA intends to increase annual replacement reserve requirements to \$400/unit/year in order to extend the economic useful life of the project.
13. Conclusion/Recommendation:
The Multifamily Lending Division supports approval of this loan at the amount requested and subject to the terms proposed.

MISSION & AFFORDABILITY

14. CalHFA Mission/Goals												
This project provides needed affordable senior units in a desirable area. This transaction will provide the opportunity to retain the project in CalHFA’s portfolio. In addition, the planned rehabilitation will extend the project’s economic life and affordability.												
15. Project Affordability Restrictions												
<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Area Median Income Level</th> <th>New Restrictions (Expires 2043)</th> <th>Existing Restrictions (Expires 2038)</th> </tr> </thead> <tbody> <tr> <td>50%</td> <td>20 Units</td> <td>20 Units</td> </tr> <tr> <td>60%</td> <td>79 Units</td> <td>79 Units</td> </tr> <tr> <td>Manager’s Unit</td> <td>1 Unit</td> <td>1 Unit</td> </tr> </tbody> </table>	Area Median Income Level	New Restrictions (Expires 2043)	Existing Restrictions (Expires 2038)	50%	20 Units	20 Units	60%	79 Units	79 Units	Manager’s Unit	1 Unit	1 Unit
Area Median Income Level	New Restrictions (Expires 2043)	Existing Restrictions (Expires 2038)										
50%	20 Units	20 Units										
60%	79 Units	79 Units										
Manager’s Unit	1 Unit	1 Unit										
The above represent affordability restrictions of CalHFA. TCAC also restricts 40 units at 60% of AMI until 2028.												
16. CalHFA Affordability Restrictions												
The existing CalHFA Regulatory Agreement restricts 20% of the units to 50% AMI and 80% of the units to 60% AMI. The existing Regulatory Agreement will be terminated at loan closing and a new CalHFA Regulatory Agreement will be recorded providing the same affordability restrictions until 2043 (existing CalHFA loan term plus 5 years).												
17. Geocoder Information												
<ul style="list-style-type: none"> ○ Central City: Yes ○ Low/Mod Census Tract: middle ○ Minority Census Tract: 8.33% ○ Underserved: no ○ Below poverty line 8.23% 												

CURRENT PORTFOLIO LOAN

18.	Previous CalHFA Loan:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$4,180,000 HUD Risk Share; closed June 12, 1998; 6.75% interest
19.	Unpaid Principal Balance:	\$3,480,844 as of April 19, 2016	
20.	Loan Maturity Date:	July 1, 2038	
21.	Affordability Restriction Expiration:	July 1, 2038	
22.	Yield Maintenance Due:	\$1,242,913	
23.	Other CalHFA Debt:	None	
24.	Other Debt Sources	None	

ANTICIPATED PROJECT MILESTONES & SCHEDULE

25.	CDLAC/TCAC Closing Deadline:	n/a
26.	Estimated Loan Closing Date:	June 30, 2016
27.	Estimated Construction Start:	July 15, 2016
28.	Estimated Construction Completion:	September 15, 2016
29.	Est. Stabilization & Conversion to Perm	n/a

PROJECT FINANCING STRUCTURE

30.	Acq/Rehab Debt & Grants		
	<u>Source</u>	<u>Amount</u>	<u>Lien Position</u>
	n/a	n/a	n/a
31.	Permanent Debt & Grants		
	<u>Source</u>	<u>Amount</u>	<u>Lien Position</u>
	CalHFA Permanent Loan	\$5,790,000	1 st
	Existing Replacement Reserve	\$355,080	n/a
32.	Equity Take Out	\$450,743- Borrower intends to use equity take out proceeds and reinvest into other properties within Avanath's capital portfolio.	
33.	Cash Flow Analysis		
	<p>The CalHFA permanent loan was underwritten with existing rents, while using an operating budget that is reasonable and consistent with both the project's past operating budgets as well as comparable properties' operating budgets.</p> <p>The debt coverage ratio in the first year of operations is 1.50 and increases to 2.46 in year 40. This is based on the assumption of annual increases of 2.5% for income, 3.5% for expenses and 1% for replacement reserves.</p>		
34.	Exit Strategy		
	The loan will be repaid via principal and interest payments, amortized and due in 40 years.		

DEVELOPMENT SUMMARY

35.	Total Development Costs	\$6,145,080	Per Unit:	\$61,450
36.	Hard Development Costs	\$339,000	Per Unit:	\$3,390
37.	Hard Development Contingencies	\$67,900	% of Hard Development Costs:	20.0%
38.	Site Description			
	<ul style="list-style-type: none"> • The 4.00 acre site is rectangular shaped and is level at street grade. • The site is in a moderate/minimal risk area flood zone. • The subject property is zoned “R3”, attached housing. The subject property is considered a legal non-conforming use under the designated zoning because of less-than-minimum onsite parking. 			
39.	Form of Site Control & Expiration Date	N/A – Recapitalization of Existing Property		
40.	Current Ownership Entity of Record	Sutter Terrace Roseville, L.P. (Borrower)		
41.	Energy Savings			
	All new appliances are required to be Energy Star.			
42.	Water Savings			
	No specific water efficiency upgrades are anticipated.			
43.	Environmental Review			
	A Phase I Environmental Site Assessment performed by f3, Inc., dated February 9, 2016, found no evidence of recognized environmental conditions or environmental issues in connection with the project. Based on its conclusions, f3 recommends no further investigation of the project at this time.			
44.	Seismic Review			
	According to a seismic study by Partner Engineering and Science, Inc., dated February 19, 2016, the project is not within a documented Alquist-Priolo special studies earthquake zone.			
	The seismic report indicates the Probable Maximum Loss (“PML”) for the Project is 4%. The damage ratio meets CalHFA’s seismic risk criteria of a PML ratio of 20% or less and qualifies for the Agency’s earthquake insurance waiver.			
45.	Relocation			
	There will be no relocation required, either temporary or permanent.			
46.	Construction Scope			
	Major elements include:			
	<ul style="list-style-type: none"> • Site work and Landscaping (\$10,500) <ul style="list-style-type: none"> ○ Redesign and restripe existing accessible parking spaces to be modified for “Van Accessibility” ○ Remove the concrete ramp and install an ADA compliant curb cut ramp ○ Lower running slope on concrete pavement walkway • Building Exterior (\$25,000) <ul style="list-style-type: none"> ○ Replace HVAC Condensers and HVAC Air Handlers due to be replaced • ADA Unit Interiors and ADA Community Room Renovations (\$251,000) <ul style="list-style-type: none"> ○ Replace refrigerators with smaller units, recess existing refrigerators as far as possible, or relocate cabinetry so that a minimum 40” of clearance is provided between the opposing faces of all cabinetry and appliances. ○ Modify the bathroom sinks and flooring as necessary in order to meet ADA requirements. ○ Modify a minimum of 10% of the dwelling units (10 total) for full accessibility (“Mobility 			

- Impairments”).
 - Install strobe/horn alarms, visual indicators at door bells, and phones, as applicable in four (4) dwelling units to meet the 4% “sensory impairment” dwelling unit requirement.
- Other Unit Interior Renovations (\$52,500)
 - Replace cabinets due for replacement
 - Replace Carpet and Vinyl for units due for replacement
 - Replace kitchen appliances (range, dishwasher, and refrigerator) in units due for replacement.

47. Budget Comments:
 The rehabilitation scope of work is fairly limited as the project is in very good condition. Other than repair of deferred maintenance items, the largest line item in the budget will focus on general ADA improvements throughout the property.

PROJECT DETAILS

48. Tenancy / Occupancy Type:	Senior			
49. Special Needs Population	N/A			
50. Total Residential Units:	100			
51. Property Construction	Low-Rise			
	Buildings:	6	Stories:	2
	Elevators:	one	Unit Style:	flats
	Year Built:	1998	Year of Last Rehab:	N/A
52. Total Land Area (acres)	4.00 acres			
	Residential Square Footage:	58,240	Residential Units per Acre:	25.00
	Covered Parking Spaces:	0	Total Parking Spaces:	99
53. Commercial Space:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Square Footage:	N/A
54. Appraisal Review	<ul style="list-style-type: none"> ● The appraisal valuation is based on an income capitalization approach and identified 6 comparable properties from 1 mile to 3 miles from the project. ● The appraiser reported that cap rates for comparable multifamily properties ranged from 4.7%-6.1%. The appraiser selected a 5.25% cap rate for the subject property. ● A 4% vacancy assumption was used, based on a historical vacancy of 3.5% plus a .5% collection expense. ● The appraiser concluded an \$8,860,000 stabilized restricted value post rehabilitation. ● The CalHFA permanent loan is 65% of restricted value. 			
55. Property Description	<ul style="list-style-type: none"> ● This 100-unit, low-rise project was built in 1998 on a 4.00 acre site, consisting of six (6) two-story residential buildings. The buildings are wood frame with stucco siding exterior, concrete slab foundations, and pitched concrete tile roofs. ● A two-story clubhouse building houses the administrative offices, recreation rooms and laundry rooms. ● The site also includes a swimming pool and one spa. ● The dwelling units are heated and cooled by split system air conditioners with a hot water loop from the water heater. ● Appliances provided in each dwelling unit consist of a refrigerator, electric range/oven, vent hood, countertop, garbage disposal, dishwasher and laundry equipment. Washers and dryers are provided in each of the units for an additional charge. ● Each unit includes a hot water heater with a capacity of 40 gallons. ● There are 99 uncovered tenant parking spaces. 			

- The project includes 100 units as follows:

Unit Size	Income Restriction	Number of Units	Average Square Feet
1 Bedroom	50% AMI	16	545
1 Bedroom	60% AMI	64	545
2 Bedroom	50% AMI	4	732
2 Bedroom	60% AMI	15	732
2 Bedroom	Manager Unit	1	732

MARKET ANALYSIS

56. Market Study:	Appraisal by Colliers International.	March 4, 2016
57. Regional Market Overview	<ul style="list-style-type: none"> The regional market area for the project is comprised of the Yolo, El Dorado, Placer and Sacramento counties. There were 2,216,129 people in the regional area in 2015 and the population is expected to grow .8% over the next five years. The number of households is expected to increase by 32,032 over the next 5 years. The median income for Sacramento Metropolitan area is estimated at \$58,279, approximately 16.5% below the median income estimated for the State of California. 	
58. Local Market Area Analysis	<ul style="list-style-type: none"> The project is located in the City of Roseville at 6725 Fiddymont Rd, in a neighborhood that consists primarily of other residential uses. The main commercial development is concentrated along major thoroughfares east of the subject property along Foothills Blvd. There is a limited amount of commercial just south of the property area. Community services and facilities are readily available in the surrounding area including: fire stations, hospitals, police stations, parks, golf courses, recreational facilities and public schools. 	
59. Supply	<p>The project should remain fully occupied during and after the proposed renovation based on the following:</p> <ul style="list-style-type: none"> Occupancy rates in the Roseville market averaged 97% for market rate apartments and 99.5% for affordable apartments, thus there is a strong demand for both market rate and affordable units. The local market area is a stable rental market, with no new multifamily housing produced in the past five years. There are no projects under construction or in the planning stages in the western Roseville area. 	
60. Demand/Absorption	<p>Using a 5-mile radius, the estimated capture rate ranges from less than 1% to approximately 12%, depending on unit type. Vacancy in the submarket is projected to range from 2.5% to 3.9% over the next 4 years.</p>	

DEVELOPMENT TEAM OVERVIEW

61.	Borrower	Sutter Terrace Roseville, LP
<p>The Borrower is Sutter Terrace Roseville, LP, a Delaware limited partnership, whose General Partner is Avanath Sutter GP, LLC a Delaware limited liability corporation, whose sole member is Avanath Affordable Housing I, LLC. The managing general partner is COR Community Development Corporation.</p>		
62.	Guarantor	n/a
<p>The payment and completion guarantee is not required for this perm-only loan.</p>		
63.	Developer/Sponsor	Avanath Affordable Housing I, LLC
<p>Avanath Affordable Housing I, LLC (the Company) was formed on August 17, 2010 and is located in Irvine. The Company's strategy is to acquire affordable apartment properties that were originally developed under the Low Income Housing Tax Credit program or with other affordable structures, with the goals of enhancing the physical assets and maintaining long term affordability. The company has successfully deployed capital into 18 affordable multifamily investments across the U.S. with \$120 million of capital commitments from various institutional investors.</p>		
64.	Management Agent	McKinley, Inc.
<p>McKinley, Inc. was founded in 1968 and headquartered in Ann Arbor, Michigan. McKinley, Inc. is a leading owner and manager of multifamily and commercial real estate and is ranked 37th in the National Multifamily Housing Council Top 50 list of national apartment management companies. McKinley, Inc. manages more than 34,000 units throughout 25 states across the United States.</p>		
65.	Contractor	n/a
<ul style="list-style-type: none"> Given the limited scope, Avanath Capital Management will have its own staff address the scope. 		
66.	Architect	n/a
<ul style="list-style-type: none"> The scope of non-substantial rehabilitation does not necessarily require the services of an architect, but a design professional will be engaged to perform a site survey / review and make recommendations to bring the site up to ADA compliance. 		

CALHFA INTERNAL REVIEW

67.	Loan Covenants or Special Terms & Conditions:
<ul style="list-style-type: none">• HUD must provide a firm approval letter for the use of FHA Risk-Share on this project.• CalHFA and HUD Approval of the property management agent is a condition of loan closing.	

EXHIBITS

- A. Detailed Financial Analysis
- B. Site/Location maps
- C. Term Sheet

PROJECT SUMMARY		Final Commitment				
Acquisition, Rehab, Construction & Permanent Loans		Project Number	16-001-N			
Project Full Name	Sutter Terrace	Borrower Name:	Sutter Terrace Roseville, L.P.			
Project Address	6725 Fiddymment Rd	Managing GP:	Avanath Sutter GP, LLC			
Project City	Roseville	Developer Name:	Avanath Affordable Housing I, LLC			
Project County	Placer	Investor Name:	N/A			
Project Zip Code	95747	Prop Management:	McKinley, Inc.			
Project Type:	Permanent Loan Only	Tax Credits:	None			
Tenancy/Occupancy:	Senior	Total Land Area (acres):	4.00			
Total Residential Units:	100	Residential Square Footage:	57,300			
Total Number of Buildings:	6	Residential Units Per Acre:	25.00			
Number of Stories:	2	Covered Parking Spaces:	100			
Unit Style:	Flat	Total Parking Spaces:	100			
Elevators:	1					
Acq/Construction/Rehab Financing		Loan Amount (\$)	Loan Fees	Loan Term (Mo.)	Amort. Period (Yr.)	Starting Interest Rate
CalHFA Loan		-	--	0	--	--
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Impounds & Reserves		-	--	--	--	--
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Permanent Financing		Loan Amount (\$)	Loan Fees	Loan Term (Yr.)	Amort. Period (Yr.)	Starting Interest Rate
CalHFA Permanent Loan		5,790,000	1.000%	40	40	3.750%
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Existing Replacement Reserves		355,080	NA	NA	NA	NA
--		--	NA	NA	NA	NA
--		--	NA	NA	NA	NA
Appraised Values Upon Completion of Rehab/Construction						
Appraisal Date:	3/4/16	Capitalization Rate:	5.25%			
Investment Value (\$)	9,300,000	Restricted Value (\$)	8,860,000			
Construct/Rehab LTC	94%	Permanent Loan to Cost	94%			
Construct/Rehab LTV	62%	Permanent Loan to Value	65%			
Additional Loan Terms, Conditions & Comments						
<u>Construction/Rehab Loan</u>						
Payment/Performance Bond			Waived			
Completion Guarantee Letter of Credit			Waived			
<u>Permanent Loan</u>						
Operating Expense Reserve Deposit	\$0	NA				
Initial Replacement Reserve Deposit	\$355,080	Cash				
Annual Replacement Reserve Per Unit	\$400	Cash				
Date Prepared:	4/20/16	Senior Staff Date:	4/28/16			

PROJECT UNIT MIX					
Unit Type of Style	Number of Bedrooms	Number of Baths	Average Size (Sq. Ft.)	Number of Units	Est. No. of Tenants
Flat	1	1	540	80	80
Flat	2	1	705	20	40
-	-	-	-	-	0
-	-	-	-	-	0
-	-	-	-	-	0
-	-	-	-	-	0
				100	120

NUMBER OF UNITS AND PERCENTAGE OF AMI RENTS RESTRICTED BY EACH AGENCY							
Agency	Number of Units Restricted For Each AMI Category						
	25%	45%	50%	60%	80%	0%	0%
CalHFA			20	80			
Tax Credits							
HCD-MHP							
City of San Jose							
HCD-IIG							
-							

COMPARISON OF AVERAGE MONTHLY RESTRICTED RENTS TO AVERAGE MARKET RENTS							
Unit Type	Restricting Agency	% of Area Median Income	Average Restricted Rents		Average Market Rents	Average Monthly Savings	% of Market Rents
			Number of Units	Unit Rent			
Studios	CalHFA	25%	-	-	-	-	-
	CalHFA	45%	-	-		-	-
	CalHFA	50%	-	-		-	-
	CalHFA	60%	-	-		-	-
	CalHFA	60%	-	-		-	-
	CalHFA	-	-	-		-	-
	CalHFA	-	-	-		-	-
1 Bedroom	CalHFA	25%	-	-	\$1,050	-	-
	CalHFA	45%	-	-		-	-
	CalHFA	50%	16	\$638		\$412	61%
	CalHFA	60%	64	\$758		\$292	72%
	CalHFA	60%	-	-		-	-
	CalHFA	-	-	-		-	-
	CalHFA	-	-	-		-	-
2 Bedrooms	CalHFA	25%	-	-	\$1,250	-	-
	CalHFA	45%	-	-		-	-
	CalHFA	50%	4	\$768		\$482	61%
	CalHFA	60%	15	\$828		\$422	66%
	CalHFA	60%	-	-		-	-
	CalHFA	-	-	-		-	-
	CalHFA	-	-	-		-	-
3 Bedrooms	CalHFA	25%	-	-	-	-	-
	CalHFA	45%	-	-		-	-
	CalHFA	50%	-	-		-	-
	CalHFA	60%	-	-		-	-
	CalHFA	60%	-	-		-	-
	CalHFA	-	-	-		-	-
	CalHFA	-	-	-		-	-
4 Bedrooms	CalHFA	25%	-	-	-	-	-
	CalHFA	45%	-	-		-	-
	CalHFA	50%	-	-		-	-
	CalHFA	60%	-	-		-	-
	CalHFA	60%	-	-		-	-
	CalHFA	-	-	-		-	-
	CalHFA	-	-	-		-	-
5 Bedrooms	CalHFA	25%	-	-	-	-	-
	CalHFA	45%	-	-		-	-
	CalHFA	50%	-	-		-	-
	CalHFA	60%	-	-		-	-
	CalHFA	60%	-	-		-	-
	CalHFA	-	-	-		-	-
	CalHFA	-	-	-		-	-

SOURCES & USES OF FUNDS SUMMARY			Final Commitment		
Sutter Terrace		Project Number		16-001-N	
SOURCES OF FUNDS	CONST/REHAB	PERMANENT	TOTAL PROJECT FUNDS		
	\$	\$	SOURCES (\$)	PER UNIT (\$)	%
CalHFA Loan	5,790,000				0.0%
CalHFA Other Loan	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
Other Non-CalHFA Sources of Funds	355,080				0.0%
Construct/Rehab Net Oper. Inc.	-				0.0%
Deferred Developer Fee	-				0.0%
Developer Equity Contribution	-				0.0%
Investor Equity Contribution	-				0.0%
CalHFA Permanent Loan		5,790,000	5,790,000	57,900	100.0%
CalHFA Bridge Loan		-	-	-	0.0%
CalHFA Section 8 Loan		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
Other Non-CalHFA Sources of Funds		355,080	-	-	0.0%
Construct/Rehab Net Oper. Inc.		-	-	-	0.0%
Deferred Developer Fees		-	-	-	0.0%
Developer Equity Contribution		-	-	-	0.0%
Investor Equity Contributions		-	-	-	0.0%
TOTAL SOURCES OF FUNDS	6,145,080	6,145,080	5,790,000	57,900	100.0%

USES OF FUNDS	CONST/REHAB	PERMANENT	TOTAL PROJECT COSTS		
	\$	\$	USES (\$)	PER UNIT (\$)	%
Payoff Acquisition/Rehab Financing		6,145,080			
Acquisition Costs	5,174,500	-	5,174,500	51,745	84.2%
Construction/Rehab Costs	339,000	-	339,000	3,390	5.5%
Relocation Costs	-	-	-	-	0.0%
Architectural Costs	-	-	-	-	0.0%
Surveys & Engineering Costs	-	-	-	-	0.0%
Contingency Reserves	83,900	-	83,900	839	1.4%
Loan Period Loan & Other Costs	8,000	-	8,000	80	0.1%
Permanent Loan Costs	57,900	-	57,900	579	0.9%
Legal Fees	15,000	-	15,000	150	0.2%
Operating Reserves	355,080	-	355,080	3,551	5.8%
Reports & Studies	28,800	-	28,800	288	0.5%
Other Construction/Rehab Costs	25,000	-	25,000	250	0.4%
Developer Fees & Costs	57,900	-	57,900	579	0.9%
TOTAL PROJECT COSTS	6,145,080	6,145,080	6,145,080	61,451	100.0%

PROJECTED INITIAL ANNUAL RENTAL OPERATING BUDGET			Final Commitment
Sutter Terrace	Project Number	16-001-N	
INCOME	AMOUNT	PER UNIT	%
Rental Income			
Restricted Unit Rents	\$ 890,544	\$ 8,905	99.10%
Unrestricted Unit Rents	-	-	0.00%
Commercial Rents	-	-	0.00%
Rental & Operating Subsidies			
Section 8 Rent Subsidies	-	-	0.00%
Shelter Care Plus Rent Subsidies	-	-	0.00%
Other Subsidy (Specify)	-	-	0.00%
Other Subsidy (Specify)	-	-	0.00%
Other Income			
Laundry and Vending Income	8,060	81	0.90%
Garage and Parking Income	-	-	0.00%
Miscellaneous Income	-	-	0.00%
GROSS POTENTIAL INCOME (GPI)	\$ 898,604	\$ 8,986	100.00%
Less: Vacancy Loss	\$ 44,527	\$ 445	
EFFECTIVE GROSS INCOME (EGI)	\$ 854,077	\$ 9,431	100.00%
OPERATING EXPENSES	AMOUNT	PER UNIT	%
Administrative Expenses	\$ 118,215	\$ 1,182	\$ 0
Management Fee	48,003	480	5.62%
Social Programs & Services	-	-	0.00%
Utilities	75,546	755	8.85%
Operating & Maintenance	103,693	1,037	12.14%
Ground Lease Payments	-	-	0.00%
Real Estate Taxes	216	2	0.03%
Other Taxes & Insurance	57,072	571	6.68%
Assisted Living/Board & Care	-	-	0.00%
SUBTOTAL OPERATING EXPENSES	\$ 402,745	\$ 4,027	47.16%
Replacement Reserves	\$ 40,000	\$ 400	4.68%
TOTAL OPERATING EXPENSES	\$ 442,745	\$ 4,427	51.84%
NET OPERATING INCOME (NOI)	\$ 411,332	\$ 4,113	48.16%
DEBT SERVICE PAYMENTS	AMOUNT	PER UNIT	%
CalHFA Permanent Loan	\$ 279,675	\$ 2,797	32.75%
CalHFA Section 8 Loan	\$ -	-	0.00%
-	\$ -	-	0.00%
-	\$ -	-	0.00%
-	\$ -	-	0.00%
-	\$ -	-	0.00%
-	\$ -	-	0.00%
TOTAL DEBT SERVICE PAYMENTS	\$ 279,675	\$ 2,797	32.75%
EXCESS CASH FLOWS AFTER DEBT SERVICE	\$ 131,657	\$ 1,317	15.42%
DEBT SERVICE COVERAGE RATIO (DSCR)	1.47 to 1		
Date: 4/20/16	Senior Staff Date: 04/28/16		

PROJECTED PERMANENT LOAN CASH FLOWS											Sutter Terrace	
Final Commitment											Project Number 16-001-N	
A	B	C	D	E	F	G	H	I	J	K	L	
1	2	3	4	5	6	7	8	9	10	11	12	
YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	
CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	CPI	
4	RENTAL INCOME	912,808	935,628	959,018	982,994	1,007,569	1,032,758	1,058,577	1,085,041	1,112,167	1,139,972	
5	Restricted Unit Rents	-	-	-	-	-	-	-	-	-	-	
6	Unrestricted Unit Rents	-	-	-	-	-	-	-	-	-	-	
7	Commercial Rents	-	-	-	-	-	-	-	-	-	-	
8	Section 8 Rent Subsidies	-	-	-	-	-	-	-	-	-	-	
9	Shelter Care Plus Rent Subsidies	-	-	-	-	-	-	-	-	-	-	
10	Other Subsidy (Specify)	-	-	-	-	-	-	-	-	-	-	
11	Other Subsidy (Specify)	-	-	-	-	-	-	-	-	-	-	
12	Laundry and Vending Income	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060	
13	Garage and Parking Income	-	-	-	-	-	-	-	-	-	-	
14	Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	
15	GROSS POTENTIAL INCOME (GPI)	920,868	943,688	967,078	991,054	1,015,629	1,040,818	1,066,637	1,093,101	1,120,227	1,148,032	
16	VACANCY ASSUMPTIONS											
17	Restricted Unit Rents	45,640	46,781	47,951	49,150	50,378	51,638	52,929	54,252	55,608	56,999	
18	Unrestricted Unit Rents	-	-	-	-	-	-	-	-	-	-	
19	Commercial Rents	-	-	-	-	-	-	-	-	-	-	
20	Section 8 Rent Subsidies	-	-	-	-	-	-	-	-	-	-	
21	Shelter Care Plus Rent Subsidies	-	-	-	-	-	-	-	-	-	-	
22	Other Subsidy (Specify)	-	-	-	-	-	-	-	-	-	-	
23	Other Subsidy (Specify)	-	-	-	-	-	-	-	-	-	-	
24	Laundry and Vending Income	-	-	-	-	-	-	-	-	-	-	
25	Garage and Parking Income	-	-	-	-	-	-	-	-	-	-	
26	Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	
27	TOTAL PROJECTED VACANCY LOSS	45,640	46,781	47,951	49,150	50,378	51,638	52,929	54,252	55,608	56,999	
28	EFFECTIVE GROSS INCOME (EGI)	875,227	896,906	919,128	941,904	965,250	989,180	1,013,708	1,038,849	1,064,619	1,091,033	
29	OPERATING EXPENSES											
30	Administrative Expenses	122,353	126,635	131,067	135,654	140,402	145,316	150,402	155,667	161,115	166,754	
31	Management Fee	49,192	50,411	51,660	52,940	54,252	55,597	56,975	58,389	59,837	61,322	
32	Utilities	78,190	80,927	83,759	86,691	89,725	92,865	96,116	99,480	102,961	106,565	
33	Operating & Maintenance	107,322	111,079	114,966	118,990	123,155	127,465	131,926	136,544	141,323	146,269	
34	Ground Lease Payments	-	-	-	-	-	-	-	-	-	-	
35	Real Estate Taxes	219	226	234	242	251	260	269	278	288	298	
36	Other Taxes & Insurance	59,070	61,137	63,277	65,491	67,784	70,156	72,612	75,153	77,783	80,506	
37	Assisted Living/Board & Care	-	-	-	-	-	-	-	-	-	-	
38	Required Reserve Payments	40,400	40,804	41,212	41,624	42,040	42,461	42,885	43,314	43,747	44,185	
39	TOTAL OPERATING EXPENSES	456,745	471,218	486,175	501,633	517,609	534,120	551,186	568,824	587,055	605,898	
40	NET OPERATING INCOME (NOI)	418,482	425,688	432,952	440,271	447,641	455,060	462,522	470,025	477,564	485,135	
41	DEBT SERVICE PAYMENTS											
42	CalHFA Permanent Loan	279,675	279,675	279,675	279,675	279,675	279,675	279,675	279,675	279,675	279,675	
43	CalHFA Section 8 Loan	-	-	-	-	-	-	-	-	-	-	
44	-	-	-	-	-	-	-	-	-	-	-	
45	-	-	-	-	-	-	-	-	-	-	-	
46	-	-	-	-	-	-	-	-	-	-	-	
47	-	-	-	-	-	-	-	-	-	-	-	
48	-	-	-	-	-	-	-	-	-	-	-	
49	-	-	-	-	-	-	-	-	-	-	-	
50	TOTAL DEBT SERVICE PAYMENTS	279,675	279,675	279,675	279,675	279,675	279,675	279,675	279,675	279,675	279,675	
51	CASH FLOW AFTER DEBT SERVICE	138,807	146,013	153,277	160,596	167,966	175,385	182,847	190,350	197,889	205,460	
52	DEBT SERVICE COVERAGE RATIO	1.50	1.52	1.55	1.57	1.60	1.63	1.65	1.68	1.71	1.73	
53	Date Prepared:	04/20/16										
	Senior Staff Date:	4/28/16										

A		B	M	N	O	P	Q	R	S	T	U	V								
PROJECTED PERMANENT LOAN CASH FLOW																				
Final Commitment																				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
RENTAL INCOME		YEAR																		
CPI																				
1	Restricted Unit Rents	2.50%	1,168,471	1,197,683	1,227,625	1,258,315	1,289,773	1,322,018	1,355,068	1,388,945	1,423,668	1,459,260								
2	Unrestricted Unit Rents	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Commercial Rents	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Section 8 Rent Subsidies	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Shelter Care Plus Rent Subsidies	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Laundry and Vending Income	0.00%	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060
9	Garage and Parking Income	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Miscellaneous Income	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	GROSS POTENTIAL INCOME (GPI)		1,176,531	1,205,743	1,235,685	1,266,375	1,297,833	1,330,078	1,363,128	1,397,005	1,431,728	1,467,320								
12	VACANCY ASSUMPTIONS																			
13	Restricted Unit Rents	5.00%	58,424	59,884	61,381	62,916	64,489	66,101	67,753	69,447	71,183	72,963								
14	Unrestricted Unit Rents	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Commercial Rents	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Section 8 Rent Subsidies	5.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Shelter Care Plus Rent Subsidies	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Laundry and Vending Income	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Garage and Parking Income	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Miscellaneous Income	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	TOTAL PROJECTED VACANCY LOSS		58,424	59,884	61,381	62,916	64,489	66,101	67,753	69,447	71,183	72,963								
24	EFFECTIVE GROSS INCOME (EGI)		1,118,107	1,145,859	1,174,304	1,203,460	1,233,345	1,263,977	1,295,375	1,327,557	1,360,545	1,394,357								
25	OPERATING EXPENSES																			
26	Administrative Expenses	3.50%	172,590	178,631	184,883	191,354	198,051	204,983	212,158	219,583	227,268	235,223								
27	Management Fee	5.62%	62,843	64,403	66,002	67,640	69,320	71,042	72,807	74,615	76,469	78,370								
28	Utilities	3.50%	110,295	114,155	118,151	122,286	126,566	130,996	135,581	140,326	145,237	150,321								
29	Operating & Maintenance	3.50%	151,389	156,687	162,171	167,847	173,722	179,802	186,095	192,609	199,350	206,327								
30	Ground Lease Payments	3.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Real Estate Taxes	1.25%	308	319	330	342	354	366	379	392	406	420								
32	Other Taxes & Insurance	3.50%	83,323	86,240	89,258	92,382	95,616	98,962	102,426	106,011	109,721	113,561								
33	Assisted Living/Board & Care	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	Required Reserve Payments	1.00%	44,627	45,073	45,524	45,979	46,439	46,903	47,372	47,846	48,324	48,808								
35	TOTAL OPERATING EXPENSES		625,376	645,508	666,319	687,831	710,068	733,054	756,817	781,382	806,777	833,030								
36	NET OPERATING INCOME (NOI)		492,732	500,350	507,984	515,629	523,277	530,922	538,558	546,176	553,768	561,327								
37	DEBT SERVICE PAYMENTS																			
38	CalHFA Permanent Loan	Lien #	1	279,675	279,675	279,675	279,675	279,675	279,675	279,675	279,675	279,675								
39	CalHFA Section 8 Loan	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40		3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41		4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42		5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
49		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50	TOTAL DEBT SERVICE PAYMENTS		279,675																	
51	CASH FLOW AFTER DEBT SERVICE		213,057	220,675	228,309	235,954	243,602	251,247	258,882	266,500	274,093	281,652								
52	DEBT SERVICE COVERAGE RATIO		1.76	1.79	1.82	1.84	1.87	1.90	1.93	1.95	1.98	2.01								
53																				

A		B		W	X	Y	Z	AA	AB	AC	AD	AE	AF
PROJECTED PERMANENT LOAN CASH FLOW													
Final Commitment													
1	RENTAL INCOME		21	22	23	24	25	26	27	28	29	30	
2	YEAR	CPI											
3	2.50%	1,495,742	1,533,135	1,571,463	1,610,750	1,651,019	1,692,294	1,734,602	1,777,967	1,822,416	1,867,976		
4	0.00%	-	-	-	-	-	-	-	-	-	-	-	
5	0.00%	-	-	-	-	-	-	-	-	-	-	-	
6	2.50%	-	-	-	-	-	-	-	-	-	-	-	
7	0.00%	-	-	-	-	-	-	-	-	-	-	-	
8	0.00%	-	-	-	-	-	-	-	-	-	-	-	
9	0.00%	-	-	-	-	-	-	-	-	-	-	-	
10	0.00%	-	-	-	-	-	-	-	-	-	-	-	
11	0.00%	-	-	-	-	-	-	-	-	-	-	-	
12	0.00%	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060	
13	0.00%	-	-	-	-	-	-	-	-	-	-	-	
14	0.00%	-	-	-	-	-	-	-	-	-	-	-	
15	GROSS POTENTIAL INCOME (GPI)		1,503,802	1,541,195	1,579,523	1,618,810	1,659,079	1,700,354	1,742,662	1,786,027	1,830,476	1,876,036	
16	VACANCY ASSUMPTIONS												
17	5.00%	74,787	76,657	78,573	80,538	82,551	84,615	86,730	88,898	91,121	93,399		
18	0.00%	-	-	-	-	-	-	-	-	-	-	-	
19	50.00%	-	-	-	-	-	-	-	-	-	-	-	
20	5.00%	-	-	-	-	-	-	-	-	-	-	-	
21	0.00%	-	-	-	-	-	-	-	-	-	-	-	
22	0.00%	-	-	-	-	-	-	-	-	-	-	-	
23	0.00%	-	-	-	-	-	-	-	-	-	-	-	
24	0.00%	-	-	-	-	-	-	-	-	-	-	-	
25	0.00%	-	-	-	-	-	-	-	-	-	-	-	
26	0.00%	-	-	-	-	-	-	-	-	-	-	-	
27	TOTAL PROJECTED VACANCY LOSS		74,787	76,657	78,573	80,538	82,551	84,615	86,730	88,898	91,121	93,399	
28	EFFECTIVE GROSS INCOME (EGI)		1,429,014	1,464,538	1,500,950	1,538,273	1,576,528	1,615,740	1,655,932	1,697,128	1,739,355	1,782,637	
29	OPERATING EXPENSES												
30	CPI / Fee												
31	3.50%	243,456	251,977	260,796	269,924	279,371	289,149	299,269	309,744	320,585	331,805		
32	5.62%	80,318	82,314	84,361	86,459	88,609	90,813	93,072	95,387	97,760	100,193		
33	3.50%	155,582	161,027	166,663	172,496	178,534	184,792	191,250	197,944	204,872	212,042		
34	3.50%	213,549	221,023	228,759	236,765	245,052	253,629	262,506	271,693	281,203	291,045		
35	3.50%	435	450	466	482	499	517	535	554	573	593		
36	1.25%	117,536	121,650	125,907	130,314	134,875	139,596	144,482	149,538	154,772	160,189		
37	3.50%	-	-	-	-	-	-	-	-	-	-	-	
38	0.00%	49,296	49,789	50,287	50,789	51,297	51,810	52,328	52,852	53,380	53,914		
39	1.00%	860,171	888,230	917,239	947,230	978,237	1,010,296	1,043,441	1,077,711	1,113,145	1,149,782		
40	TOTAL OPERATING EXPENSES		860,171	888,230	917,239	947,230	978,237	1,010,296	1,043,441	1,077,711	1,113,145	1,149,782	
41	NET OPERATING INCOME (NOI)		568,844	576,309	583,712	591,043	598,291	605,444	612,490	619,417	626,210	632,856	
42	DEBT SERVICE PAYMENTS												
43	Lien #												
44	1	279,675	279,675	279,675	279,675	279,675	279,675	279,675	279,675	279,675	279,675	279,675	
45	2	-	-	-	-	-	-	-	-	-	-	-	
46	3	-	-	-	-	-	-	-	-	-	-	-	
47	4	-	-	-	-	-	-	-	-	-	-	-	
48	5	-	-	-	-	-	-	-	-	-	-	-	
49	-	-	-	-	-	-	-	-	-	-	-	-	
50	TOTAL DEBT SERVICE PAYMENTS		279,675										
51	CASH FLOW AFTER DEBT SERVICE		289,169	296,634	304,037	311,368	318,616	325,769	332,815	339,742	346,535	353,181	
52	DEBT SERVICE COVERAGE RATIO		2.03	2.06	2.09	2.11	2.14	2.16	2.19	2.21	2.24	2.26	
53	Date Prepared: 04/20/16 Senior Staff Date: 4/28/16												

A		B		AG	AH	AI	AJ	AK	AL	AM	AN	AO	AP
PROJECTED PERMANENT LOAN CASH FLOW													
Final Commitment													
Project Commitment		31	32	33	34	35	36	37	38	39	40	Sutter Terrace	
YEAR		31	32	33	34	35	36	37	38	39	40	16-001-N	
CPI													
1	RENTAL INCOME												
2	Restricted Unit Rents	1,914,676	1,962,543	2,011,606	2,061,896	2,113,444	2,166,280	2,220,437	2,275,948	2,332,846	2,391,167		
3	Unrestricted Unit Rents	-	-	-	-	-	-	-	-	-	-		
4	Commercial Rents	-	-	-	-	-	-	-	-	-	-		
5	Section 8 Rent Subsidies	-	-	-	-	-	-	-	-	-	-		
6	Shelter Care Plus Rent Subsidies	-	-	-	-	-	-	-	-	-	-		
7	Other Subsidy (Specify)	-	-	-	-	-	-	-	-	-	-		
8	Other Subsidy (Specify)	-	-	-	-	-	-	-	-	-	-		
9	Laundry and Vending Income	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060		
10	Garage and Parking Income	-	-	-	-	-	-	-	-	-	-		
11	Miscellaneous Income	-	-	-	-	-	-	-	-	-	-		
12	GROSS POTENTIAL INCOME (GPI)	1,922,736	1,970,603	2,019,666	2,069,956	2,121,504	2,174,340	2,228,497	2,284,008	2,340,906	2,399,227		
13	VACANCY ASSUMPTIONS												
14	Restricted Unit Rents	95,734	98,127	100,580	103,095	105,672	108,314	111,022	113,797	116,642	119,558		
15	Unrestricted Unit Rents	-	-	-	-	-	-	-	-	-	-		
16	Commercial Rents	-	-	-	-	-	-	-	-	-	-		
17	Section 8 Rent Subsidies	-	-	-	-	-	-	-	-	-	-		
18	Shelter Care Plus Rent Subsidies	-	-	-	-	-	-	-	-	-	-		
19	Other Subsidy (Specify)	-	-	-	-	-	-	-	-	-	-		
20	Other Subsidy (Specify)	-	-	-	-	-	-	-	-	-	-		
21	Laundry and Vending Income	-	-	-	-	-	-	-	-	-	-		
22	Garage and Parking Income	-	-	-	-	-	-	-	-	-	-		
23	Miscellaneous Income	-	-	-	-	-	-	-	-	-	-		
24	TOTAL PROJECTED VACANCY LOSS	95,734	98,127	100,580	103,095	105,672	108,314	111,022	113,797	116,642	119,558		
25	EFFECTIVE GROSS INCOME (EGI)	1,827,002	1,872,475	1,919,086	1,966,861	2,015,831	2,066,026	2,117,475	2,170,210	2,224,264	2,279,669		
26	OPERATING EXPENSES												
27	Administrative Expenses	343,418	355,438	367,878	380,754	394,080	407,873	422,149	436,924	452,216	468,044		
28	Management Fee	102,687	105,242	107,862	110,547	113,300	116,121	119,013	121,977	125,015	128,129		
29	Utilities	219,464	227,145	235,095	243,323	251,839	260,654	269,777	279,219	288,992	299,106		
30	Operating & Maintenance	301,231	311,775	322,687	333,981	345,670	357,768	370,290	383,251	396,664	410,548		
31	Ground Lease Payments	-	-	-	-	-	-	-	-	-	-		
32	Real Estate Taxes	614	635	658	681	704	729	755	781	808	837		
33	Other Taxes & Insurance	165,796	171,599	177,605	183,821	190,255	196,914	203,806	210,939	218,322	225,963		
34	Assisted Living/Board & Care	-	-	-	-	-	-	-	-	-	-		
35	Required Reserve Payments	54,453	54,998	55,548	56,103	56,664	57,231	57,803	58,381	58,965	59,555		
36	TOTAL OPERATING EXPENSES	1,187,663	1,226,831	1,267,332	1,309,210	1,352,513	1,397,290	1,443,592	1,491,471	1,540,982	1,592,180		
37	NET OPERATING INCOME (NOI)	639,339	645,644	651,754	657,652	663,319	668,736	673,883	678,739	683,282	687,489		
38	DEBT SERVICE PAYMENTS												
39	CalHFA Permanent Loan	279,675	279,675	279,675	279,675	279,675	279,675	279,675	279,675	279,675	279,675		
40	CalHFA Section 8 Loan	-	-	-	-	-	-	-	-	-	-		
41	-	-	-	-	-	-	-	-	-	-	-		
42	-	-	-	-	-	-	-	-	-	-	-		
43	-	-	-	-	-	-	-	-	-	-	-		
44	-	-	-	-	-	-	-	-	-	-	-		
45	-	-	-	-	-	-	-	-	-	-	-		
46	-	-	-	-	-	-	-	-	-	-	-		
47	-	-	-	-	-	-	-	-	-	-	-		
48	-	-	-	-	-	-	-	-	-	-	-		
49	-	-	-	-	-	-	-	-	-	-	-		
50	TOTAL DEBT SERVICE PAYMENTS	279,675											
51	CASH FLOW AFTER DEBT SERVICE	359,664	365,969	372,079	377,977	383,644	389,061	394,208	399,064	403,607	407,814		
52	DEBT SERVICE COVERAGE RATIO	2.29	2.31	2.33	2.35	2.37	2.39	2.41	2.43	2.44	2.46		
53	Date Prepared:	04/20/16											
	Senior Staff Date:	4/28/16											

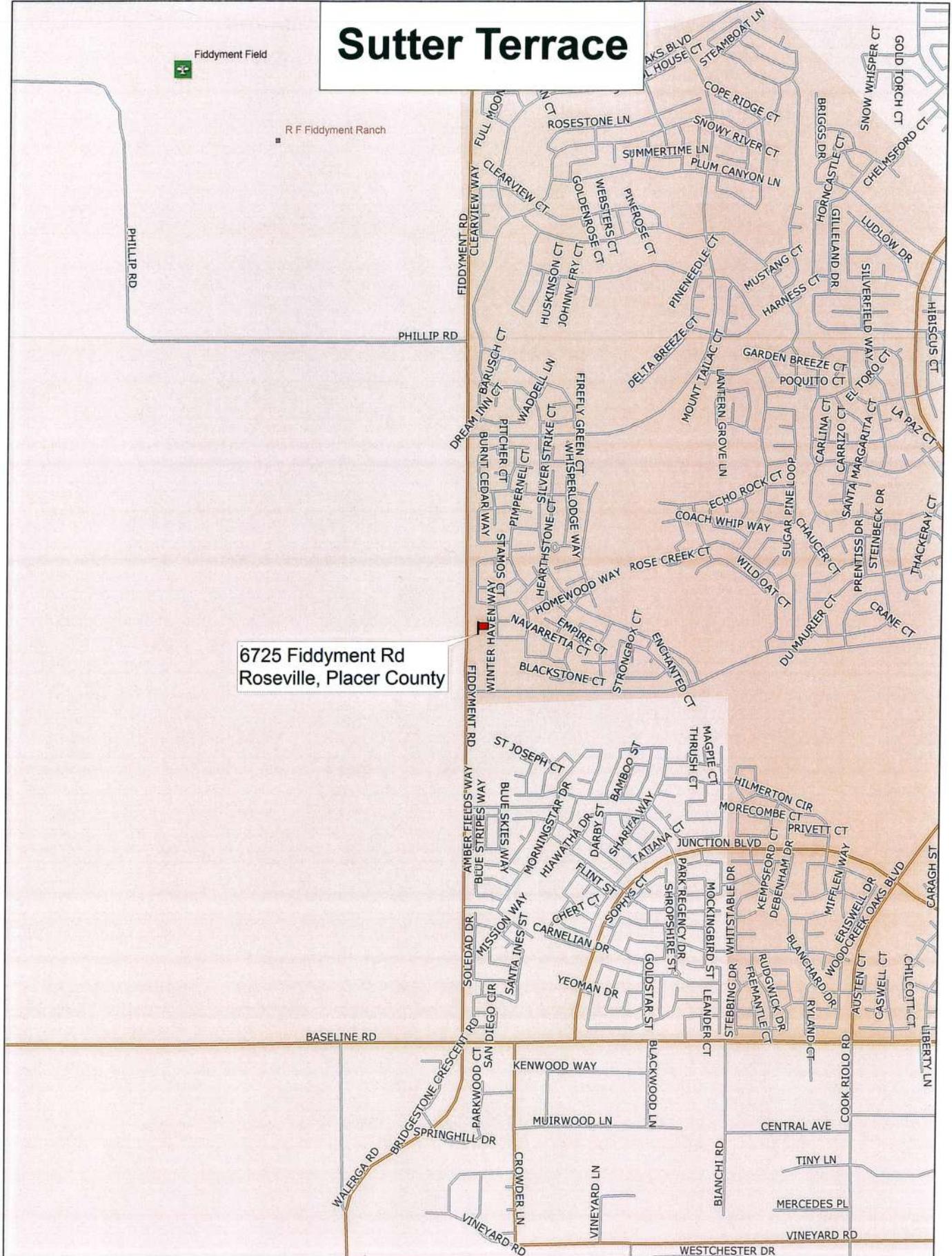
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Sutter Terrace

Fiddymnt Field

R F Fiddymnt Ranch

6725 Fiddymnt Rd
Roseville, Placer County



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www.delorme.com



Scale 1 : 24,000



1" = 2,000.0 ft

Data Zoom 13-1

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CalHFA/HUD RISK SHARE REFINANCE LOAN PROGRAM

Program Description	<p>The CalHFA/HUD Risk Share Refinance Loan Program (“Refinance Program”) provides competitive financing through its partnership with HUD and the U.S. Treasury for the refinance of affordable housing developments that need no rehabilitation or only minor (non-substantial) rehabilitation. Owners/Borrowers must agree to preserve and/or increase the affordability restrictions.</p> <p>In addition, the Refinance Program allows equity take-outs in connection with refinancings (subject to CalHFA approval and CalHFA underwriting criteria).</p>
Qualifications	<ul style="list-style-type: none"> • Available to for-profit, non-profit, and public agency sponsors. • Taxable financing only – (tax-exempt bonds will not be issued for these projects). • For Section 8 projects, final commitment is conditioned upon review and acceptance by CalHFA of the AHAP contract. • For existing CalHFA portfolio loans, the current owner is required to pay off all outstanding CalHFA debt. This includes subordinate loans, deferred payment loans, residual receipts loans, indirect loans provided by CalHFA to localities, or any other financing provided directly or indirectly by CalHFA at loan origination or anytime thereafter. Please click here for the CalHFA Portfolio Loan Prepayment Policy
Loan Amount	<ul style="list-style-type: none"> • Minimum 1.15x for debt service coverage ratio • Lesser of 90% of restricted value or 100% of development costs • For projects seeking a cash equity take-out, reduced loan to value and increased debt service coverage may apply, subject to CalHFA approval.
Fees (subject to change)	<ul style="list-style-type: none"> • Application Fee: \$5,000 non-refundable, due at time of application submittal • Loan Fee: 1.00% of the loan amount due at loan closing • Credit Enhancement Fee: included in the interest rate • Monitoring Fee: included in the interest rate • Legal Fee: \$10,000, due at loan closing
Rate & Terms (subject to change)	<p>Permanent Loan (fully amortized):</p> <ul style="list-style-type: none"> • Interest Rate: 10 year Treasury plus 2.00%-2.75%, fixed for the term of the loan • Loan Payment/Term – fully amortized, up to 40 years <p>Interest Rate is locked up to 60 days prior to loan close</p>

Credit Enhancement	The Refinance Program will be credit-enhanced through CalHFA's HUD/FHA Risk Sharing program. If applicable, projects financed through the Refinance Program must comply with the Davis-Bacon Act and/or California state prevailing wage requirements.
Prepayment	<p>The loan may be prepaid at par after 15 years of the permanent loan period. However, the loan may be prepaid after 10 years of the permanent loan period subject to a yield maintenance calculation of:</p> <ul style="list-style-type: none"> • 5% of the principal balance after the end of year 10 • 4% of the principal balance after the end of year 11 • 3% of the principal balance after the end of year 12 • 2% of the principal balance after the end of year 13 • 1% of the principal balance after the end of year 14 <p>All prepayments require a written 120-day notice to CalHFA.</p>
Subordinate Financing	Loans or grants are encouraged from local government and third parties to achieve project feasibility. All loans, leases, development and regulatory agreements must be coterminous and subordinate to the CalHFA financing. Any loans with amortized debt will be included in the minimum 1.15x debt service coverage ratio calculation.
Occupancy Requirements	<ul style="list-style-type: none"> • Must maintain the greater of (1) existing affordability restrictions, or (2) either (a) 20% of the unit types must be rent restricted and occupied by individuals whose incomes are 50% or less of the area (county) median gross income as determined by HUD ("AMI") with adjustments for household size ("20% @ 50% AMI"), OR (b) 40% or more of the unit types must be both rent restricted and occupied by individuals whose income is 60% or less of the AMI, with adjustments for HUD for household size ("40% @ 60% AMI"): however in the latter case, a minimum of 10% of the unit types must be at 50% or less of AMI. • For those units restricted by CalHFA, in adjusting rents for household size, the Owner/Borrower will assume that one person will occupy a studio unit, two persons will occupy a one-bedroom unit, three persons will occupy a two-bedroom unit, four persons will occupy a three-bedroom unit, and five persons will occupy a four-bedroom unit. • Projects for seniors require rents based on one person per bedroom on the CalHFA restricted units.

<p>Due Diligence</p>	<p>All of the following due diligence items are required and shall be provided at the Owner/Borrower's expense:</p> <ul style="list-style-type: none"> • Property appraisal • Market study (negotiable) • Phase I Environmental Site Assessment report including but not limited to impact reviews that meet federal environmental requirements (such as historic preservation and noise remediation) • Physical Needs Assessment (PNA) for rehabilitation projects with "Needs Over Time" analysis for the term of the loan <ul style="list-style-type: none"> ○ Non-substantial rehabilitation may be required • Rehabilitation period inspection fees are estimated at \$500 - \$1,000 per month • Termite/Dry Rot reports by licensed company • Seismic review and other studies may be required at CalHFA's discretion • Other studies/reports at CalHFA's discretion
<p>Required Reserves</p>	<ul style="list-style-type: none"> • Replacement Reserve: Initial cash deposit required, varies by project type and PNA. • Operating Expense Reserve (may be required): 10% of annual gross income due at permanent loan closing (letter of credit or cash). • Impounds: One year's prepaid earthquake, hazard insurance premiums, and property tax assessments. • Earthquake Insurance Waiver: Available for projects which have met CalHFA earthquake waiver standards during construction. • Other reserves as required.
<p>Questions</p>	<p>Questions regarding the Refinance Program can be directed to CalHFA's Multifamily Program's Division:</p> <ul style="list-style-type: none"> • Ruth Vakili, Loan Officer, Multifamily Programs • 500 Capitol Mall, MS 1420, Sacramento, CA 95814 • Phone: 877.922.5432 or directly at 916.326.8816 • Email address: rvakili@calhfa.ca.gov <p style="text-align: center;">or</p> <ul style="list-style-type: none"> • James Morgan, Housing Finance Chief, Multifamily Programs • 500 Capitol Mall, MS 1420, Sacramento, CA 95814 • Phone: 877.922.5432 or directly at 916.326.8806 • Email address: jmorgan@calhfa.ca.gov

IMPORTANT DISCLOSURE INFORMATION:

The information provided in this program description is for guidance only. While we have taken care to provide accurate information, we cannot cover every circumstance nor program nuance. This program description is subject to change from time to time without prior notice. The California Housing Finance Agency does not discriminate on any prohibited basis in employment or in the admission and access to its programs or activities.

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RESOLUTION 16-08

RESOLUTION AUTHORIZING A FINAL LOAN COMMITMENT

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WHEREAS, the California Housing Finance Agency (the "Agency") has received a loan application on behalf of Sutter Terrace Roseville, LP, a California limited partnership, (the "Borrower"), seeking a loan commitment, the proceeds of which are to be used to provide financing for a multifamily housing development located in Roseville, Placer County, California, known as Sutter Terrace Apartments (the "Development"); and

WHEREAS, the loan application has been reviewed by Agency staff which prepared a report presented to the Board on the meeting date recited below (the "Staff Report"), recommending Board approval subject to certain recommended terms and conditions; and

WHEREAS, Agency staff has determined or expects to determine prior to making a binding commitment to fund the loan for which the application has been made, that (i) the Agency can effectively and prudently raise capital to fund the loan for which the application has been made, by direct access to the capital markets, by private placement, or other means and (ii) any financial mechanisms needed to insure prudent and reasonable financing of loans can be achieved; and

WHEREAS, the Board wishes to grant the staff the authority to enter into a loan commitment upon Agency staff determining in its judgment that reasonable and prudent financing mechanisms can be achieved;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Agency as follows:

1. The Executive Director, or in his/her absence, the Chief Deputy Director, is hereby authorized to execute and deliver a final commitment letter, in a form acceptable to the Agency, and subject to recommended terms and conditions set forth in the Staff Report and any terms and conditions as the Board has designated in the Minutes of the Board Meeting, in relation to the Development described above and as follows:

<u>PROJECT NUMBER</u>	<u>DEVELOPMENT NAME/ LOCALITY</u>	<u>MORTGAGE AMOUNT</u>
16-001-N	SUTTER TERRACE APARTMENTS ROSEVILLE, PLACER COUNTY CALIFORNIA	\$5,790,000.00 Permanent Loan

Resolution No. 16-08

1 The Board recognizes that in the event that staff cannot determine that reasonable and
 2 prudent financing mechanisms can be achieved, the staff will not enter into loan
 3 commitments to finance the Development. In addition, access to capital markets, or
 4 financing related thereto, may require significant changes to the terms of loans submitted
 5 to the Board. Notwithstanding paragraph 2 below, the staff is authorized to make any
 6 needed modifications to the loan which in staff’s judgment are directly or indirectly the
 7 result of the disruptions to the capital markets referred to above.

8
 9 2. The Executive Director may modify the terms and conditions of the
 10 loan or loans as described in the Staff Report, provided that major modifications, as
 11 defined below, must be submitted to this Board for approval. "Major modifications" as
 12 used herein means modifications which either (i) increase the total aggregate amount of
 13 any loans made pursuant to the Resolution by more than 7%; or (ii) modifications which
 14 in the judgment of the Executive Director, or in his/her absence, the Chief Deputy
 15 Director of the Agency, adversely change the financial or public purpose aspects of the
 16 final commitment in a substantial way.

17
 18 I hereby certify that this is a true and correct copy of Resolution 16-08 adopted at a duly
 19 constituted meeting of the Board of the Agency held on May 17, 2016, at Sacramento,
 20 California.

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 24 ATTEST: _____
 25 Secretary
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MULTIFAMILY PROGRAMS DIVISION
Final Review & Request for Loan Approval

Senior Loan Committee Approval Date: April 28, 2016

Project Name:	Renwick Square (Elk Grove, Sacramento County) 16-002-N
CalHFA Loan Amount:	\$ 8,950,000, Permanent Loan only

TRANSACTION FACTS

Loan Origination:	Jim Morgan	Underwriting:	Enoch Yeung
Asset Management:	Richard Dewey	Loan Administration:	Kevin Brown
Legal (Internal):	Marc Victor	Legal (External):	n/a
Projected Closing Date:	6/30/2016	Approval Expiration Date:	12/31/2016

1. Address	3227 Renwick Ave., Elk Grove, Sacramento County, 95758					
2. Legislative Districts	Congress:	7	Assembly:	9	State Senate:	6
3. Brief Project Description	Renwick Square is a 150-unit senior affordable apartment complex. 20% of the units (30 units) are restricted by CalHFA to 50% AMI, the balance of the units (120 units) are at 60% AMI. The project has 120 one-bedroom units, 30 two-bedroom units, pool and a community space. The property was constructed in 1998 and acquired in 2012 by Avanath. The complex is in very good condition and requires minimal rehabilitation.					
4. Sponsor/Developer	Avanath Affordable Housing I, LLC					
5. Borrower	Renwick Square Elk Grove, LP, a Delaware limited partnership					

CALHFA LOAN TERMS

		<u>Acquisition & Rehabilitation Loan</u>	<u>Permanent Loan</u>
6. Total Loan Amount		n/a	\$8,950,000
7. Loan Term		n/a	40 years
8. Interest Rate		n/a	10-year treasury + 1.85% Currently underwritten at 3.75% The rate is subject to change and will be locked up to 60 days prior to loan closing.
9. Loan to Value		n/a	73%
10. Loan to Cost		n/a	98%

TRANSACTION CONCLUSIONS

11.	Project Strengths
<ul style="list-style-type: none"> ▪ The project has been in the CalHFA portfolio since 1998 and is in good condition. ▪ The project scope will increase the amount of ADA Accessible units from 5% (8 units) to 10% (15 units). ▪ There will be no rent increase to the affordable units as a result of this refinance. ▪ There is substantial need for senior affordable housing in the greater Elk Grove area. The project is currently 100% leased with a waiting list. ▪ The new financing extends the affordability of the property a minimum of 5 years from 2034 to 2039. ▪ The loan is underwritten at a 73% LTV and 1.60 DCR. 	
12.	Project Weaknesses w/ Mitigants:
<p>While the project has been maintained well over the past 18 years, the project has operated with relatively low replacement reserve requirements at less than \$300/unit/year. CalHFA intends to increase annual replacement reserve requirements to \$450/unit/year in order to extend the economic useful life of the project.</p>	
13.	Conclusion/Recommendation:
<p>The Multifamily Lending Division supports approval of this loan at the amount requested and subject to the terms proposed.</p>	

MISSION & AFFORDABILITY

14.	CalHFA Mission/Goals												
<p>This project provides needed affordable senior units in a desirable area. This transaction will provide the opportunity to retain the project in CalHFA's portfolio. In addition, the planned rehabilitation will extend the project's economic life and affordability.</p>													
15.	Project Affordability Restrictions												
<table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th style="width: 33%;">Area Median Income Level</th> <th style="width: 33%;">New Restrictions (Expires 2039)</th> <th style="width: 33%;">Existing Restrictions (Expires 2034)</th> </tr> </thead> <tbody> <tr> <td>50%</td> <td>30 Units</td> <td>30 Units</td> </tr> <tr> <td>60%</td> <td>119 Units</td> <td>119 Units</td> </tr> <tr> <td>Manager's Unit</td> <td>1 Unit</td> <td>1 Unit</td> </tr> </tbody> </table>		Area Median Income Level	New Restrictions (Expires 2039)	Existing Restrictions (Expires 2034)	50%	30 Units	30 Units	60%	119 Units	119 Units	Manager's Unit	1 Unit	1 Unit
Area Median Income Level	New Restrictions (Expires 2039)	Existing Restrictions (Expires 2034)											
50%	30 Units	30 Units											
60%	119 Units	119 Units											
Manager's Unit	1 Unit	1 Unit											
<p>The above represent affordability restrictions of CalHFA. TCAC also restricts 60 units at 60% of AMI until 2028.</p>													
16.	CalHFA Affordability Restrictions												
<p>The existing CalHFA Regulatory Agreement restricts 20% of the units to 50% AMI and 80% of the units to 60% AMI. The existing Regulatory Agreement will be terminated at loan closing and a new CalHFA Regulatory Agreement will be recorded providing the same affordability restrictions until 2039 (existing CalHFA loan term plus 5 years).</p>													
17.	Geocoder Information												
<ul style="list-style-type: none"> ○ Central City: No ○ Low/Mod Census Tract: middle ○ Minority Census Tract: 63.18% ○ Underserved: no ○ Below poverty line 7.74% 													

CURRENT PORTFOLIO LOAN

18.	Previous CalHFA Loan:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$6,000,000 Risk Share Loan; closed December 29, 1998; 6.75% interest
19.	Unpaid Principal Balance:	\$4,621,521 as of April 19, 2016	
20.	Loan Maturity Date:	January 1, 2034	
21.	Affordability Restriction Expiration:	January 1, 2034	
22.	Yield Maintenance Due:	\$1,338,959	
23.	Other CalHFA Debt:	None	
24.	Other Debt Sources	None	

ANTICIPATED PROJECT MILESTONES & SCHEDULE

25.	CDLAC/TCAC Closing Deadline:	n/a
26.	Estimated Loan Closing Date:	June 30, 2016
27.	Estimated Construction Start:	July 15, 2016
28.	Estimated Construction Completion:	September 15, 2016
29.	Est. Stabilization & Conversion to Perm	n/a

PROJECT FINANCING STRUCTURE

30.	Acq/Rehab Debt & Grants		
	<u>Source</u>	<u>Amount</u>	<u>Lien Position</u>
	n/a	n/a	n/a
31.	Permanent Debt & Grants		
	<u>Source</u>	<u>Amount</u>	<u>Lien Position</u>
	CalHFA Permanent Loan	\$8,950,000	1 st
	Augmentation of Existing Replacement Reserve	\$425,524	n/a
32.	Equity Take Out	\$1,800,000-Borrower intends to use equity take out proceeds and reinvest into other properties within Avanath's capital portfolio.	
33.	Cash Flow Analysis		
	<p>The CalHFA permanent loan was underwritten with existing rents, while using an operating budget that is reasonable and consistent with both the project's past operating budgets as well as comparable properties' operating budgets in the City of Elk Grove/Sacramento County Area.</p> <p>The debt coverage ratio in the first year of operations is 1.60 and increases to 3.00 in year 40. This is based on the assumption of annual increases of 2.5% for income, 3.5% for expenses and 1% for replacement reserves.</p>		
34.	Exit Strategy		
	The loan will be repaid via principal and interest payments, amortized and due in 40 years.		

DEVELOPMENT SUMMARY

35.	Total Development Costs	\$9,135,524	Per Unit:	\$60,904
36.	Hard Development Costs	\$556,650	Per Unit:	\$3,711
37.	Hard Development Contingencies	\$103,000	% of Hard Development Costs:	18.5%
38.	Site Description			
	<ul style="list-style-type: none"> The 5.73 acre site is rectangular shaped and is level at street grade. The site is in a moderate/minimal risk area flood zone. The subject property is zoned "RD-30", Residential District 30 units. The subject property is considered a legal non-conforming use under the designated zoning because of less-than-minimum onsite parking. 			
39.	Form of Site Control & Expiration Date	N/A – Recapitalization of Existing Property		
40.	Current Ownership Entity of Record	Renwick Square Elk Grove, L.P. (Borrower)		
41.	Energy Savings			
	All new appliances are required to be Energy Star.			
42.	Water Savings			
	No specific water efficiency upgrades are anticipated.			
43.	Environmental Review			
	A Phase I Environmental Site Assessment performed by f3, Inc., dated February 9, 2016, found no evidence of recognized environmental conditions or environmental issues in connection with the project. Based on its conclusions, f3 recommends no further investigation of the project at this time.			
44.	Seismic Review			
	According to a seismic study by Partner Engineering and Science, Inc., dated February 19, 2016, the project is not within a documented Alquist-Priolo special studies earthquake zone.			
	The seismic report indicates the Probable Maximum Loss ("PML") for the Project is 6%. The damage ratio meets CalHFA's seismic risk criteria of a PML ratio of 20% or less and qualifies for the Agency's earthquake insurance waiver.			
45.	Relocation			
	There will be no relocation required, either temporary or permanent.			
46.	Construction Scope			
	Major elements include:			
	<ul style="list-style-type: none"> Site work and Landscaping (\$53,100) <ul style="list-style-type: none"> Prepare a corrective action plan to adequately address the identified accessibility barrier issues Redesign and restripe existing accessible parking spaces to be modified for "Van Accessibility" Remove the concrete ramp and install an ADA compliant curb cut ramp Install cane detection rails at the underside of the ground floor level stair. Building Exterior (\$300,000) <ul style="list-style-type: none"> Install the upper and lower one-third of the domestic water heaters appropriate seismic straps at the required locations of the domestic water heaters. Ashphalt Tile Roofing repair seal around flashing and piping Capitalize replacement reserve for replacement of roof in the next 5 years. Replace HVAC Condensers and HVAC Air Handlers due to be replaced ADA Unit Interiors and ADA Community Room (\$364,800) <ul style="list-style-type: none"> Lower all thermostats serving the "covered" ground floor dwelling units to no higher than 48 inches AFF. 			

- Replace refrigerators with smaller units, recess existing refrigerators as far as possible, or relocate cabinetry so that a minimum 40” of clearance is provided between the opposing faces of all cabinetry and appliances.
 - Modify the bathroom sinks and flooring as necessary in order to meet ADA requirements.
 - Modify a minimum of 10% of the dwelling units (15 total) be modified for full accessibility (“Mobility Impairments”).
 - Install strobe/horn alarms, visual indicators at door bells, and phones, as applicable in six dwelling units to meet the 4% “sensory impairment” dwelling unit requirement.
 - Other Unit Interior Renovations (\$78,750)
 - Replace cabinets due for replacement
 - Replace Carpet and Vinyl for units due for replacement
 - Replace kitchen appliances (range, dishwasher, and refrigerator) in units due for replacement.
- *An augmentation of the Replacement Reserves by \$240,000 will be set aside for roof replacement in the next 5 years.

47. Budget Comments:
 The rehabilitation scope of work is fairly limited as the project is in very good condition. Other than repair of deferred maintenance items, the largest line item in the budget will focus on general ADA improvements and a replacement reserve set aside for roof replacement throughout the property.

PROJECT DETAILS

48. Tenancy / Occupancy Type:	Senior			
49. Special Needs Population	N/A			
50. Total Residential Units:	150			
51. Property Construction	Low-Rise			
	Buildings:	17	Stories:	2
	Elevators:	one	Unit Style:	flats
	Year Built:	1998	Year of Last Rehab:	N/A
52. Total Land Area (acres)	5.73 acres			
	Residential Square Footage:	98,724	Residential Units per Acre:	26.2
	Covered Parking Spaces:	0	Total Parking Spaces:	152
53. Commercial Space:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Square Footage:	N/A
54. Appraisal Review	<ul style="list-style-type: none"> ● The appraisal valuation is based on an income capitalization approach and identified 6 comparable properties from .3 miles to 4.1 miles from the project. ● The appraiser reported that cap rates for comparable multifamily properties ranged from 4.7%-6.1%. The appraiser selected a 5.25% cap rate for the subject property. ● A 4.5% vacancy assumption was used based on a historical vacancy of 4.0% plus a .5% collection expense. ● The appraiser concluded an \$12,190,000 stabilized restricted value post rehabilitation ● The CalHFA permanent loan is 73% of restricted value. 			
55. Property Description	<ul style="list-style-type: none"> ● This 150-unit, low-rise project was built in 1998 on a 5.73 acre site, consisting of seventeen (17) one and two-story residential buildings and one club house building. The buildings are wood frame with stucco siding exterior, concrete slab foundations, and composition shingle roofs. ● The clubhouse building houses the administrative offices, recreation rooms and laundry rooms. 			

- The site also includes a swimming pool, fitness center and business center.
- The dwelling units are heated and cooled by split system air conditioners with a hot water loop from the water heater.
- Appliances provided in each dwelling unit consist of a refrigerator, electric range/oven, vent hood, countertop, garbage disposal, dishwasher and laundry equipment.
- Each unit includes a 40 gallon hot water heater.
- There are 152 uncovered tenant parking stall spaces.
- The project includes 150 units as follows:

Unit Size	Income Restriction	Number of Units	Average Square Feet
1 Bedroom	50% AMI	24	553
1 Bedroom	60% AMI	96	553
2 Bedroom	50% AMI	6	734
2 Bedroom	60% AMI	23	734
2 Bedroom	Manager Unit	1	734

MARKET ANALYSIS

56. Market Study:	Appraisal by Colliers International.	March 4, 2016
57. Regional Market Overview	<ul style="list-style-type: none"> • The regional market area for the project is comprised of the Yolo, El Dorado, Placer and Sacramento counties. • There were 2,216,129 people in the regional area in 2015 and the population is expected to grow .8% over the next five years. • The number of households is expected to increase by 32,032 over the next 5 years. • The median income for Sacramento Metropolitan area is estimated at \$58,279, approximately 16.5% below the median income estimated for the State of California. 	
58. Local Market Area Analysis	<ul style="list-style-type: none"> • The project is located in a neighborhood that consists primarily of other residential multifamily and commercial. • The main commercial development is concentrated along major thoroughfares Laguna Blvd and Elk Grove Blvd. • Community services and facilities are readily available in the surrounding area including: fire stations, hospitals, police stations, parks, golf courses, recreational facilities and public schools. 	
59. Supply	<p>The project should remain fully occupied during and after the proposed renovation based on the following:</p> <ul style="list-style-type: none"> • Occupancy rates in the Elk Grove/South Sacramento market averaged 97.6% for market rate apartments and a projected vacancy rate of 2.6% over the next 5 years in this submarket. • There are no new multifamily projects under construction or planned in the South Sacramento/Elk Grove submarket. 	
60. Demand/Absorption	<p>Rent growth is projected from 2.6% to 5.3% over the next 4 years with overall low vacancies into the foreseeable future. Demand is expected to remain stable in the project's immediate market area.</p>	

DEVELOPMENT TEAM OVERVIEW

61.	Borrower	Renwick Square Elk Grove, LP
<p>The Borrower is Renwick Square Elk Grove LP, a Delaware limited partnership, whose General Partner is Avanath Renwick GP, LLC a Delaware limited liability corporation, whose sole member is Avanath Affordable Housing I, LLC. The managing general partner is COR Community Development Corporation.</p>		
62.	Guarantor	n/a
<p>The payment and completion guarantee is not required for this perm-only loan.</p>		
63.	Developer/Sponsor	Avanath Affordable Housing I, LLC
<p>Avanath Affordable Housing I, LLC (the Company) was formed on August 17, 2010 located in Irvine. The Company's strategy is to acquire affordable apartment properties that were originally developed under the Low Income Housing Tax Credit program or with other affordable structures, with the goals of enhancing the physical assets and maintaining long term affordability. The company has successfully deployed capital into 18 affordable multifamily investments with \$120 million of capital commitments from various institutional investors.</p>		
64.	Management Agent	McKinley, Inc.
<p>McKinley, Inc. was founded in 1968 and headquartered in Ann Arbor, Michigan. McKinley, Inc. is a leading owner and manager of multifamily and commercial real estate and is ranked #37 in the National Multifamily Housing Council Top 50 list of national apartment management companies. McKinley, Inc. manages more than 34,000 units throughout 25 states across the United States.</p>		
65.	Contractor	n/a
<ul style="list-style-type: none"> • Given the limited scope, Avanath Capital Management will have its own staff address the scope. 		
66.	Architect	n/a
<ul style="list-style-type: none"> • The scope of non-substantial rehabilitation does not necessarily require the services of an architect, but a design professional will be engaged to perform a site survey / review and make recommendations to bring the site up to ADA compliance. 		

CALHFA INTERNAL REVIEW

67.	Loan Covenants or Special Terms & Conditions:
<ul style="list-style-type: none">• HUD must provide a firm approval letter for the use of FHA Risk-Share on this project.• CalHFA and HUD Approval of the property management agent is a condition of loan closing.	

EXHIBITS

- A. Detailed Financial Analysis
- B. Site/Location maps
- C. Term Sheet

PROJECT SUMMARY		Final Commitment				
Acquisition, Rehab, Construction & Permanent Loans		Project Number	16-002-N			
Project Full Name	Renwick Square	Borrower Name:	Renwick Square Elk Grove, L.P.			
Project Address	3227 Renwick Ave	Managing GP:	Avanath Renwick GP, LLC			
Project City	Elk Grove	Developer Name:	Avanath Affordable Housing I, LLC			
Project County	Sacramento	Investor Name:	N/A			
Project Zip Code	95758	Prop Management:	McKinley, Inc.			
		Tax Credits:	None			
Project Type:	Permanent Loan Only	Total Land Area (acres):	5.73			
Tenancy/Occupancy:	Senior	Residential Square Footage:	88,380			
Total Residential Units:	150	Residential Units Per Acre:	26.18			
Total Number of Buildings:	17					
Number of Stories:	2	Covered Parking Spaces:	150			
Unit Style:	Flat	Total Parking Spaces:	150			
Elevators:	1					
Acq/Construction/Rehab Financing		Loan Amount (\$)	Loan Fees	Loan Term (Mo.)	Amort. Period (Yr.)	Starting Interest Rate
CalHFA Loan		-	--	0	--	--
--		--	--	--	--	--
--		--	--	--	--	--
--		--	--	--	--	--
Impounds & Reserves		-	--	--	--	--
--		--	--	--	--	--
--		--	--	--	--	--
Permanent Financing		Loan Amount (\$)	Loan Fees	Loan Term (Yr.)	Amort. Period (Yr.)	Starting Interest Rate
CalHFA Permanent Loan		8,950,000	1.000%	40	40	3.750%
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--		--	--	--	--	--
Existing Replacement Reserves		185,524	NA	NA	NA	NA
--		--	NA	NA	NA	NA
--		--	NA	NA	NA	NA
Appraised Values Upon Completion of Rehab/Construction						
Appraisal Date:	3/4/16	Capitalization Rate:	5.25%			
Investment Value (\$)	12,800,000	Restricted Value (\$)	12,190,000			
Construct/Rehab LTC	98%	Permanent Loan to Cost	98%			
Construct/Rehab LTV	70%	Permanent Loan to Value	73%			
Additional Loan Terms, Conditions & Comments						
<u>Construction/Rehab Loan</u>						
Payment/Performance Bond			Waived			
Completion Guarantee Letter of Credit			Waived			
<u>Permanent Loan</u>						
Operating Expense Reserve Deposit		\$0	NA			
Initial Replacement Reserve Deposit		\$185,524	Cash			
Annual Replacement Reserve Per Unit		\$450	Cash			
Date Prepared:	4/20/16	Senior Staff Date:	4/28/16			

PROJECT UNIT MIX					
Unit Type of Style	Number of Bedrooms	Number of Baths	Average Size (Sq. Ft.)	Number of Units	Est. No. of Tenants
Flat	1	1	553	120	120
Flat	2	1	734	30	60
-	-	-	-	-	0
-	-	-	-	-	0
-	-	-	-	-	0
-	-	-	-	-	0
				150	180

NUMBER OF UNITS AND PERCENTAGE OF AMI RENTS RESTRICTED BY EACH AGENCY						
Agency	Number of Units Restricted For Each AMI Category					
	25%	45%	50%	60%	80%	0%
CalHFA			30	120		
Tax Credits						
HCD-MHP						
City of San Jose						
HCD-IIG						
-						

COMPARISON OF AVERAGE MONTHLY RESTRICTED RENTS TO AVERAGE MARKET RENTS							
Unit Type	Restricting Agency	% of Area Median Income	Average Restricted Rents		Average Market Rents	Average Monthly Savings	% of Market Rents
			Number of Units	Unit Rent			
Studios	CalHFA	25%	-	-	-	-	-
	CalHFA	45%	-	-		-	-
	CalHFA	50%	-	-		-	-
	CalHFA	60%	-	-		-	-
	CalHFA	60%	-	-		-	-
	CalHFA	-	-	-		-	-
	CalHFA	-	-	-		-	-
1 Bedroom	CalHFA	25%	-	-	\$1,185	-	-
	CalHFA	45%	-	-		-	-
	CalHFA	50%	24	\$628		\$557	53%
	CalHFA	60%	96	\$748		\$437	63%
	CalHFA	60%	-	-		-	-
	CalHFA	-	-	-		-	-
	CalHFA	-	-	-		-	-
2 Bedrooms	CalHFA	25%	-	-	\$1,450	-	-
	CalHFA	45%	-	-		-	-
	CalHFA	50%	6	\$760		\$690	52%
	CalHFA	60%	23	\$838		\$612	58%
	CalHFA	60%	-	-		-	-
	CalHFA	-	-	-		-	-
	CalHFA	-	-	-		-	-
3 Bedrooms	CalHFA	25%	-	-	-	-	-
	CalHFA	45%	-	-		-	-
	CalHFA	50%	-	-		-	-
	CalHFA	60%	-	-		-	-
	CalHFA	60%	-	-		-	-
	CalHFA	-	-	-		-	-
	CalHFA	-	-	-		-	-
4 Bedrooms	CalHFA	25%	-	-	-	-	-
	CalHFA	45%	-	-		-	-
	CalHFA	50%	-	-		-	-
	CalHFA	60%	-	-		-	-
	CalHFA	60%	-	-		-	-
	CalHFA	-	-	-		-	-
	CalHFA	-	-	-		-	-
5 Bedrooms	CalHFA	25%	-	-	-	-	-
	CalHFA	45%	-	-		-	-
	CalHFA	50%	-	-		-	-
	CalHFA	60%	-	-		-	-
	CalHFA	60%	-	-		-	-
	CalHFA	-	-	-		-	-
	CalHFA	-	-	-		-	-

SOURCES & USES OF FUNDS SUMMARY			Final Commitment		
Renwick Square		Project Number		16-002-N	
SOURCES OF FUNDS	CONST/REHAB	PERMANENT	TOTAL PROJECT FUNDS		
	\$	\$	SOURCES (\$)	PER UNIT (\$)	%
CalHFA Loan	8,950,000				0.0%
CalHFA Other Loan	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
Other Non-CalHFA Sources of Funds	185,524				0.0%
Construct/Rehab Net Oper. Inc.	-				0.0%
Deferred Developer Fee	-				0.0%
Developer Equity Contribution	-				0.0%
Investor Equity Contribution	-				0.0%
CalHFA Permanent Loan		8,950,000	8,950,000	59,667	100.0%
CalHFA Bridge Loan		-	-	-	0.0%
CalHFA Section 8 Loan		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
Other Non-CalHFA Sources of Funds		185,524	-	-	0.0%
Construct/Rehab Net Oper. Inc.		-	-	-	0.0%
Deferred Developer Fees		-	-	-	0.0%
Developer Equity Contribution		-	-	-	0.0%
Investor Equity Contributions		-	-	-	0.0%
TOTAL SOURCES OF FUNDS	9,135,524	9,135,524	8,950,000	59,667	100.0%

USES OF FUNDS	CONST/REHAB	PERMANENT	TOTAL PROJECT COSTS		
	\$	\$	USES (\$)	PER UNIT (\$)	%
Payoff Acquisition/Rehab Financing		9,135,524			
Acquisition Costs	7,760,480	-	7,760,480	51,737	84.9%
Construction/Rehab Costs	556,650	-	556,650	3,711	6.1%
Relocation Costs	-	-	-	-	0.0%
Architectural Costs	-	-	-	-	0.0%
Surveys & Engineering Costs	-	-	-	-	0.0%
Contingency Reserves	132,070	-	132,070	880	1.4%
Loan Period Loan & Other Costs	8,000	-	8,000	53	0.1%
Permanent Loan Costs	89,500	-	89,500	597	1.0%
Legal Fees	20,000	-	20,000	133	0.2%
Operating Reserves	425,524	-	425,524	2,837	4.7%
Reports & Studies	28,800	-	28,800	192	0.3%
Other Construction/Rehab Costs	25,000	-	25,000	167	0.3%
Developer Fees & Costs	89,500	-	89,500	597	1.0%
TOTAL PROJECT COSTS	9,135,524	9,135,524	9,135,524	60,903	100.0%

PROJECTED INITIAL ANNUAL RENTAL OPERATING BUDGET		Final Commitment	
Renwick Square		Project Number 16-002-N	
INCOME			
	AMOUNT	PER UNIT	%
Rental Income			
Restricted Unit Rents	\$ 1,328,568	\$ 8,857	104.26%
Unrestricted Unit Rents	-	-	0.00%
Commercial Rents	-	-	0.00%
Rental & Operating Subsidies			
Section 8 Rent Subsidies	-	-	0.00%
Shelter Care Plus Rent Subsidies	-	-	0.00%
Other Subsidy (Specify)	-	-	0.00%
Other Subsidy (Specify)	-	-	0.00%
Other Income			
Laundry and Vending Income	12,090	81	0.95%
Garage and Parking Income	-	-	0.00%
Miscellaneous Income	-	-	0.00%
GROSS POTENTIAL INCOME (GPI)	\$ 1,340,658	\$ 8,938	105.21%
Less: Vacancy Loss	\$ 66,428	\$ 443	5.21%
EFFECTIVE GROSS INCOME (EGI)	\$ 1,274,230	\$ 9,381	100.00%
OPERATING EXPENSES			
	AMOUNT	PER UNIT	%
Administrative Expenses	\$ 191,423	\$ 1,276	\$ 0
Management Fee	68,255	455	5.36%
Social Programs & Services	-	-	0.00%
Utilities	108,959	726	8.55%
Operating & Maintenance	86,297	575	6.77%
Ground Lease Payments	-	-	0.00%
Real Estate Taxes	23,661	158	1.86%
Other Taxes & Insurance	50,191	335	3.94%
Assisted Living/Board & Care	-	-	0.00%
SUBTOTAL OPERATING EXPENSES	\$ 528,786	\$ 3,525	41.50%
Replacement Reserves	\$ 67,500	\$ 450	5.30%
TOTAL OPERATING EXPENSES	\$ 596,286	\$ 3,975	46.80%
NET OPERATING INCOME (NOI)	\$ 677,944	\$ 4,520	53.20%
DEBT SERVICE PAYMENTS			
	AMOUNT	PER UNIT	%
CalHFA Permanent Loan	\$ 432,313	\$ 2,882	33.93%
CalHFA Section 8 Loan	\$ -	-	0.00%
-	\$ -	-	0.00%
-	\$ -	-	0.00%
-	\$ -	-	0.00%
-	\$ -	-	0.00%
-	\$ -	-	0.00%
TOTAL DEBT SERVICE PAYMENTS	\$ 432,313	\$ 2,882	33.93%
EXCESS CASH FLOWS AFTER DEBT SERVICE	\$ 245,631	\$ 1,638	19.28%
DEBT SERVICE COVERAGE RATIO (DSCR)	1.57 to 1		
Date: 4/20/16	Senior Staff Date: 04/28/16		

PROJECTED PERMANENT LOAN CASH FLOWS											
A	B	C	D	E	F	G	H	I	J	K	L
1	2	3	4	5	6	7	8	9	10	Renwick Square	
2	Final Commitment										
3	YEAR	1	2	3	4	5	6	7	8	9	10
4	RENTAL INCOME										
5	Restricted Unit Rents	1,361,782	1,395,827	1,430,722	1,466,490	1,503,153	1,540,732	1,579,250	1,618,731	1,659,199	1,700,679
6	Unrestricted Unit Rents	-	-	-	-	-	-	-	-	-	-
7	Commercial Rents	-	-	-	-	-	-	-	-	-	-
8	Section 8 Rent Subsidies	-	-	-	-	-	-	-	-	-	-
9	Shelter Care Plus Rent Subsidies	-	-	-	-	-	-	-	-	-	-
10	Other Subsidy (Specify)	-	-	-	-	-	-	-	-	-	-
11	Other Subsidy (Specify)	-	-	-	-	-	-	-	-	-	-
12	Laundry and Vending Income	12,090	12,090	12,090	12,090	12,090	12,090	12,090	12,090	12,090	12,090
13	Garage and Parking Income	-	-	-	-	-	-	-	-	-	-
14	Miscellaneous Income	-	-	-	-	-	-	-	-	-	-
15	GROSS POTENTIAL INCOME (GPI)	1,373,872	1,407,917	1,442,812	1,478,580	1,515,243	1,552,822	1,591,340	1,630,821	1,671,289	1,712,769
16	VACANCY ASSUMPTIONS										
17	Restricted Unit Rents	68,089	69,791	71,536	73,325	75,158	77,037	78,962	80,937	82,960	85,034
18	Unrestricted Unit Rents	-	-	-	-	-	-	-	-	-	-
19	Commercial Rents	-	-	-	-	-	-	-	-	-	-
20	Section 8 Rent Subsidies	-	-	-	-	-	-	-	-	-	-
21	Shelter Care Plus Rent Subsidies	-	-	-	-	-	-	-	-	-	-
22	Other Subsidy (Specify)	-	-	-	-	-	-	-	-	-	-
23	Other Subsidy (Specify)	-	-	-	-	-	-	-	-	-	-
24	Laundry and Vending Income	-	-	-	-	-	-	-	-	-	-
25	Garage and Parking Income	-	-	-	-	-	-	-	-	-	-
26	Miscellaneous Income	-	-	-	-	-	-	-	-	-	-
27	TOTAL PROJECTED VACANCY LOSS	68,089	69,791	71,536	73,325	75,158	77,037	78,962	80,937	82,960	85,034
28	EFFECTIVE GROSS INCOME (EGI)	1,305,783	1,338,125	1,371,276	1,405,256	1,440,085	1,475,785	1,512,377	1,549,885	1,588,329	1,627,735
29	OPERATING EXPENSES										
30	Administrative Expenses	198,123	205,057	212,234	219,662	227,350	235,308	243,544	252,068	260,890	270,021
31	Management Fee	69,946	71,678	73,454	75,274	77,140	79,052	81,012	83,021	85,080	87,191
32	Utilities	112,773	116,720	120,805	125,033	129,409	133,938	138,626	143,478	148,500	153,697
33	Operating & Maintenance	89,317	92,444	95,679	99,028	102,494	106,081	109,794	113,637	117,614	121,730
34	Ground Lease Payments	-	-	-	-	-	-	-	-	-	-
35	Real Estate Taxes	23,957	24,795	25,663	26,561	27,491	28,453	29,449	30,480	31,546	32,651
36	Other Taxes & Insurance	51,948	53,766	55,648	57,595	59,611	61,698	63,857	66,092	68,405	70,799
37	Assisted Living/Board & Care	-	-	-	-	-	-	-	-	-	-
38	Required Reserve Payments	68,175	68,857	69,545	70,241	70,943	71,653	72,369	73,093	73,824	74,562
39	TOTAL OPERATING EXPENSES	614,238	633,316	653,028	673,394	694,438	716,182	738,651	761,868	785,860	810,652
40	NET OPERATING INCOME (NOI)	691,545	704,809	718,249	731,862	745,647	759,603	773,727	788,017	802,470	817,083
41	DEBT SERVICE PAYMENTS										
42	CalHFA Permanent Loan	432,313	432,313	432,313	432,313	432,313	432,313	432,313	432,313	432,313	432,313
43	CalHFA Section 8 Loan	-	-	-	-	-	-	-	-	-	-
44	-	-	-	-	-	-	-	-	-	-	-
45	-	-	-	-	-	-	-	-	-	-	-
46	-	-	-	-	-	-	-	-	-	-	-
47	-	-	-	-	-	-	-	-	-	-	-
48	-	-	-	-	-	-	-	-	-	-	-
49	-	-	-	-	-	-	-	-	-	-	-
50	TOTAL DEBT SERVICE PAYMENTS	432,313									
51	CASH FLOW AFTER DEBT SERVICE	259,232	272,496	285,936	299,549	313,334	327,290	341,414	355,704	370,157	384,770
52	DEBT SERVICE COVERAGE RATIO	1.60	1.63	1.66	1.69	1.72	1.76	1.79	1.82	1.86	1.89
53	Date Prepared:	04/20/16									
	Senior Staff Date:	4/28/16									

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
																				A
PROJECTED PERMANENT LOAN CASH FLOW																				
Final Commitment																				
RENTAL INCOME																				
1	Restricted Unit Rents	2.50%	1,743,196	1,786,776	1,831,446	1,877,232	1,924,163	1,972,267	2,021,573	2,072,113	2,123,915	2,177,013								
2	Unrestricted Unit Rents	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Commercial Rents	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Section 8 Rent Subsidies	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Shelter Care Plus Rent Subsidies	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Laundry and Vending Income	0.00%	12,090	12,090	12,090	12,090	12,090	12,090	12,090	12,090	12,090	12,090	12,090	12,090	12,090	12,090	12,090	12,090	12,090	12,090
9	Garage and Parking Income	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Miscellaneous Income	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	GROSS POTENTIAL INCOME (GPI)		1,755,286	1,798,866	1,843,536	1,889,322	1,936,253	1,984,357	2,033,663	2,084,203	2,136,005	2,189,103								
12	VACANCY ASSUMPTIONS																			
13	Restricted Unit Rents	5.00%	87,160	89,339	91,572	93,862	96,208	98,613	101,079	103,606	106,196	108,851								
14	Unrestricted Unit Rents	0.00%	-	-	-	-	-	-	-	-	-	-								
15	Commercial Rents	50.00%	-	-	-	-	-	-	-	-	-	-								
16	Section 8 Rent Subsidies	5.00%	-	-	-	-	-	-	-	-	-	-								
17	Shelter Care Plus Rent Subsidies	0.00%	-	-	-	-	-	-	-	-	-	-								
18	Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-								
19	Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-								
20	Laundry and Vending Income	0.00%	-	-	-	-	-	-	-	-	-	-								
21	Garage and Parking Income	0.00%	-	-	-	-	-	-	-	-	-	-								
22	Miscellaneous Income	0.00%	-	-	-	-	-	-	-	-	-	-								
23	TOTAL PROJECTED VACANCY LOSS		87,160	89,339	91,572	93,862	96,208	98,613	101,079	103,606	106,196	108,851								
24	EFFECTIVE GROSS INCOME (EGI)		1,668,127	1,709,527	1,751,963	1,795,460	1,840,044	1,885,743	1,932,585	1,980,597	2,029,810	2,080,253								
25	OPERATING EXPENSES																			
26	Administrative Expenses	3.50%	279,472	289,253	299,377	309,855	320,700	331,925	343,542	355,566	368,011	380,891								
27	Management Fee	5.38%	89,355	91,573	93,846	96,176	98,564	101,012	103,521	106,093	108,729	111,431								
28	Utilities	3.50%	159,077	164,645	170,407	176,371	182,544	188,933	195,546	202,390	209,474	216,805								
29	Operating & Maintenance	3.50%	125,991	130,401	134,965	139,688	144,578	149,638	154,875	160,296	165,906	171,713								
30	Ground Lease Payments	3.50%	-	-	-	-	-	-	-	-	-	-								
31	Real Estate Taxes	1.25%	33,793	34,976	36,200	37,467	38,779	40,136	41,541	42,995	44,499	46,057								
32	Other Taxes & Insurance	3.50%	73,277	75,842	78,497	81,244	84,087	87,030	90,077	93,229	96,492	99,869								
33	Assisted Living/Board & Care	0.00%	-	-	-	-	-	-	-	-	-	-								
34	Required Reserve Payments	1.00%	75,308	76,061	76,821	77,590	78,365	79,149	79,941	80,740	81,547	82,363								
35	TOTAL OPERATING EXPENSES		836,273	862,750	890,113	918,392	947,618	977,823	1,009,042	1,041,309	1,074,659	1,109,130								
36	NET OPERATING INCOME (NOI)		831,854	846,777	861,851	877,069	892,427	907,920	923,543	939,288	955,151	971,123								
37	DEBT SERVICE PAYMENTS																			
38	CalHFA Permanent Loan	1	432,313	432,313	432,313	432,313	432,313	432,313	432,313	432,313	432,313	432,313								
39	CalHFA Section 8 Loan	2	-	-	-	-	-	-	-	-	-	-								
40		3	-	-	-	-	-	-	-	-	-	-								
41		4	-	-	-	-	-	-	-	-	-	-								
42		5	-	-	-	-	-	-	-	-	-	-								
43		-	-	-	-	-	-	-	-	-	-	-								
44		-	-	-	-	-	-	-	-	-	-	-								
45		-	-	-	-	-	-	-	-	-	-	-								
46		-	-	-	-	-	-	-	-	-	-	-								
47		-	-	-	-	-	-	-	-	-	-	-								
48		-	-	-	-	-	-	-	-	-	-	-								
49		-	-	-	-	-	-	-	-	-	-	-								
50	TOTAL DEBT SERVICE PAYMENTS		432,313																	
51	CASH FLOW AFTER DEBT SERVICE		399,541	414,465	429,538	444,756	460,114	475,607	491,230	506,976	522,838	538,810								
52	DEBT SERVICE COVERAGE RATIO		1.92	1.96	1.99	2.03	2.06	2.10	2.14	2.17	2.21	2.25								
53																				

Date Prepared: 04/20/16 Senior Staff Date: 4/28/16

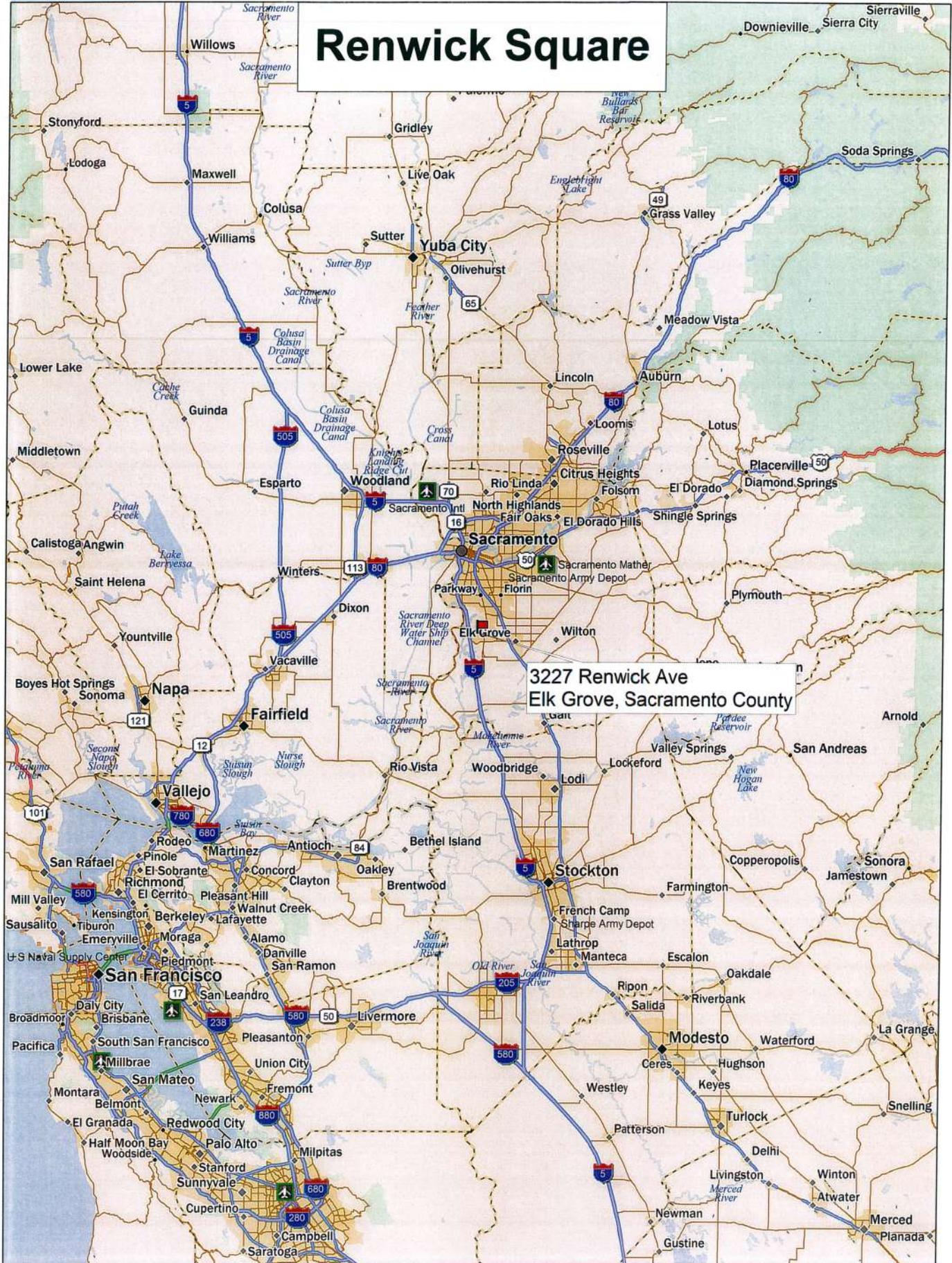
A		B		W	X	Y	Z	AA	AB	AC	AD	AE	AF
PROJECTED PERMANENT LOAN CASH FLOW													
Renwick Square													
Final Commitment													
		YEAR	21	22	23	24	25	26	27	28	29	30	
RENTAL INCOME		CPI											
1	Restricted Unit Rents	2.50%	2,231,439	2,287,225	2,344,405	2,403,015	2,463,091	2,524,668	2,587,785	2,652,479	2,718,791	2,786,761	
2	Unrestricted Unit Rents	0.00%	-	-	-	-	-	-	-	-	-	-	
3	Commercial Rents	0.00%	-	-	-	-	-	-	-	-	-	-	
4	Section 8 Rent Subsidies	2.50%	-	-	-	-	-	-	-	-	-	-	
5	Shelter Care Plus Rent Subsidies	0.00%	-	-	-	-	-	-	-	-	-	-	
6	Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-	
7	Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-	
8	Laundry and Vending Income	0.00%	12,090	12,090	12,090	12,090	12,090	12,090	12,090	12,090	12,090	12,090	
9	Garage and Parking Income	0.00%	-	-	-	-	-	-	-	-	-	-	
10	Miscellaneous Income	0.00%	-	-	-	-	-	-	-	-	-	-	
11	GROSS POTENTIAL INCOME (GPI)		2,243,529	2,299,315	2,356,495	2,415,105	2,475,181	2,536,758	2,599,875	2,664,569	2,730,881	2,798,851	
12	VACANCY ASSUMPTIONS												
13	Restricted Unit Rents	5.00%	111,572	114,361	117,220	120,151	123,155	126,233	129,389	132,624	135,940	139,338	
14	Unrestricted Unit Rents	0.00%	-	-	-	-	-	-	-	-	-	-	
15	Commercial Rents	50.00%	-	-	-	-	-	-	-	-	-	-	
16	Section 8 Rent Subsidies	5.00%	-	-	-	-	-	-	-	-	-	-	
17	Shelter Care Plus Rent Subsidies	0.00%	-	-	-	-	-	-	-	-	-	-	
18	Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-	
19	Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-	
20	Laundry and Vending Income	0.00%	-	-	-	-	-	-	-	-	-	-	
21	Garage and Parking Income	0.00%	-	-	-	-	-	-	-	-	-	-	
22	Miscellaneous Income	0.00%	-	-	-	-	-	-	-	-	-	-	
23	TOTAL PROJECTED VACANCY LOSS		111,572	114,361	117,220	120,151	123,155	126,233	129,389	132,624	135,940	139,338	
24	EFFECTIVE GROSS INCOME (EGI)		2,131,957	2,184,953	2,239,275	2,294,955	2,352,026	2,410,525	2,470,486	2,531,945	2,594,942	2,659,513	
25	OPERATING EXPENSES												
26	Administrative Expenses	3.50%	394,223	408,020	422,301	437,082	452,379	468,213	484,600	501,561	519,116	537,285	
27	Management Fee	5.38%	114,200	117,039	119,949	122,932	125,989	129,122	132,334	135,626	139,001	142,459	
28	Utilities	3.50%	224,394	232,247	240,376	248,789	257,497	266,509	275,837	285,491	295,484	305,825	
29	Operating & Maintenance	3.50%	177,723	183,943	190,381	197,044	203,941	211,079	218,467	226,113	234,027	242,218	
30	Ground Lease Payments	3.50%	-	-	-	-	-	-	-	-	-	-	
31	Real Estate Taxes	1.25%	47,669	49,337	51,064	52,851	54,701	56,616	58,597	60,648	62,771	64,968	
32	Other Taxes & Insurance	3.50%	103,365	106,983	110,727	114,603	118,614	122,765	127,062	131,509	136,112	140,876	
33	Assisted Living/Board & Care	0.00%	-	-	-	-	-	-	-	-	-	-	
34	Required Reserve Payments	1.00%	83,186	84,018	84,859	85,707	86,564	87,430	88,304	89,187	90,079	90,980	
35	TOTAL OPERATING EXPENSES		1,144,760	1,181,588	1,219,657	1,259,008	1,299,685	1,341,734	1,385,201	1,430,136	1,476,589	1,524,611	
36	NET OPERATING INCOME (NOI)		987,197	1,003,365	1,019,618	1,035,947	1,052,341	1,068,791	1,085,284	1,101,809	1,118,353	1,134,902	
37	DEBT SERVICE PAYMENTS												
38	CalHFA Permanent Loan	1	432,313	432,313	432,313	432,313	432,313	432,313	432,313	432,313	432,313	432,313	
39	CalHFA Section 8 Loan	2	-	-	-	-	-	-	-	-	-	-	
40		3	-	-	-	-	-	-	-	-	-	-	
41		4	-	-	-	-	-	-	-	-	-	-	
42		5	-	-	-	-	-	-	-	-	-	-	
43		-	-	-	-	-	-	-	-	-	-	-	
44		-	-	-	-	-	-	-	-	-	-	-	
45		-	-	-	-	-	-	-	-	-	-	-	
46		-	-	-	-	-	-	-	-	-	-	-	
47		-	-	-	-	-	-	-	-	-	-	-	
48		-	-	-	-	-	-	-	-	-	-	-	
49		-	-	-	-	-	-	-	-	-	-	-	
50	TOTAL DEBT SERVICE PAYMENTS		432,313										
51	CASH FLOW AFTER DEBT SERVICE		554,884	571,052	587,305	603,634	620,029	636,478	652,972	669,496	686,040	702,589	
52	DEBT SERVICE COVERAGE RATIO		2.28	2.32	2.36	2.40	2.43	2.47	2.51	2.55	2.59	2.63	
53	Date Prepared: 04/20/16 Senior Staff Date: 4/28/16												

A		B	AG	AH	AI	AJ	AK	AL	AM	AN	AO	AP
PROJECTED PERMANENT LOAN CASH FLOW												
Renwick Square												
Final Commitment												
		YEAR	31	32	33	34	35	36	37	38	39	40
1	RENTAL INCOME	CPI										
2	Restricted Unit Rents	2.50%	2,856,430	2,927,841	3,001,037	3,076,063	3,152,964	3,231,789	3,312,583	3,395,398	3,480,283	3,567,290
3	Unrestricted Unit Rents	0.00%	-	-	-	-	-	-	-	-	-	-
4	Commercial Rents	0.00%	-	-	-	-	-	-	-	-	-	-
5	Section 8 Rent Subsidies	2.50%	-	-	-	-	-	-	-	-	-	-
6	Shelter Care Plus Rent Subsidies	0.00%	-	-	-	-	-	-	-	-	-	-
7	Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-
8	Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-
9	Laundry and Vending Income	0.00%	12,090	12,090	12,090	12,090	12,090	12,090	12,090	12,090	12,090	12,090
10	Garage and Parking Income	0.00%	-	-	-	-	-	-	-	-	-	-
11	Miscellaneous Income	0.00%	-	-	-	-	-	-	-	-	-	-
12	GROSS POTENTIAL INCOME (GPI)		2,868,520	2,939,931	3,013,127	3,088,153	3,165,054	3,243,879	3,324,673	3,407,488	3,492,373	3,579,380
13	VACANCY ASSUMPTIONS											
14	Restricted Unit Rents	5.00%	142,822	146,392	150,052	153,803	157,648	161,589	165,629	169,770	174,014	178,364
15	Unrestricted Unit Rents	0.00%	-	-	-	-	-	-	-	-	-	-
16	Commercial Rents	50.00%	-	-	-	-	-	-	-	-	-	-
17	Section 8 Rent Subsidies	5.00%	-	-	-	-	-	-	-	-	-	-
18	Shelter Care Plus Rent Subsidies	0.00%	-	-	-	-	-	-	-	-	-	-
19	Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-
20	Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-
21	Laundry and Vending Income	0.00%	-	-	-	-	-	-	-	-	-	-
22	Garage and Parking Income	0.00%	-	-	-	-	-	-	-	-	-	-
23	Miscellaneous Income	0.00%	-	-	-	-	-	-	-	-	-	-
24	TOTAL PROJECTED VACANCY LOSS		142,822	146,392	150,052	153,803	157,648	161,589	165,629	169,770	174,014	178,364
25	EFFECTIVE GROSS INCOME (EGI)		2,725,699	2,793,539	2,863,075	2,934,350	3,007,406	3,082,289	3,159,044	3,237,718	3,318,359	3,401,015
26	OPERATING EXPENSES											
27	Administrative Expenses	CPI / Fee										
28	Management Fee	3.50%	556,090	575,553	595,697	616,547	638,126	660,460	683,576	707,502	732,264	757,893
29	Utilities	5.38%	146,005	149,639	153,363	157,181	161,095	165,106	169,217	173,432	177,751	182,179
30	Operating & Maintenance	3.50%	316,529	327,608	339,074	350,942	363,225	375,938	389,095	402,714	416,809	431,397
31	Ground Lease Payments	3.50%	250,696	259,470	268,551	277,951	287,679	297,748	308,169	318,955	330,118	341,672
32	Real Estate Taxes	1.25%	67,242	69,595	72,031	74,552	77,161	79,862	82,657	85,550	88,544	91,644
33	Other Taxes & Insurance	3.50%	145,806	150,910	156,191	161,658	167,316	173,172	179,233	185,507	191,999	198,719
34	Assisted Living/Board & Care	0.00%	-	-	-	-	-	-	-	-	-	-
35	Required Reserve Payments	1.00%	91,890	92,808	93,737	94,674	95,621	96,577	97,543	98,518	99,503	100,498
36	TOTAL OPERATING EXPENSES		1,574,257	1,625,583	1,678,645	1,733,505	1,790,222	1,848,863	1,909,491	1,972,176	2,036,989	2,104,002
37	NET OPERATING INCOME (NOI)		1,151,442	1,167,956	1,184,430	1,200,845	1,217,184	1,233,427	1,249,553	1,265,542	1,281,370	1,297,013
38	DEBT SERVICE PAYMENTS											
39	CalHFA Permanent Loan	Lien #										
40	CalHFA Section 8 Loan	1	432,313	432,313	432,313	432,313	432,313	432,313	432,313	432,313	432,313	432,313
41		2	-	-	-	-	-	-	-	-	-	-
42		3	-	-	-	-	-	-	-	-	-	-
43		4	-	-	-	-	-	-	-	-	-	-
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46		-	-	-	-	-	-	-	-	-	-	-
47		-	-	-	-	-	-	-	-	-	-	-
48		-	-	-	-	-	-	-	-	-	-	-
49		-	-	-	-	-	-	-	-	-	-	-
50	TOTAL DEBT SERVICE PAYMENTS		432,313									
51	CASH FLOW AFTER DEBT SERVICE		719,129	735,643	752,117	768,532	784,871	801,114	817,240	833,229	849,057	864,700
52	DEBT SERVICE COVERAGE RATIO		2.66	2.70	2.74	2.78	2.82	2.85	2.89	2.93	2.96	3.00
53	Date Prepared: 04/20/16 Senior Staff Date: 4/28/16											



Renwick Square

3227 Renwick Ave
Elk Grove, Sacramento County



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Scale 1 : 1,100,000

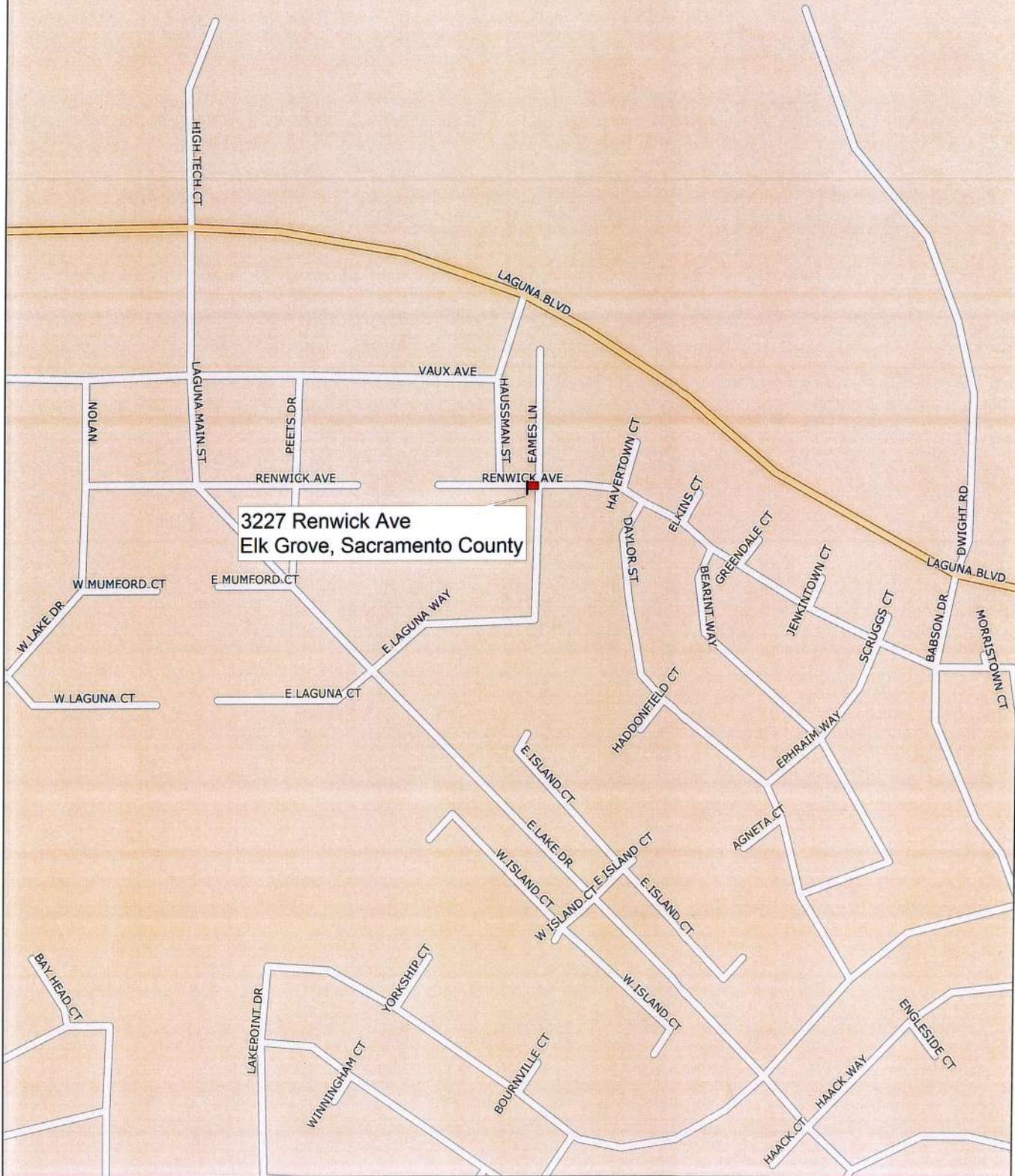


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Renwick Square



3227 Renwick Ave
Elk Grove, Sacramento County

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Scale 1 : 6,400



1" = 533.3 ft

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CalHFA/HUD RISK SHARE REFINANCE LOAN PROGRAM

Program Description	<p>The CalHFA/HUD Risk Share Refinance Loan Program (“Refinance Program”) provides competitive financing through its partnership with HUD and the U.S. Treasury for the refinance of affordable housing developments that need no rehabilitation or only minor (non-substantial) rehabilitation. Owners/Borrowers must agree to preserve and/or increase the affordability restrictions.</p> <p>In addition, the Refinance Program allows equity take-outs in connection with refinancings (subject to CalHFA approval and CalHFA underwriting criteria).</p>
Qualifications	<ul style="list-style-type: none"> • Available to for-profit, non-profit, and public agency sponsors. • Taxable financing only – (tax-exempt bonds will not be issued for these projects). • For Section 8 projects, final commitment is conditioned upon review and acceptance by CalHFA of the AHAP contract. • For existing CalHFA portfolio loans, the current owner is required to pay off all outstanding CalHFA debt. This includes subordinate loans, deferred payment loans, residual receipts loans, indirect loans provided by CalHFA to localities, or any other financing provided directly or indirectly by CalHFA at loan origination or anytime thereafter. Please click here for the CalHFA Portfolio Loan Prepayment Policy
Loan Amount	<ul style="list-style-type: none"> • Minimum 1.15x for debt service coverage ratio • Lesser of 90% of restricted value or 100% of development costs • For projects seeking a cash equity take-out, reduced loan to value and increased debt service coverage may apply, subject to CalHFA approval.
Fees (subject to change)	<ul style="list-style-type: none"> • Application Fee: \$5,000 non-refundable, due at time of application submittal • Loan Fee: 1.00% of the loan amount due at loan closing • Credit Enhancement Fee: included in the interest rate • Monitoring Fee: included in the interest rate • Legal Fee: \$10,000, due at loan closing
Rate & Terms (subject to change)	<p>Permanent Loan (fully amortized):</p> <ul style="list-style-type: none"> • Interest Rate: 10 year Treasury plus 2.00%-2.75%, fixed for the term of the loan • Loan Payment/Term – fully amortized, up to 40 years <p>Interest Rate is locked up to 60 days prior to loan close</p>

Credit Enhancement	The Refinance Program will be credit-enhanced through CalHFA's HUD/FHA Risk Sharing program. If applicable, projects financed through the Refinance Program must comply with the Davis-Bacon Act and/or California state prevailing wage requirements.
Prepayment	<p>The loan may be prepaid at par after 15 years of the permanent loan period. However, the loan may be prepaid after 10 years of the permanent loan period subject to a yield maintenance calculation of:</p> <ul style="list-style-type: none"> • 5% of the principal balance after the end of year 10 • 4% of the principal balance after the end of year 11 • 3% of the principal balance after the end of year 12 • 2% of the principal balance after the end of year 13 • 1% of the principal balance after the end of year 14 <p>All prepayments require a written 120-day notice to CalHFA.</p>
Subordinate Financing	Loans or grants are encouraged from local government and third parties to achieve project feasibility. All loans, leases, development and regulatory agreements must be coterminous and subordinate to the CalHFA financing. Any loans with amortized debt will be included in the minimum 1.15x debt service coverage ratio calculation.
Occupancy Requirements	<ul style="list-style-type: none"> • Must maintain the greater of (1) existing affordability restrictions, or (2) either (a) 20% of the unit types must be rent restricted and occupied by individuals whose incomes are 50% or less of the area (county) median gross income as determined by HUD ("AMI") with adjustments for household size ("20% @ 50% AMI"), OR (b) 40% or more of the unit types must be both rent restricted and occupied by individuals whose income is 60% or less of the AMI, with adjustments for HUD for household size ("40% @ 60% AMI"): however in the latter case, a minimum of 10% of the unit types must be at 50% or less of AMI. • For those units restricted by CalHFA, in adjusting rents for household size, the Owner/Borrower will assume that one person will occupy a studio unit, two persons will occupy a one-bedroom unit, three persons will occupy a two-bedroom unit, four persons will occupy a three-bedroom unit, and five persons will occupy a four-bedroom unit. • Projects for seniors require rents based on one person per bedroom on the CalHFA restricted units.

<p>Due Diligence</p>	<p>All of the following due diligence items are required and shall be provided at the Owner/Borrower's expense:</p> <ul style="list-style-type: none"> • Property appraisal • Market study (negotiable) • Phase I Environmental Site Assessment report including but not limited to impact reviews that meet federal environmental requirements (such as historic preservation and noise remediation) • Physical Needs Assessment (PNA) for rehabilitation projects with "Needs Over Time" analysis for the term of the loan <ul style="list-style-type: none"> ○ Non-substantial rehabilitation may be required • Rehabilitation period inspection fees are estimated at \$500 - \$1,000 per month • Termite/Dry Rot reports by licensed company • Seismic review and other studies may be required at CalHFA's discretion • Other studies/reports at CalHFA's discretion
<p>Required Reserves</p>	<ul style="list-style-type: none"> • Replacement Reserve: Initial cash deposit required, varies by project type and PNA. • Operating Expense Reserve (may be required): 10% of annual gross income due at permanent loan closing (letter of credit or cash). • Impounds: One year's prepaid earthquake, hazard insurance premiums, and property tax assessments. • Earthquake Insurance Waiver: Available for projects which have met CalHFA earthquake waiver standards during construction. • Other reserves as required.
<p>Questions</p>	<p>Questions regarding the Refinance Program can be directed to CalHFA's Multifamily Program's Division:</p> <ul style="list-style-type: none"> • Ruth Vakili, Loan Officer, Multifamily Programs • 500 Capitol Mall, MS 1420, Sacramento, CA 95814 • Phone: 877.922.5432 or directly at 916.326.8816 • Email address: rvakili@calhfa.ca.gov <p style="text-align: center;">or</p> <ul style="list-style-type: none"> • James Morgan, Housing Finance Chief, Multifamily Programs • 500 Capitol Mall, MS 1420, Sacramento, CA 95814 • Phone: 877.922.5432 or directly at 916.326.8806 • Email address: jmorgan@calhfa.ca.gov

IMPORTANT DISCLOSURE INFORMATION:

The information provided in this program description is for guidance only. While we have taken care to provide accurate information, we cannot cover every circumstance nor program nuance. This program description is subject to change from time to time without prior notice. The California Housing Finance Agency does not discriminate on any prohibited basis in employment or in the admission and access to its programs or activities.

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RESOLUTION 16-09

RESOLUTION AUTHORIZING A FINAL LOAN COMMITMENT

WHEREAS, the California Housing Finance Agency (the "Agency") has received a loan application on behalf of Renwick Square Elk Grove, LP, a California limited partnership (the "Borrower"), seeking a loan commitment, the proceeds of which are to be used to provide financing for a multifamily housing development located in Elk Grove, Sacramento County, California, known as Renwick Square (the "Development"); and

WHEREAS, the loan application has been reviewed by Agency staff which prepared a report presented to the Board on the meeting date recited below (the "Staff Report"), recommending Board approval subject to certain recommended terms and conditions; and

WHEREAS, Agency staff has determined or expects to determine prior to making a binding commitment to fund the loan for which the application has been made, that: (i) the Agency can effectively and prudently raise capital to fund the loan for which the application has been made, by direct access to the capital markets, by private placement, or other means; and (ii) any financial mechanisms needed to insure prudent and reasonable financing of loans can be achieved; and

WHEREAS, the Board wishes to grant the staff the authority to enter into a loan commitment upon Agency staff determining in its judgment that reasonable and prudent financing mechanisms can be achieved;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Agency as follows:

1. The Executive Director, or in his/her absence, the Chief Deputy Director, is hereby authorized to execute and deliver a final commitment letter, in a form acceptable to the Agency, and subject to recommended terms and conditions set forth in the Staff Report and any terms and conditions as the Board has designated in the Minutes of the Board Meeting, in relation to the Development described above and as follows:

<u>PROJECT NUMBER</u>	<u>DEVELOPMENT NAME/ LOCALITY</u>	<u>MORTGAGE AMOUNT</u>
16-002-N	RENWICK SQUARE ELK GROVE, SACRAMENTO COUNTY, CALIFORNIA	\$8,950,000.00

Resolution No. 16-09

1 The Board recognizes that in the event that staff cannot determine that reasonable and
 2 prudent financing mechanisms can be achieved, the staff will not enter into loan
 3 commitments to finance the Development. In addition, access to capital markets, or
 4 financing related thereto, may require significant changes to the terms of loans submitted
 5 to the Board. Notwithstanding paragraph 2 below, the staff is authorized to make any
 6 needed modifications to the loan which in staff’s judgment are directly or indirectly the
 7 result of the disruptions to the capital markets referred to above.

8
 9 2. The Executive Director may modify the terms and conditions of the
 10 loan or loans as described in the Staff Report, provided that major modifications, as
 11 defined below, must be submitted to this Board for approval. “Major modifications” as
 12 used herein means modifications which either (i) increase the total aggregate amount of
 13 any loans made pursuant to the Resolution by more than 7%; or (ii) modifications which
 14 in the judgment of the Executive Director, or in his/her absence, the Chief Deputy
 15 Director of the Agency, adversely change the financial or public purpose aspects of the
 16 final commitment in a substantial way.

17
 18 I hereby certify that this is a true and correct copy of Resolution 16-09 adopted at a duly
 19 constituted meeting of the Board of the Agency held on May 17, 2016, at Sacramento,
 20 California.

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 24 ATTEST: _____
 25 Secretary
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State of California

MEMORANDUM

To: CalHFA Board of Directors

Date: May 17, 2016

Donald Cavier, Chief Deputy Director
From: CALIFORNIA HOUSING FINANCE AGENCY

Subject: Agenda Item 6: Strategic Business Plan & Operating Budget for Fiscal Year 2016-17

Background

The strategic business plan and operating budget for Fiscal Year (FY) 2016-17 is provided for your approval. The business plan and budget were developed over the course of several months in which senior staff and department heads participated in a series of business planning off-sites and budget meetings to ensure that each department's budget proposal was aligned with the goals outlined in the Agency's proposed FY 2016-17 Business Plan. Staff conducted a business planning workshop with the Board during the April Board meeting in which staff provided a draft business plan along with information on the proposed goals for the coming year, the strategies for achieving those goals and the assumptions used to develop those strategies.

As we mentioned in March during the mid-year business plan and operating budget update for FY 2015-16, CalHFA is no longer solely focused on stabilizing the Agency's balance sheet and improving the Agency's credit ratings, but is instead intent on reinvigorating our lending programs and increasing income opportunities.

Agency lending activities have shown marked improvement during the fiscal year. Single Family lending programs are projected to exceed business plan goals for the FY 2015-16 by closing approximately 3,480 first mortgages, 4,700 down payment assistance (DPA) loans, and 2,150 mortgage credit certificates (MCC) by the end of the fiscal year. At mid-year, 1st mortgage loan purchases were \$454 million or 75% of business plan objectives, and the program expects to purchase in excess of \$880 million of 1st mortgages by the end of the fiscal year. Based upon recent trends, we expect this growth to continue throughout FY 2016-17. Multifamily lending programs targeted \$100 million in 1st mortgage loan origination, \$100 million in conduit issuance and \$30 million in Mental Health Services Act (MHSA) lending with a combined revenue and asset generation target of \$6.5 million for FY 2015-16. At mid-year, the multifamily lending program closed five 1st mortgage loans for \$74 million and ten MHSA loans for \$14 million. Combined, the two programs expect to close \$116 million by the end of the fiscal year including our first Multifamily transaction (Palos Verdes) using CalHFA's new risk share program

in partnership with HUD and the Federal Financing Bank. Similarly, the Multifamily Conduit Issuance Program is doing better than expected closing nine transactions for \$146 million. This exceeds the annual business plan goal at the mid-year point, and we expect to close over \$300 million in conduit issuances by the end of the fiscal year.

Further, we are pleased to report that the efforts to strengthen the capital reserves and improve the liquidity of the Agency have been successful. CalHFA was able to completely retire the Temporary Credit and Liquidity Program on July 22, 2015 by refinancing variable rate bonds with fixed rate bonds and strategically using its cash to reduce variable rate bonds. This effort, along with various debt restructurings designed to strengthen our balance sheet, have resulted in several credit rating upgrades.

In July 2015, Standard & Poor's (S&P) upgraded the Home Mortgage Revenue Bond (HMRB) indenture from 'A-' to 'A' with a stable outlook. At the same time, Moody's affirmed its 'A3' rating for the same bonds. Several months later, S&P announced an upgrade of CalHFA's overall Issuer Credit rating from A- to A with positive outlook, citing two consecutive years of net operating profitability, upward ratio trends, improved asset quality and equity levels. In February 2016, Moody's upgraded the HMRB indenture and the CalHFA overall Issuer Credit ratings from A3 to A2 with stable outlook.

Additionally, the Agency completed the organizational assessment in July 2015 and has implemented many of the recommendations outlined in the report. Some highlights from the first half of the year include:

- 1) Consolidating the West Sacramento office for Loan Servicing into the Agency's headquarters building at 500 Capitol Mall
- 2) Consolidating the Multifamily Lending division and the Asset Management division under a single management structure and appointing a new Director of Multifamily Programs
- 3) Filling key vacancies in Multifamily and Asset Management to position the department to effectively reenter the Multifamily lending space
- 4) Implementation of a comprehensive training program for Multifamily staff
- 5) Proactively marketing our conduit issuance loan program
- 6) Merging the Portfolio Management division with Single Family Lending
- 7) Implementing a policy change which requires that CalHFA down payment assistance be matched with a CalHFA 1st mortgage
- 8) Automating the process by which Single Family lenders submit loan documents for approval and purchase

The Agency's mid-year results and projections support the conclusion that our efforts have been successful, and we want to build upon those successes in FY 2016-17.

Business Plan

The FY 2016-17 Strategic Business Plan consists of the following four goals for the Agency:

1. Increase the Agency's future income and equity position by expanding Single Family and Multifamily lending activities consistent with State housing needs
2. Continue to improve operational efficiencies through the use of technology, workforce planning and the implementation of best practices
3. Collaborate with other housing entities to deliver effective and efficient housing solutions
4. Help prevent avoidable foreclosures by providing assistance to eligible homeowners who have financial hardship and/or significant negative equity

The Business Plan was informed by the Agency's mid-year performance and revised projections for 2015-16, collaboration efforts between related housing agencies and other state partners, internal analysis of operational needs developed during the organizational assessment, the successes and lessons learned during the current year, and the continued improvement in the real estate market. As a part of the business plan and the budget, we have incorporated resource projections to provide a complete picture of how the Agency funds its operations and to demonstrate that the resources coming into the Agency are sufficient to support the cost of operations.

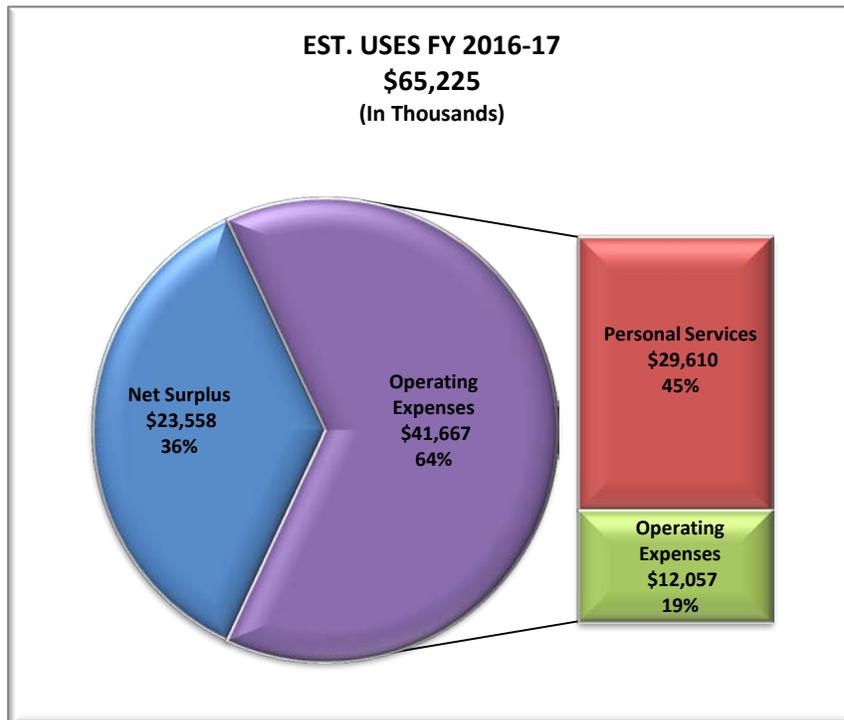
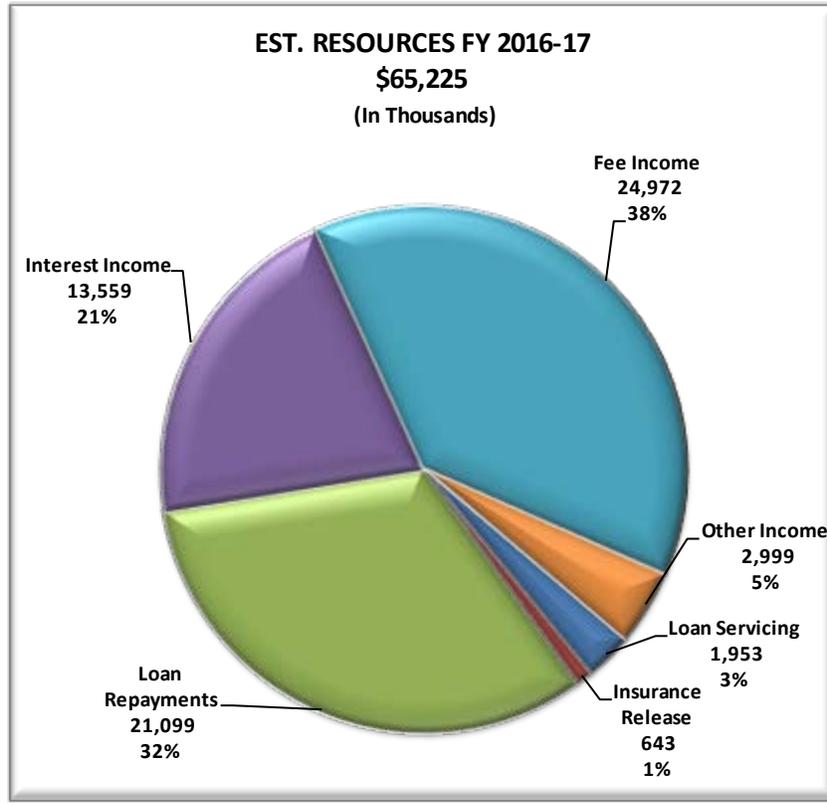
Highlights of the FY 2016-17 Proposed Business Plan (Attachment 6-A) which support the four goals previously outlined includes:

- Targeting \$1 billion in 1st mortgage loan purchases and \$48 million in down payment assistance (DPA)
- Targeting \$8.3 million in revenue generation and \$19.8 million in long term asset generation for Single Family Programs
- Improve master servicing delivery channels for Single Family lending
- Targeting \$190 million in multifamily lending and \$300 million in conduit issuance
- Targeting \$2.7 million in revenue generation and \$7.6 million in long term asset generation for Multifamily Programs

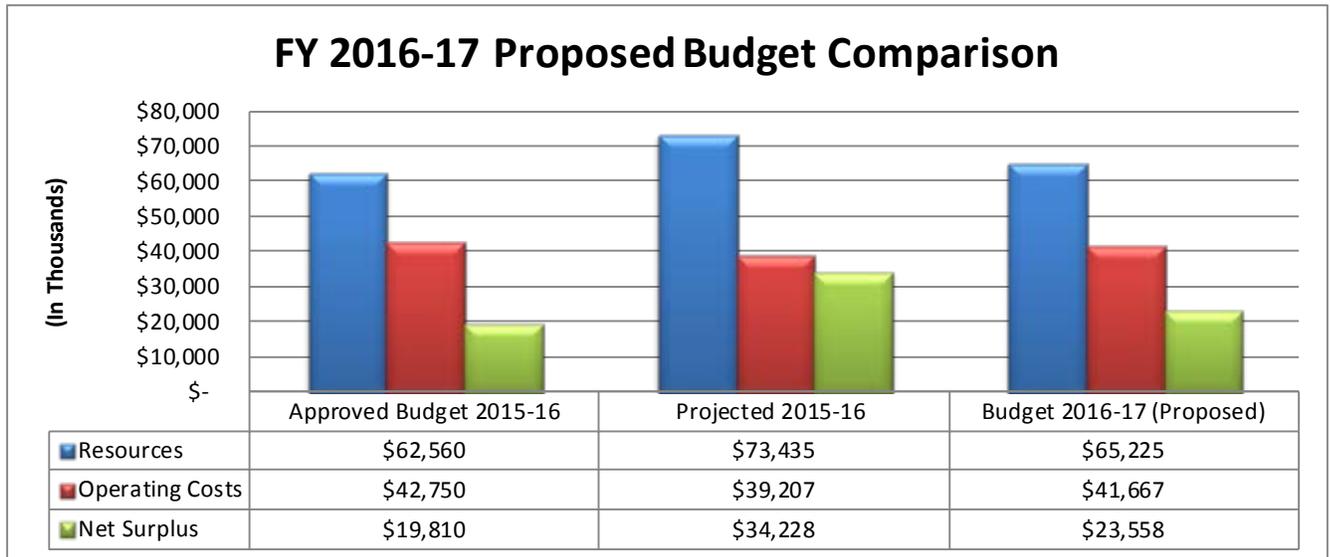
- Implement strategies to increase return on equity and develop long-term revenue streams using Single Family MBS
- Develop working capital options for a Single Family and Multifamily warehouse lines
- Increase operational efficiencies through the use of technology, workforce planning and refinement of administrative processes
- Establishment of an Enterprise Risk Management department to identify and mitigate business risks and strengthen internal controls
- Refine information technology (IT) controls and ensure data security and business continuity
- Continuously refine IT work plan to ensure IT priorities align with business plan goals
- Assess data system infrastructure and streamline or consolidate where appropriate
- Continue collaboration efforts with HCD, TCAC, CDLAC and other state partners to inform lending decisions and preservation strategies
- Support federal housing partners in the development and expansion of programs that help finance affordable housing in California
- Continue to heavily market Keep Your Home California (KYHC), assess barriers to eligibility and monitor program outcomes to ensure funds are fully utilized to meeting the needs of eligible homeowners.

Budget Summary

With the above business plan in mind, the budget for FY 2016-17 was developed. The following charts provide a summary of the estimated resources for FY 2016-17 and how those resources will be deployed. As you can see from the charts below, staff anticipates that resources for FY 2016-17 will exceed operating costs by approximately \$23.6 million. Any surplus funds will be used to support future lending and operational costs. In order to implement the goals and activities outlined in the Agency's strategic business plan, staff is recommending adoption of an operating budget of \$41.7 million, of which \$29.6 million will be used for personal services, \$12.1 million for operating expenses and equipment.



The next chart compares the adopted FY 2015-16 budget and the projected results of FY 2015-16 with the proposed FY 2016-17 budget. The spike in projected resources for FY 2015-16 is attributable to extraordinary multifamily loan prepayments and the associated yield maintenance fees in the amount of \$10.9 million.



Resources

Agency resources are primarily generated from loan origination fees, principal and interest payments on loans, compliance monitoring fees, etc. The majority of the Agency's resources are currently generated from legacy lending activities, but over the last three years the Agency has been changing this trend and we are projecting that FY 2016-17 will see an increase of 22% for resources generated from new lending activities. While our reliance on legacy resources will continue for some time, the opportunity to grow the balance sheet and generate new revenues is a reality. Fees for our Single Family lending programs have grown quickly with loan volume approaching \$1 billion annually, and we are confident that our new multifamily risk share program and the conduit issuance bond program will continue to gain traction in the market and generate meaningful revenue opportunities.

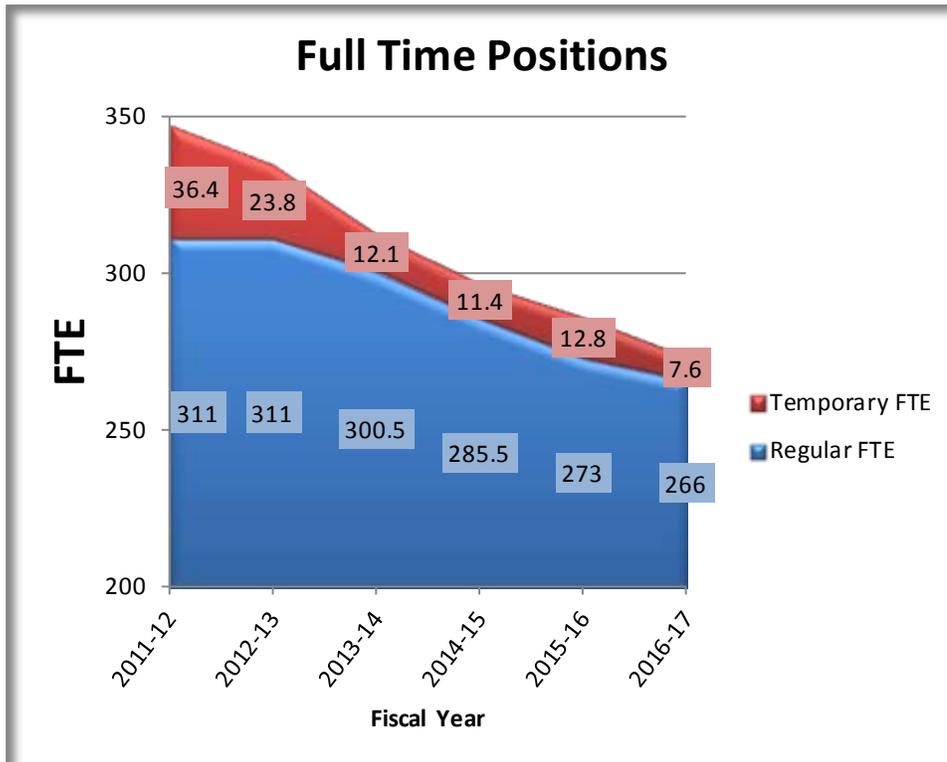
Resources for FY 2015-16 were originally budgeted at \$62.6 million, but are projected to exceed budgetary expectations by \$10.9 million due to several extraordinary multifamily loan prepayment and their corresponding yield maintenance fees. For FY 2016-17, resources available to cover operating costs are expected to be \$65.2 million and are estimated to exceed operating costs by \$23.6 million. The table below reflects the Agency's proposed FY 2016-17 budget for resources and operating costs.

CALIFORNIA HOUSING FINANCE AGENCY					
Fiscal Year 2016-17 BUDGET					
(DOLLARS IN THOUSANDS)					
	Adopted Budget 2014-15	Adopted Budget 2015-16	Proposed Budget 2016-17	Variance FY 15/16 to FY16/17	
RESOURCES					
Loan Servicing	3,000	2,067	1,953	(114)	-6%
Insurance Release	942	813	643	(170)	-21%
Loan Repayments	19,744	18,997	21,099	2,102	11%
Interest (mortgages/securities/cash)	14,774	10,298	13,559	3,261	32%
Fee Income	11,314	27,582	24,972	(2,610)	-9%
Extraordinary Items		2,803	2,999	196	7%
TOTALS	\$ 49,774	\$ 62,560	\$ 65,225	\$ 2,665	4%
OPERATING BUDGET					
Salaries and Benefits	29,984	29,596	29,683	87	0%
Reimbursements	(496)	(534)	(599)	(65)	12%
Temp Services/Other	633	724	526	(198)	-27%
<i>Personal Services</i>	30,121	29,786	29,610	(176)	-1%
General Expense	677	641	694	53	8%
Communications	497	499	414	(85)	-17%
Travel	390	414	480	66	16%
Training	134	160	175	15	9%
Facilities Operation	3,084	3,100	2,825	(275)	-9%
Consulting & Professional Services	4,893	4,458	3,861	(597)	-13%
Central Administrative Services	2,312	2,960	2,624	(336)	-11%
Information Technology	663	602	854	252	42%
Equipment	120	130	130	-	0%
<i>Operating Expenses</i>	12,770	12,964	12,057	(907)	-7%
TOTALS	\$ 42,891	\$ 42,750	\$ 41,667	\$ (1,083)	-3%
NET SURPLUS/(EXPENDITURE)	\$ 6,883	\$ 19,810	\$ 23,558	3,748	19%

Operating Budget

The Agency proposes a balanced operating budget in the amount of \$41.7 million representing the operational activities for FY 2016-17. The proposed budget represents a \$1.08 million or 3% percent decrease in appropriations compared with the prior year. The decrease in annual appropriations represents the net impact of changes in salaries and benefits, facilities operations, professional services and central administrative services. Specifically, the Agency reduced salary and benefit costs by eliminating seven vacant full time equivalent (FTE) positions and five temporary help positions. The salary and benefit savings from these reductions were largely offset by increases in the costs for employee pensions, medical costs and post-retirement medical benefits. The strategic reduction in staff levels has helped hold

salary and benefits static despite the rising costs of benefits. For FY 2016-17, the Agency is proposing that authorized full time equivalent positions be reduced from 285.8 FTE to 273.6 FTE (266 regular positions and 7.6 temporary positions), a net reduction of 12.2 positions compared with prior year. The following table illustrates the changes in the approved FTE since FY 2011-12:



Additionally, communication costs and facility operations costs are down 17% and 9%, respectively, due to the reduction in leasing expenses from the closure of the offices in West Sacramento and the subleasing of unused space at the offices in Culver City. Travel and training costs reflect a moderate increase due to efforts to expand master servicing options for single family lending and to increase CalHFA's presence in the Multifamily lending space. Professional services costs are down 13% due to the absence of one-time contract costs for a voice over internet protocol (VOIP) upgrade, Multifamily program training and consulting, and reduced audit costs for the Housing Finance Fund and the Housing Loan Insurance Fund. Correspondingly, central administrative services costs, the State's overhead allocation, have also decreased 11% percent due to the reductions in both FTE and operating budget. Information technology costs have increased 42% to pay for the one-time costs to upgrade the equipment at our offsite disaster recovery facility.

The Board's approval of the Strategic Business Plan and Operating Budget, along with the accompanying resolutions is requested.

Attachments

- 6-A FY 2016-17 Proposed Business Plan
- 6-B FY 2016-17 CalHFA Budget:
 - 1. Consolidated CalHFA and MIS Operating Budget
 - 2. CalHFA Operating Budget
 - 3. MIS Operating Budget
 - 4. Summary of Personnel and Division Budgets
 - 5. Summary of Personnel and Salaries by Division
 - 6. 2245 CA Housing Finance Agency – Position/Salary Detail
 - 7. Out of State Travel
 - 8. Schedule of Contracts
 - 9. Revenue/Resource Detail
- 6-C Business Plan Resolution 16-10
- 6-D Operating Budget Resolution 16-11

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CalHFA Strategic Business Plan FY2016-17

Mission: To create and finance progressive housing solutions so more Californians have a place to call home.

BUSINESS PLAN GOALS	KEY STRATEGIES	ACTION ITEMS	Due Dates
<p>Increase the Agency's future income and equity position by expanding single family and multifamily lending activities consistent with State housing needs</p>	<p>1 Generate income via single-family lending opportunities</p>	A Generate \$28.1 million in revenue through \$1.06 billion of loan production	6/30/2017
		B Diversify single-family business partners and lending programs	6/30/2017
		C Issue 2,600 Mortgage Credit Certificates to first-time homebuyers	6/30/2017
	<p>2 Generate income via multifamily lending opportunities</p>	A Generate \$10.3 million in revenue through \$190 million of loan production and \$300 million of conduit bond issuance	6/30/2017
		B "No Place Like Home" proposal	6/30/2017
		C Create multifamily lending programs that serve unmet needs in the California multifamily development market	6/30/2017
	<p>3 Strengthen Agency financial position by expanding credit facilities and maximizing return on equity.</p>	A Implement strategies to increase return on equity and develop long-term revenue streams using single-family MBS	6/30/2017
		B Develop working capital options for a single family and multifamily warehouse line	12/31/2016
	<p>4 Increase Operational Efficiencies</p>	A Continue to refine Agency's operational budget through administrative savings	6/30/2017
		B Implement improved strategies/process to recruit, train, and retain staff	6/30/2017
C Better utilize information technology resources to streamline workflow		6/30/2017	
<p>Continue to improve operational efficiencies through the use of technology, workforce planning and the implementation of best practices</p>	<p>5 Implement long-term strategies to monitor and mitigate enterprise risks</p>	A Explore establishment of an Enterprise Risk Management Department to identify Agency business risks, reduce waste and strengthen internal controls	6/30/2017
		B Maintain controls over IT data and tools to ensure data security and business continuity	6/30/2017
<p>Collaborate with other housing entities to deliver effective and efficient housing solutions</p>	<p>6 Agency-wide IT integration of data collection, flow and reporting</p>	A Continuously refine IT work plan to ensure that IT priorities align with business plan goals	6/30/2017
		B Assess current data system infrastructure and streamline/consolidate where appropriate	6/30/2017
		A Provide technical assistance to legislature and other interested parties regarding affordable housing	Ongoing
<p>Collaborate with other housing entities to deliver effective and efficient housing solutions</p>	<p>7 Increase opportunities to meet California's affordable housing needs</p>	B Collaborate with other State and local agencies to provide efficient financing of affordable housing	Ongoing
		C Support federal housing partners in the development and expansion of programs that help finance affordable housing in California	Ongoing

CalHFA Strategic Business Plan FY2016-17

Mission: *To create and finance progressive housing solutions so more Californians have a place to call home.*

BUSINESS PLAN GOALS	KEY STRATEGIES	ACTION ITEMS	Due Dates
<p>Help prevent avoidable foreclosures by providing assistance to eligible homeowners who have financial hardship and/or significant negative equity</p>	<p>8 Maximize use of KYHC program funds</p>	<p>A Aggressively market programs to eligible homeowners, community groups and media to expand awareness</p> <p>B Measure program outcomes and assess barriers to eligibility</p> <p>C Monitor program recipients to assess level of homeownership sustainability facilitated by program assistance</p>	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>

CALIFORNIA HOUSING FINANCE AGENCY
2016-17
CONSOLIDATED CALHFA AND MIS FUNDS OPERATING BUDGET
(DOLLARS IN THOUSANDS)

<u>EXPENDITURE ITEM</u>	Adopted Budget	Actual	Adopted Budget	Projected Actual	Proposed Budget
	<u>2014-15</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2015-16</u>	<u>2016-17</u>
PERSONAL SERVICES					
Salaries and Wages	\$21,116	\$21,118	\$21,511	\$21,511	\$20,874
Benefits	8,868	8,652	8,754	8,724	9,627
Estimated Savings (Vacancies)	0	(2,342)	(668)	(2,637)	(818)
Anticipated Salaries and Wages and Benefits	<u>29,984</u>	<u>27,428</u>	<u>29,596</u>	<u>27,598</u>	<u>29,683</u>
Temporary Help	539	588	626	740	430
Overtime	94	112	98	87	96
Reimbursements	(496)	(530)	(534)	(842)	(599)
TOTALS, Personal Services	<u>\$30,121</u>	<u>\$27,598</u>	<u>\$29,786</u>	<u>\$27,582</u>	<u>\$29,610</u>
OPERATING EXPENSES AND EQUIPMENT					
General Expense	677	565	641	658	694
Communications	497	321	499	440	414
Travel	390	309	414	390	480
Training	134	67	160	96	175
Facilities Operation	3,084	3,081	3,100	3,100	2,825
Consulting & Professional Services*	4,893	4,099	4,458	3,295	3,861
Central Admin. Serv.**	2,312	1,952	2,960	2,960	2,624
Information Technology	663	528	602	496	854
Equipment	120	56	130	190	130
TOTALS, Operating Expenses and Equipment	<u>\$12,769</u>	<u>\$10,978</u>	<u>\$12,963</u>	<u>\$11,625</u>	<u>\$12,057</u>
TOTALS, EXPENDITURES	<u>\$42,891</u>	<u>\$38,575</u>	<u>\$42,750</u>	<u>\$39,207</u>	<u>\$41,667</u>

*Historical Strategic Project Contracts moved to and included in Consulting & Professional Services

**Represents CalHFA's allocated share of the State's central administrative costs.

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CALIFORNIA HOUSING FINANCE AGENCY
2016-17
CALHFA FUND OPERATING BUDGET
(DOLLARS IN THOUSANDS)

<u>EXPENDITURE ITEM</u>	Adopted Budget	Actual	Adopted Budget	Projected Actual	Proposed Budget
	<u>2014-15</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2015-16</u>	<u>2016-17</u>
PERSONAL SERVICES					
Salaries and Wages	\$21,025	\$21,025	\$21,415	\$21,415	\$20,874
Benefits	8,830	8,615	8,714	8,684	9,627
Estimated Savings (Vacancies)	0	(2,342)	(668)	(2,637)	(818)
Anticipated Salaries and Wages and Benefits	<u>29,855</u>	<u>27,298</u>	<u>29,461</u>	<u>27,462</u>	<u>29,683</u>
Temporary Help	539	588	626	740	430
Overtime	94	112	98	87	96
Reimbursements	(496)	(530)	(534)	(842)	(599)
TOTALS, Personal Services	<u>\$29,992</u>	<u>\$27,468</u>	<u>\$29,651</u>	<u>\$27,447</u>	<u>\$29,610</u>
OPERATING EXPENSES AND EQUIPMENT					
General Expense	675	565	640	657	694
Communications	492	319	497	438	414
Travel	387	309	412	390	480
Training	133	67	159	96	175
Facilities Operation	3,075	3,073	3,092	3,093	2,825
Consulting & Professional Services*	4,755	3,962	4,307	3,232	3,835
Central Admin. Serv.**	2,308	1,953	2,957	2,957	2,616
Information Technology	658	524	597	492	854
Equipment	120	56	130	190	130
TOTALS, Operating Expenses and Equipment	<u>\$12,603</u>	<u>\$10,827</u>	<u>\$12,791</u>	<u>\$11,545</u>	<u>\$12,023</u>
Management Fee for MIS	(\$137)	(\$92)	(\$143)	(\$96)	(\$108)
TOTALS, EXPENDITURES	<u><u>\$42,458</u></u>	<u><u>\$38,202</u></u>	<u><u>\$42,299</u></u>	<u><u>\$38,896</u></u>	<u><u>\$41,525</u></u>

*Historical Strategic Project Contracts moved to and included in Consulting & Professional Services

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CALIFORNIA HOUSING FINANCE AGENCY
2016-17
MIS FUND OPERATING BUDGET
(DOLLARS IN THOUSANDS)

<u>EXPENDITURE ITEM</u>	Adopted Budget	Actual	Adopted Budget	Projected Actual	Proposed Budget
	<u>2014-15</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2015-16</u>	<u>2016-17</u>
PERSONAL SERVICES					
Salaries and Wages	\$91	\$93	\$96	\$96	\$0
Benefits	38	37	40	40	0
Estimated Savings (Vacancies)	0	0	0	0	0
Anticipated Salaries and Wages and Benefits	<u>129</u>	<u>130</u>	<u>136</u>	<u>136</u>	<u>0</u>
Temporary Help	0	0	0	0	0
Overtime	0	0	0	0	0
Reimbursements	0	0	0	0	0
TOTALS, Personal Services	<u>\$129</u>	<u>\$130</u>	<u>\$136</u>	<u>\$136</u>	<u>\$0</u>
OPERATING EXPENSES AND EQUIPMENT					
General Expense	2	1	1	1	0
Communications	5	2	3	2	0
Travel	3	0	2	0	0
Training	1	0	1	0	0
Facilities Operation	9	8	8	7	0
Consulting & Professional Services*	138	137	151	63	26
Central Admin. Serv.**	4	(1)	3	3	8
Information Technology	5	4	5	4	0
Equipment	0	0	0	0	0
TOTALS, Operating Expenses and Equipment	<u>\$166</u>	<u>\$151</u>	<u>\$173</u>	<u>\$80</u>	<u>\$34</u>
Management Fee for MIS	\$137	\$92	\$143	\$96	\$108
TOTALS, EXPENDITURES	<u>\$433</u>	<u>\$373</u>	<u>\$451</u>	<u>\$312</u>	<u>\$142</u>

*Historical Strategic Project Contracts moved to and included in Consulting & Professional Services

**Represents CalHFA's allocated share of the State's central administrative costs.

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May 9, 2016

CALIFORNIA HOUSING FINANCE AGENCY
2016-17
SUMMARY
PERSONNEL YEARS AND DIVISION BUDGETS

DIVISION	PERSONNEL YEARS			DIVISION BUDGET AMOUNTS		
	Actual 2014-15	Adopted Budget 2015-16	Proposed Budget 2016-17	Actual 2014-15	Adopted Budget 2015-16	Proposed Budget 2016-17
BOARD MEMBERS	0.0	0.0	0.0	\$17,424	\$80,100	\$64,400
EXECUTIVE OFFICE	6.0	8.0	10.0	\$805,375	\$1,506,955	\$1,817,829
ADMINISTRATION	18.8	22.0	26.0	\$1,829,652	\$2,198,902	\$2,370,181
FINANCING	10.5	11.5	13.0	\$1,613,384	\$1,746,542	\$1,779,502
MIS	0.0	1.0	0.0	\$373,280	\$450,870	\$142,397
FISCAL SERVICES	45.8	48.0	45.0	\$4,698,515	\$5,301,125	\$5,109,298
GENERAL COUNSEL	19.9	21.0	17.0	\$3,261,328	\$3,474,607	\$3,389,416
MARKETING	6.9	8.0	8.0	\$1,383,919	\$1,389,893	\$1,692,932
I.T.	18.6	21.0	20.0	\$4,007,016	\$3,759,738	\$3,876,403
SINGLE FAMILY LENDING	54.3	57.0	46.0	\$5,657,297	\$6,284,586	\$5,687,220
LOAN SERVICING	21.3	21.0	23.0	\$2,826,340	\$2,785,495	\$3,009,661
MULTIFAMILY	24.5	26.5	27.0	\$3,174,871	\$3,700,364	\$3,404,138
ASSET MANAGEMENT	25.0	28.0	31.0	\$3,368,691	\$3,865,751	\$3,919,650
INDIRECT COST POOL/TEMPS	10.5	12.8	7.6	\$6,087,853	\$6,739,961	\$6,003,398
REIMBURSEMENTS	-	-	-	(\$530,074)	(\$534,223)	(\$599,291)
TOTAL PYS AND BUDGET AMOUNTS	262.1	285.8	273.6	\$38,574,870	\$42,750,666	\$41,667,134

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CALIFORNIA HOUSING FINANCE AGENCY
2016-17

SUMMARY
PERSONNEL YEARS AND SALARIES

DIVISION	PERSONNEL YEARS			SALARIES		
	Actual 2014-15	Adopted Budget 2015-16	Proposed Budget 2016-17	Actual 2014-15	Adopted Budget 2015-16	Proposed Budget 2016-17
BOARD MEMBERS	0.0	0.0	0.0	\$3,000	\$5,000	\$5,000
EXECUTIVE OFFICE	6.0	8.0	10.0	\$722,481	\$886,520	\$1,180,288
ADMINISTRATION	18.8	22.0	26.0	\$1,070,263	\$1,352,748	\$1,542,804
FINANCING	10.5	11.5	13.0	\$1,048,587	\$1,132,776	\$1,233,896
MIS	1.1	1.0	0.0	\$93,180	\$95,508	\$0
FISCAL SERVICES	45.8	48.0	45.0	\$2,792,376	\$3,326,708	\$3,168,923
GENERAL COUNSEL	19.9	21.0	17.0	\$1,718,810	\$1,933,562	\$1,685,112
MARKETING	6.9	8.0	8.0	\$544,160	\$632,348	\$632,233
I.T.	18.6	21.0	20.0	\$1,535,362	\$1,832,210	\$1,753,444
SINGLE FAMILY LENDING	54.3	57.0	46.0	\$3,767,122	\$4,305,432	\$3,499,676
LOAN SERVICING	21.3	21.0	23.0	\$1,210,291	\$1,311,264	\$1,460,244
MULTIFAMILY	24.5	26.5	27.0	\$2,084,551	\$2,236,524	\$2,262,732
ASSET MANAGEMENT	25.0	28.0	31.0	\$2,095,161	\$2,460,036	\$2,449,665
TOTAL SALARIES	251.6	273.0	266.0	\$18,592,164	\$21,510,636	\$20,874,017
Temporary Help	10.5	12.8	7.6	\$588,301	\$626,000	\$430,000
Overtime	0.0	0.0	0.0	\$112,030	\$98,000	\$96,000
Salary Savings	0.0	0.0	0.0	\$0	(\$667,974)	(\$817,696)
NET SALARIES	262.1	285.8	273.6	\$19,292,495	\$21,566,662	\$20,582,321

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2245 CALIFORNIA HOUSING FINANCE AGENCY

ORGANIZATIONAL UNIT Classification	FILLED			EXPENDITURES		
	Filled 2014-15	Authorized 2015-16	Proposed 2016-17	Actual 2014-15 (Salary Range)	Budgeted 2015-16	Proposed 2016-17
OPERATIONS						
Executive Office						
Executive Office:						
Board Members	-	-	-	\$100/day	\$5,000	\$5,000
Executive Director	1.0	1.0	1.0	12,500-17,500	175,000	192,500
Chief Deputy Director	0.3	1.0	1.0	11,522-15,833	175,000	181,000
Director of Enterprise Risk Management & Compliance	-	-	1.0	10,788-14,167	-	160,000
Spec Asst to Director	0.5	1.0	1.0	8,766-10,442	111,552	111,552
Assistant Deputy Director of Homeless and Housing Policy	-	-	1.0	7,616-8,484	-	101,808
Adm Asst II	0.8	1.0	1.0	4,488-5,618	69,096	69,096
Legislative Office:						
Director of Legislation and CalMAC	1.0	1.0	1.0	11,458-14,167	154,128	154,128
Staff Services Mgr II	1.0	1.0	1.0	6,296-7,152	83,148	87,972
Assoc Govtl Prog Analyst	0.4	1.0	1.0	4,488-5,618	67,752	69,096
Adm Asst I	1.0	1.0	1.0	3,731-4,671	50,844	53,136
Totals, Executive Office	6.0	8.0	10.0	\$725,481	\$891,520	\$1,185,288
Administration Division						
Special Consultant	0.3	-	-	11,667-15,833	-	-
Director of Administration, C.E.A. A	-	-	1.0	6,296-9,051	-	111,327
Staff Services Mgr III	-	1.0	-	6,915-7,852	89,500	-
Mgt Services Techn	-	-	1.0	2,545-3,188	-	44,280
Budgets:						
Staff Services Mgr II	0.3	1.0	1.0	6,296-7,152	87,500	87,500
Staff Services Mgr I	0.7	-	-	5,181-6,437	-	-
Assoc Govtl Prog Analyst	2.0	2.0	2.0	4,488-5,618	129,000	138,192
Staff Services Analyst	-	1.0	1.0	2,873-4,671	55,000	45,888
Business Services:						
Staff Services Mgr I	1.0	1.0	1.0	5,181-6,437	79,176	79,176
Assoc Govtl Prog Analyst	2.0	2.0	2.0	4,488-5,618	138,192	138,192
Staff Services Analyst	1.0	1.0	1.0	2,873-4,671	55,476	57,456
Office Techn-Typing	0.5	-	-	2,740-3,429	-	-
Business Service Assistant-Spec	1.0	1.0	1.0	2,545-3,895	47,904	47,904
Mgt Services Techn	0.5	1.0	1.0	2,545-3,600	37,104	38,964
Central Scan Facility:						
Staff Info Systems Analyst-Spec	0.8	-	-	5,166-6,793	-	-
Info Systems Techn	1.0	1.0	1.0	2,530-3,926	35,000	35,676
Office Asst-Typing	-	-	3.0	2,186-2,969	-	98,496
Human Resources:						
Staff Services Mgr II	1.0	1.0	1.0	6,296-7,152	87,972	87,972
Staff Services Mgr I	-	-	1.0	5,181-6,437	-	74,857
Assoc Govtl Prog Analyst	1.0	1.0	1.0	4,488-5,618	69,096	69,096
Assoc Pers Analyst	2.0	3.0	3.0	4,488-5,618	207,288	207,288
Office Techn-Typing	1.7	3.0	3.0	2,740-3,429	126,540	126,540
Pers Spec	1.8	2.0	1.0	2,654-4,273	108,000	54,000
Mgt Services Techn	0.2	-	-	2,545-3,600	-	-
Totals, Administration Division	18.8	22.0	26.0	\$1,070,263	\$1,352,748	\$1,542,804
Financing Division						
Director	1.0	1.0	1.0	11,524-15,833	189,996	190,000
Adm Asst I	0.5	0.5	-	3,731-4,671	30,060	-
Operating:						
Acctg Administrator III	1.0	1.0	1.0	6,915-7,852	96,576	96,576
Financing Ofcr	2.0	2.0	2.0	6,236-7,765	191,016	191,016
Financing Assoc	1.0	1.0	1.0	4,488-5,618	67,752	69,096
Risk Management and Mortgage Insurance:						
Risk Manager	1.0	1.0	1.0	8,333-11,458	137,496	137,500
Financing Ofcr	3.0	3.0	3.0	6,236-7,765	286,524	286,524
Housing Finance Ofcr	-	1.0	1.0	6,236-7,765	95,508	95,508
Financing Spec	-	1.0	1.0	4,930-6,171	75,900	75,900

2245 CALIFORNIA HOUSING FINANCE AGENCY

ORGANIZATIONAL UNIT Classification	EXPENDITURES			EXPENDITURES		
	Filled 2014-15	Authorized 2015-16	Proposed 2016-17	Actual 2014-15 (Salary Range)	Budgeted 2015-16	Proposed 2016-17
Financing Assoc	1.0	-	-	4,488-5,618	-	-
Staff Services Analyst	-	1.0	2.0	2,873-4,671	57,456	91,776
Totals, Financing Division	10.5	12.5	13.0	\$1,048,587	\$1,228,284	\$1,233,896
Fiscal Services Division						
Fiscal Services						
Comptroller, C.E.A. A	1.0	1.0	1.0	6,296-9,051	114,043	116,890
Deputy Comptroller, C.E.A. A	-	1.0	1.0	6,296-9,051	94,056	111,324
Bond Administration:						
Acctg Administrator II	1.0	1.0	1.0	5,688-7,068	86,940	86,940
Acctg Administrator I-Spec	2.0	2.0	3.0	4,930-6,171	151,800	227,700
Sr Acctg Officer-Spec	2.0	2.0	2.0	4,488-5,618	138,192	138,192
Financial Reporting:						
Acctg Administrator II	1.0	1.0	1.0	5,688-7,068	86,940	86,940
Acctg Administrator I-Spec	2.0	3.0	2.0	4,930-6,171	227,700	151,800
Assoc Acctg Analyst	0.8	1.0	1.0	4,711-5,900	72,250	72,250
Sr Acctg Officer-Spec	0.8	1.0	1.0	4,488-5,618	69,096	69,096
Fiscal Systems:						
Sr Adm Analyst-Acctg Sys	1.0	1.0	1.0	5,688-7,068	86,940	86,940
Assoc Adm Analyst-Acctg Sys	1.0	2.0	2.0	4,711-5,900	145,152	145,152
Single Family:						
Acctg Administrator II	1.0	1.0	1.0	5,688-7,068	86,940	86,940
Acctg Administrator I-Supvr	1.0	1.0	-	5,181-6,437	77,625	-
Acctg Administrator I-Spec	1.0	1.0	1.0	4,930-6,171	75,903	75,903
Sr Acctg Officer-Supvr	1.0	1.0	-	4,714-5,858	70,639	-
Sr Acctg Officer-Spec	1.4	1.0	3.0	4,488-5,618	67,748	207,288
Acctg Officer-Spec	7.0	10.0	7.0	3,918-4,906	603,480	422,436
Accountant Trainee	3.8	-	-	3,305-3,941	-	-
Accountant I-Spec	2.0	2.0	2.0	2,927-3,665	90,168	90,168
Multifamily:						
Acctg Administrator II	1.0	1.0	1.0	5,688-7,068	86,940	86,940
Acctg Administrator I-Supvr	1.0	1.0	1.0	5,181-6,437	77,628	77,628
Acctg Administrator I-Spec	2.0	2.0	2.0	4,930-6,171	151,800	151,800
Sr Acctg Officer-Spec	2.0	2.0	2.0	4,488-5,618	138,192	138,192
Acctg Officer-Spec	3.0	3.0	4.0	3,918-4,906	181,044	241,392
Accountant Trainee	1.0	1.0	-	3,305-3,941	48,480	-
Operating:						
Acctg Administrator I-Supvr	1.0	1.0	1.0	5,181-6,437	77,628	77,628
Sr Acctg Officer-Spec	1.0	1.0	1.0	4,488-5,618	69,096	69,096
Acctg Officer-Spec	1.0	1.0	1.0	3,918-4,906	60,348	60,348
Accountant Trainee	1.0	1.0	1.0	3,305-3,941	48,480	48,480
Office Techn-Gen	1.0	1.0	1.0	2,691-3,371	41,460	41,460
Totals, Fiscal Services	45.8	48.0	45.0	\$2,792,376	\$3,326,708	\$3,168,923
General Counsel Division						
General Counsel	1.0	1.0	1.0	10,833-14,167	170,004	170,004
Asst Chief Counsel	1.0	1.0	2.0	9,109-10,551	126,612	259,560
General Counsel:						
Housing Finance Spec	1.0	1.0	-	4,930-6,171	75,900	-
Staff Services Analyst	-	-	1.0	2,873-4,671	-	39,012
Sr Typist-Legal	1.0	2.0	1.0	2,641-3,693	80,807	45,420
Office Asst-Gen	1.0	-	-	2,115-2,910	-	-
Records Management:						
Staff Services Mgr I	1.0	1.0	1.0	5,181-6,437	79,176	79,176
Assoc Govtl Prog Analyst	0.8	1.0	1.0	4,488-5,618	69,096	69,096
Mgt Services Techn	1.0	1.0	-	2,545-3,188	44,280	-
Asset Management:						
Attorney IV	-	1.0	-	8,656-11,114	129,847	-
Attorney III	2.0	1.0	1.0	7,682-9,857	111,560	123,660
Housing Finance Spec	1.0	1.0	1.0	4,930-6,171	75,900	75,900
Single Family:						
Attorney III	2.7	3.0	2.0	7,682-9,857	363,723	247,320

2245 CALIFORNIA HOUSING FINANCE AGENCY

ORGANIZATIONAL UNIT Classification	EXPENDITURES			EXPENDITURES		
	Filled 2014-15	Authorized 2015-16	Proposed 2016-17	Actual 2014-15 (Salary Range)	Budgeted 2015-16	Proposed 2016-17
Housing Finance Spec	1.0	1.0	1.0	4,930-6,171	75,900	75,900
Multifamily:						
Attorney III	3.0	3.0	3.0	7,682-9,857	363,723	370,980
Housing Finance Spec	1.4	2.0	1.0	4,930-6,171	113,850	75,900
Legal Asst	1.0	1.0	1.0	3,454-4,324	53,184	53,184
Totals, General Counsel Division	19.9	21.0	17.0	\$1,718,810	\$1,933,562	\$1,685,112
Marketing Division						
C.E.A. A	0.7	1.0	1.0	6,296-9,051	114,043	108,612
Sr Info Systems Analyst-Sup	1.0	1.0	1.0	5,967-7,843	96,468	96,468
Marketing:						
Sr Marketing Spec	0.2	-	-	5,435-6,804	-	-
Information Officer II	-	2.0	2.0	5,418-6,733	170,965	170,965
Staff Services Mgr I-Spec	2.0	-	-	5,181-6,437	-	-
Information Officer I	-	1.0	1.0	4,488-5,618	62,148	62,148
Staff Services Analyst	1.0	1.0	1.0	2,873-4,671	48,804	51,240
Digital Media						
Associate Info Systems Analyst-Spec	1.0	1.0	1.0	4,711-6,195	76,200	76,200
Graphic Designer III	1.0	1.0	1.0	4,454-5,577	63,720	66,600
Totals, Marketing Division	6.9	8.0	8.0	\$544,160	\$632,348	\$632,233
Information Technology Division						
Chief Information Officer	1.0	1.0	1.0	8,333-11,458	137,496	137,500
Application Systems Development & Support:						
Data Processing Manager III	-	1.0	-	7,260-8,656	101,292	-
Sr Programmer Analyst-Supvr	1.0	-	1.0	5,967-7,843	-	96,468
Sr Programmer Analyst-Spec	3.3	4.0	3.0	5,682-7,468	367,440	275,580
Staff Programmer Analyst-Spec	2.0	2.0	2.0	5,166-6,793	157,512	167,112
Assoc Info Systems Analyst-Spec	-	1.0	-	4,711-6,195	70,764	-
Assoc Programmer Analyst-Spec	-	-	1.0	4,711-6,195	-	60,840
Security Administration & Workstation Support:						
Data Processing Manager III	-	1.0	-	7,260-8,656	98,606	-
Data Processing Manager II	1.0	-	1.0	5,966-7,842	-	96,456
Staff Info Systems Analyst-Spec	1.3	2.0	1.0	5,166-6,793	150,276	83,556
Assoc Info Systems Analyst-Spec	2.0	2.0	2.0	4,711-6,195	143,652	143,652
Technical Support Services						
Systems Software Spec III-Supvr	1.0	1.0	1.0	6,544-8,602	105,804	105,804
Systems Software Spec II-Tech	2.0	2.0	2.0	5,672-7,456	183,408	183,408
Staff Info Systems Analyst-Spec	3.0	3.0	3.0	5,166-6,793	239,760	250,668
Assoc Info Systems Analyst-Spec	1.0	1.0	2.0	4,711-6,195	76,200	152,400
Totals, Information Technology Division	18.6	21.0	20.0	\$1,535,362	\$1,832,210	\$1,753,444
Temporary Help	2.8	2.8	1.8	158,883	126,000	100,000
Overtime	-	-	-	14,092	28,000	24,000
Totals, Operations	129.3	143.3	140.8	\$9,608,014	\$11,351,380	\$11,325,700
PROGRAMS						
Single Family Lending						
Director of Homeownership Program	0.3	1.0	1.0	11,667-15,833	124,008	142,500
Totals, Single Family Administration	0.3	1.0	1.0	\$33,267	\$124,008	\$142,500
QA & Support:						
Housing Finance Ofcr	1.0	-	-	6,236-7,765	-	-
Housing Finance Spec	1.0	-	-	4,930-6,171	-	-
Totals, QA & Support	2.0	-	-	\$151,033	\$0	\$0
Lending:						
Leads Program:						
Housing Finance Ofcr	1.0	-	-	6,236-7,765	-	-
Housing Finance Assoc	0.2	-	-	4,488-5,618	-	-
Lender Admin/Recertification/Training:						
Housing Finance Ofcr	1.0	-	-	6,236-7,765	-	-
Housing Finance Spec	1.0	-	-	4,930-6,171	-	-
Housing Finance Trainee	1.0	-	-	4,488-5,618	-	-
Loan Admin/Special Programs:						

2245 CALIFORNIA HOUSING FINANCE AGENCY

ORGANIZATIONAL UNIT Classification	EXPENDITURES			EXPENDITURES		
	Filled 2014-15	Authorized 2015-16	Proposed 2016-17	Actual 2014-15 (Salary Range)	Budgeted 2015-16	Proposed 2016-17
Housing Finance Ofcr	1.0	-	-	6,236-7,765	-	-
Housing Finance Spec	2.0	-	-	4,930-6,171	-	-
Housing Finance Assoc	1.0	-	-	2,873-3,600	-	-
Loan Production:						
Housing Finance Ofcr	0.1	-	-	6,236-7,765	-	-
Housing Finance Spec	1.8	-	-	4,930-6,171	-	-
Housing Finance Assoc	6.7	-	-	4,488-5,618	-	-
Office Techn-Gen	1.0	-	-	2,691-3,371	-	-
Office Asst-Gen	0.1	-	-	2,115-2,910	-	-
Loan Production Policy:						
Housing Finance Ofcr	1.0	-	-	6,236-7,765	-	-
Secondary Marketing and Loan Purchasing:						
Housing Finance Ofcr	1.0	-	-	6,236-7,765	-	-
Housing Finance Spec	1.1	-	-	4,930-6,171	-	-
Housing Finance Assoc	0.9	-	-	4,488-5,618	-	-
Special Projects:						
Housing Finance Chief	1.0	-	-	7,602-8,633	-	-
Totals, CalHFA Lending	22.9	-	-	\$1,653,190	\$0	\$0
Mortgage Insurance						
Mortgage Insurance:						
Housing Finance Ofcr	1.0	-	-	6,236-7,765	-	-
Totals, Mortgage Insurance	1.0	-	-	\$93,180	\$0	\$0
Portfolio Management						
Housing Finance Chief	1.0	-	-	7,602-8,633	-	-
REO/Alternative Disposition:						
Housing Finance Spec	2.1	-	-	4,930-6,171	-	-
Housing Finance Assoc	3.0	-	-	4,488-5,618	-	-
Loss Mitigation:						
Housing Finance Ofcr	1.0	-	-	6,236-7,765	-	-
Housing Finance Spec	5.1	-	-	4,930-6,171	-	-
Housing Finance Assoc	8.0	-	-	4,488-5,618	-	-
Office Techn-Typing	1.0	-	-	2,740-3,429	-	-
Portfolio Management Systems:						
Housing Finance Spec	1.0	-	-	4,930-6,171	-	-
Housing Finance Assoc	1.0	-	-	4,488-5,618	-	-
Servicer Administration:						
Housing Finance Spec	3.9	-	-	4,930-6,171	-	-
Housing Finance Assoc	1.0	-	-	4,488-5,618	-	-
Totals, CalHFA Portfolio Management	28.1	-	-	\$1,836,452	\$0	\$0
Lender Services and Leads Unit:						
Housing Finance Ofcr	-	2.0	2.0	6,236-7,765	191,016	191,016
Housing Finance Spec	-	2.0	2.0	4,930-6,171	147,000	151,800
Housing Finance Assoc	-	2.0	2.0	4,488-5,618	138,192	138,192
Totals, Lender Services and Leads Unit	-	6.0	6.0	\$0	\$476,208	\$481,008
Secondary Marketing:						
Housing Finance Ofcr	-	1.0	1.0	6,236-7,765	87,876	87,876
Housing Finance Spec	-	2.0	2.0	4,930-6,171	151,800	151,800
Housing Finance Assoc	-	-	1.0	4,488-5,618	-	69,096
Totals, Secondary Marketing	-	3.0	4.0	\$0	\$239,676	\$308,772
Specialized Services Section:						
Housing Finance Chief	-	1.0	1.0	7,602-8,633	106,188	106,188
Housing Finance Ofcr	-	2.0	2.0	6,236-7,765	191,016	191,016
Housing Finance Spec	-	2.0	1.0	4,930-6,171	151,800	75,900
Housing Finance Trainee	-	-	1.0	2,873-3,600	-	47,904
Totals, Specialized Services Section	-	5.0	5.0	\$0	\$449,004	\$421,008
Systems Support Unit:						
Housing Finance Spec	-	1.0	1.0	4,930-6,171	75,900	75,900
Housing Finance Assoc	-	1.0	1.0	4,488-5,618	69,096	69,096
Totals, Systems Support Unit	-	2.0	2.0	\$0	\$144,996	\$144,996
Loan Production and Portfolio Management Section:						

2245 CALIFORNIA HOUSING FINANCE AGENCY

ORGANIZATIONAL UNIT Classification	EXPENDITURES			EXPENDITURES		
	Filled 2014-15	Authorized 2015-16	Proposed 2016-17	Actual 2014-15 (Salary Range)	Budgeted 2015-16	Proposed 2016-17
Housing Finance Chief	-	1.0	1.0	7,602-8,633	106,188	106,188
Housing Finance Ofcr	-	3.0	2.0	6,236-7,765	256,956	176,984
Housing Finance Spec	-	14.0	10.0	4,930-6,171	1,062,600	759,000
Housing Finance Assoc	-	19.0	12.0	4,488-5,618	1,312,824	829,152
Housing Finance Trainee	-	2.0	1.0	2,873-3,600	95,808	45,708
Office Techn-Typing	-	1.0	2.0	2,740-3,429	37,164	84,360
Totals, Loan Production and Portfolio Management	-	40.0	28.0	\$0	\$2,871,540	\$2,001,392
Totals, Single Family	54.3	57.0	46.0	\$3,767,122	\$4,305,432	\$3,499,676
Loan Servicing						
Housing Finance Chief	1.0	1.0	1.0	7,602-8,633	106,188	106,188
Customer Service:						
Housing Finance Spec	-	1.0	1.0	4,930-6,171	75,900	75,900
Housing Finance Assoc	1.8	1.0	2.0	4,488-5,618	69,096	138,192
Office Techn-Typing	3.7	3.0	3.0	2,740-3,429	168,672	168,672
Office Techn-Gen	0.7	-	-	2,691-3,371	-	-
Mgt Services Techn	0.9	3.0	3.0	2,545-3,188	132,840	132,840
Collections:						
Staff Services Mgr I	0.9	1.0	1.0	5,181-6,437	79,176	79,176
Housing Finance Asst	-	1.0	1.0	3,731-4,671	50,304	50,304
Housing Finance Trainee	2.0	-	-	2,873-3,600	-	-
Default Management:						
Housing Finance Ofcr	1.0	1.0	1.0	6,236-7,765	95,508	95,508
Housing Finance Spec	1.0	1.0	1.0	4,930-6,171	70,488	70,488
Housing Finance Assoc	4.0	4.0	5.0	4,488-5,618	271,008	345,480
Housing Finance Asst	1.3	1.0	1.0	3,731-4,671	48,192	50,592
Office Techn-Typing	1.0	1.0	1.0	2,740-3,429	39,168	42,180
Office Asst-Gen	1.0	1.0	1.0	2,115-2,910	34,236	34,236
System Administration:						
Housing Finance Spec	0.6	1.0	1.0	4,930-6,171	70,488	70,488
Housing Finance Assoc	0.4	-	-	4,488-5,618	-	-
Totals, Servicing	21.3	21.0	23.0	\$1,210,291	\$1,311,264	\$1,460,244
Multifamily Programs						
Director of Multifamily Programs	-	-	1.0	11,667-17,500	-	158,124
Programs Administrator	0.4	1.0	-	11,667-15,833	168,000	-
Housing Finance Chief	1.0	1.0	1.0	7,602-8,633	106,188	106,188
Credit Officer, C.E.A. A	-	-	1.0	6,296-9,051	-	108,612
Adm Asst I	1.0	1.0	-	3,731-4,671	59,664	-
Office Techn-Typing	-	-	1.0	2,740-3,429	-	37,944
Loan Underwriting:						
Housing Finance Ofcr	0.3	-	-	6,236-7,765	-	-
Housing Finance Spec	2.7	3.0	4.0	4,930-6,171	227,700	303,600
Loan Officers:						
Housing Finance Ofcr	5.1	7.0	6.0	6,236-7,765	668,556	573,048
Construction Services:						
Sr Housing Constrn Insp	1.0	1.0	1.0	8,115-10,155	124,908	125,880
Housing Constrn Insp	1.0	1.0	1.0	7,472-9,354	115,056	115,056
Sr Design Ofcr	1.0	0.5	-	5,548-6,940	42,684	-
Loan Administration & Disbursements:						
Staff Services Mgr I	1.0	1.0	1.0	5,181-6,437	81,108	81,108
Loan Administration:						
Housing Finance Spec	2.0	2.0	2.0	4,930-6,171	151,800	151,800
Housing Finance Assoc	1.0	1.0	1.0	4,488-5,618	69,096	69,096
Housing Finance Asst	5.0	5.0	5.0	3,731-4,671	287,280	287,280
Disbursements:						
Housing Finance Spec	1.0	1.0	1.0	4,930-6,171	75,900	75,900
Housing Finance Assoc	-	1.0	1.0	4,488-5,618	58,584	69,096
Housing Finance Asst	1.0	-	-	3,731-4,671	-	-
Totals, Multifamily Programs	24.5	26.5	27.0	\$2,084,551	\$2,236,524	\$2,262,732
Asset Management						
C.E.A. A	-	1.0	-	6,296-9,051	106,488	-

2245 CALIFORNIA HOUSING FINANCE AGENCY

ORGANIZATIONAL UNIT Classification	EXPENDITURES			EXPENDITURES		
	Filled 2014-15	Authorized 2015-16	Proposed 2016-17	Actual 2014-15 (Salary Range)	Budgeted 2015-16	Proposed 2016-17
Asset Management:						
Housing Finance Chief	1.0	1.0	2.0	7,602-8,633	106,188	212,376
Housing Maint Insp	6.0	6.0	4.0	6,898-8,629	636,840	427,872
Housing Finance Ofcr	5.0	5.0	5.0	6,236-7,765	600,504	477,540
Housing Finance Spec	6.0	8.0	9.0	4,930-6,171	607,200	683,100
Housing Finance Assoc	3.0	3.0	6.0	4,488-5,618	207,288	414,576
Housing Finance Asst	1.0	2.0	1.0	3,731-4,671	103,344	57,456
Housing Finance Trainee	-	1.0	1.0	2,873-3,600	47,904	48,828
Office Techn-Typing	1.0	-	1.0	2,740-3,429	-	42,177
Office Techn-Gen	1.0	-	1.0	2,691-3,371	-	41,460
Mgt Services Techn	1.0	1.0	1.0	2,545-3,188	44,280	44,280
Totals, Asset Management	25.0	28.0	31.0	\$2,095,161	\$2,460,036	\$2,449,665
Temporary Help	7.7	10.0	5.8	429,418	500,000	330,000
Overtime	-	-	-	97,938	70,000	72,000
Totals, Programs	132.8	142.5	132.8	\$9,684,481	\$10,883,256	\$10,074,317
Totals Regular/Ongoing Positions Before Salary Savings	251.6	273.0	266.0	\$18,592,164	\$21,510,636	\$20,874,017
Salary Savings	-	-	-	\$0	-\$667,974	-\$817,696
TOTALS, CalHFA AUTHORIZED POSITIONS	262.1	285.8	273.6	\$19,292,495	\$21,566,662	\$20,582,321
<i>Regular/Ongoing Positions w/ Salary Savings</i>	<i>251.6</i>	<i>273.0</i>	<i>266.0</i>	<i>18,592,164</i>	<i>20,842,662</i>	<i>20,056,321</i>
<i>Temporary Help</i>	<i>10.5</i>	<i>12.8</i>	<i>7.6</i>	<i>588,301</i>	<i>626,000</i>	<i>430,000</i>
<i>Overtime</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>112,030</i>	<i>98,000</i>	<i>96,000</i>

CalHFA FY 2016-17 Out of State Travel Requests

Mission Critical Travel	Destination	# of Exempt Employees Attending	# Board Members Attending *	# of Non-Exempt Employees Attending (Excluded and Represented Employees)	Projected Cost (Including airfare, rental car, meals, etc.)	Justification (i.e. Mission Critical; List benefits to the Dept.; Auditing; Litigation Related; Function required by statute, contract, or executive directive; NCSHA Sponsored Meetings; Meetings with Rating Agencies, GSE's; Lender Trainings)	Impact if Denied
2016 NCSHA Annual Conference (Sept. 24-27, 2016)	Miami, FL	6	2	3	\$ 27,500.00	Annual meeting with national HFAs regarding professional development in various housing related program areas including communications, finance, governance, legal, human relations, information technology, management, homeownership, rental and special needs housing	Loss of cost savings and efficiencies for not meeting business partners in one location, resulting in the inability to collaborate and strengthen lending products for affordable housing initiatives with HFAs across the country.
2017 NCSHA HFA Institute (Jan. 8-13, 2017)	Washington, DC	1		5	\$ 15,000.00	Mission critical event designed to strengthen understanding of program fundamentals and explore advanced techniques for administering various housing programs and initiatives	Loss of opportunity to obtain in-depth instruction on essential HFA programs.
2017 NCSHA Legislative Conference (Mar. 6-8, 2017)	Washington, DC	4	2	1	\$ 17,500.00	To receive mission critical current updates on legislative and regulatory activities and priorities, industry perspectives, and the solutions to the latest issues and challenges, and to collaborate with experienced HFA practitioners, Congressional and Federal staff, and noted industry leaders through events and roundtable sessions	Loss of cost savings and efficiencies for not meeting business partners in one location, resulting in the inability to strengthen understanding in common and shared affordable housing initiatives with HFAs and key Federal and Congressional leaders.
Fannie Mae's HFA Institute	Washington, DC	2		2	\$ 8,000.00	Required by federal partners. To obtain mission critical information on Fannie Mae's HFA Preferred Program (A NCSHA sponsored HFA Conference)	Not attending could jeopardize CalHFA's participation in Fannie Mae's HFA Preferred Program.
Smith's Research Conference	Ft Lauderdale, FL	1			\$ 2,000.00	Addresses challenges in today's housing finance industry. Explores issues facing the market and help develop mission critical actionable solutions and look for opportunities for housing sector investors.	Missed opportunity to obtain strategies, and valuable and critical information regarding investor matters.
ACI Mortgage Servicing Compliance	Washington DC, or other locations				\$ 2,750.00	Acquire/maintain knowledge regarding complicated, evolving and frequently changing federal rules concerning mortgage loan servicing compliance and best practices applicable to CalHFA in-house and outside SF loan servicing operations	Failure to obtain important information and knowledge resulting in increased reliance on expensive outside counsel and risk of non-compliance by CalHFA staff and resulting litigation.
HUD TRACS Annual Meeting	Washington DC			2	\$ 5,000.00	Required by federal partners. Tenant Rental Assistance Certification System (TRACS) Mission critical to learn of the latest changes and HUD regarding occupancy related issues, software updates, and new HUD initiatives	Failure to obtain the most current and critical information regarding HUD matters.
HUD 811 Convening	Washington, DC			2	\$ 5,000.00	Required by federal partners. HUD 811 program provides "convening" of states that have been awarded funds. California was the first state to have an executed Rental Assistance Contract with an owner. CalHFA has been asked to discuss the new HUD system that handles the PRA subsidy payments as well as to discuss our experience with the payment process so far.	Failure to obtain information on program changes as well as provide important feedback on the Agency's experience with the 811 program so far.
McCracken User Conference	Boston, MA			2	\$ 6,000.00	Agency recently updated from Version 14.2 to Version 17 and staff needs training on the new version of the Multifamily servicing software.	Failure to obtain critical training will result in staff inefficiencies and missed deadlines.
US Bank Conference	Minneapolis, MN	1		1	\$ 2,200.00	Master Servicer Conference	Will not participate in business planning discussions.

CalHFA FY 2016-17 Out of State Travel Requests

Mission Critical Travel	Destination	# of Exempt Employees Attending	# Board Members Attending *	# of Non-Exempt Employees Attending (Excluded and Represented Employees)	Projected Cost (Including airfare, rental car, meals, etc.)	Justification (i.e. Mission Critical; List benefits to the Dept.; Auditing; Litigation Related; Function required by statute, contract, or executive directive; NCSHA Sponsored Meetings; Meetings with Rating Agencies, GSE's; Lender Trainings)	Impact if Denied
NCSHA Executive Development Seminar	TBD	2			\$ 5,000.00	Bi-annual executive development program. Topics covered in the seminar include mission critical, transformational strategies and identifying growth opportunities, change management, improved decision making, negotiation and conflict management, building high performance teams and situational leadership.	Failure to provide executive management with high level training regarding organizational transformation, change management and organizational performance.
Hardest Hit Fund Conference	TBD	2			\$ 5,000.00	Summit with US Treasury officials, representatives from other Hardest Hit Fund states, GSEs and large banks to discuss barriers and mission critical solutions related to the use of Hardest Hit Funds.	Failure to meet with Treasury officials face to face to negotiate changes to the program and to develop program parameters for use of program income generated by the Hardest Hit Funds.
Hardest Hit Fund Conference (To be reimbursed by KYHC)	TBD	1			\$ -	Summit with US Treasury officials, representatives from other Hardest Hit Fund states, GSEs and large banks to discuss barriers and solutions related to the use of Hardest Hit Funds.	Failure to meet with Treasury officials face to face to negotiate changes to the program and to develop program parameters for use of program income generated by the Hardest Hit Funds.
Rating Agency Visit	New York, NY	3		1	\$ 8,000.00	Required annual management review with Moody's	Potential negative comments on Agency management. Failure to educate rating agencies regarding specific business risks that influence our ratings on debt issuance.
NCSHA Housing Credit Connect (June 20-23, 2017)	Atlanta, GA	3			\$ 4,500.00	Annual meeting with national HFAs regarding low income housing tax credits, including legislative updates, industry expert meetings, IRS regulation changes, and policy discussions	Failure to obtain critical information on changes to Multifamily low income housing tax credits, including any legislative or related financing methods.
NCSHA Executive Directors Workshop (July 2016)	Vermont	1			\$ 2,500.00	Annual Executive Directors Workshop. Annual meeting with other executive directors throughout the country to collaborate and strategize regarding the latest HFA lending executions and potential new business models.	Loss of cost savings and efficiencies for not meeting business partners in one location, resulting in the inability to collaborate and strengthen lending products for affordable housing initiatives with HFAs across the country.
NCSHA Board Member Training	TBD		4		\$ 10,000.00	Annual meeting with HFA Board Members across the Country regarding the responsibilities as Board Members, role of HFAs in the housing finance space and policy and legislative updates from industry experts	Participation in the training will ensure that the Board Members understand their role and responsibilities as Board Members and will help avoid potential issues during their service on the Board.
Microsoft GP User Group Summit (Oct. 11-14, 2016)	Tampa, FL	1		3	\$ 10,000.00	As the Agency moves forward with utilizing the full Microsoft GP2015 solution for the Agency's business, the need to identify, research, and analyze which modules will best fit the needs of the Agency is critical to the success of the changeover. Attending will provide the opportunity to realize the full potential of the software solution.	Failure to obtain critical training may result in inefficient or incorrect implementation of GP modules.

CalHFA FY 2016-17 Out of State Travel Requests

Mission Critical Travel	Destination	# of Exempt Employees Attending	# Board Members Attending *	# of Non-Exempt Employees Attending (Excluded and Represented Employees)	Projected Cost (Including airfare, rental car, meals, etc.)	Justification (i.e. Mission Critical); List benefits to the Dept.; Auditing; Litigation Related; Function required by statute, contract, or executive directive; NCSHA Sponsored Meetings; Meetings with Rating Agencies, GSE's; Lender Trainings)	Impact if Denied
2017 Government Social Media Conference	Reno, NV			1	\$ 1,000.00	The GSMCON is an annual social media conference targeted to city, county, and state government. Sessions include speakers from CA state agencies and others who are presenting on topics such as 'using social media during emergencies', 'handling negative social media', and 'legal aspects for government social media'. It's mission critical for our communications staff and public information liaisons to be trained on these topics so that we can communicate effectively to the public.	Lack of preparedness and understanding to communicate effectively during a crisis or to communicate to or on behalf of public officials. Lack of preparedness and understanding when handling negative social interactions that directly impact the Agency's reputation.
Federal Financing Bank HUD Risk-Share Program Meeting	Washington, DC	1		1	\$ 4,500.00	Meeting with HUD, US Treasury, and the Federal Financing Bank to discuss changes to the FFB Risk-Share loan program	Failure to meet with CalHFA's partners in this unique HFA financing tool could result in lowered lending production at higher financing rates
Black Knight (Information Exchange)	Florida			3	\$ 6,000.00	Conference given by our servicing system provider to learn new and upcoming system developments.	Failure to obtain critical training will result in staff inefficiencies and missed deadlines.
MBA Servicing	TBD			2	\$ 4,500.00	Mission critical presentation of new laws and regulations to keep up with best practices in the industry.	Failure to obtain critical training will result in staff inefficiencies and missed deadlines.
Fannie Mae Advisory Board	Washington, DC	1			\$ 4,000.00	The GSMCON is an annual social media conference targeted to city, county, and state government. Sessions include speakers from CA state agencies and others who are presenting on topics such as 'using social media during emergencies', 'handling negative social media', and 'legal aspects for government social media'. It's mission critical for our communications staff and public information liaisons to be trained on these topics so that we can communicate effectively to the public.	Loss of cost savings and efficiencies for not meeting lending partners in one location, resulting in the inability to collaborate and strengthen lending products for affordable housing initiatives.
BBVA Advisory Board (To be reimbursed)	Houston, TX (Varies TBD)	1			\$ -	Mission critical engagement with secondary marketing purchaser of single family and multifamily loans. Ability to influence and provide input of issues critical to CalHFA's mission.	Loss of cost savings and efficiencies for not meeting lending partners in one location, resulting in the inability to collaborate and strengthen lending products for affordable housing initiatives.
Genworth	Charlotte, NC	2			\$ 5,000.00	Revisit Genworth operations	N/A
Servicer Audits	Various States			3	\$ -	Out of state travel to conduct servicer audits (Expenses are reimbursed)	N/A
Lender Trainings and Recertification	Various States			3	\$ -	Out of state travel to conduct lender trainings and lender recertification's (Expenses are reimbursed)	N/A
Totals		33	8	37	\$ 160,950.00		

* Agency will reimburse out of state travel expenses for Board Members eligible for per diem pursuant to Health & Safety Code Section 50909

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CalHFA Contracts for FY 2016/17

Consulting and Professional Services Proposed 2016/17

Remarks

DIVISION CONTRACTS

REGULAR ONGOING CONTRACTS

AGENCY WIDE

Cornerstone

500
500

Security Monitoring

EXECUTIVE

Management Consulting Services
Economic Impact Study Report
Executive Total:

200,000
50,000
250,000

Potential expansion of organizational assessment
Economic Impact Study Report

BOARD MEMEBERS

3Play Media
Board Members Total:

4,000
4,000

Closed captioning and interactive transcript services for CalHFA Board meetings

ADMINISTRATION

State Controller's Office
Weintraub Tobin
Recruiting Services (CPS)
HR Consulting
Administration Total:

2,000
40,000
40,000
14,000
96,000

Leave Accounting
Attorney services for workplace investigations, mediation, and expert witness work as necessary
HR Consultation Services
HR Consultation Services

INFORMATION TECHNOLOGY

Enterasys
CliftonLarsonAllen
QBIX
Public Consulting Group
Sharepoint Technical Expertise
Microsoft Exchange Upgrade/Lync Implementation
Macroview, Inc.
SSAE 16 Soc Type I
Cyber Security Awareness
Replication Services
RSA/PAN Integration
TrendMicro Antivirus
PKI CA Cert

10,000
30,000
1,000
200,000
20,000
25,000
10,000
32,000
6,000
30,000
6,000
5,000
5,000
385,000

Ongoing Switch Maintenance
Vulnerability assessment
General Ledger Report Upgrades
Programming Support
Technical Support
Technical Expertise
Technical Support
Certification for service provider organizations including Readiness Assessment
Ongoing Cybersecurity awareness program
Disaster Recovery Replication technical expertise
RSA/PAN Intergration technical expertise
Server antivirus with vmware integration technical expertise
In-house security architecture technical expertise

FINANCING

DBC Software (SS & C Technologies)
Bloomberg

55,000
28,000

Cash Flow Projection Software (2 Licenses)
Financial services used to monitor interest rate swap markets and fixed income markets

CalHFA Contracts for FY 2016/17

Consulting and
Professional
Services
Proposed
2016/17

DIVISION CONTRACTS

Remarks

83,000

Financing Total:

CalHFA Contracts for FY 2016/17

Consulting and
Professional
Services
Proposed
2016/17

Remarks

DIVISION CONTRACTS

FISCAL SERVICES

Audits

CliftonLarsonAllen
CLA Consulting

243,100
12,100

Housing Finance Fund Financial Audit
Consulting and comfort letters

Other

MF Servicing Software Package
Arbitrage Services

185,000
35,000

Multifamily Loan Servicing ASP - Ongoing
Tax Compliance Calculations

Fiscal Services Total:

475,200

GENERAL COUNSEL

Litigation related

Bankruptcy/Consultation Services
Cal Attorney General

10,000
100,000

Bankruptcy
Homeowner loan and routine litigation

Orrick

Law Offices of James J. Falcone

600,000
10,000

Litigation
Litigation

Non-litigation related

Orrick
Hawkins Delafield & Wood LLP

50,000
50,000

Hourly bond & finance advice
Bond counsel

Legal Total:

820,000

MARKETING

Marketing/Digital Marketing/PR

480,000

Lazarone Photography

10,000

Design Forge

20,000

Website Revision and Focus Groups

100,000

Mobile App Developments

7,500

Marketing Total:

617,500

SINGLE FAMILY LENDING

All Regs

First American Title

30,000

SF Data Research

200,000

Brooks Systems

51,000

Citrix Webinars

2,000

Vernazza Wolfe Associates

13,000

CoreLogic Solutions LLC

5,000

LexisNexis Risk Solutions FL, Inc.

5,000

Lending Total:

307,000

LOAN SERVICING

Quarterly enhancements to the CalHFA Servicer Guide
Title searches for our modifications and short sale requests
Property valuation/ownership verification service
Used to determine APR, as necessary
Used for lender training presentations
Data Services
Analytical tools to obtain property values, appraisal analytics and fraud analytics
Risk evaluation services

CalHFA Contracts for FY 2016/17

Consulting and Professional Services Proposed 2016/17

DIVISION CONTRACTS	Remarks
Black Knight Mortgage Processing	Single Family Loan Servicing ASP - ongoing
Servicing Printing and Mailing	Loan payment coupons, tax forms, etc
Check Processors, Inc.	Lock Box Service
McBride Edwards LLP	Servicing Auditor
Servicing Total:	
	530,000
MIS	
CliftonLarsonAllen	Housing Loan Insurance Fund AUP
Experian	Credit reporting contract required by Genworth for loss mitigation purposes
MIS Total:	
	26,000
MULTIFAMILY	
Experian Information Solutions, Inc.	Credit reports on business partners obtaining financing from CalHFA
GTG Partners	Physical Needs Assessment (PNA) Consultant
Multifamily Total:	
	102,500
ASSET MANAGEMENT	
Reaction Inspection Services	REAC inspections for Section 8 properties per HUD
24/7 Markan Family Mobile Notary	REAC inspections for Section 8 properties per HUD
Housing Development Software	Maintenance fee for software/Host set-up and license fees
Social Serve-HUD 811 Tenant Selection	Maintenance fee for HUD 811 program software
Novogradac	Income limit calculator
Asset Management Total:	
	164,425
CALHFA REGULAR ONGOING CONTRACT TOTALS	(\$3,835K on CalHFA Consulting and Professional Services Line)
MIS REGULAR ONGOING CONTRACT TOTALS	(\$26K on MIS Consulting and Professional Services Line)
TOTAL ONGOING CONTRACTS	(\$3,861K on Combined Consulting and Professional Services Line)

California Housing Finance Agency
Fiscal Year 2015-16 and 2016-17
Projected Revenues

	Revised Projection 6/30/2016	Proposed Budget 6/30/2017
<u>Legacy activities</u>		
Income from single-family loan servicing	\$ 2,500,000.00	\$ 1,952,411.78
Release of earthquake insurance	\$ 1,334,305.00	\$ 642,879.73
Mortgage and MBS repayments and maturities:		
- HELP loans (maturities)	\$ 8,638,642.65	\$ 10,239,781.54
- Unencumbered multifamily loans (repayments) and MBS (repayments)	\$ 10,434,525.94	\$ 9,945,169.68
- SF Subordinate loans	\$ 3,644,508.29	\$ 2,999,151.50
Fee income:		
- Administrative fees from bond indentures	\$ 3,241,071.32	\$ 2,936,387.68
- Released from indentures	\$ 13,968,000.00	\$ 7,500,000.00
- HAP administrative fees	\$ 1,299,340.50	\$ 1,264,509.54
- Multifamily servicing fees (Citi)	\$ 178,878.67	\$ 178,415.55
- Administrative Fees (conduits)	\$ 961,825.77	\$ 673,625.00
Interest on mortgages/securities/cash:		
- HELP loans	\$ 1,682,618.40	\$ 3,474,820.06
- Unencumbered multifamily loans	\$ 6,143,465.24	\$ 7,032,153.96
- Unencumbered MBS	\$ 681,691.04	\$ 616,778.96
- Float Earnings (invested in State's SMIF)	\$ 611,487.59	\$ 542,258.78
- Interest on Cash Collateral	\$ 26,896.36	\$ -
- Other loans (SF loans & Subordinate loans)	\$ 2,011,213.86	\$ 1,863,687.63
Extraordinary activities:		
Multifamily loans (prepayments)	\$ 4,139,880.92	\$ -
Prepayment yield maintenance	\$ 1,477,136.00	\$ -
Total Legacy activities	\$ 62,975,487.55	\$ 51,862,031.39
<u>New activities (Moderate Scenario)</u>		
Single-family Program:		
- Fee income from sale of MBS	\$ 5,300,355.87	\$ 6,072,000.00
- Fee income from origination of CHDAP	\$ 1,650,829.71	\$ 1,449,000.00
- Fee income from origination of MCC	\$ 264,963.33	\$ 299,000.00
- Fee income - ehousing	\$ -	\$ 90,000.00
- Fee income - extention fees	\$ -	\$ 124,000.00
Multifamily Program (all HUD Risk-share insured):		
- Loan fees from acq-rehab financings:		
- fully amortizing permanent loans	\$ 678,700.00	\$ 930,000.00
- 30-35 year amortizing but due in 17+ years	\$ -	\$ -
- FFB	\$ -	\$ 1,050,000.00
- Loan fees from permanent-only financings:		
- fully amortizing permanent loans	\$ 146,323.00	\$ -
- Conduit financings:	\$ 656,786.00	\$ 700,000.00
Multifamily Asset Management:		
- HUD 811	\$ 186,601.80	\$ 186,461.00
- HCD's Tenant Based Rental Assistance	\$ -	\$ 50,000.00
MHSA origination fees:	\$ 261,830.00	\$ -
Total New activities	\$ 9,146,389.71	\$ 10,950,461.00
<u>New Era Sources of Liquidity</u>		
Mort. repay and maturities & releases from inden.:		
Repayment of ZIP Loans (currently purchased)	\$ 74,119.03	\$ 145,875.57
MF New Era Loans - released from Indenture	\$ -	\$ 250,000.00
Release from Stand alone Indenture	\$ 166,267.31	\$ 518,580.00
Fee income:		
Administrative Fees (conduits)	\$ 68,477.98	\$ 464,416.64
Administrative Fees (acq-rehab)	\$ -	\$ -
Administrative Fees (FFB)	\$ -	\$ -
Servicing Fees MHSA	\$ 1,004,522.00	\$ 1,004,522.00
Interest on mortgages/securities/cash:		
Investment Income (SMIF)	\$ -	\$ 29,320.94
MF spread	\$ -	\$ -
MF spread	\$ -	\$ -
Total New Era	\$ 1,313,386.33	\$ 2,412,715.16
Total Inflows	\$ 73,435,263.59	\$ 65,225,207.55

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RESOLUTION 16-10

AGENCY BUSINESS PLAN

FISCAL YEAR 2016/2017

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8 WHEREAS, pursuant to the Zenovich-Moscone-Chacon Housing and Home Finance Act (“Act”), the
9 California Housing Finance Agency (“Agency”) has the authority to engage in activities to reduce the cost
10 of mortgage financing for home purchase and rental housing development, including the issuance of bonds
11 and the insuring of mortgage loans;
12

13 WHEREAS, the Agency’s statutory objectives include, among others, increasing the range of housing
14 choices for California residents, meeting the housing needs of persons and families of low or moderate
15 income, maximizing the impact of financing activities on employment and local economic activity, and
16 implementing the objectives of the California Statewide Housing Plan;
17

18 WHEREAS, while the improving California economy and real estate markets continue to present
19 opportunity for the Agency, financial challenges remain within changing credit and capital markets;
20

21 WHEREAS, the Agency must responsibly manage real estate related risk and liquidity for operating
22 expenses and financial obligations;
23

24 WHEREAS, the Agency has presented to the Board of Directors a Business Plan, for fiscal year 2016/17,
25 with its goals, key strategies and action items designed to assist the Agency meet its financial obligations,
26 its statutory objectives, support the housing needs of the people of California and to provide the Agency
27 with the necessary road map to continue its reemergence as a leading affordable housing lender providing
28 bond financing and mortgage financing well into the future;
29

30 NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Agency as follows:
31

32 1. The 2016/17 Business Plan, as presented by the written presentation attached hereto and made a part
33 hereof, and any additional presentations made at the meeting, is hereby fully endorsed and adopted.
34

35 2. In implementing the Business Plan, the Agency shall strive to satisfy all the capital adequacy, liquidity
36 reserve, credit and other reserve and any other requirements necessary to maintain the Agency’s general
37 obligation credit ratings and the current credit ratings on its debt obligations, to comply with the
38 requirements of the Agency’s providers of credit enhancement, liquidity, and interest rate swaps and to
39 satisfy any other requirements of the Agency’s bond and insurance programs.
40

41 3. The updated Business Plan is necessarily based on various economic, fiscal and legal assumptions.
42 Therefore, for the Agency to respond to changing circumstances, and subject to the provisions of
43 Resolution 11-06, the Executive Director shall have the authority to adjust the Agency’s day-to-day
44 activities to reflect actual economic, fiscal and legal circumstances to attain goals and objectives consistent
45 with the intent of the updated Business Plan.
46
47

48 I hereby certify that this is a true and correct copy of Resolution 16-10 adopted at a duly constituted
49 meeting of the Board of the Agency held on May 17, 2016, in Sacramento, California.

50

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52

53

ATTEST: _____
Secretary

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56

57 Attachment

RESOLUTION 16-11

CALHFA OPERATING BUDGET

FISCAL YEAR 2016/2017

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WHEREAS, the Board of Directors of the California Housing Finance Agency has reviewed its proposed operating budget for the 2016/2017 fiscal year;

NOW, THEREFORE, BE IT RESOLVED as follows:

- 1. The operating budget attached hereto is hereby approved for operations of the California Housing Finance Agency Fund for fiscal year 2016/2017.

I hereby certify that this is a true and correct copy of Resolution 16-11 adopted at a duly constituted meeting of the Board of the Agency held on May 17, 2016, in Sacramento, California.

ATTEST: _____
Secretary

Attachment

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State of California**MEMORANDUM****To:** Board of Directors**Date:** May 17, 2016

Don Cavier, Chief Deputy Director

Ted Ballmer, Attorney III

From: CALIFORNIA HOUSING FINANCE AGENCY**Subject:** Caltrans State Route 710 Affordable Sales Program**SUMMARY**

CalHFA staff is seeking conditional Board authorization to design and purchase mortgage loans in an amount not to exceed five million dollars (\$5,000,000) in order to facilitate “surplus residential property” sales to qualified low and moderate income households and households whose income is up to 150% of the area median income (collectively, “LMI households”) as part of the Caltrans State Route 710 Affordable Sales Program.

BACKGROUND

Over 40 years ago Caltrans began acquiring property in the cities of Los Angeles, South Pasadena and Pasadena to make way for a freeway extension along State Route 710 (SR-710). Many of the properties included single (357) and multi-family (41) residences. For a variety of reasons, the SR-710 project did not move forward as originally conceived, eliminating the need for Caltrans to retain many of these properties. In 1979, the Legislature passed SB 86 (Roberti) adding Government Code sections 54235 through 54238.7 (the “Roberti Act”) setting forth the priorities and procedures for disposing of these “surplus residential properties.” (See Attachment A)

The statutes governing these properties is complicated, and made more difficult by the rise in property values over the last 35 years (the 2012 baseline market value of the properties is \$236,912,000). However, the Legislature’s stated intentions remain the same:

- To preserve and expand the supply of low and moderate income housing; and
- To mitigate the environmental effects caused by the displacement of a large number of persons as a result of disposing of these properties.

In 2011, the State Bureau of Audits (BSA) issued report 2011-120 entitled, *“California Department of Transportation: Its Poor Management of State Route 710 Extension Project Properties Costs the State Millions of Dollars Annually, Yet State Law Limits the Potential Income From Selling the Properties”* (the “BSA Report”) recommending, among other things, Caltrans adopt regulations to facilitate the sales process. (See www.auditor.ca.gov/reports) In light of the BSA Report, the Legislature passed SB 416 (Liu) which amended the Roberti Act to further facilitate property sales.

Notably, the Roberti Act expressly directs the Department of Housing and Community Development (HCD) to make recommendations in order to effectuate the sales process. Armed with this statutory directive, Caltrans approached HCD (and later, CalHFA) in fall 2014 to create a program pursuant to regulations within the existing structure of the Roberti Act to dispose of the properties as soon as practicable. After collaboration with CalHFA and HCD and two further rounds of public comments, Caltrans submitted its final proposed regulations in spring 2016 to the Office of Administrative Law (OAL) to dispose of the properties (the “SR 710 Affordable Sales Program” or “ASP”). (See Attachment B) OAL approval of the ASP regulations is pending as of the drafting of this staff report.

SR-710 AFFORDABLE SALES PROGRAM

A brief overview of the SR-710 ASP follows:

Priority

In general, the Roberti Act provides that the surplus residential property be offered for sale in the following order:

1. Prior owners (of which there are none);
2. Current tenants (but only if LMI);
3. Public, then private “housing-related entities”;
4. Current, then former tenants; and then
5. Other purchasers pursuant to auction.

Public comments towards initial versions of the ASP regulations were overwhelmingly concerned about the fact that current occupants who did not qualify as LMI households would not have an opportunity to buy their residences before a public or private housing-related entity (HRE). Accordingly, the ASP regulations provide that a public or private HRE must first offer to sell a newly acquired property to the current occupant. If the current occupant declines, then the HRE would also be required to offer to rent the property to the current occupant before making the home affordable to another renter. Additionally, the ASP regulations authorize Caltrans to sell the surplus properties occupied by current LMI tenants to

HREs at a “reasonable price” and the HRE would be obligated to offer to rent the property to current LMI households that do not qualify for financing or otherwise declines to purchase their residences. It is anticipated that these conditions will help to minimize the need to relocate current tenants (some of whom have resided in their properties for 20 years or more) and thereby effectuate a primary goal of the Roberti Act (e.g., neighborhood preservation).

Sales Price

Depending upon the priority of the buyer, the Roberti Act provides for a different formula for determining the sales price. Specifically: qualifying LMI households will pay an “affordable” price based upon their income; a public and private HRE will pay a “reasonable” price based upon the feasibility of maintaining the residence for affordable housing (e.g., renting); and would be owner-occupants that are over-income (households earning more than 150% of area median income) would pay fair market value.

Affordability Restrictions

For all sales at less than fair market value, the Roberti Act provides that Caltrans must “ensure that the housing remain available” to LMI households. In general, this means recording affordability restrictions.

Public comments were overwhelmingly concerned with the imposition of such affordability restrictions, including how that would adversely impact an LMI buyer’s ability to obtain financing. However, the Roberti Act is clear about the need to ensure affordability; and without such restrictions, a LMI (or HRE) buyer could immediately sell the property at fair market value for a potentially very big windfall – a concern that was echoed in the BSA Report with respect to certain tenants renting at less than fair market value.

Nevertheless, the challenge to obtain financing is real because it is unlikely LMI borrowers participating in the ASP could obtain conventional financing that would conform to the standards of government-sponsored enterprises, including CalHFA’s current loan products. To address this problem CalHFA agreed, pending approval from the Board, to design, a portfolio mortgage for potential LMI buyers purchasing homes via the ASP.

CalHFA Loan Product

Absent reliable credit data or financial information pertaining to the potential LMI buyers, CalHFA has designed a loan product using assumptions made based upon Caltrans provided rent rolls and other historical financial data. CalHFA believes the loan product represents the minimum terms a prudent lender would offer given that these loans must be retained on CalHFA’s balance sheet, serviced by CalHFA and cannot be sold on the traditional secondary

mortgage market. As further outlined in the Caltrans SR-710 ASP Term Sheet (See Attachment C), the proposed loan product deviates from a CalHFA conventional loan as follows:

- In general, Caltrans will pay for Borrower's non-reoccurring closing costs and lender fees;
- Mortgage insurance has been waived;
- The Loan to Value (LTV) has been increased from 97% to 100%;
- The Minimum Credit Score has been lowered from 640 to 600; and
- The Maximum Debt to Income (DTI) ratio has been lowered from 45% to 43%.

Approximately 175 of the 357 single family residences are potentially LMI households. However, sales of the Roberti properties are being phased by Caltrans. Phase I involves 42 properties, mostly in the city of South Pasadena. CalHFA believes at most 20 of the 42 properties are occupied by LMI households. Therefore, CalHFA staff is only asking the Board to consider authorization of up to five million dollars (\$5,000,000) in unrestricted funds to buy and hold loans attributable to Phase I.

Caltrans anticipates sending conditional notices of offer to known priority buyers for Phase I in fall 2016. To that end, CalHFA has also reached out to CalHFA-approved lenders and at least one appears willing and able to make such loans under the ASP.

Affordable Housing Trust Account

The affordability restrictions not only restrict occupancy to LMI households, but also transfers to such households (or other HREs for purposes of affordable housing). Nevertheless the ASP regulations provide that any new owner whose property has been restricted may resell their property at fair market value at which time the recorded affordability restrictions will be removed. This will permit the property to be transferred without restrictions but ensure, a certain portion of the proceeds will be deposited into a newly created Affordable Housing Trust Account for affordable housing in the SR-710 area. The remaining proceeds will go to the seller allowing for wealth creation while at the same time meeting the Roberti goal of preserving and expanding the supply of low and moderate income housing.

STAFF RECOMMENDATION

CalHFA staff respectfully requests adoption of the proposed resolution authorizing creation of a portfolio mortgage loan product in an amount not to exceed five million dollars (\$5,000,000) with unrestricted funds to facilitate property sales to qualified LMI buyers pursuant to the Caltrans SR-710 Affordable Sales Program, with the following conditions:

- The Office of Administrative Law formally approve final ASP regulations;

- Use and resale restrictions in a form acceptable to the Executive Director; and
- CalHFA is able to find at least one approved lender willing and able to make the described ASP loans.

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THE ROBERTI ACT**GOVERNMENT CODE
SECTION 54235-54238.7**

54235. The Legislature reaffirms its finding that the disposition of surplus property owned by public agencies should be utilized to further state policies.

The Legislature reaffirms its finding that there exists within the urban and rural areas of the state a serious shortage of decent, safe, and sanitary housing which persons and families of low or moderate income can afford, and consequently a pressing and urgent need for the preservation and expansion of the low- and moderate-income housing supply. The Legislature further reaffirms its finding that highway and other state activities have contributed to the severe shortage of such housing. The Legislature reaffirms that the provision of decent housing for all Californians is a state goal of the highest priority. The Legislature finds and declares that actions of state agencies including the sales of surplus residential properties which result in the loss of decent and affordable housing for persons and families of low or moderate income is contrary to state housing, urban development, and environmental policies and is a significant environmental effect, within the meaning of Article XIX of the California Constitution, which will be mitigated by the sale of surplus residential property pursuant to the provisions of this article.

The Legislature further finds and declares that the displacement of large numbers of persons as a result of the sale of surplus residential property owned by agencies of the state is a significant environmental effect, within the meaning of Article XIX of the California Constitution which will be mitigated by sale of such properties pursuant to the provisions of this article.

The Legislature further finds and declares that the sale of surplus residential property pursuant to the provisions of this article will directly serve an important public purpose. Wherefore, the Legislature intends by this article to preserve, upgrade and expand the supply of housing available to persons and families of low or moderate income. The Legislature further intends by this article to mitigate the environmental effects, within the meaning of Article XIX, of the California Constitution, caused by highway activities.

54236. (a) As used in this article, the term "offer" means to solicit proposals prior to sale in a manner calculated to achieve a sale under the conditions specified, and to hold the offer open for a reasonable period of time, which shall be no more than one year, unless the time is extended by the selling agency at its discretion, for a period to be specified by the selling agency.

(b) As used in this article, the term "affordable price" means, in the case of a purchaser, other than a lower income household, the price for residential property for which the purchaser's monthly payments will not exceed that portion of the purchasing household's adjusted income as determined in accordance with the regulations of the United States Department of Housing and Urban Development, issued pursuant to Section 235 of the National Housing Act; and, in the case of a purchaser that is a lower income household, the price for residential property for which the purchaser's monthly payments will not exceed that portion of the purchasing household's adjusted income as determined in accordance with the regulations of the United States Department of Housing and Urban Development issued pursuant to Section 8 of the United States Housing Act of 1937.

(c) As used in this article, the term "single-family residence" means a real property improvement used, or intended to be used, as a dwelling unit for one family.

(d) As used in this article, the term "surplus residential property" means land and structures owned by any agency of the state that is determined to be no longer necessary for the agency's use, and that is developed as single-family or multifamily housing, except property being held by the agency for the purpose of exchange.

Surplus residential properties shall only include land and structures that, at the time of purchase by the state, the state had intended to remove the residences thereon and to use the land for state purposes.

(e) As used in this article, the term "displacement" includes, but is not limited to, persons who will have to move from surplus residential property that they occupy when it is sold by a state agency because they are unable to afford to pay the price that the state agency is asking for the residential property.

(f) As used in this article, the term "fair market value" shall mean fair market value as of the date the offer of sale is made by the selling agency pursuant to the provisions of this article and shall reflect the existing "as is" condition of the property, taking into account any repairs required to make the property safe and habitable. This definition shall not apply to terms of sale that are described as mitigation measures in an environmental study prepared pursuant to the Public Resources Code if the study was initiated before this measure was enacted.

(g) As used in this article, the term "affordable rent" means, in the case of an occupant person or family, other than a person or family of low or moderate income, rent for residential property that is not more than 25 percent of the occupant household's gross monthly income, and in the case of an occupant person or family of low or moderate income, rent for residential property that is not more than the percentage of the adjusted income of the occupant person or family as permitted under regulations of the United States Department of Housing and Urban Development issued pursuant to Section 8 of the United States Housing Act of 1937, but not in excess of the market rental value for comparable property.

(h) As used in this article, the term "area median income" means median household income, adjusted for family size as determined in

accordance with the regulations of the United States Department of Housing and Urban Development issued pursuant to Section 235 of the National Housing Act, as amended (Public Law 90-448), for the standard metropolitan statistical area (SMSA), in which surplus residential property to be disposed of pursuant to this article is located, or the county in which the property is located, if it is outside an SMSA.

(i) As used in this article, the term "persons and families of low or moderate income" means persons and families who meet both of the following conditions:

(1) Meet the definition of persons and families of low or moderate income set forth in Section 50093 of the Health and Safety Code.

(2) Have not had an ownership interest in real property in the last three years.

(j) As used in this article, the term "lower income households" means lower income households as defined in Section 50079.5 of the Health and Safety Code.

54237. (a) Notwithstanding Section 11011.1, any agency of the state disposing of surplus residential property shall do so in accordance with the following priorities and procedures:

(1) First, all single-family residences presently occupied by their former owners shall be offered to those former owners at the appraised fair market value.

(2) Second, all single-family residences shall be offered, pursuant to this article, to their present occupants who have occupied the property two years or more and who are persons and families of low or moderate income.

(3) Third, all single-family residences shall be offered, pursuant to this article, to their present occupants who have occupied the property five years or more and whose household income does not exceed 150 percent of the area median income.

(4) Fourth, a single-family residence shall not be offered, pursuant to this article, to present occupants who are not the former owners of the property if the present occupants have had an ownership interest in real property in the last three years.

(b) Single-family residences offered to their present occupants pursuant to paragraphs (2) and (3) of subdivision (a) shall be offered to those present occupants at an affordable price, which price shall not be less than the price paid by the agency for original acquisition, unless the acquisition price was greater than the current fair market value, and shall not be greater than fair market value. When single-family residences are offered to present occupants at a price that is less than fair market value, the selling agency shall impose terms, conditions, and restrictions to ensure that the housing will remain available to persons and families of low or moderate income and households with incomes no greater than the incomes of the present occupants in proportion to the area median income. The Department of Housing and Community Development shall provide to the selling agency recommendations of standards and

criteria for these prices, terms, conditions, and restrictions. The selling agency shall provide repairs required by lenders and government housing assistance programs, or, at the option of the agency, provide the present occupants with a replacement dwelling pursuant to Section 54237.5.

(c) If single-family residences are offered to their present occupants pursuant to paragraphs (2) and (3) of subdivision (a), the occupants shall certify their income and assets to the selling agency. When single-family residences are offered to present occupants at a price that is less than fair market value, the selling agency may verify the certifications, in accordance with procedures utilized for verification of incomes of purchasers and occupants of housing financed by the California Housing Finance Agency and with regulations adopted for the verification of assets by the United States Department of Housing and Urban Development. The income and asset limitations and term of residency requirements of paragraphs (2) and (3) of subdivision (a) shall not apply to sales that are described as mitigation measures in an environmental study prepared pursuant to the Public Resources Code, if the study was initiated before this measure was enacted.

(d) All other surplus residential properties and all properties described in paragraphs (1), (2), and (3) of subdivision (a) that are not purchased by the former owners or the present occupants shall be then offered to housing-related private and public entities at a reasonable price, which is best suited to economically feasible use of the property as decent, safe, and sanitary housing at affordable rents and affordable prices for persons and families of low or moderate income, on the condition that the purchasing entity shall cause the property to be rehabilitated and developed as limited equity cooperative housing with first right of occupancy to present occupants, except that where the development of cooperative or cooperatives is not feasible, the purchasing agency shall cause the property to be used for low and moderate income rental or owner-occupied housing, with first right of occupancy to the present tenants. The price of the property in no case shall be less than the price paid by the agency for original acquisition unless the acquisition price was greater than current fair market value and shall not be greater than fair market value. Subject to the foregoing, it shall be set at the level necessary to provide housing at affordable rents and affordable prices for present tenants and persons and families of low or moderate income. When residential property is offered at a price that is less than fair market value, the selling agency shall impose terms, conditions, and restrictions as will ensure that the housing will remain available to persons and families of low or moderate income. The Department of Housing and Community Development shall provide to the selling agency recommendations of standards and criteria for prices, terms, conditions, and restrictions.

(e) Any surplus residential properties not sold pursuant to subdivisions (a) to (d), inclusive, shall then be sold at fair market value, with priority given first to purchasers who are present tenants in good standing with all rent obligations current and paid

in full, second to former tenants who were in good standing at the time they vacated the premises, with priority given to the most recent tenants first, and then to purchasers who will be owner occupants. The selling agency may commence the sales of properties that former tenants may possess a right to purchase as provided by this subdivision 30 days after the selling agency has done both of the following:

(1) Posted information regarding the sales under this subdivision on the selling agency's Internet Web site.

(2) Made a good faith effort to provide written notice, by first-class mail, to the last known address of each former tenant.

(f) Tenants in good standing of nonresidential properties shall be given priority to purchase, at fair market value, the property they rent, lease, or otherwise legally occupy.

54237.3. Notwithstanding the requirement to provide repairs in subdivision (b) of Section 54237, the Department of Transportation may offer a residence or property in an "as is" condition at the request of a person given priority to purchase pursuant to paragraphs (2) and (3) of subdivision (a) of Section 54237.

54237.5. Notwithstanding the requirement to provide repairs in subdivision (b) of Section 54237, the selling agency may, at its option, provide the present occupants with a replacement dwelling if all of the following conditions exist:

(a) Providing a replacement dwelling is less expensive than providing the repairs required by subdivision (b) of Section 54237.

(b) The replacement dwelling is determined to have all of the following characteristics:

(1) Is decent, safe, and sanitary.

(2) Is suitable to the occupancy needs of the household as provided under regulations of the United States Department of Housing and Urban Development issued pursuant to Section 8 of the United States Housing Act of 1937.

(3) Is open to all persons regardless of race, color, religion, sex, or national origin and consistent with requirements of Title VIII of the Civil Rights Act of 1968.

(4) Is in an area not generally less desirable than the dwelling to be acquired in regard to public utilities and public and commercial facilities.

(5) Is reasonably accessible to the displaced person's place of employment.

(6) Is in an equal or better neighborhood.

(7) Is affordable, as defined in subdivision (b) of Section 54236, to the displaced person.

(c) The offer is made at an affordable price that is not less than the price paid by the agency for original acquisition of the unit now occupied by the displaced person or the replacement unit,

whichever is less, and is not more than market value.

(d) The replacement dwelling is a newly constructed or a vacant residential unit. No resident shall be displaced, as defined by Section 7260, for the purpose of creating a replacement unit.

54237.7. Notwithstanding Section 183.1 of the Streets and Highways Code, the Department of Transportation shall deposit proceeds from sales pursuant to this article into the SR-710 Rehabilitation Account, which is hereby created. Notwithstanding Section 13340, funds in the account are hereby continuously appropriated to the department without regard to fiscal years for the purpose of providing repairs required pursuant to subdivision (b) of Section 54237. The total funds maintained in the account shall not exceed five hundred thousand dollars (\$500,000). Funds exceeding that amount, less any reimbursements due to the federal government, shall be transferred to the State Highway Account in the State Transportation Fund to be used for allocation by the California Transportation Commission (commission) exclusively to fund projects located in Pasadena, South Pasadena, Alhambra, La Cañada Flintridge, and the 90032 postal ZIP Code. Projects shall be selected and prioritized by the affected communities in consultation with the Los Angeles County Metropolitan Transportation Authority, pursuant to guidelines developed by the commission. The Los Angeles Metropolitan Transportation Authority shall submit a proposed program of projects and the commission shall have final authority to approve the projects. Eligible projects may include, but are not limited to: sound walls; transit and rail capital improvements; bikeways; pedestrian improvements; signal synchronization; left turn signals; and major street resurfacing, rehabilitation, and reconstruction. The funds shall not be used to advance or construct any proposed North State Route 710 tunnel. Any funds remaining in the SR-710 Rehabilitation Account on the date that final payment due for the last of the properties repaired has been made, less any reimbursements due to the federal government, shall be transferred to the State Highway Account in the State Transportation Fund, to be used exclusively for the purposes described in this section.

54237.8. Notwithstanding any other law, for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code), the preliminary project alternative referred to as Alternative F-6 in the December 2012 Alternative Analysis Report of the Los Angeles Metropolitan Transportation Authority shall no longer be deemed a feasible alternative for consideration in any state environmental review process for the Interstate 710 North Gap Closure project, State Clearinghouse number 1982092310.

54238. In the event a purchaser of surplus residential property does not comply with terms, conditions, and restrictions imposed pursuant to Section 54237 of this article, to assure that such housing will remain available to persons and families of low or moderate income, the state agencies which sold the property may require that the purchasers pay the state the difference between the actual price paid by the purchaser for the property and the fair market value of such property, at the time of the agency's determination of noncompliance, plus 6 percent interest on such amount for the period of time the land has been held by the purchaser. This section does not limit the right to seek injunctive relief to enforce the provisions of this article.

54238.3. (a) This article shall apply only to surplus residential properties which were acquired for a state project, for which at least 20 dwelling units were acquired and owned by the state on January 1, 1980, or on the date the properties were declared to be surplus, whichever date occurs later. For the purpose of this section, a freeway route and its interchanges shall be considered one state project. Except for State Highway Route 7 in Los Angeles County, this article shall not apply to freeway routes rescinded on or after January 1, 1984.

(b) Any person who is displaced from any dwelling located on such residential property that is also located within the right-of-way of a freeway route or its interchanges for which the property was declared surplus on or after January 1, 1984, and who occupied that dwelling for at least 90 days prior to the date the property was declared surplus, shall be eligible to receive the relocation advisory assistance provided by Section 7261, the relocation benefits provided by paragraph (1) of subdivision (a) or subdivision (b) of Section 7262, the payments authorized by subdivision (b) or (c) of Section 7264, and the right for review of decision as provided by Section 7266 if the person is forced to relocate from the dwelling, as a direct result of the state agency's disposal of the excess real property, within 90 days of the recordation of the deed from the state agency to a new owner.

(c) Whenever a state surplus residential property disposal project, as described in subdivision (b), includes 50 or more dwelling units, a Relocation Liaison shall be appointed by the Secretary of Transportation. The term of the appointment shall be of sufficient duration for the Relocation Liaison to fulfill the assignment, not to exceed 180 days, and shall begin on the date that the property is declared to be surplus. The Relocation Liaison shall have the following assigned duties and responsibilities:

(1) Meet with the eligible persons and explain to them the benefits defined in subdivision (b).

(2) In conjunction with the state agency, assist in obtaining replacement housing for eligible persons.

(3) Assist eligible persons in completing and processing claims

for benefits.

The state agency which is disposing of the surplus residential property shall be responsible for underwriting all reasonable costs as determined by the secretary associated with the operation of the Relocation Liaison's office necessary to perform all duties assigned to it.

54238.4. This article is intended to benefit persons and families subject to displacement and persons and families of low or moderate income. The article shall be liberally construed to permit such persons or families to enforce the rights, duties, and benefits created by the article.

54238.5. Failure to comply with the provisions of this article shall not invalidate the transfer, sale, or conveyance to a bona fide purchaser for value or an encumbrancer for value.

54238.6. If a provision of this article or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this article which can be given effect without the invalid provision or application thereof, and to this end the provisions of this article are severable.

54238.7. Except those properties the Department of Transportation has in escrow as of August 15, 1997, to sell, the Department of Transportation shall not dispose of any surplus property in the City of South Pasadena prior to January 31, 1998.

The Department will only summarize and respond to comments on modifications made to the July 1, 2015 noticed proposed text. Modifications to the July 1, 2015 proposed text are illustrated as follows: additions to the July 1 proposed text are double underlined; deletions from the July 1, 2015 proposed text are indicated by a double-strikethrough.

TITLE 21 PUBLIC WORKS
DIVISION 2. DEPARTMENT OF TRANSPORTATION
CHAPTER 9.5. AFFORDABLE SALES PROGRAM

§ 1475 Purpose and Scope

- (a) In 1979, the Legislature passed and the Governor did sign Senate Bill 86, subsequently amended, most recently by Senate Bill 416, and collectively known as the “Roberti Act,” which added Sections 54235 through 54238.7 to the Government Code (the Act) wherein the Legislature has found and declared that the sale of certain surplus residential properties by the Department of Transportation (the Department) would directly serve an important public purpose. The Legislature intended by passage of the Act to dispose of such surplus residential properties in a manner that will preserve, upgrade and expand the supply of housing available to affected persons and families of low or moderate-income. The Legislature further intended the Act to mitigate the environmental effects, within the meaning of Article XIX of the California Constitution, caused by certain highway activities related to such surplus residential properties.
- (b) This chapter sets forth the regulations used by the Department for the sale of surplus residential properties and nonresidential properties pursuant to the Act for State Route 710 (SR 710), in Los Angeles County. The regulations specified herein and the governing statutes are collectively known as the “Affordable Sales Program.”

NOTE: Authority cited: Govt. Code §§ 54235, ~~54236~~, 54237, ~~54237.3~~, ~~54237.5~~, ~~54237.7~~, ~~54237.8~~, ~~54238~~, 54238.3, 54238.4, ~~54238.5~~, ~~54238.6~~, ~~54238.7~~ Sts. & Hy. Code § 118.6.
 Reference cited: Cal. Const. Art. XIX; Govt. Code §§ 54235, 54238.3 & 54238.4.

§1476 Definitions

- (a) “Affordable housing cost” shall be calculated in a manner consistent with the provisions of Health and Safety Code section 50052.5 as implemented by California Code of Regulations, Title ~~title~~ 25, section 6924. For purposes of this chapter, “affordable housing cost” shall not exceed the following:
- (1) With respect to lower income households, housing costs up to 25 percent of gross income;
 - (2) With respect to moderate income households, housing costs up to 30 percent of gross income;
 - (3) With respect to ~~for~~ households whose gross income is above low or moderate income but does not exceed 150 percent of the area median income, ~~affordable~~ housing costs up to 30 ~~shall not be less than 28~~ percent of gross income ~~of the~~

~~household, nor exceed the product of 35 percent times 150 percent of area median income adjusted for family size appropriate for the unit in accordance with Health and Safety Code section 50052.5(b) (4).~~

- (b) “Affordable price”** means the maximum price at which the housing cost to be paid by the prospective ~~buyer purchaser~~ would not exceed the affordable housing costs for such ~~buyers purchases~~ while applying the market interest rate over a fully amortized 30-year term. In the case of a buyer that is a lower income household, the price for residential property shall not be greater than the amount that would result in the buyer’s monthly payments exceeding that portion of the buyer’s household adjusted income, as determined in accordance with the regulations of the United States Department of Housing and Urban Development issued pursuant to Section 8 of the United States Housing Act of 1937. ~~but under no circumstances shall it be more than the Department approved appraised fair market value nor less than the original acquisition price paid by the Department.~~ The affordable price shall not be less than the price paid by the agency for original acquisition, unless the acquisition price was greater than the current fair market value, and shall not be greater than fair market value.
- (c) “Affordable rent”** means rent calculated in a manner consistent with the provisions of Government Code section 54236 (g) and California Code of Regulations, ~~Title title~~ 25, section 6922.
- (d) “Area median income”** shall have the same definition as set forth in Health and Safety Code, section 50093.
- (e) “CalHFA”** means the California Housing Finance Agency, a public instrumentality and political subdivision of the State of California created by the Zenovich-Moscone-Chacon Housing and Home Finance Act, division 31 of the California Health and Safety Code.
- (f) “Conditional Offer Prior to Sale”** means the manner in which all surplus residential property is offered for sale in accordance with this chapter.
- (g) “Designated housing-related public entity”** means a housing-related public entity designated by the legislative body of the city in which a surplus residential property is located. Such designation shall be made by the legislative body pursuant to resolution and sent to the Department within the time frames set forth in this chapter.
- (h) “Date the offer of sale is made”** means the date stated in the Conditional Offer Prior to Sale or publication, as applicable.
- (i) “Decent, Safe, and Sanitary”** means the condition of a replacement dwelling as defined and described in California Code of Regulations, ~~Title title~~ 2, section 1872.
- (j) “Department approved appraised fair market value”** means the fair market value as determined by a licensed appraiser, and reviewed and accepted by the Department to be compliant with the Uniform Standards of Professional Appraisal Practice.
- (k) “Displaced”** means a condition when a person is subject to displacement pursuant to Government Code section 54236(e) or 54238.3(b).

- (l) “Fair market value”** means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale in accordance with Government Code section 54236(f), the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. For transfer from the Department, the date of value is the date the offer of sale is made by the selling agency. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:
- (1) The buyer and seller are typically motivated;
 - (2) Both parties are well informed or well advised, and each is acting in what they consider their best interest;
 - (3) A reasonable time is allowed for exposure in the open market;
 - (4) Payment is made in terms of cash in United States Dollars or in terms of a financial arrangement comparable thereto;
 - (5) The price represents the normal consideration for the property sold unaffected by special or creative financing, sales concessions, or the use and resale restrictions; and
- ~~(c)~~ For transfer from the Department, the date of value is the date the offer of sale is made by the selling agency.
- (m) “Forced to relocate”** means a condition when a displaced person has vacated the surplus residential property not later than ninety (90) days after transfer from the Department to a new owner pursuant to a legal written notice to vacate, excluding notices for cause.
- (n) “Former tenants in good standing”** means tenants who were current in rent obligations, in full compliance with the terms and conditions of the lease or rental agreement at the time of vacancy, and whose tenancy was not terminated for cause.
- ~~(o) “Good cause” means circumstances beyond the control of the tenant, occupant, or prospective buyer.~~
- ~~(o-p)~~ **“Good standing”** means a condition when tenants or occupants who are current in rent obligations, and in full compliance with the terms and conditions of the lease or rental agreement as of the date the tenant or occupant responds to the Conditional Offer Prior to Sale and at time of transfer from the Department.
- ~~(p-q)~~ **“Housing cost”** of a prospective buyer purchasing a surplus residential property shall be calculated in accordance with the provisions of California Code of Regulations, Title ~~title~~ 25, section 6920.
- ~~(q-r)~~ **“Housing-related private entity”** means any individual, joint venture, partnership, limited partnership, trust, corporation, cooperative, or other legal entity, or any combination thereof, approved by the Department as qualified to either own, construct, acquire, or rehabilitate a housing development, or a residential structure other than an owner-occupied single unit whether for profit, non-profit, or limited profit.

~~(r-s)~~ **“Housing-related public entity”** means any county, city, city and county, the duly constituted governing body of an Indian reservation or Rancheria, or housing authority organized pursuant to the Health and Safety Code, division 24, part 2, chapter 1, and also includes any state agency, public district or other political subdivision of the state, and any instrumentality thereof, which is authorized to engage in or assist in the development or operation of housing for persons or families of low or moderate income. Housing-related public entity also includes two or more housing-related public entities acting jointly.

~~(s-t)~~ **“Limited equity cooperative housing”** means a corporation as defined in Civil Code section 817.

~~(t-u)~~ **“Minimum Property Standards”** means meeting the following minimum acceptable criteria for existing surplus residential properties.

- (1) Real Estate Entity. The property must comprise a single readily marketable real estate entity.
- (2) Party or Lot Line Wall. A building constructed on or to a property line must be separated from the adjoining building, by a wall extending the full height of the building from the foundation to the ridge of the roof. The wall can separate row type townhouses or semi-detached units. There must be adequate space between buildings to permit maintenance of the exterior walls.
- (3) Service and Facilities.
 - (i) Trespass. Each living unit must be able to be used and maintained individually without trespass upon adjoining properties. Any easement required must run with the land.
 - (ii) Utilities must be independent for each living unit except that common services, such as water, sewer, gas and electricity, may be provided for living units under a single mortgage or ownership. Separate utility service shut-off for each unit shall be provided. For living units under separate ownership, common utility services may be provided from the main to the building line when protected by easement or covenant and maintenance agreement acceptable to the Department. Individual utilities serving a living unit shall not pass over, under, or through another living unit, unless provision is made for repair and maintenance of utilities without trespass on adjoining properties or legal provision is made for permanent right of access for maintenance and repair of utilities.
 - (iii) Other facilities must be independent for each living unit, except that common services, such as laundry and storage space or heating, may be provided for in two-to-four living unit buildings under a single mortgage.
- (4) Each living unit must contain the following:
 - (i) A continuing supply of safe and potable water.
 - (ii) Sanitary facilities and a safe method of sewage disposal.

- (iii) Heating adequate for healthful and comfortable living conditions. The Department may determine that climatic conditions are such that mechanical heating is not required. Dwellings with wood burning stoves or solar systems used as a primary heat source must have permanently installed conventional heating systems that maintain at least 50 degrees Fahrenheit in areas containing plumbing systems.
 - (iv) Domestic hot water.
 - (v) Electricity for lighting and for equipment used in the living unit.
- (5) Access.
 - (i) Each property must be provided with a safe and adequate pedestrian or vehicular access from a public or private street.
 - (ii) All streets must have an all-weather surface.
 - (iii) Access to the living unit must be provided without passing through any other living unit.
 - (iv) Access to the rear yard must be provided without passing through any other living unit. For a row-type dwelling, the access may be by means of alley, easement, passage through the dwelling, or other acceptable means.
- (6) Defective Conditions. Defective construction, poor workmanship, evidence of continuing settlement, excessive dampness, leakage, decay, termites, or other conditions impairing the safety, sanitation or structural soundness of the defects or conditions have been remedied and the probability of further damage eliminated.
- (7) Space Requirements. Each living unit must be provided with space necessary to assure suitable living, sleeping, cooking and dining accommodations and sanitary facilities.
- (8) Mechanical systems must be safe to operate, be protected from destructive elements, have reasonable future utility, durability and economy, and have adequate capacity and quality.
- (9) Ventilation. Natural ventilation of structural space such as attics and crawl spaces, must be provided to reduce the effect of conditions of excess heat and moisture which are conducive to decay and deterioration of the structure.
- (10) Roof covering must prevent entrance of moisture and provide reasonable future utility, durability and economy of maintenance. When reroofing is needed for a defective roof, already consisting of three layers of shingles, all old shingles must be removed prior to re-roofing.
- (11) Hazards. The property must be free of hazards which may adversely affect the health and safety of the occupants or the structural soundness of the improvements, or which may impair the customary use and enjoyment of the property by the occupants. The hazards can be subsidence, flood, erosion, defective lead base paint (24 CFR Part 35) or the like.
- (12) Crawl Space

- (i) Must be adequate access to the crawl space.
- (ii) The floor joists must be sufficiently above the highest level of the ground to provide access for maintenance and repair of ductwork and plumbing.
- (iii) The crawl space must be clear of all debris and properly vented.
- (iv) Any excessive dampness or ponding of water in the crawl space must be corrected.

(13) Drainage. The site must be graded so as to provide positive, rapid drainage away from the perimeter walls of the dwelling and prevent ponding of water on the site.

~~(u=¶)~~ **“Multifamily property”** means property that consists of two or more dwelling units.

~~(v=¶)~~ **“Nonresidential Property”** means property, whether improved or unimproved, that is used primarily for a nonresidential purpose that is fully compliant, properly permitted, and licensed under local ordinances and state licensing requirements as of the effective date of these regulations if applicable.

~~(w=¶)~~ **“Occupant”** notwithstanding any other provision of law, means a person or persons who lives in the surplus residential property as their principal place of residence, is of majority age, and is listed on the lease or rental agreement prior to the date a prospective buyer responds to a Conditional Offer Prior to Sale.

~~(x=¶)~~ **“Persons or families of low or moderate income”** shall have the same meaning as set forth in Health and Safety Code section 50093.

~~(y=¶)~~ **“Principal place of residence”** means the place where one actually lives for the greater part of time, or the place where one remains when not called elsewhere for some special or temporary purpose and to which one returns frequently and periodically, as from work or vacation. There may be only one principal place of residence for any individual. Evidence that a location is the individual's "principal place of residence" includes, but is not limited to, the following elements, a compilation of which lends greater credibility to the determination that a particular place is the principal place of residence, whereas the presence of only one element may not support such a determination:

- (1) The subject premises are listed as the individual's place of residence on any motor vehicle registration, driver's license, voter registration, or with any other public agency, including federal, state and local taxing authorities.
- (2) Utilities are billed to and paid by the individual at the subject premises.
- (3) All of the individual's personal possessions have been moved into the subject premises.
- (4) A homeowner's tax exemption for the individual has not been filed for a different property.
- (5) The subject premises are the place the individual normally returns to as his/her home, exclusive of military service, hospitalization, vacation, family emergency,

travel necessitated by employment or education, or other reasonable temporary periods of absence.

(z aa) **“Prospective buyer”** means an occupant who lives in the surplus residential property as their principal place of residence for at least ninety (90) days prior to the date the property was declared surplus and who shall occupy the surplus residential property as their principal place of residence after transfer by the Department.

(aa bb) **“Reasonable price”** means the price which is best suited to the economically feasible use of the property as decent, safe, and sanitary housing at affordable rents and affordable prices established by the entity in accordance with section 1478(c).

(bb ee) **“Surplus residential property”** means land and structures owned by the Department determined to be excess pursuant to Streets and Highways Code section 118.6, and determined to be no longer necessary for the Department’s use, and that are developed as single-family or multifamily housing, but does not include property being held by the Department for the purpose of exchange.

(cc dd) **“Transfer”** means any sale, assignment, or conveyance, voluntary or involuntary, of any interest in the property. Without limiting the generality of the foregoing, transfer shall include (i) a transfer by devise, inheritance or intestacy to a party who does not meet the definition of persons or families of low or moderate income, (ii) a lease or occupancy agreement of all or any portion of the property unless due to hardship or otherwise approved by the Department, (iii) creation of a life estate, (iv) creation of a joint tenancy interest, (v) execution of a land sale contract by which possession of the property is transferred to another party and title remain in the transferor, (vi) a gift of all or any portion of the property, or (vii) any voluntary conveyance of the property. Transfer shall not include conveyance by devise, inheritance, or intestacy to a spouse, a conveyance to a spouse pursuant to the right of survivorship under a joint tenancy, conveyance to a revocable trust, or a conveyance to a spouse in a dissolution proceeding, however, any subsequent conveyance shall be subject to the use and resale restrictions.

(dd ee) **“Tenure”** means the longest uninterrupted term of occupancy attributable to each prospective buyer.

(ee ff) **“Use and resale restrictions”** means any and all terms, conditions and restrictions recorded against the surplus residential property or otherwise made pursuant to this chapter and which shall be enforceable pursuant to the Act and this chapter.

NOTE: Authority cited: Govt. Code §§ 54235, 54236, 54237, ~~54237.3~~, 54237.5, ~~54237.7~~, ~~54237.8~~, 54238, 54238.3, 54238.4, ~~54238.5~~, ~~54238.6~~, ~~54238.7~~, 25 CFR 700.55 Sts. & Hy. Code § 118.6. Reference cited: Govt. Code §§ 54236, 54237, 54238; Sts. & Hy. Code § 118.6; ~~25 C.F.R. § 7303~~; 24 C.F.R. § 5.100; Health & Saf. Code § 50076.5; 25 CFR 700.55; ~~Health & Saf. Code divs. 24 & 31~~; Health & Saf. Code §§ 34240, 50052.5, 50079.5, & 50093 & 50900; Cal. Code Regs., Tit. 2, §1872; Cal Code Regs., Tit. 25 §§ ~~6910~~, ~~6912~~, ~~6914~~, ~~6916~~, ~~6918~~, ~~6920~~, ~~6922~~, ~~6924~~, ~~6926~~, ~~6928~~, ~~6930~~, ~~6932~~; Civ. Code § 817.

§1477 Conditional Offer Prior to Sale

- (a) In making offers to sell surplus residential property, the Department shall determine the order of priority and condition such offers as follows:
- (1) All single-family residences presently occupied by their former owners shall be offered to those former owners at the Department approved appraised fair market value ~~on condition they are tenants in good standing.~~
 - (2) All single-family residences shall be offered at an affordable price or Department approved appraised fair market value at each prospective buyer's option to the occupants, on condition occupants are: (i) ~~tenants in good standing~~ (ii) have occupied the surplus residential property as their principal place of residence two years or more, (ii) ~~(iii)~~ are persons or families of low or moderate income, and (iii) ~~(iv)~~ have not had an ownership interest in real property in the last three years as of the date ~~as of~~ notice is provided under ~~per~~ section 1485(a).
 - (3) All single-family residences shall be offered at an affordable price or Department approved appraised fair market value at each prospective buyer's option to the occupants, on condition occupants are: (i) ~~tenants in good standing~~, (ii) have occupied the surplus residential property as their principal place of residence five years or more, (ii) ~~(iii)~~ have household gross income that is above moderate income but does not exceed 150 percent of the area median income adjusted for family size, and (iii) ~~(iv)~~ have not had an ownership interest in real property in the last three years as of the date ~~as of~~ notice is provided under ~~per~~ section 1485(a).
 - (4) All other surplus residential properties and all properties described in paragraphs (1), (2), or (3) of this subparagraph (a) that are not purchased by the former owners or the occupants, shall then be offered at a reasonable price to and in the following order of priority: (i) if it is feasible, then the surplus residential property shall be offered to prospective housing-related private and public entities on condition that the purchasing entity cause the surplus residential property to be rehabilitated and developed as a limited equity cooperative housing cooperative or cooperatives in accordance with Civil Code section 817, with first right of occupancy to current tenants, (ii) if it is not feasible to sell the surplus residential property to prospective housing-related private or public entities on condition that the purchasing entity cause the surplus residential property to be rehabilitated and developed as a limited equity cooperative housing cooperative or cooperatives in accordance with Civil Code section 817, then the surplus residential property shall be offered to a housing-related public entity as designated by the legislative body of the city in which the surplus residential property is located (the "designated housing-related public entity"), with first right of occupancy to current tenants, (iii) to any housing-related private or public entity on condition the purchasing entity shall cause the surplus residential property to be used for low and moderate

income rental or owner-occupied housing in accordance with this chapter, with first right of occupancy to the current tenants. Feasible, as used in this section, means the ability or capacity to form a cooperative or cooperatives based on a commercially reasonable market analysis paid for by the prospective housing-related private or public entity. Factors considered shall include, but not be limited to, the geographic location, number of units, tenant interest, available resources for continued operation, and availability of financing as determined by the Department.

- (5) Any surplus residential properties not sold pursuant to subparagraphs (1) to (4), inclusive, shall then be sold at fair market value to and in the following order of priority: (i) to current tenants in good standing who intend to be owner occupants, (ii) to former tenants in good standing who intend to be owner occupants, with priority given to the most recent tenants first, (iii) pursuant to Streets and Highways Code section 118, with preference given to the highest responsive bidder who will be an owner occupant.
- (b) All surplus residential properties offered to current tenants in good standing shall be made to all such current tenants shown on the existing lease or rental agreement for purchase in the entirety. ~~No offers shall be made that exclude any qualified tenant(s).~~
- (c) All surplus residential properties offered to former tenants in good standing, ~~such offers~~ shall be made to all such former tenants in good standing shown on the most recent lease, rental agreement or other documentation reasonably approved by the Department for purchase in the entirety. ~~No offers shall be made that exclude any qualified former tenant(s).~~
- (d) The Department may solicit bids and proposals from housing-related private and public entities for such prospective sales described in this section.
- (e) All nonresidential property shall be offered at fair market value to current tenants in good standing, then to any other buyer pursuant to Streets and Highways Code section 118.
- (f) Purchase funds must come from sources other than the Department; the Department will not lend or otherwise finance purchases of the surplus property.
- (g) All surplus residential and nonresidential properties sold are without warranty.

NOTE: Authority cited: Govt. Code §§ 54235, 54236, 54237, 54237.3, 54237.5, ~~54237.7, 54237.8, 54238~~, 54238.3, 54238.4, 54238.5, 54238.6, ~~54238.7~~ Sts. & Hy. Code § 118.6.

Reference cited: Govt. Code §§ 54237 & 54237.3, Civ. Code § 817; Sts. & Hy. Code § 118.

§1478 Conditions of Conditional Offer Prior to Sale

- (a) For all surplus residential property offered at fair market value, the following conditions shall apply:
- (1) The sales price shall be determined by a Department approved appraisal of fair market value.

(b) For all single-family surplus residential property offered at an affordable price, the following conditions shall apply:

- (1) The sales price shall be determined in an amount and under such terms that results in an affordable housing cost to the prospective buyer.
- (2) The Department shall verify tenure, income, real property ownership interest, and household size for prospective buyers.
- (3) Pursuant to subdivision (b) of section 54237 of the Government Code, the Department shall provide necessary repairs limited to the Minimum Property Standards and reasonable lender required repairs identified pursuant to a written inspection report prepared in accordance with Section 1996, Title ~~title~~ 16, of the California Code of Regulations provided however the Department may offer a single-family surplus residential property in an “as is” condition at the request of a prospective buyer given priority to purchase such surplus residential property at an affordable price.
- (4) Notwithstanding the requirement to provide repairs in subdivision (b) of section 54237 of the Government Code, the Department may elect to offer a replacement dwelling in lieu of the property that would have otherwise been offered to a prospective buyer, pursuant to Government Code section 54237.5. In such event, the sales price for the replacement dwelling shall be determined under the same terms and conditions set forth in this section, including the recordation of the use and resale restrictions, and the surplus residential property shall then be sold at an affordable price.
- (5) There shall be use and resale restrictions commencing from the date of transfer from the Department in accordance with Government Code section 54237(b). Such restrictions shall include, but are not limited to, a prohibition against renting the subject property, with the exception that a buyer purchasing at an affordable price may rent to ~~a qualified tenant~~ persons or families of low or moderate income at an affordable rent, not to exceed buyer’s affordable housing cost at the time of purchase if the buyer is forced to relocate temporarily because of hardship beyond the control of the buyer, ~~subject to approval by the Department~~. A finding of hardship shall include, but is not limited to: loss of work, personal health problems or health problems of an immediate family member, or divorce. In no case shall rental of the property exceed a total of twelve (12) months measured over any consecutive sixty (60) month period for the time the property is considered affordable.
- (6) Any transfer of the surplus residential property within the first year after transfer shall give rise to the presumption that the buyer did not intend to make the surplus residential property the individual’s principal place of residence. In the event the buyer cannot overcome such presumption, then such transfer shall be deemed a

default under the use and resale restrictions and the Department may take such action to enforce its rights including those under section 1488.

(7) In no event shall the affordable sales price be less than the original acquisition price paid by the Department.

(c) For all surplus residential properties offered at a reasonable price, the following priorities and conditions shall apply:

(1) If to housing-related private and public entities on condition that the purchasing entity shall cause the surplus residential property to be rehabilitated and developed as a limited equity cooperative housing cooperative or cooperatives in accordance with Civil Code section 817, then the sales price shall be the price which is best suited to the economically feasible use of the surplus residential property as decent, safe, and sanitary housing at affordable rents and affordable prices as established by the entity, in accordance with this chapter, for persons or families of low or moderate income, and households whose gross income exceeds the maximum income for moderate income households but does not exceed 150 percent of area median income adjusted for family size, with first right of occupancy to current tenants.

(2) If to a housing-related private or public entity other than as described in (c)(1), then the sales price shall be the price which is best suited to the economically feasible use of the property as decent, safe, and sanitary housing at affordable rents and affordable prices as established by the entity, in accordance with this chapter, for persons or families of low or moderate income and households whose gross income exceeds the maximum income for moderate income households but does not exceed 150 percent of the area median income adjusted for family size, on condition said entity shall first offer to sell the surplus residential property within the same time frames imposed by this chapter for sales made by the Department, at fair market value to present tenants in good standing who intend to be owner occupants. In the event such tenants elect not to purchase the surplus residential property within such time frames, the entity shall cause the surplus residential property to be used as decent, safe, and sanitary housing at affordable rents for persons or families of low or moderate income, and households whose gross income exceeds the maximum income for moderate income households but does not exceed 150 percent of the area median income adjusted for family size with first right of occupancy to present tenants at (i) affordable rents in accordance with this section or (ii) fair market rents in the event such tenants do not qualify at affordable rents.

(3) In order to ensure that the surplus residential property will remain available to persons or families of low or moderate income, and households whose gross income exceeds the maximum income for moderate income households but does not exceed 150 percent of area median income adjusted for family size there shall

be use and resale restrictions commencing from the date of transfer from the Department limiting occupancy to persons or families of low or moderate income, and households whose gross income exceeds the maximum income for moderate income households but does not exceed 150 percent of area median income adjusted for family size, and the subsequent sale of the surplus residential property in accordance with Government Code section 54237(d).

(4) Any transfer of the surplus residential property within the first year after transfer to a housing-related private or public entity shall give rise to the presumption that such entity did not intend to use the surplus residential property in accordance with either subsections (c) (1) or (c) (2) above. In the event such entity cannot overcome such presumption, then such transfer shall be deemed a default under the use and resale restrictions and the Department may take such action to enforce its rights including those under section 1488.

(5) In no event shall the reasonable sales price be less than the original acquisition price paid by the Department.

(d) Notwithstanding the restriction limiting occupancy and the subsequent sale of the surplus residential property in accordance with Government Code sections 54237(b) and (d), a buyer of surplus residential property may elect to resell the surplus residential property at fair market value during the term of the use and resale restrictions subject to the following:

(1) Upon subsequent sale, the seller shall pay the CalHFA, any net proceeds, which shall be equal to any net equity as defined in subdivision (d) (2) of this section, and the proportionate share of net appreciation, as defined in subdivision (d) (3) of this section; provided, however, in the event the seller is a private or public housing-related entity, such net proceeds shall be paid as follows:

(A) Any net equity as defined in subparagraph (2) shall be evenly divided and paid to the CalHFA and the entity.

(B) Any net appreciation as defined in subparagraph (3), shall be divided as set forth in subparagraph (4) and paid to the CalHFA and the entity.

(C) All net proceeds paid to housing-related entities shall be used to preserve, upgrade and expand the supply of affordable housing exclusively in the Pasadena, South Pasadena, Alhambra, La Canada Flintridge, and the 90032 ZIP code unless otherwise restricted to a particular city in accordance with state law. Housing-related private entities will be monitored at least annually to ensure compliance with this section.

(2) For purposes of this chapter, the net equity shall be equal to the Department approved appraised fair market value of the surplus residential property at the time of initial sale, minus the initial sale price to the buyer pursuant to Government Code section 54237. If upon resale, the appraised fair market value is lower than the Department approved appraised fair market value of the property

without the use and resale restrictions, the value at the time of the resale shall be used as the Department approved appraised fair market value.

- (3) For purposes of this chapter, “net appreciation” means the difference between the sales price upon resale and the sum of the following deductions:
- (A) Any net equity as defined in subdivision (d) (2) of this section;
 - (B) The remaining principal loan balance on all financing previously approved by the Department on the property;
 - (C) All actual closing costs paid by the seller when the property is sold (i.e., escrow, title, broker’s fee, real estate commissions);
 - (D) The owner’s down payment, if any; and
 - (E) Any costs of improvements for which the Department determines, in its good faith discretion, that such costs of improvements were reasonable and resulted in a higher fair market value of the property.
- (4) For purposes of this chapter, the CalHFA’s proportionate share of net appreciation shall be equal to one hundred percent (100%) through the end of the first year. Beginning in the second year, the CalHFA’s proportionate share of net appreciation shall be reduced by twenty percent (20%) each year to zero percent (0%). At the completion of five (5) years, the CalHFA shall no longer be entitled to any net appreciation.
- (5) The owner may refinance a loan on the surplus residential property ~~subject to the prior written approval by the Department,~~ provided that any net cash proceeds derived from such refinancing shall be limited to an amount equal to the current appreciation, if any, over and above the net equity to which the CalHFA is entitled under this subparagraph (d). Such proceeds shall be further divided between the owner and the CalHFA based upon the current proportionate share of net appreciation as set forth in subparagraph (d) (4).
- (6) The provisions of this section shall be set forth in the use and resale restrictions and shall not be subject to subordination.
- (e) Upon the occurrence of the earlier of the termination of the use and resale restrictions or resale at fair market value, the Department shall execute and record a full conveyance of its rights to the surplus residential property in the manner required pursuant to Civil Code section 2941.

NOTE: Authority cited: Govt. Code §§ 54235, 54236, 54237, ~~54237.3, 54237.5, 54237.7, 54237.8,~~ 54238, 54238.3, 54238.4, ~~54238.5, 54238.6, 54238.7~~ Sts. & Hy. Code § 118.6.

Reference cited: 24 C.F.R. § 200.926; Govt. Code §§ 54237 & 54237.3; ~~Cal. Code Regs., Tit. 16, § 1996, Tit. 25, §§ 6910 et seq.;~~ Civ. Code §§ 817, 2941; Sts. & Hy. Code §§ 104.5 & 118.

§1479 Notice of Conditional Offer Prior to Sale

- (a) The Department shall give written notice of the Conditional Offer Prior to Sale by certified mail, to each occupant ~~in good standing~~, and to each former tenant at the last address known to the Department for single-family surplus residential properties pursuant to section 1477.
- (b) All other offers required by section 1477 shall be made by publishing the notice in at least one newspaper of general circulation within the city or county in which the surplus residential property is located, pursuant to Government Code section 6061.3.

NOTE: Authority cited: Govt. Code §§ ~~6061.3, 54235, 54236, 54237, 54237.3, 54237.5, 54237.7, 54237.8, 54238, 54238.3, 54238.4, 54238.5, 54238.6, 54238.7~~ Sts. & Hy. Code § 118.6. Reference cited: Govt. Code §§ 6061.3, 54237 & 54237.3.

§1480 Term of Conditional Offer Prior to Sale

- (a) The Conditional Offer Prior to Sale delivered by certified mail shall remain open for one hundred twenty (120) calendar days from the postmarked date of mailing. The Conditional Offer Prior to Sale made pursuant to published notice shall remain open for one hundred twenty (120) calendar days from the final date of publication pursuant to Government Code section 6061.3.

NOTE: Authority cited: Govt. Code §§ ~~6061.3, 54235, 54236, 54237, 54237.3, 54237.5, 54237.7, 54237.8, 54238, 54238.3, 54238.4, 54238.5, 54238.6, 54238.7~~ Sts. & Hy. Code § 118.6. Reference cited: Govt. Code §§ 6061.3, 54237 & 54237.3.

§1481 Acceptance of Conditional Offer Prior to Sale

- (a) Acceptance of the Conditional Offer Prior to Sale must be made in writing to the Department, mailed by certified mail, (return receipt requested), to the address identified in the Conditional Offer Prior to Sale and postmarked no later than one hundred twenty (120) calendar days from the postmarked date of mailing of the notice of Conditional Offer Prior to Sale or the final date of publication, as applicable.

NOTE: Authority cited: Govt. Code §§ 54235, 54236, 54237, 54237.3, 54237.5, 54237.7, 54237.8, 54238, 54238.3, 54238.4, 54238.5, 54238.6, 54238.7 Sts. & Hy. Code § 118.6. Reference cited: Govt. Code §§ 54237 & 54237.3.

§1482 Acceptance Must Include Evidence of Eligibility to Purchase; Burden on Prospective Buyer

(a) The burden is on the prospective buyer to show eligibility for purchase at an affordable price.

(b) Acceptance of the Conditional Offer Prior to Sale by the prospective buyer for purchase at an affordable price must include evidence of income, tenure, real property ownership interest, and household size.

(1) The prospective buyer shall provide documentation of household income. Income from all occupants 18 years of age or older as of the date of acceptance of Conditional Offer Prior to Sale shall be included as part of household income for the period of time stated in Government Code section 54237(a), paragraphs (2) and (3). Income documentation shall include federal income tax returns with schedules. Current tax year documentation must be sufficient to fully state household income as of the date of acceptance of the Conditional Offer Prior to Sale and shall include, but is not limited to: pay stubs; signed letters from employers; documents stating foreign income; profit and loss statements; bond and stock dividend statements; retirement, Survivors Disability Insurance, Social Security Retirement, and Social Security Disability Insurance benefits; pension and annuity income; unemployment compensation; education scholarships, awards, fellowship grants used for living expenses; gift income; alimony received and court awards; income from rental property, including room rental; and tips. Income documentation shall be provided for each and every occupant 18 years of age or older as of the date of acceptance of the Conditional Offer Prior to Sale. All documentation offered to show income is subject to verification by the Department.

(2) The prospective buyer shall provide documentation of tenure for the period of time stated in Government Code section 54237(a), paragraphs (2) and (3). Such documentation must be of sufficient reliability, in its totality, to support a prospective buyer's claim of tenure. Such documentation may include, but is not limited to: rental or lease agreements; utility bills; school documents, medical documents, employment documents, faith-based documents that include the name and address of the issuing organization; federal and state tax returns; vehicle registrations; drivers licenses and identification cards; change of address confirmations by the United States Post Office; and federal government-issued documents. All documentation offered to show tenure is subject to verification by the Department.

(3) The prospective buyer shall execute a notarized affidavit attesting the buyer has not had an ~~to no interest in~~ ownership interest in real property, in accordance with Government Code section 54237 (a), paragraphs ~~(42) and (3)~~. No power of

attorney may be used with this document. Prospective buyer's affidavit is subject to verification by the Department.

- (4) The prospective buyers must execute a notarized affidavit attesting to their intent to reside in the surplus residential property, and must declare their intention to maintain it as their principal place of residence. No power of attorney may be used with this document. Prospective buyer's affidavit is subject to verification by the Department.

NOTE: Authority cited: Govt. Code §§ 54235, 54236, 54237, ~~54237.3, 54237.5, 54237.7, 54237.8,~~ 54238, 54238.3, 54238.4, 54238.5, 54238.6, ~~54238.7~~ Sts. & Hy. Code § 118.6.

Reference cited: Govt. Code §§ ~~54237 & 54237.3.~~

§1483 Incomplete or Insufficient Documentation is Grounds for Denial

- (a) ~~Prospective buyers that submit initial responses to the Conditional Offer Prior to Sale in accordance with section 1482 that are deemed to be incomplete or insufficient shall be notified by certified mail of the incompleteness or insufficiency of the response within thirty (30) calendar days of the Department receiving such initial response however, failure to provide timely notification shall not be deemed to be a determination of completeness or sufficiency. Additional required documentation must be mailed, by certified mail, to the address identified in the notice and postmarked no later than sixty (60) calendar days from the date of mailing such notification of incompleteness or insufficient documentation.~~ The Department shall notify a prospective buyer by certified mail if their initial response to the Conditional Offer Prior to Sale is incomplete or insufficient within thirty (30) calendar days from the date the Department receives the prospective buyer's initial response. The Department's failure to provide timely notification shall not constitute a determination that a response is complete or sufficient. Additional required documentation must be mailed, by certified mail, to the address identified in the Department's notice and postmarked no later than sixty (60) calendar days from the postmarked date of the Department's notice. Failure of the prospective buyer to respond satisfactorily as determined by the Department, or request an extension pursuant to section 1483(b), within the sixty (60) day and within the time period shall be deemed a rejection of the offer.
- (b) ~~Notwithstanding 1481(a), a prospective buyer shall have a maximum of two hundred fifty (250) calendar days to respond with complete and sufficient documentation in accordance with section 1482 as determined by the Department. The Department may, however, at its sole discretion, and upon the prospective buyer showing good cause, grant an extension but in no case shall the maximum number of calendar days exceed two hundred fifty (250) for receipt of complete and sufficient documentation.~~ The Department shall, upon receipt of a written request prior to expiration of the sixty (60) calendar day time

period in this section, grant a forty (40) calendar day extension to provide evidence. The total time period to provide complete and sufficient documentation shall not extend beyond two hundred fifty (250) calendar days from the postmarked mailing date of the Conditional Offer Prior to Sale.

NOTE: Authority cited: Govt. Code §§ 54235, 54236, 54237, ~~54237.3, 54237.5, 54237.7, 54237.8, 54238~~, 54238.3, 54238.4, 54238.5, 54238.6, ~~54238.7~~ Sts. & Hy. Code § 118.6.
Reference cited: Govt. Code §§ ~~54237 & 54237.3~~.

§1484 Failure to Respond Within 120 Calendar Days of Mailing of Conditional Offer Prior to Sale Deemed Rejection.

- (a) Failure to respond to the Conditional Offer Prior to Sale or an initial response received after one hundred twenty (120) calendar days from the postmarked date of mailing of the Conditional Offer Prior to Sale or date of final publication, as applicable, shall be deemed a rejection of the offer.
- (b) The Department shall notify occupants who do not respond in a timely manner to the Conditional Offer Prior to Sale of the rejection of the offer. Such notice shall be mailed first class mail within thirty (30) calendar days of the final day of the initial one hundred twenty (120) calendar day response period.

NOTE: Authority cited: Govt. Code §§ 54235, 54236, 54237, ~~54237.3, 54237.5, 54237.7, 54237.8, 54238~~, 54238.3, 54238.4, 54238.5, 54238.6, ~~54238.7~~ Sts. & Hy. Code § 118.6.
Reference cited: Govt. Code §§ ~~54237 & 54237.3~~.

§1485 Determination of Eligibility and Qualifications; ~~Qualified~~ Prospective Buyers Ranked by Priority, Burden on the Prospective Buyer

- (a) The Department shall review the documentation supplied by, and determine the eligibility of, each respondent for a particular surplus residential property in accordance with section 1477 within sixty (60) calendar days of receipt of documentation. Documentation supplied shall be sufficient for the Department to determine eligibility to meet qualifications. Respondent shall be notified by the Department when supplied documentation is deemed complete.
- (b) When two or more respondents have equal eligibility for a particular surplus residential property, each respondent's relative priority for purchasing the surplus residential property will be ranked according to the postmarked date of the acceptance of the Conditional Offer Prior to Sale. Notwithstanding the foregoing sentence, ~~one~~ two or more respondents with equal eligibility for a particular surplus residential property ~~first~~

offered to a housing-related private or public entity in accordance with section 1478 shall be ranked in a manner determined by the housing-related private or public entity.

NOTE: Authority cited: Govt. Code §§ 54235, 54236, 54237, ~~54237.3, 54237.5, 54237.7, 54237.8, 54238~~, 54238.3, 54238.4, 54238.5, 54238.6, ~~54238.7~~ Sts. & Hy. Code § 118.6.
Reference cited: Govt. Code §§ ~~54237 & 54237.3~~.

§1486 Contract for Sale

- (a) Upon determining the respondent with the highest priority to purchase, the Department shall send the respondent a contract for sale via certified mail. To accept the contract for sale, the respondent shall sign and return the contract for sale via certified mail (return receipt requested) within thirty (30) calendar days from the postmarked date of the Department's mailing of the contract for sale.
- (b) Department shall pay the following closing costs:
 - (1) For affordable price buyers, the Department shall pay customary and reasonable seller's closing costs and buyer's reasonable non-recurring closing costs.
 - (2) For reasonable price buyers and fair market value buyers, the Department shall pay customary and reasonable seller's closing costs. A buyer will be responsible for customary and reasonable buyer's closing costs.
- (c) The Department shall reimburse a prospective affordable price buyer up to a maximum of \$3,000, at time of closing, in the event the buyer chooses to retain an agent to facilitate and advise on the purchase transaction. Such agent must be properly licensed by the California Bureau of Real Estate or The State Bar of California.
- (d) Contracts for sale under this chapter are subject to ~~CTC~~ approval by the California Transportation Commission (CTC).

NOTE: Authority cited: Govt. Code §§ 54235, 54236, 54237, ~~54237.3, 54237.5, 54237.7, 54237.8, 54238~~, 54238.3, 54238.4, 54238.5, 54238.6, ~~54238.7~~, Sts. & Hy. Code §§ ~~118~~ Sts. & Hy. Code § 118.6. Reference cited: Govt. Code §§ ~~54237 & 54237.3~~, Sts. & Hy. Code §§ ~~118~~.

§1487 Upon Acceptance, Buyer has 120 Days to Close Escrow

- (a) Upon execution of a contract for sale, the buyer has one hundred twenty (120) calendar days to close escrow. The Department shall, upon receipt of written request prior to expiration of the one hundred twenty (120) calendar day term in this section, ~~may, however, at its sole discretion, and upon the buyer showing good cause,~~ grant a thirty (30) calendar day extension to close escrow.

NOTE: Authority cited: Govt. Code §§ 54235, ~~54236~~, 54237, ~~54237.3~~, ~~54237.5~~, ~~54237.7~~, ~~54237.8~~, ~~54238~~, 54238.3, 54238.4, 54238.5, 54238.6, ~~54238.7~~ Sts. & Hy. Code § 118.6.
Reference cited: Govt. Code §§ 54237 & ~~54237.3~~.

§1488 Duty of Buyer Upon Noncompliance

- (a) Pursuant to Government Code section 54238, in the event a buyer of surplus residential property does not comply with use and resale restrictions imposed pursuant to this chapter, the Department shall ~~may~~ require that the buyer pay the Department the difference between the actual price paid by the buyer for the surplus residential property and the fair market value of such property, at the time of the Department's determination of noncompliance, plus 6 percent interest on such amount for the period of time the surplus residential property has been held by the buyer. Such interest shall be compounded annually.

NOTE: Authority cited: Govt. Code §§ 54235, 54236, 54237, ~~54237.3~~, ~~54237.5~~, ~~54237.7~~, ~~54237.8~~, 54238, 54238.3, 54238.4, ~~54238.5~~, ~~54238.6~~, ~~54238.7~~ Sts. & Hy. Code § 118.6.
Reference cited: Govt. Code § 54238.

§1489 Monitoring

- (a) All surplus residential properties sold at below the Department approved appraised fair market value shall be monitored at least annually for the duration of the use and resale restrictions to ensure compliance with the provisions therein.

NOTE: Authority cited: Govt. Code §§ 54235, 54236, 54237, ~~54237.3~~, ~~54237.5~~, ~~54237.7~~, ~~54237.8~~, 54238, 54238.3, 54238.4, ~~54238.5~~, 54238.6, ~~54238.7~~ Sts. & Hy. Code § 118.6.
Reference cited: Govt. Code §§ 54237 & 54238.

§1490 Lender Limitation

- (a) Except as otherwise provided in the regulations or the Act, no lender shall have or anticipate an interest in or stand to gain financially from the surplus residential property other than that of a mortgage lender.

NOTE: Authority cited: Govt. Code §§ 54235, 54237, 54238.4, Sts. & Hy. Code § 118.6.
Reference cited: Govt. Code §§ 54235, 54237, 54238.4.

§1491 Financing

- (a) The California Housing Finance Agency is the State’s affordable housing lender, with expertise in developing and administering real estate lending programs and products benefiting persons of low and moderate income. CalHFA is authorized to enter into contracts to administer housing and real estate lending programs for the benefit of other agencies of the State of California. The Department may enter into any agreements or arrangements with CalHFA or other private, local, or state agencies to repair, sell, and monitor surplus residential properties or to otherwise implement the activities of the Act.
- (b) In the event CalHFA elects pursuant to adoption by its board of directors to purchase loans or otherwise provide financing to present occupants pursuant to paragraphs (2) or (3) of subdivision (a) of Government Code section 54237 to effectuate such sales by the Department and in accordance with Health and Safety Code section 50093, then the following shall apply:
- (1) All proceeds to which the CalHFA is entitled pursuant to section 1478(d) from subsequent sales of all surplus residential property, or pursuant to a transfer, foreclosure, insurance claim or condemnation, related to such property, shall be paid on condition that CalHFA establish a designated account (the “Affordable Housing Trust Account”) for such proceeds to be used as follows:
 - (A) To carry out any activity authorized under CalHFA’s implementing statutes for the benefit of persons or families of low and moderate income residing exclusively in the Pasadena, South Pasadena, Alhambra, La Canada Flintridge, and the 90032 postal ZIP code, including any arrangement for the financing of multifamily developments or the purchase of loans made to effectuate the purpose of the Act.
 - (B) Reasonable fees and costs incurred by CalHFA derived from the origination, purchase, or servicing of any loan under the Affordable Sales Program.
 - (C) All costs, including outside legal fees, associated with enforcement of the use and resale restrictions.
 - (2) The use and resale restrictions shall provide that in the event of any transfer, then any outstanding loan balance, penalties, fees, interests and costs associated with collecting on such amounts owed to CalHFA shall be paid to CalHFA prior to the determination of any net proceeds due to the CalHFA.
 - (3) The use and resale restrictions may be enforceable by CalHFA.

NOTE: Authority cited: Govt. Code §§ 54235, 54237, 54237.7, 54238, Sts. & Hy. Code § 118.6. Reference cited: Govt. Code §§ 54237, 54237.7, 54238.

Caltrans 710 Project

Affordable Housing Term Sheet

	Proposed 710 Loan Product	CalHFA Conventional Loan Products										
Preferred Lender	TBD	CalHFA-approved lenders										
Loan Term	30 year fully amortizing	30 year fully amortizing										
Occupancy	Owner occupied primary residence	Owner occupied primary residence										
Closing Costs	<ul style="list-style-type: none"> • Caltrans to pay for all customary and reasonable seller's closing costs and Borrower's non-recurring closing costs (i.e. title, escrow, processing fees, etc.) • Caltrans to pay Lender fees not to exceed the greater of 3% of the first mortgage loan amount or \$3,000 • Caltrans to pay Broker fees up to \$3,000 if the Borrower chooses to retain a Real Estate Agent to facilitate and advise on the purchase transaction • Borrower to pay for all recurring costs associated with the close of the loan (i.e. taxes, hazard insurance etc.) 	Concessions/contributions as per Fannie Mae guidelines except for the following: <ul style="list-style-type: none"> • Payment of condominium fees • Personal property • Down payment assistance 										
Rate	Fixed Rate 30 year	Fixed Rate 30 year										
Mortgage Insurance (MI)	N/A	Either borrower paid monthly, split premium or single premium mortgage insurance is acceptable										
		<table border="1"> <thead> <tr> <th>LTV</th> <th>Coverage</th> </tr> </thead> <tbody> <tr> <td>95.01-97%</td> <td>18%</td> </tr> <tr> <td>90.01-95%</td> <td>16%</td> </tr> <tr> <td>85.01-90%</td> <td>12%</td> </tr> <tr> <td>80.01-85%</td> <td>6%</td> </tr> </tbody> </table>	LTV	Coverage	95.01-97%	18%	90.01-95%	16%	85.01-90%	12%	80.01-85%	6%
LTV	Coverage											
95.01-97%	18%											
90.01-95%	16%											
85.01-90%	12%											
80.01-85%	6%											
Loan to Value (LTV)	100% of the Affordable Sales Price	97%										
Combined Loan to Value (CLTV)	105%	105%										
Down Payment Assistance (DPA)	DPA may be used, subject to availability of funds, to cover the recurring closing costs only	May be combined with the CalHFA ZIP or MyHome DPA for downpayment and/or closing cost for first-time homebuyers only. May additionally be layers with Fannie Mae approved Community Second programs.										

Minimum Credit Score	Minimum Credit Score of 600 <ul style="list-style-type: none"> satisfactory rental history to show minimum 12 month history with no late payments required 	Minimum Credit Score of 640
Reserves	N/A	N/A
Maximum Debt to Income (DTI)	43% maximum total debt to income ratio	45% maximum total debt to income ratio
Appraisal	FHA appraisal – property must meet all FHA minimum standards <ul style="list-style-type: none"> Certification of Completion required for all repairs 	Full appraisal required per Fannie Mae and Master Servicer requirements
Homebuyer Education	Required for at least one occupant borrower <ul style="list-style-type: none"> Face-to-Face Homebuyer Education through NeighborWorks America or through one of the HUD approved Housing Counseling Agencies 	Required for at least on occupant borrower <ul style="list-style-type: none"> Online Homebuyer Education through eHome™ Option: Face-to-Face Homebuyer Education through NeighborWorks America or through one of the HUD approved Housing Counseling Agencies
Termite Report	Required, with applicable clearances paid by Caltrans	Per purchase contract
Roof Certification	2 year roof certification required paid by Caltrans	Per purchase contract
Home Buyer Warranty	1 year minimum required paid by Caltrans	1 year minimum required paid by borrower or seller
Hazard Insurance	Must include guaranteed replacement and code upgrade enforcement coverage	Per Fannie Mae and Master Servicer requirements
Yield Spread Premium	N/A	N/A
Servicing Release Premium	N/A	1% paid to lender at time of purchase by master servicer

RESOLUTION NO. 16-12

RESOLUTION OF THE CALIFORNIA HOUSING FINANCE AGENCY
 AUTHORIZING THE AGENCY'S CREATION OF A SINGLE FAMILY
 LOAN PRODUCT IN SUPPORT OF THE CALIFORNIA DEPARTMENT OF
 TRANSPORTATION'S STATE ROUTE 710 AFFORDABLE SALES
 PROGRAM PURSUANT TO CALIFORNIA GOVERNMENT CODE
 SECTIONS 54235 – 54238.7

WHEREAS, Sections 54235 through 54238.7 of the Government Code (the "Roberti Act") sets forth the priorities and procedures for the California Department of Transportation ("Caltrans") to dispose of certain surplus residential property for State Route 710 ("SR 710") in Los Angeles County (the "SR-710 Affordable Sales Program" or "ASP");

WHEREAS, Caltrans has prepared and submitted Chapter 9.5, Title 21, Division 2 of the California Code of Regulations (Sections 1475 through 1491) (the "ASP Regulations") to the California Office of Administrative Law ("OAL") for formal approval. Thereafter, Caltrans intends to immediately dispose of forty-two (42) SR 710 surplus residential properties, including certain properties currently occupied by low and moderate income households or households whose income is up to 150% of area median income (collectively, "LMI households") which shall be offered for sale at less than fair market value in accordance with the ASP Regulations;

WHEREAS, CalHFA has determined that it is in the public interest for CalHFA to assist in providing financial assistance, directly or indirectly, to persons and families of low and moderate income to enable them to purchase or refinance moderately priced single family homes;

WHEREAS, pursuant to ASP Regulation 1491, entitled "Financing," CalHFA staff is prepared to: (i) purchase loans, under the terms outlined in Attachment C to the Staff Report, to present occupants who qualify as LMI households in order to effectuate such sales under the ASP; (ii) establish a designated account (the "Affordable Housing Trust Account" or "AHTA") to receive all proceeds to which CalHFA is entitled under the ASP; and (iii) use such proceeds to carry out any activity authorized under CalHFA's implementing statutes for the benefit of persons or families of low and moderate income residing exclusively within the area set forth therein.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors (the "Board") of the California Housing Finance Agency ("Agency"), in consideration of the above, as follows:

Section 1. Authorization of ASP Loan Products. In accordance with the ASP Regulations, the Agency's single family lending division is hereby authorized to offer financial

1 loan products towards the purchase of surplus residential property to present occupants who
2 qualify as LMI households, conditioned as follows:

- 3 a. Loan terms shall be as substantially set forth in Attachment C to the Staff Report.
4 The Executive Director or designee shall have the authority to modify the terms and
5 parameters of loan products in order to effectuate the intent of the ASP Regulations.
6
- 7 b. In accordance with ASP Regulations, such loans shall be subordinate to use and
8 resale restrictions, the form of which shall be subject to approval by the Executive
9 Director or her designee.
10
- 11 c. The Agency may purchase up to Five Million Dollars (\$5,000,000.00) of whole loans
12 using unrestricted Agency funds. Such loans shall be used to finance surplus
13 residential property sales in Phase I of the ASP only (i.e., forty-two (42) properties).
14
- 15 d. The ASP Regulations, as submitted to OAL in spring 2016, shall first have been
16 approved and certified as final by OAL.
17

18 Section 2. Authorization of Related Actions and Agreements. The officers of the
19 Agency, or the duly authorized deputies thereof, are hereby authorized and directed, jointly and
20 severally, to do any and all things and to execute and deliver any and all agreements and
21 documents which they may deem necessary or advisable to effectuate the purposes of this
22 resolution.

SECRETARY'S CERTIFICATE

I, Victor James, the undersigned, Secretary of the Board of Directors of the California Housing Finance Agency, hereby certify that the foregoing is a full, true, and correct copy of Resolution No. 16-12 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 17th day of May, 2016, of which meeting all said directors had due notice; and that at said meeting said Resolution was adopted by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

IN WITNESS WHEREOF, I have executed this certificate and affixed the seal of the Board of Directors of the California Housing Finance Agency hereto this 17th day of May, 2016.

[SEAL]

Victor J. James
Secretary of the Board of Directors of the
California Housing Finance Agency

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State of California

MEMORANDUM

To: Board of Directors

Date: May 17, 2016



Tim Hsu, Director of Financing

From: CALIFORNIA HOUSING FINANCE AGENCY

Subject: Homeownership Loan Portfolio Report and Highlights for March 31, 2016

- The overall delinquency rate has decreased from a high of 17.94% in January 2010 to 6.28% in March 2016.
 - The delinquency rate for FHA loans has decreased from a high of 19.86% in January 2010 to 7.29% in March 2016.
 - The delinquency rate for Conventional loans has decreased from a high of 16.31% in January 2010 to 5.37% in March 2016.
- Conventional MI loans with no reinsurance have the highest delinquency rate at 8.59% (comparing all conventional and FHA loans)
- The REO inventory reached its peak of 1,391 loans, between the third and fourth quarters of 2010 (315 FHA loans and 1,076 Conventional loans) it is now 28 loans (4 FHA loans and 24 Conventional loans).
- The annualized 2016 foreclosure rate for Conventional loans is under 1% compared to a high of 10% in 2010.
- As of March 2016, loans modified starting in 2011 have a lower default rate, which parallels the introduction of the Keep Your Home California (KYHC) Program. The loans modified starting in 2012 have an even lower default rate, which parallels the increase in the principal reduction program (PRP) maximum payment from \$50,000 to \$100,000.
- Since 2011 we have modified 658 loans (FHA and conventional) that received KYHC's Principal Reduction Program (PRP) funds, for a total of \$40.55 million. "Cure" rates for modified loans (current at time of modification): 84.37%
- "Cure" rates for modified loans (delinquent at time of modification): 71.49%

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HOMEOWNERSHIP LOAN PORTFOLIO DELINQUENCY, REO & SHORT SALE, UNINSURED LOSS, AND LOAN MODIFICATION REPORT

March 31, 2016

Reconciled Loan Delinquency Summary All Active Loans By Insurance Type

	Loan Count	Balance	% of Balance	DELINQUENCY RATIOS - % of Loan Count						Totals	
				Loan Count	30-Day	Loan Count	60-Day	Loan Count	90(+)-Day	Count	%
Federal Guaranty											
FHA	6,107	\$ 576,690,131	31.69%	216	3.54%	85	1.39%	144	2.36%	445	7.29%
VA	118	9,816,765	0.54%	3	2.54%	2	1.69%	5	4.24%	10	8.47%
RHS	69	11,309,812	0.62%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Conventional loans											
with MI											
MI with Reinsurance	1,097	259,865,650	14.28%	32	2.92%	14	1.28%	46	4.19%	92	8.39%
No Reinsurance	873	211,499,315	11.62%	32	3.67%	10	1.15%	33	3.78%	75	8.59%
without MI											
Originated with no MI	3,077	499,361,049	27.44%	69	2.24%	15	0.49%	53	1.72%	137	4.45%
MI Cancelled*	1,512	251,205,153	13.80%	32	2.12%	5	0.33%	11	0.73%	48	3.17%
Total CalHFA	12,853	\$ 1,819,747,875	100.00%	384	2.99%	131	1.02%	292	2.27%	807	6.28%
<i>Weighted average of conventional loans:</i>				165	2.52%	44	0.67%	143	2.18%	352	5.37%

*Cancelled per Federal Homeowner Protection Act of 1998, which grants the option to cancel the MI with 20% equity.

Note: In accordance with CalHFA's policy, no trustee sale is permitted between December 15 and January 5 of any year without CalHFA's prior written approval.

Reconciled Loan Delinquency Summary All Active Loans By Loan Type

	Loan Count	Balance	% of Balance	DELINQUENCY RATIOS - % of Loan Count						Totals	
				Loan Count	30-Day	Loan Count	60-Day	Loan Count	90(+)-Day	Count	%
30-yr level amort											
FHA	6,107	\$ 576,690,131	31.69%	216	3.54%	85	1.39%	144	2.36%	445	7.29%
VA	118	9,816,765	0.54%	3	2.54%	2	1.69%	5	4.24%	10	8.47%
RHS	69	11,309,812	0.62%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Conventional - with MI	791	165,483,104	9.09%	31	3.92%	11	1.39%	23	2.91%	65	8.22%
Conventional - w/o MI	4,080	641,082,853	35.23%	87	2.13%	15	0.37%	48	1.18%	150	3.68%
40-yr level amort											
Conventional - with MI	193	50,065,468	2.75%	6	3.11%	4	2.07%	12	6.22%	22	11.40%
Conventional - w/o MI	152	28,305,521	1.56%	4	2.63%	2	1.32%	3	1.97%	9	5.92%
*5-yr IOP, 30-yr amort											
Conventional - with MI	986	255,816,392	14.06%	27	2.74%	9	0.91%	44	4.46%	80	8.11%
Conventional - w/o MI	357	81,177,828	4.46%	10	2.80%	3	0.84%	13	3.64%	26	7.28%
Total CalHFA	12,853	\$ 1,819,747,875	100.00%	384	2.99%	131	1.02%	292	2.27%	807	6.28%
<i>Weighted average of conventional loans:</i>				165	2.52%	44	0.67%	143	2.18%	352	5.37%

*All IOP loans were converted to fixed (amortizing) loans.

March 31, 2016

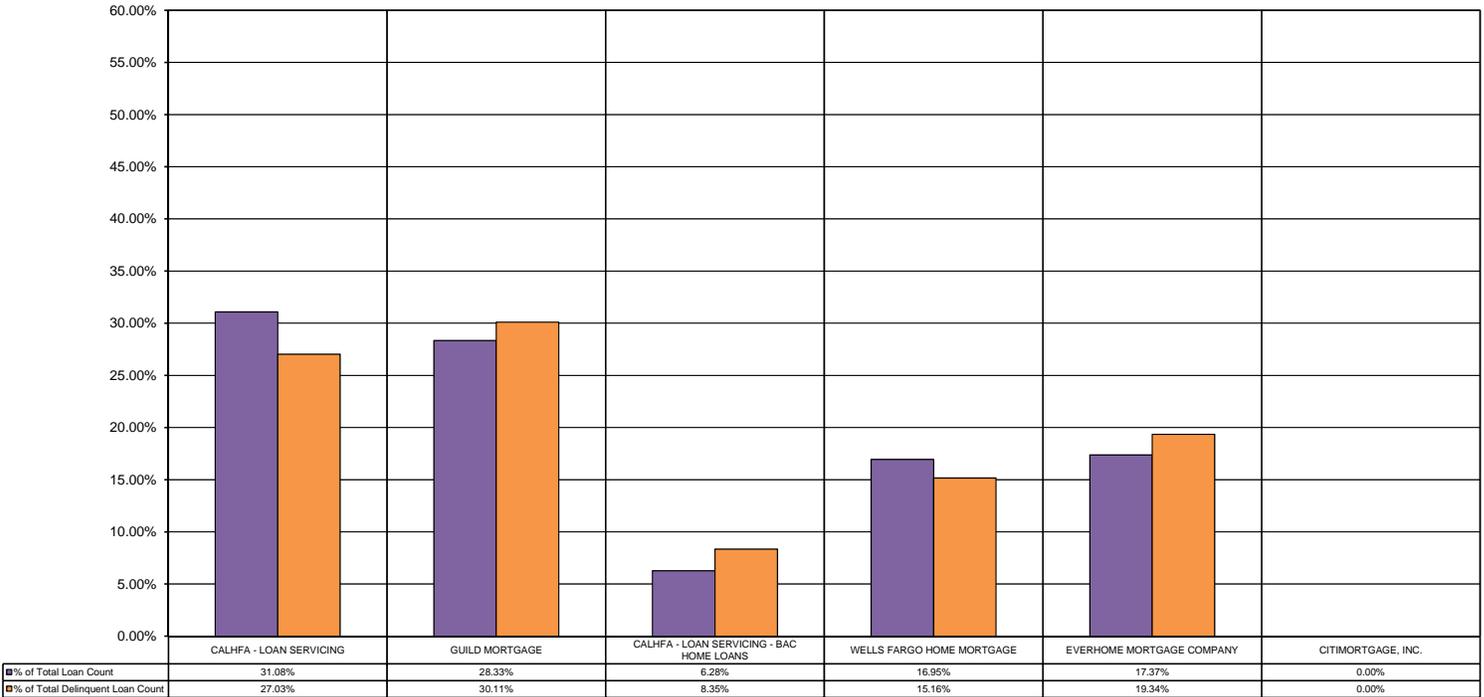
**Reconciled Loan Delinquency Summary
All Active Loans By Servicer**

	Loan Count	Balance	% of Balance	DELINQUENCY RATIOS - % of Loan Count						Totals	
				Loan Count	30-Day	Loan Count	60-Day	Loan Count	90(+)-Day	Count	%
CALHFA - LOAN SERVICING	5,689	\$ 995,968,301	54.73%	137	2.41%	39	0.69%	132	2.32%	308	5.41%
GUILD MORTGAGE	3,062	403,239,812	22.16%	116	3.79%	39	1.27%	66	2.16%	221	7.22%
WELLS FARGO HOME MORTGAGE	1,478	132,524,816	7.28%	37	2.50%	18	1.22%	35	2.37%	90	6.09%
EVERHOME MORTGAGE COMPANY	1,327	100,887,410	5.54%	51	3.84%	17	1.28%	37	2.79%	105	7.91%
CALHFA - LOAN SERVICING - BAC HOME LOANS	1,268	181,628,563	9.98%	43	3.39%	16	1.26%	21	1.66%	80	6.31%
CITIMORTGAGE, INC.	29	5,498,973	0.30%	0	0.00%	2	6.90%	1	3.45%	3	10.34%
Total CalHFA	12,853	\$ 1,819,747,875	100.00%	384	2.99%	131	1.02%	292	2.27%	807	6.28%

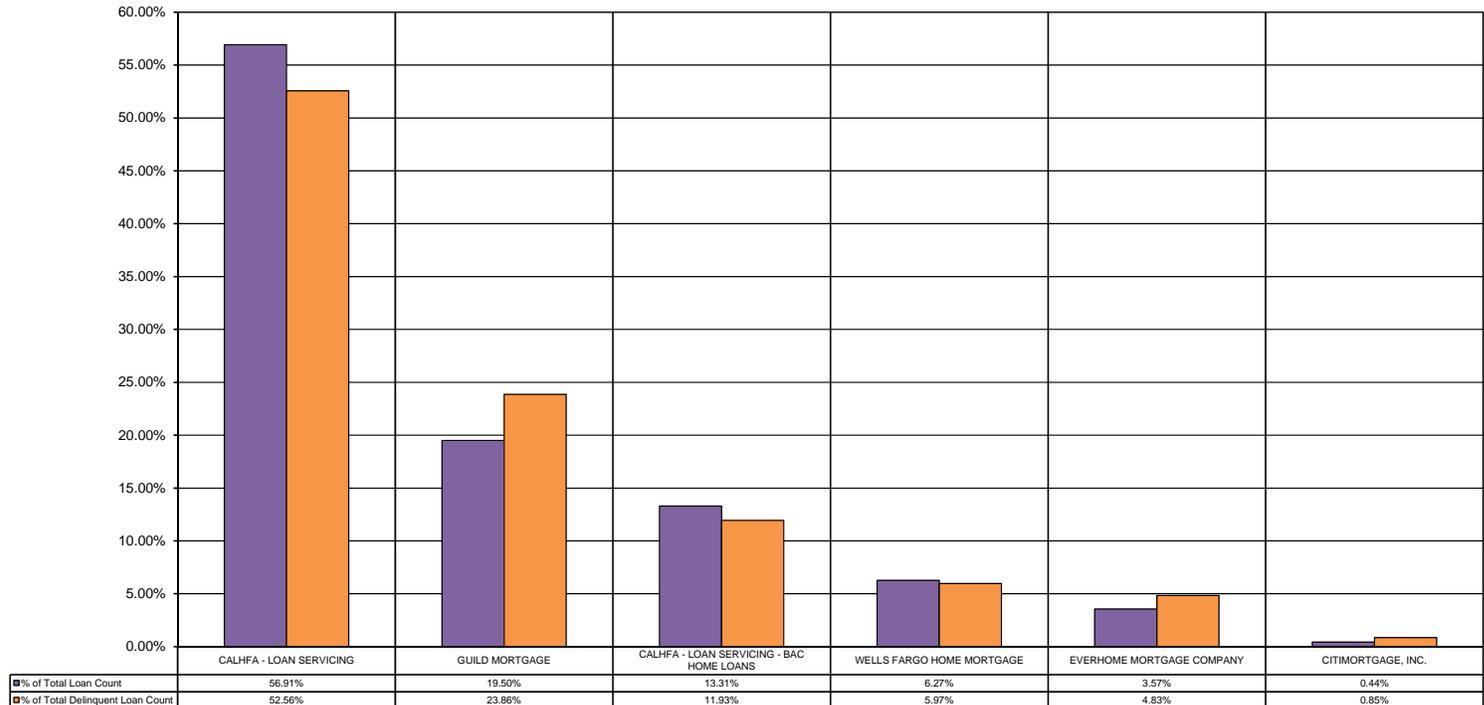
**Reconciled Loan Delinquency Summary
All Active Loans By County**

	Loan Count	Balance	% of Balance	DELINQUENCY RATIOS - % of Loan Count						Total	
				Loan Count	30-Day	Loan Count	60-Day	Loan Count	90-Day+	Count	%
LOS ANGELES	2,128	\$ 373,741,957	20.54%	63	2.96%	20	0.94%	49	2.30%	132	6.20%
SAN DIEGO	974	173,405,448	9.53%	31	3.18%	8	0.82%	23	2.36%	62	6.37%
KERN	902	75,994,800	4.18%	30	3.33%	14	1.55%	21	2.33%	65	7.21%
FRESNO	807	58,237,076	3.20%	18	2.23%	17	2.11%	18	2.23%	53	6.57%
TULARE	793	57,842,086	3.18%	36	4.54%	5	0.63%	19	2.40%	60	7.57%
SANTA CLARA	705	147,461,238	8.10%	8	1.13%	3	0.43%	5	0.71%	16	2.27%
SAN BERNARDINO	573	79,193,930	4.35%	21	3.66%	7	1.22%	15	2.62%	43	7.50%
RIVERSIDE	557	70,472,331	3.87%	30	5.39%	15	2.69%	17	3.05%	62	11.13%
SACRAMENTO	546	82,026,306	4.51%	16	2.93%	5	0.92%	13	2.38%	34	6.23%
ALAMEDA	499	97,013,234	5.33%	8	1.60%	1	0.20%	7	1.40%	16	3.21%
ORANGE	499	91,108,326	5.01%	6	1.20%	3	0.60%	8	1.60%	17	3.41%
CONTRA COSTA	429	80,794,208	4.44%	16	3.73%	8	1.86%	10	2.33%	34	7.93%
IMPERIAL	390	32,699,833	1.80%	15	3.85%	5	1.28%	9	2.31%	29	7.44%
BUTTE	292	27,224,167	1.50%	8	2.74%	2	0.68%	9	3.08%	19	6.51%
VENTURA	285	62,576,725	3.44%	6	2.11%	1	0.35%	2	0.70%	9	3.16%
OTHER COUNTIES	2,474	309,956,210	17.03%	72	2.91%	17	0.69%	67	2.71%	156	6.31%
Total CalHFA	12,853	\$ 1,819,747,875	100.00%	384	2.99%	131	1.02%	292	2.27%	807	6.28%

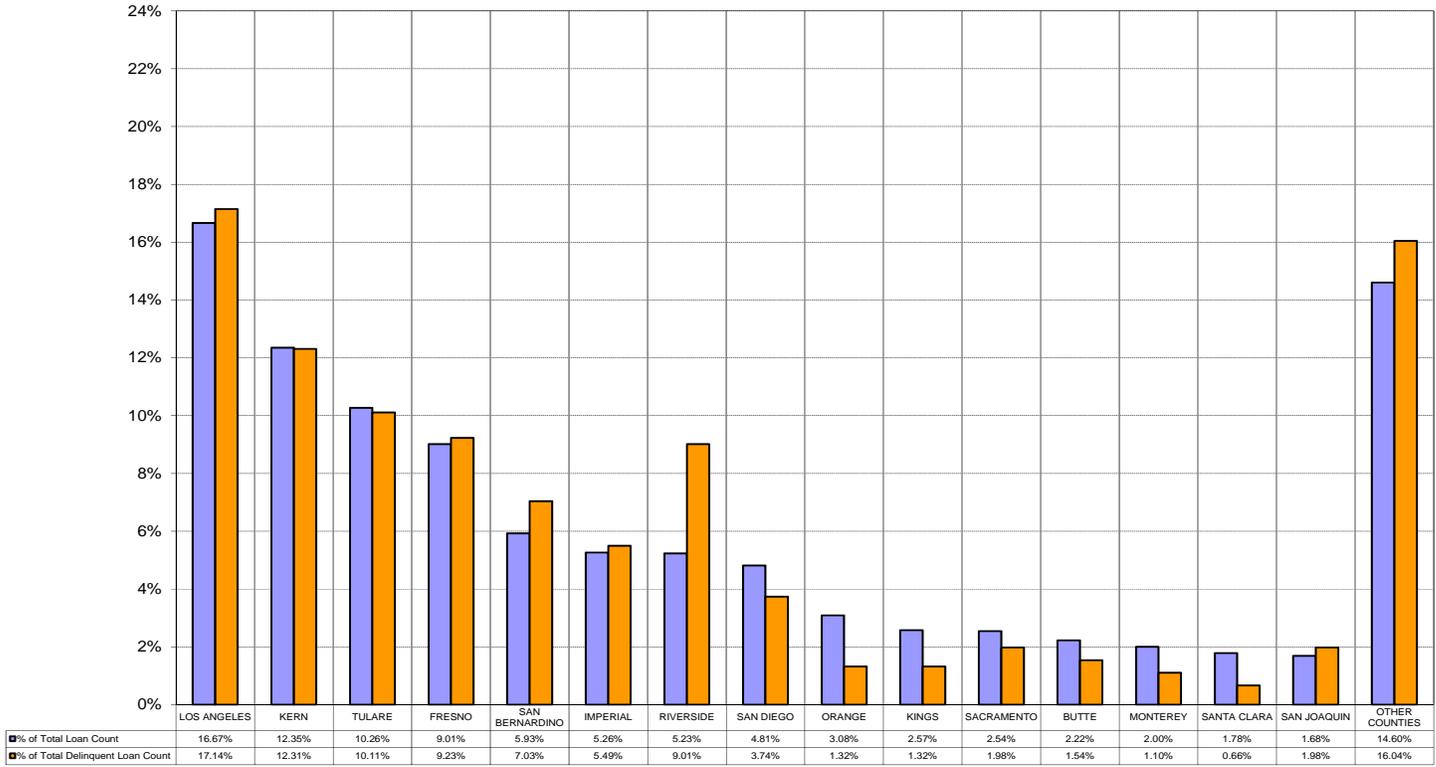
CalHFA FHA Loan Portfolio Performance Comparison by Servicer
 (% of Total Loan Count vs. % of Total Delinquent Loan Count)
 as of March 31, 2016



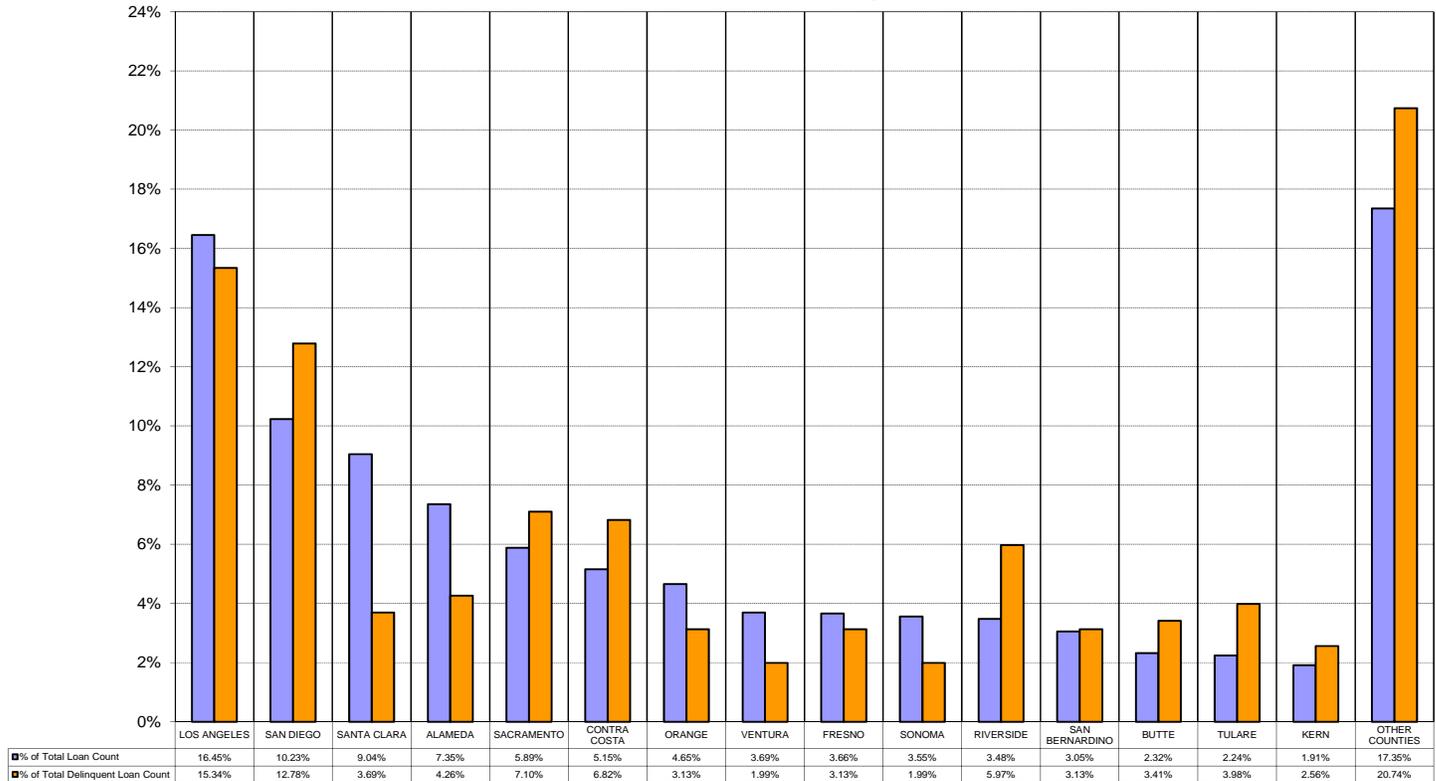
CalHFA Conventional Loan Portfolio Performance Comparison by Servicer
 (% of Total Loan Count vs. % of Total Delinquent Loan Count)
 as of March 31, 2016



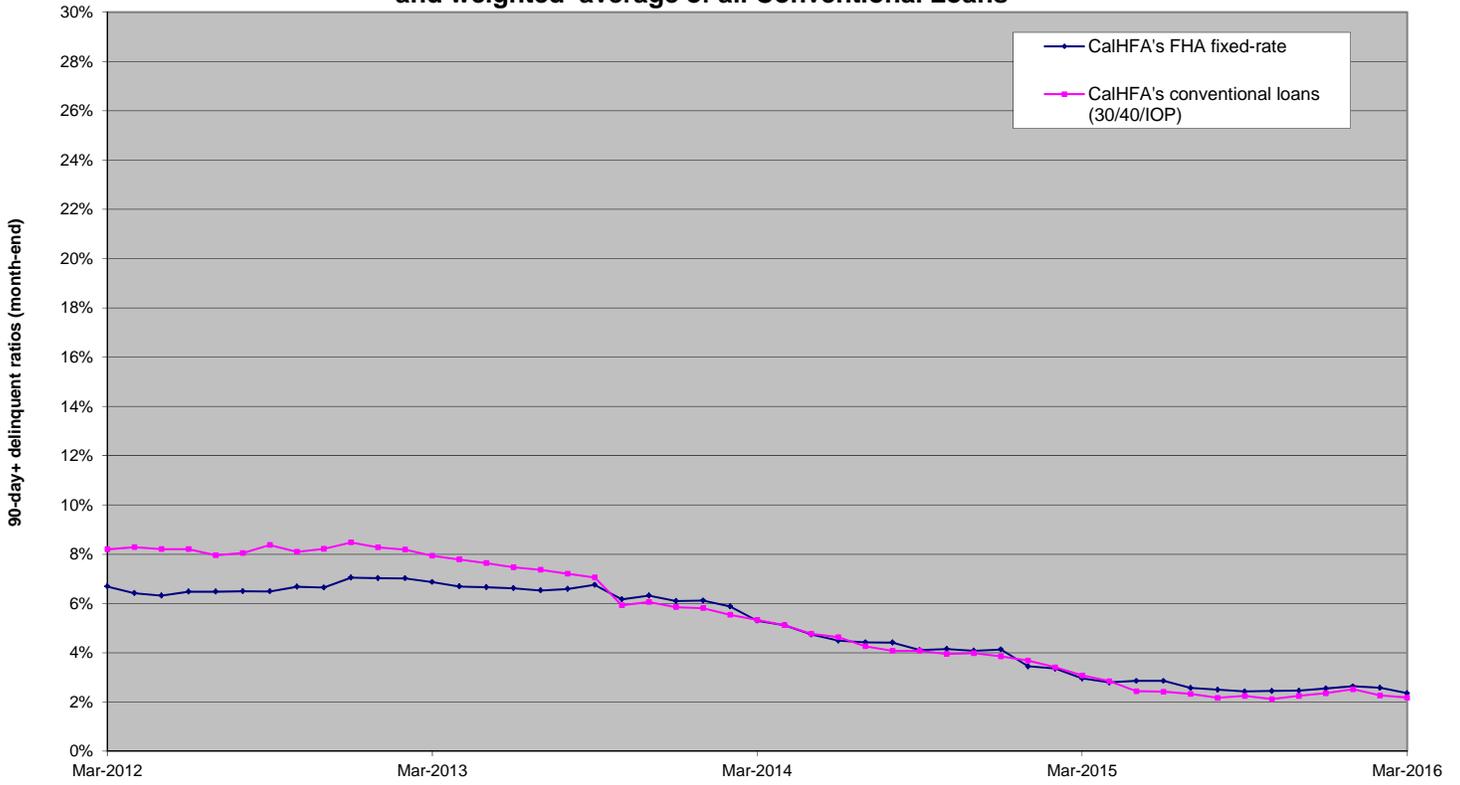
**CalHFA FHA Loan Portfolio Performance Comparison by County
(% of Total Loan Count vs. % of Total Delinquent Loan Count)
as of March 31, 2016**



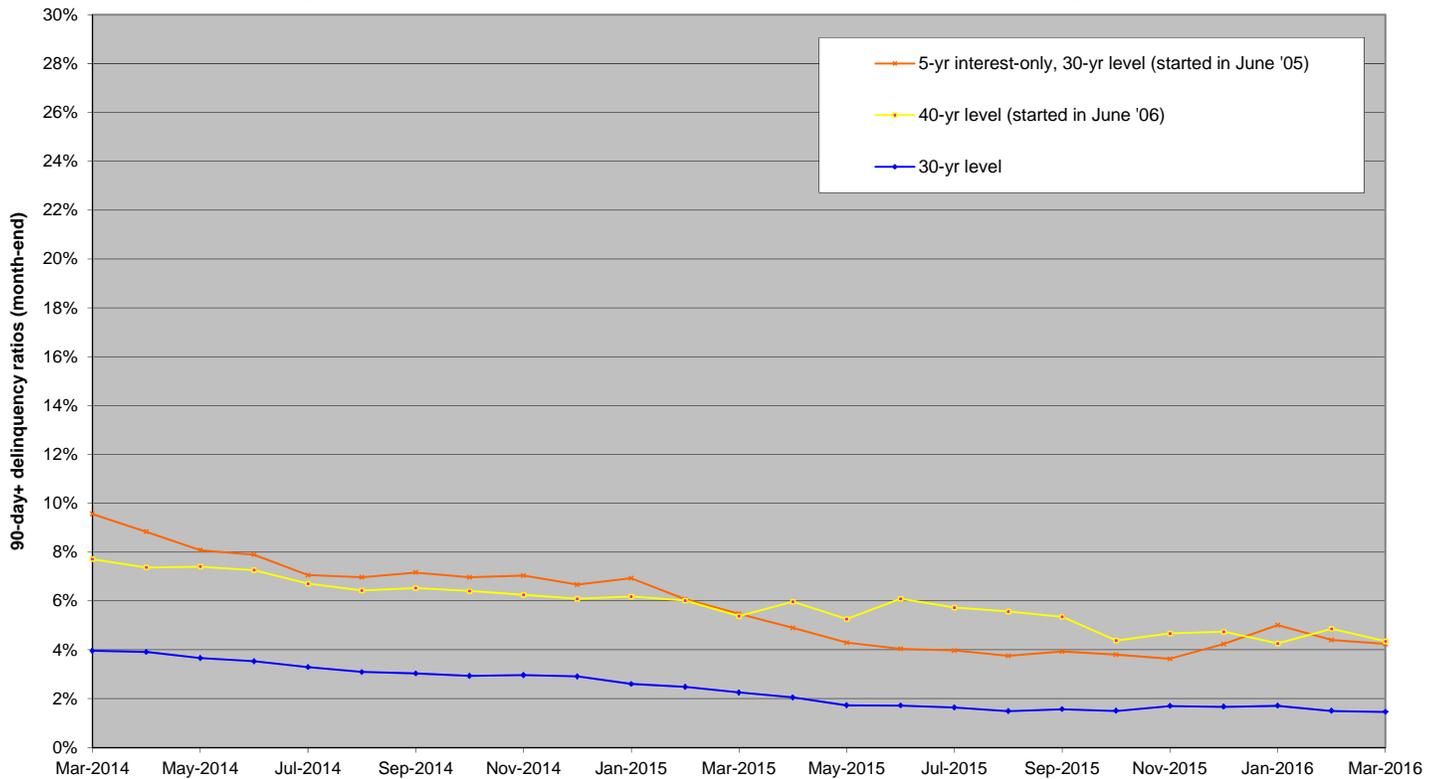
**CalHFA Conventional Loan Portfolio Performance Comparison by County
(% of Total Loan Count vs. % of Total Delinquent Loan Count)
as of March 31, 2016**



90 day+ delinquent ratios for CalHFA's FHA and weighted average of all Conventional Loans



90 day+ delinquency ratios for CalHFA's Three Conventional Loan Types

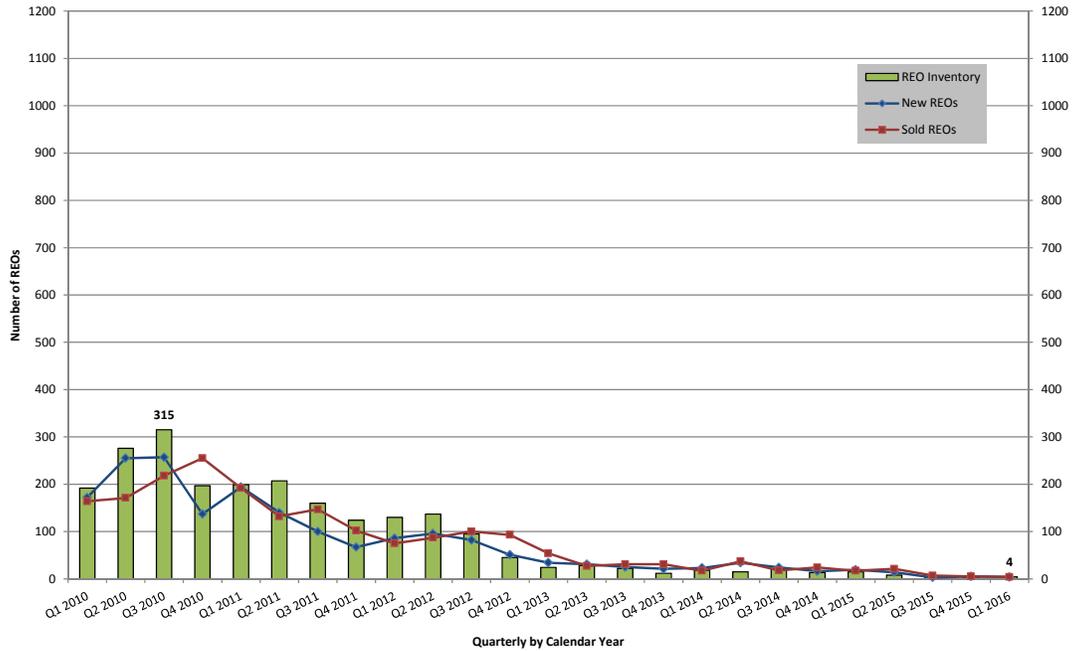


Real Estate Owned

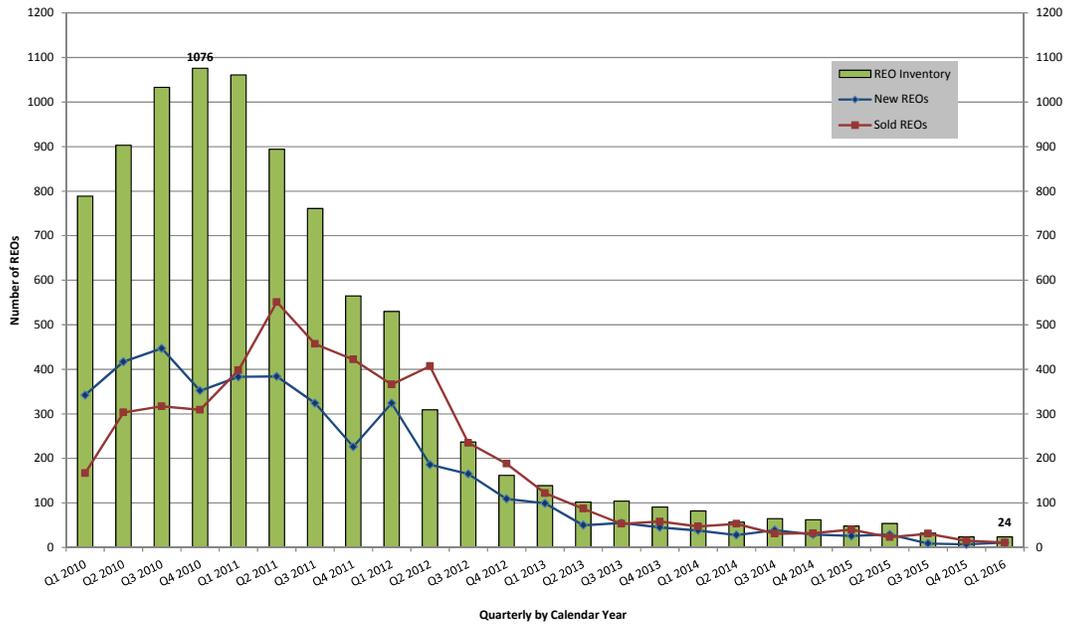
Calendar Year 2016 (As of March 31, 2016)												
Loan Type	Beginning Balance # of Loans	Prior Calendar Adj.	*Trustee Sales			Disposition of REO(s)					Ending Balance # of Loans	UPB of REO's Owned
			Reverted to CalHFA Jan-Feb	Reverted to CalHFA March	Total Trustee Sales	Repurchased by Lender Jan-Feb	Market Sale(s) Jan-Feb	Repurchased by Lender March	Market Sale(s) March	Total Disposition of REO(s)		
FHA/RHS/VA	4	0	2	2	4	3		1		4	4	\$ 868,897
Conventional	24	0	8	3	11		10		1	11	24	4,717,442
Total	28	0	10	5	15	3	10	1	1	15	28	\$ 5,586,339

*3rd party trustee sales are not shown in this table (title to these loans were never transferred to CalHFA). There were eight (8) 3rd party sales in calendar year 2008, eighteen (18) 3rd party sales in calendar year 2009, thirty nine (39) 3rd party sales in calendar year 2010, twenty two (22) 3rd party sales in calendar year 2011, forty one (41) 3rd party sales in calendar year 2012, fifty nine (59) 3rd party sales in calendar year 2013, forty three (43) 3rd party sales in calendar year 2014, twenty-four (24) 3rd party sales in calendar 2015, and there are four (4) 3rd party sales to date 2016.

FHA REO Inventory



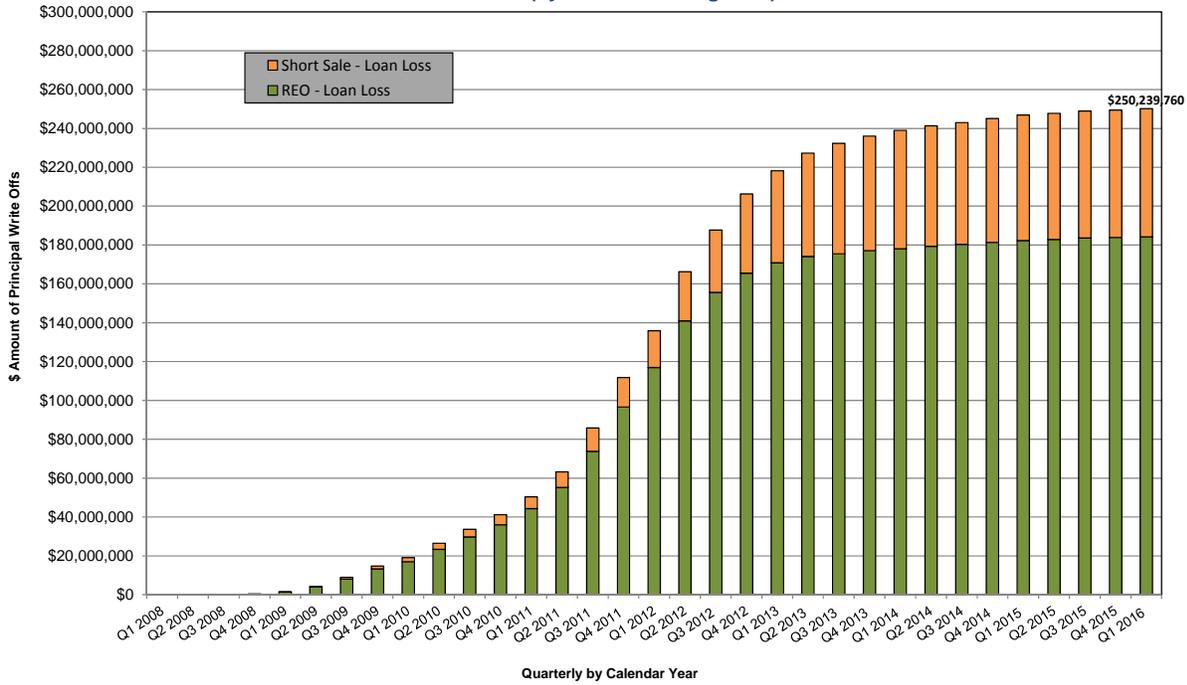
Conventional REO Inventory



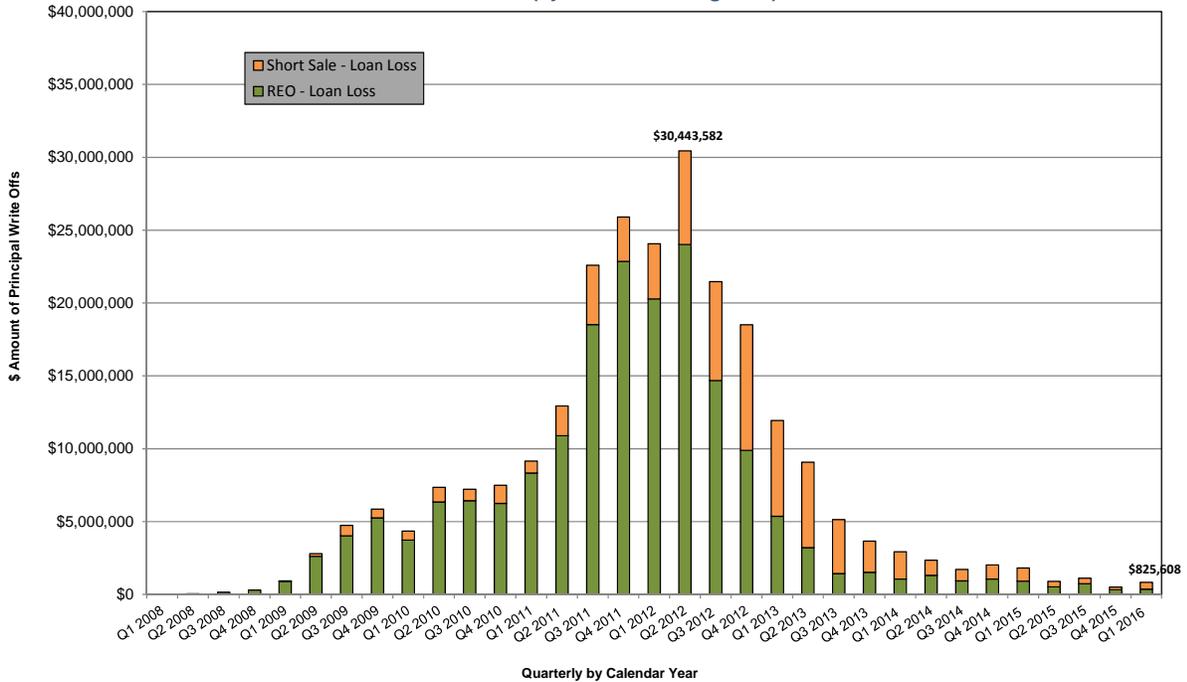
2016 Year to Date Composition of 1st Trust Deed Loss
(As of March 31, 2016)

Loan Type	Disposition				Principal Write-Offs
	Repurchased by Lender	Market Sales	Short Sales	Loan Balance at Sales	
FHA/RHS/VA	4		0	\$ 306,842	
Conventional		11	10	5,212,368	\$ (825,608)
	4	11	10	\$ 5,519,210	\$ (825,608)

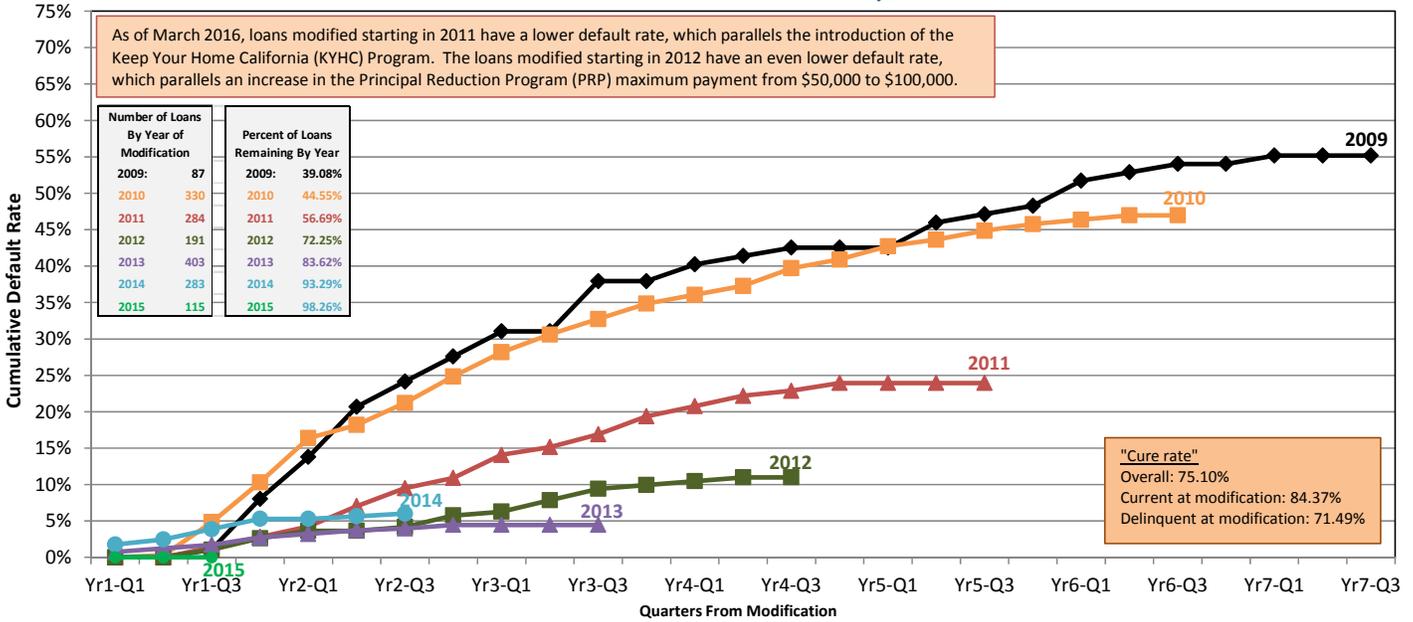
Accumulated Uninsured Loss from Sale of Conventional REOs & Short Sales
(by Escrow Closing Date)



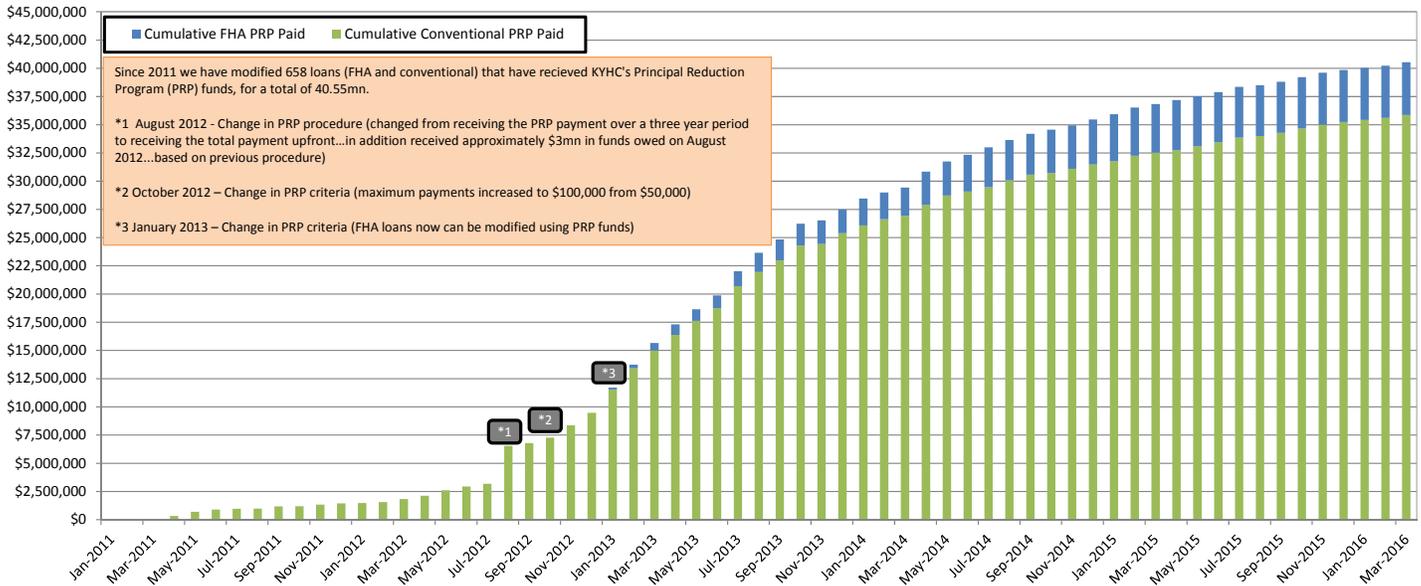
Comparison of Quarterly Uninsured Loss from Sale of Conventional REOs & Short Sales
(by Escrow Closing Date)



Cumulative Default Rate For Conventional Modified Loans By Year of Modification



Cumulative Principal Reduction Payments (PRP) received from Keep Your Home California (KYHC)



State of California

MEMORANDUM**To:** Board of Directors

Date: April 29, 2016



Timothy Hsu, Director of Financing

From: CALIFORNIA HOUSING FINANCE AGENCY**Subject:** UPDATE OF CONDUIT ISSUANCE PROGRAM

The CalHFA Conduit Issuer Program (Conduit Program) is designed to facilitate both for-profit and non-profit developers in accessing tax-exempt and taxable bonds for the financing of family and senior affordable and mixed-income housing developments. The goals of the program are to increase and preserve the supply of affordable rental housing, maintain a quality living environment, leverage private sector funds to the greatest extent possible, and to cooperate with local jurisdictions to advance affordable housing goals.

CalHFA made numerous program changes in March 2015 to be more competitive on fees and added a locality review process in place to address any of the locality concerns. In addition to generating fee income for the Agency, the Conduit Program is an entry point for developers, lenders, bond counsels, and financial advisors to become more familiar with all of CalHFA multifamily programs and resources.

<i>Conduits Completed in FY15-16:</i>						
	Project Name	City	Project Type	Units	Date Closed	Loan Amount
1	Betel Apartments	San Francisco	Family	50	7/15/2015	\$ 18,000,000
2	Park Sunset Apartments	San Francisco	Senior	30	10/22/2015	10,000,000
3	Grove at Manzanita	Carmichael	Family	89	11/13/2015	10,000,000
4	Kenneth Park	Carmichael	Family	97	11/13/2015	11,250,000
5	Summit at Fair Oaks	Fair Oaks	Family	70	11/13/2015	10,000,000
6	Sunrise Meadows	Rancho Cordova	Family	95	11/13/2015	10,500,000
7	Downtown Hayward Senior Apts	Hayward	Senior	60	12/3/2015	17,500,000
8	O'Farrell Towers	San Francisco	Family	101	12/21/2015	28,568,000
9	Rowland Heights	Rowland Heights	Family	144	12/22/2015	30,114,881
10	Plum Tree West Apartments	Gilroy	Senior	70	2/18/2016	21,600,000
11	MORH I Housing	Oakland	Family	126	3/24/2016	53,380,000
12	Oak Center I	Oakland	Family	77	3/24/2016	23,500,000
13	Arbor Terraces	San Jose	Senior	86	4/28/2016	10,550,000
14	The Verandas	San Jose	Family	92	4/28/2016	13,430,000
				1,187		\$ 268,392,881
<i>Conduit Pipeline:</i>						
	Project Name	City	Project Type	Units	Closing Date	Loan Amount
<i>(In Process to Close)</i>						
15	Ortiz Plaza	Santa Rosa	Farm Worker/Family	30	4/8/2016	7,060,000
				30		\$ 7,060,000
<i>(May 18, 2016 CDLAC Meeting)</i>						
16	Monte Vista Gardens Family Apts	San Jose	Family	144	7/20/2016	34,000,000
				144		\$ 34,000,000
<i>(July 20, 2016 CDLAC Meeting - CDLAC Due 5/20/16)</i>						
17	Gateway Station	Oxnard	Family	240	8/3/2016	90,000,000
18	Stoneman Apartments	Pittsburg	Family	230	8/3/2016	75,000,000
				470		\$ 165,000,000

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State of California

MEMORANDUM

To: Board of Directors

Date: May 2, 2016

From: Tony Sertich, Director of Multifamily Programs
CALIFORNIA HOUSING FINANCE AGENCY

Subject: Loans approved by CalHFA Senior Loan Committee

Since the last meeting of the CalHFA Board of Directors, CalHFA's Senior Loan Committee approved one loan pursuant to Resolution Number 01-37, delegating authority and authorizing Senior Staff to approve loan commitments under \$4,000,000.

On April 28, 2016, the Senior Loan Committee approved a \$3,500,000 acquisition/rehabilitation loan and permanent loan to Resources of Community Development, for substantial rehabilitation of a 43-unit affordable family project known as William Byron Rumford, Sr. Plaza Apartments, located in Berkeley (Alameda County). This is a small loan of \$3,500,000 made out of CalHFA's Earned Surplus funds. The Senior Loan Committee approval for this loan is attached.

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MULTIFAMILY PROGRAMS DIVISION
Final Review & Request for Loan Approval

Board Review Date: N/A

Project Name:	William Byron Rumford, Sr. Plaza Apartments (Berkeley, Alameda County)
CalHFA Loan Amount:	\$ 3,500,000 Acq/Rehab and Permanent Loan

Underwriting Variances/Highlights:

- The source of funds is Earned Surplus. HUD Risk Share Insurance will not be required, although the underwriting follows CalHFA hud Risk Sharing Underwriting Guidelines.
- The proposed use of Earned Surplus Funds complies with the CalHFA Subsidy Fund Policy as follows:
- The loan of designated funds will be secured in first-lien position against both fee and leasehold interest in the land;
- No equity will be taken out;
- The project requires substantial rehabilitation (\$113,177 per unit);
- The developer fee is 7% of eligible basis and is far below CTCAC regulations;
- 34% of the developer fee is deferred;
- CalHFA will restrict 51% of the units to families at 60% AMI or below;
- Other affordability restrictions recorded against the property ensure that 60% of the units are restricted to 60% AMI or below. In addition, 30% of the units are restricted to 35% AMI or below;
- Affordability will be preserved for an additional 40 years; and
- The Project is in a high-cost area.

Approval Recommended by:

<u>NAME</u>	<u>TITLE</u>	<u>SIGNATURE</u>	<u>DATE</u>
Ruth Vakili	MF Loan Officer		4/28/16
James Morgan	MF Lending Chief		4/28/16

Approval Signatures (Required in accordance with approval authorities):

<u>NAME</u>	<u>TITLE</u>	<u>SIGNATURE</u>	<u>DATE</u>
Tony Sertich	MF Programs Director		4/28/16
	Asset Mgmt Chief		
Victor James	General Counsel		4-28-16
Tim Hsu	Chief Financial Officer		4/28/16
Don Cavier	Dep. Executive Director		4/28/16
Tia Boatman-Patterson	Executive Director		4/28/16

SENIOR STAFF LOAN APPROVAL

This is to memorialize that on April 28, 2016 Senior Staff
(date)

approved the following action for the project described as follows:

Rumford Plaza, CalHFA #15-028-N

\$3,500,000 - Acquisition/Rehab and Permanent Loan

- Issue an initial commitment; or
- Recommendation to the Board of Directors that it authorize the issuance of a final commitment; or
- Issue a final commitment pursuant to Board Resolution No. 01-37, authorizing Senior Staff to approve loan commitments under \$4,000,000; or
- Issue a modified final commitment for an increase of less than 7% pursuant to Board Resolution No. 01-37;
- Issue a final commitment under the guidelines of the Non-Profit Predevelopment Loan Program pursuant to Board Resolution No. 13-13; or
- Issue a final commitment under the guidelines of the Conduit Issuer Program pursuant to Board Resolution No. 16-05.



Tia Boatman Patterson
Executive Director

SOURCE OF HAT OR NON-HAT FUNDS:

- FAF Dollar Amount: _____
- Earned Surplus (Pre-80) Dollar Amount: _____
- Earned Surplus (Post-80) Dollar Amount: \$3,500,000
- Agency Funds Dollar Amount: _____
- Other: _____ Dollar Amount: _____



MULTIFAMILY PROGRAMS DIVISION
Final Review & Request for Senior Loan Committee Approval

Project Name:	William Byron Rumford, Sr. Plaza Apartments (Berkeley, Alameda County)
CalHFA Loan Amount:	\$ 3,500,000 Acq/Rehab and Permanent Loan

TRANSACTION FACTS

Loan Origination:	Ruth Vakili	Underwriting:	Ruth Vakili
Asset Management:	Jennifer Sliva	Loan Administration:	Josie Hernandez
Legal (Internal):	Nicole Slaton	Legal (External):	N/A
Projected Closing Date:	6/30/16	Approval Expiration Date:	7/30/16

1. Address	3017 Stanton Street, Berkeley, Alameda County, 94702					
2. Legislative Districts	Congress:	13	Assembly:	15	State Senate:	9
3. Brief Project Description	<p>William Byron Rumford, Sr. Plaza Apartments ("Project") is a 43-unit affordable family project consisting of 10 two-story apartment buildings and 1 one-story community building situated around a central courtyard. The Project has 11 one-bedroom, 1 bath units (flats), 18 two-bedroom, 1.5 bath units (10 flats and 8 townhouses), 14 three-bedroom, 1.5 bath units (all townhouses), laundry facility, a community room with a community kitchen, and a playground. The Project was built in 1991 through a partnership with South Berkeley Community Housing Development Corporation, a California nonprofit public benefit corporation ("SBCHDC") as general partner, and investor limited partners. In 2012 the limited partnership interests in Borrower were assigned to and assumed by Resources for Community Development, a California nonprofit public benefit corporation ("RCD"). RCD subsequently assigned its limited partnership interest in the Borrower to an affiliate, 112 Alves Lane, Inc., a California nonprofit public benefit corporation. SBCHDC remains the general partner of the Borrower.</p> <p>The source of the CalHFA loan will be Earned Surplus funds. There is no HUD Risk Share insurance, no tax credits and no tax exempt bonds involved in this financing. Amortization of the loan will begin upon conversion of loan to permanent when rehabilitation is complete.</p>					
4. Sponsor/Developer	Resources for Community Development					
5. Borrower	William Byron Rumford, Sr. Plaza Associates, a California Limited Partnership, a California limited partnership					

CALHFA LOAN TERMS

	<u>Acquisition & Rehabilitation Loan</u>	<u>Permanent Loan</u>
6. Total Loan Amount	\$3,500,000	\$3,500,000
7. Loan Term	12 months	40 year fully amortized
8. Interest Rate	2.25%. This interest rate is locked at loan approval and expires 7/30/16. If the rate lock expires, a revised rate will be based on 2-year Treasury plus 135 basis points.	3.95%. This interest rate is locked at loan approval and expires 7/30/16. If the rate lock expires, a revised rate will be based on 10-year Treasury plus 205 basis points.
9. Loan to Value	64%	64%
10. Loan to Cost	35%	35%

TRANSACTION CONCLUSIONS

11. Project Strengths	<ul style="list-style-type: none"> ▪ The loan to value ratio is 64%. ▪ Project achieves a 1.15 debt coverage ratio in year 1 and grows each additional year. ▪ Berkeley is an area of high demand for all housing types, but especially for affordable housing. ▪ This is a mixed-income property, with 61% of the units restricted to 60% AMI and below, 30% of which are restricted to 35% AMI or lower. The remaining 40% of the units are unrestricted but are rented at below-market rents. ▪ RCD has a long track record of providing high-quality, well-managed affordable housing in the Bay Area. ▪ The City of Berkeley has made a substantial investment in this project and has been a strong partner during the life of this project. ▪ Planned improvements will extend this quality housing over the long term for existing and future residents. ▪ The project addresses CalHFA's policy goal of extending the affordability for an additional 40 years. ▪ Replacement Reserves were conservatively underwritten at \$600 per unit per year.
12. Project Weaknesses w/ Mitigants:	<ul style="list-style-type: none"> • Forty percent (40%) of the units are market rate units with no rent affordability restrictions. However, of these 16 unrestricted units, one is a manager's unit and three have Section 8 Housing Choice Vouchers. In addition, rents for the unrestricted units are well below average market rents for the PMA. • Tenants in 14 units receive rental assistance via the Housing Choice Voucher program (11 in restricted units, 3 in unrestricted units), which poses risk that these tenants could move from the project. The risk is minimized by the fact that rents are only underwritten to TCAC maximums for restricted units. Rents for unrestricted units are underwritten only to the actual rents achieved, which is below market. • The property has historically operated at 2% vacancy and has a long waiting list. Any vacant units will be quickly rented.
13. Conclusion/Recommendation:	<p>The Multifamily Lending Division supports approval of this loan at the amount requested and subject to the terms proposed.</p>

MISSION & AFFORDABILITY

14. CalHFA Mission/Goals	<ul style="list-style-type: none"> • The financing provides capital funds to extend the project affordability for up to 40 years. • The scope of work substantially extends the useful life of the project through replacement of all exterior elements of the buildings, as well as select interior improvements. • The surrounding market area has a high need for affordable housing as evidenced by the low vacancies and long waiting lists for affordable housing in the area. • The rehabilitation of this project will insure that these units remain in the marketplace for the long term future. 															
15. Project Affordability Restrictions	<table border="1"> <thead> <tr> <th>Area Median Income Level</th> <th>New Restrictions</th> <th>Existing Restrictions</th> </tr> </thead> <tbody> <tr> <td>60%</td> <td>22 Units (51%)</td> <td>17 Units (40%)</td> </tr> <tr> <td>35%</td> <td>N/A</td> <td>13 Units (30%)</td> </tr> <tr> <td>30%</td> <td>N/A</td> <td>9 Units (21%)</td> </tr> <tr> <td>Market</td> <td>N/A</td> <td>N/A</td> </tr> </tbody> </table>	Area Median Income Level	New Restrictions	Existing Restrictions	60%	22 Units (51%)	17 Units (40%)	35%	N/A	13 Units (30%)	30%	N/A	9 Units (21%)	Market	N/A	N/A
Area Median Income Level	New Restrictions	Existing Restrictions														
60%	22 Units (51%)	17 Units (40%)														
35%	N/A	13 Units (30%)														
30%	N/A	9 Units (21%)														
Market	N/A	N/A														
16. CalHFA Affordability Restrictions																

Project Name: William Byron Rumford, Sr. Plaza Apartments--Loan Type (Acq/Rehab/Perm) Page - 3
 Loan Amount: \$3,500,000-Acq/Rehab; \$3,500,000-Permanent SLC Approval

The new CalHFA Regulatory Agreement will restrict 51% of each type to 60% AM. The term of the Regulatory Agreement will be the later of payment in full of the loan or 40 years.

17. Geocoder Information

- Geocoder Results:
 - Central City: Yes
 - Low/Mod Census Tract: Low (18.31% below the poverty line)
 - Minority Census Tract: Yes (72.05%)
 - Underserved: No

Geocoder results show a census tract with a lower median income that has increased from 2010 to 2015; the market study revealed that the market supply is constrained as evidenced by the low vacancies and waiting lists at comparable properties.

CURRENT PORTFOLIO LOAN

18.	Previous CalHFA Loan:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
19.	Unpaid Principal Balance:	N/A
20.	Loan Maturity Date:	N/A
21.	Affordability Restriction Expiration:	N/A
22.	Yield Maintenance Due:	N/A
23.	Other CalHFA Debt:	N/A
24.	Loan Maturity Date:	N/A
	Yield Maintenance Due:	N/A

PROJECT FINANCING STRUCTURE

25.	Acq/Rehab Debt & Grants		
	<u>Source</u>	<u>Amount</u>	<u>Lien Position</u>
	CalHFA Acq/Rehab Loan	\$3,500,000	1 st
	HCD	\$1,247,252	2 nd
	City of Berkeley	\$4,665,648	3 rd
	Bay Area Multifamily Building	<u>32,250</u>	N/A
	TOTAL	\$9,445,150	
26.	Permanent Debt & Grants		
	<u>Source</u>	<u>Amount</u>	<u>Lien Position</u>
	CalHFA Permanent Loan	\$3,500,000	1 st
	HCD	\$1,247,252	2 nd
	City of Berkeley	\$4,665,648	3 rd
	Bay Area Multifamily Building	32,250	N/A
	Existing Replacement Reserve	\$294,001	N/A
	Rehab-Period Net Operating Income	\$169,937	N/A
			N/A

Project Name: William Byron Rumford, Sr. Plaza Apartments—Loan Type (Acq/Rehab/Perm) Page - 4
 Loan Amount: \$3,500,000-Acq/Rehab; \$3,500,000-Permanent SLC Approval

Deferred Developer Fee	\$153,106	N/A	N/A
TOTAL	\$10,062,194		
27. Cash Flow Analysis	<ul style="list-style-type: none"> Current rents are used for the initial rents. Prior to conversion, the Borrower plans to institute a nominal rental increase of 1.25%. A 40-year cash flow analysis shows the project achieving a debt coverage ratio of 1.15 in year 1 and increasing in each subsequent year. The analysis assumes restricted rents trending at 2.5% growth and operating expenses trending at 3.5% growth. 		
28. Exit Strategy	The loan will be repaid via principal and interest payments, amortized over 40 years.		

DEVELOPMENT SUMMARY

29. Total Development Costs	\$10,062,194	Per Unit:	\$234,005
30. Hard Development Costs	\$4,866,593	Per Unit:	\$113,177
31. Hard Development Contingencies	\$693,130	% of Hard Development Costs:	15%
32. Site Description	<ul style="list-style-type: none"> The site is 1.76 acres. The site is not in a flood zone. The subject property is zoned "C-SA" (South Area Commercial) and is zoned for commercial, residential and mixed-use development. 		
33. Energy Savings	Project will not apply to CDLAC or TCAC so an energy study was not required. However, replacement of existing windows with new dual-pane windows will result in energy savings.		
34. Water Savings	The landscaping and irrigation will be upgraded, resulting in improved water efficiency.		
35. Environmental Review	<p>A Phase 1 Environmental Assessment performed by Essel dated February 4, 2016 found that there are no Recognized Environmental Conditions (REC) :</p> <ul style="list-style-type: none"> The project site was formerly developed with a dry cleaner, gas station and automobile maintenance facilities. Borings were made between 1986 and 1993, contaminants found in the soil and groundwater. Remediation resulted in the City of Berkeley and the RWQCB issuing a closure and "no further action" letters in 1994. The Phase I study observed mold under a kitchen sink in one of the units and dry rot on some of the building exteriors. The dry rot and mold will be remediated as a part of the rehab work contemplated in the scope of work. 		
36. Seismic Review	According to a seismic study by Partner Engineering and Science, Inc., dated February 3, 2016, the Probable Maximum Loss ("PML") for the Project is 14%. The damage ratio meets CalHFA's seismic risk criteria of a PML ratio of 20% or less, thus earthquake insurance is not required.		

37.	Relocation
<ul style="list-style-type: none"> • Most of the work will be performed on the exterior of the buildings. With the exception of the 3 units upgraded for ADA compliance, the interior work will not require tenants to move out of their unit. However, repairs to second floor decks, stairs and railings will result in temporary relocation for tenants on the second floor. • In total, 10 second floor households and the three of the ADA units on the first floor will be temporarily displaced in order to accomplish the work. • There are currently seven units being held vacant for use as temporary relocation. • Moving assistance will be provided by the property management, and all claims for reimbursement will be paid out of the relocation budget of \$89,500. 	
38.	Construction Scope
<p>The proposed scope of rehabilitation work is currently estimated to be \$4,866,593 or \$113,177 per unit (including overhead, profit, general conditions and insurance). Major elements include:</p> <ul style="list-style-type: none"> ○ Landscaping (\$112,917) –site concrete, drainage, grading, parking lot paving, landscaping and playground equipment. ○ Exterior (\$4,507,948) – replace all exterior siding, wood trim, windows, roofs, gutters, downspouts, all stair systems, patio and site fencing, trash enclosures. ○ Interiors (\$245,728) – ADA upgrades to three units. On an as-needed basis: new appliances, painting, flooring and countertops. <p>Work is expected to begin after closing and be completed within 8 months. The hard cost contingency reserve is \$693,130, which is 15% of the cost of the proposed rehabilitation scope of work.</p>	
39.	Budget Comments:
<ul style="list-style-type: none"> • The property is owned by the City of Berkeley and a ground lease is executed between the City and Borrower. The lease expires August 26, 2070 and the base rent payment is \$1 per year. • The CalHFA loan will be recorded against both the leasehold interest and fee interest in the project and underlying land. • In 1990, the City of Berkeley recorded deed(s) of trust securing loans totaling \$1,355,648 against the leasehold interest in the project. In August 2015, the City recorded a deed of trust against the leasehold interest in the project, to secure a loan in the amount of \$4,665,648 which included the existing debt, forgave accrued interest, and extended the loan for a maximum term of 57 years from August 26, 2015 at 3%. Repayment will be via a pro-rata share of residual receipts. This loan will subordinate to CalHFA. • The City of Berkeley has provided new funds totaling \$3,310,000 which will commence disbursement upon closing the CalHFA loan. The City funds will be utilized to pay initial closing costs and the first 3-4 months' of construction draws. • A new Regulatory Agreement was recorded by the City of Berkeley in November 2015 against the fee and leasehold interest and expires August 26, 2070. The Regulatory Agreement restricts 9 units to 30% AMI and an additional 17 units to 60% AMI. This Agreement is to subordinate to CalHFA. • The City of Berkeley Redevelopment Agency recorded a Declaration of Covenants and Restrictions on September 24, 1990 against the fee and leasehold interest. This Covenant restricts forty-percent of the units (17) to 60% AMI for 30 years and expire in September 2020. This Covenant will subordinate to CalHFA. • The City of Berkeley requires payment of California state prevailing wages and will require the borrower to provide evidence of compliance with prevailing wage requirements. • The existing HCD RHCP loan is in the process of being restructured and extended for an additional 55 years at 3% simple interest. The loan is subject to an annual payment of .42% per year, beginning at \$10,000 per year and increasing 3% annually. Payments do not commence until 2031 but annual increases will accrue. In 2031 the payment is estimated to be \$15,500. The principal and interest will be paid down via a pro-rata share of residual receipts. This loan is recorded against fee and leasehold interest and will be subordinate to CalHFA's loan documents. 	

- There are 18 HCD-RHCP restricted units (13 units at 35% AMI and an additional 5 units at 60% AMI). Annual rent increases are allowable but subject to HCD approval. Rent increase of 2.5% is assumed in the HCD and CalHFA cash flow, and is consistent with average increases for this property.
- The debt coverage ratio for the first year is 1.15.
- An interest reserve of \$42,000 will be capitalized and used to pay interest on the CalHFA during the 12 month rehab term of the loan.

PROJECT DETAILS

40.	Tenancy / Occupancy Type:	Family			
41.	Total Residential Units:	43			
42.	Property Construction	Low-Rise			
		Buildings:	10	Stories:	2
		Elevators:	None	Unit Style:	Flats/Townhomes
		Year Built:	1991	Year of Last Rehab:	None.
43.	Total Land Area (acres)	1.76			
		Residential Square Footage:	39,191	Residential Units per Acre:	21.6
		Covered Parking Spaces:	0	Total Parking Spaces:	45
44.	Commercial Space:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Square Footage:	N/A
45.	Appraisal Review	<ul style="list-style-type: none"> • The appraisal performed by James T. Liska dated February 5, 2016 gives a valuation which is based on an income capitalization approach and identified 5 comparable properties within the Primary Market Area ("PMA"). • The appraiser reported that cap rates for multifamily properties in the region ranged from 3.79%-5.10%. The appraiser selected a 4.90% cap rate for the project. • The appraiser concluded a value of \$5,510,000 post-rehabilitation restricted value with rent restrictions assumed at stabilized occupancy. The permanent loan is 64% of the restricted value. 			
46.	Property Description	<ul style="list-style-type: none"> • This 43-unit project consists of 10 residential garden-style buildings which were built in 1991. • The unit mix consists of 11 one-bedroom, 1 bath units of 631 square feet, 18 two-bedroom, 1.5 bath flat and townhome units averaging 882 square feet, and 14 three-bedroom, 1.5 bath townhouse units averaging 1,104 square feet. • The project site is zoned as C-SA (South Area Commercial) per the City of Berkeley. This is a high-density residential land use designation and at 24.43 units per acre, the project is in compliance with the permitted use. • All units have central heating, oven/cooktops, vented hoods, a refrigerator, cabinets, carpeting/vinyl flooring and patio/balconies. The three-bedroom units have a washer/dryer hookup. • The project site has various amenities including: laundry facility, community room with kitchen, a kids' playground, and 45 uncovered parking spaces. • Domestic hot water is provided via individual gas-fueled water heaters for each unit. • The exterior siding is Weyerhaeuser T1-11 siding which has considerable deterioration and requires complete replacement. In addition, the wood trim, windows, patio and site fencing, all stair systems and roofs will be replaced. Landscaping, drainage and irrigation will be upgraded and trash enclosures will be replaced. Sidewalks will be repaired/replaced and the playground will be upgraded. • The unit interiors have been well-maintained and upgrades have been completed upon unit turn-over. Current interior rehab will be completed on an as-needed basis and may include new flooring, paint, replacement of stove hoods, ranges, refrigerators, countertops and garbage disposals. In addition, 3 units will 			

be upgraded to ADA standards.

Unit Size	Income Restriction	Number of Units	Square Feet
1 Bedroom	30% AMI	3	631
1 Bedroom	60% AMI	3	631
1 Bedroom	Unrestricted	5	631
2 Bedroom	30% AMI	3	882 avg.
2 Bedroom	35% AMI	2	882 avg.
2 Bedroom	60% AMI	8	882 avg.
2 Bedroom	Unrestricted	5	882 avg.
3 Bedroom	30% AMI	3	1,104 avg.
3 Bedroom	35% AMI	3	1,104 avg.
3 Bedroom	60% AMI	2	1,104 avg.
3 Bedroom	Unrestricted	6	1,104 avg.

MARKET ANALYSIS

47.	Market Study:	Novogradac & Co.	March 12, 2015
48.	Macro Market Overview		
	<ul style="list-style-type: none"> The PMA is defined as the southern portion of Berkeley and northern Emeryville. The borders are University Avenue, I-580, College Avenue and I-80. The PMA had a total population of 90,513 in 2014. The Metropolitan Statistical Area ("MSA") consists of the cities of San Francisco, Oakland and Hayward, which had a population of 4,456,939 in 2014. The major employment sectors in the City of Berkeley are educational services, professional, scientific, tech and health care services. In 2014, the unemployment rate in the MSA was 5%. The population in the PMA is expected to grow to by 1.5% by 2020. The number of households in the PMA in 2014 was 38,766 and is expected to grow by 1.5% by 2020. Of the total households within the PMA, 71% are renters. If the project were vacant, it is estimated that it would take 3 months to achieve full occupancy. 		
49.	Submarket Analysis		
	<ul style="list-style-type: none"> The project is located in the southern part of the City of Berkeley and is bounded by University Avenue, Sacramento Street and San Pablo Avenue. The neighborhood is a mix of single family, multifamily, retail and commercial uses of average to good quality. The site is located near all levels of services and transportation. The Bart station, freeways, hospitals, all levels of schools and shopping are within 0.1 to 1.2 miles of the property. A bus stop is adjacent to the site. 		
50.	Supply		
	<ul style="list-style-type: none"> Occupancy rates for market rate and affordable apartments in the PMA averaged 98%. Affordable family housing projects are on average 99% occupied, with some projects maintaining waiting lists. The project's current vacancy rate is 16%, as 7 units are being held vacant to be utilized for relocation during rehab. The market study estimated that these 7 units will take one month to occupy. Per the market study, average market rent for a one-bedroom unit in the PMA is \$2,000, for a two-bedroom 		

unit \$2,750, and for a three-bedroom unit \$3,400.

- The maximum affordable rents at each of the AMI levels are 23%-49% of market rents.
- The maximum unrestricted rents at each of the unit types are 51% to 64% of market rents.
- There currently is no new market rate or affordable family housing project planned.

51. Demand/Absorption

- The market study concluded that the project will compare favorably to other affordable and market rate properties upon completion and will achieve a vacancy rate of 2.4%. The market rate units will achieve lease-up within one month and could generate higher than asking rents.
- There are currently 14 tenants with Housing Choice (formerly known as Section 8) Vouchers residing at the project. The City of Berkeley Housing Authority distributes over 1,900 Housing Choice Vouchers. There is currently a waitlist of 1,000 households and the list is closed.

DEVELOPMENT TEAM OVERVIEW

52. Borrower	William Byron Rumford, Sr. Plaza Associates, a California Limited Partnership
The Borrower was formed in December 1989 and is now comprised of a limited partner, 112 Alves Lane, Inc., and a general partner, SBCHDC, a nonprofit public benefit corporation.	
53. Guarantor	Resources for Community Development
A Payment and completion guarantee on the project rehabilitation will be provided by RCD.	
54. Sponsor/Developer	RCD
<ul style="list-style-type: none"> • RCD is a California nonprofit public benefit corporation that is over 30 years old and has developed over 2,000 units of affordable housing in Alameda, Contra Costa, Marin and Solano Counties. RCD currently has 250 units of affordable housing under development. RCD has developed its Resident Services Program that provides residents with the support services they need to retain their housing and build self-sufficiency. Both RCD and its asset management team have been recognized nationally for their operations. • RCD has successfully developed and managed 4 properties financed by CalHFA. 	
55. Management Agent	John Stewart Company
Founded in 1978, the John Stewart Company (JSC) is a full-service housing management, development, and consulting company that now employs over 1,300 people. JSC currently has 209 properties under management in Northern California and 175 properties under management in Southern California. RCD has partnered with JSC for property management for most of its 30-year history.	
56. Contractor	BBI-CON, a California corporation dba BBI Construction
<ul style="list-style-type: none"> • BBI-CON, Inc., a California corporation d/b/a BBI Construction (BBI) is located in Oakland and was founded in 1974. The company specializes in commercial new construction and rehabilitation: apartments, schools, institutional and adaptive reuse. BBI is a certified green builder and has a staff of 25. BBI has direct experience in completing work similar to what is needed for the project, i.e. complete rehab of the building's exterior skin to mitigate water intrusion, and experience in completing work in conjunction with relocation plans. • BBI has recently rehabilitated over 400 units of affordable family and senior housing in multi-story and multi-building configurations. 	

Project Name: William Byron Rumford, Sr. Plaza Apartments--Loan Type (Acq/Rehab/Perm) Page - 9
 Loan Amount: \$3,500,000-Acq/Rehab; \$3,500,000-Permanent SLC Approval

57.	Architect	Wolff/Lang/Christopher Architects, Incorporated, a California corporation (WLC)
<ul style="list-style-type: none"> • WLC was founded in 1978 and has a great deal of experience in needs assessment, design, programming, construction document preparation and management, plan review and approval, and construction management for multifamily and institutional projects. WLC has offices in Berkeley, Rancho Cucamonga and Folsom, and a staff of 78 professionals including 22 licensed architects and 27 LEED accredited staff. WLC has an excellent working relationship with the City of Berkeley and an extensive background working with HUD. • WLC has designed and managed the construction of numerous multifamily new construction and rehabilitation projects in both Northern and Southern California, and has worked on several projects similar in scope to William Byron Rumford, Sr. Plaza Apartments. 		

CALHFA INTERNAL REVIEW

58.	Loan Covenants or Special Terms & Conditions:
<p>Prior to closing, the following is required:</p> <ol style="list-style-type: none"> 1. First lien on fee and leasehold interest in the project and underlying real property. 2. HCD approval of loan re-structure under the terms described in this approval. 3. Borrower to contract for wage monitoring. 4. Borrower's counsel to provide an opinion letter regarding Davis-Bacon and/or Prevailing Wage requirements. 	

Project Name: William Byron Rumford, Sr. Plaza Apartments—Loan Type (Acq/Rehab/Perm) Page - 10
Loan Amount: \$3,500,000-Acq/Rehab; \$3,500,000-Permanent SLC Approval

EXHIBITS

- A. Detailed Financial Analysis
 - i. Project Summary
 - ii. Unit Mix and Rent Summary
 - iii. Sources and Uses of Funds Summary
 - iv. Projected Initial Annual Rental Operating Budget
 - v. Projected Permanent Loan Cash Flow

PROJECT SUMMARY		Senior Staff				
Acquisition, Rehab, Construction & Permanent Loans		Project Number 15-028-N				
Project Full Name	Rumford Plaza	Borrower Name:	William Byron Rumford, Sr. Plaza Associates			
Project Address	3017 Stanton Street	Managing GP:	South Berkeley Community Housing			
Project City	Berkeley	Developer Name:	Resources for Community Development			
Project County	Alameda	Investor Name:	N/A			
Project Zip Code	94702	Prop Management:	The John Stewart Company			
		Tax Credits:	None			
Project Type:	Acq/Rehab/Permanent Loan	Total Land Area (acres):	1.76			
Tenancy/Occupancy:	Family	Residential Square Footage:	39,191			
Total Residential Units:	43	Residential Units Per Acre:	24.43			
Total Number of Buildings:	11					
Number of Stories:	2	Covered Parking Spaces:	0			
Unit Style:	Townhomes & Flats	Total Parking Spaces:	45			
Elevators:	none					
Acq/Construction/Rehab Financing		Loan Amount (\$)	Loan Fees	Loan Term (Mo.)	Amort. Period (Yr.)	Starting Interest Rate
CalHFA Loan		3,500,000	1.000%	12	--	2.250%
City of Berkeley		4,665,648	--	12	--	--
HCD		1,247,252	--	12	--	--
Replacement Reserves		--	--	--	--	--
--		32,250	--	--	--	--
Construct/Rehab Net Oper. Inc.		--	--	--	--	--
Permanent Financing		Loan Amount (\$)	Loan Fees	Loan Term (Yr.)	Amort. Period (Yr.)	Starting Interest Rate
CalHFA Permanent Loan		3,500,000	--	40	40	3.950%
City of Berkeley		4,665,648	--	55	--	3.000%
HCD		1,247,252	--	55	--	3.000%
Replacement Reserves		294,001	--	--	--	--
--		32,250	--	--	--	--
Construct/Rehab Net Oper. Inc.		169,937	--	--	--	--
Deferred Developer Fees		153,106	NA	NA	NA	NA
--		--	NA	NA	NA	NA
--		--	NA	NA	NA	NA
Appraised Values Upon Completion of Rehab/Construction						
Appraisal Date:	2/5/16	Capitalization Rate:	4.90%			
Investment Value (\$)	--	Restricted Value (\$)	5,510,000			
Construct/Rehab LTC	N/A	Permanent Loan to Cost	35%			
Construct/Rehab LTV	N/A	Permanent Loan to Value	64%			
Additional Loan Terms, Conditions & Comments						
<u>Construction/Rehab Loan</u>						
Payment/Performance Bond			Required			
Completion Guarantee Letter of Credit			Waived			
<u>Permanent Loan</u>						
Operating Expense Reserve Deposit	\$0	NA				
Initial Replacement Reserve Deposit	\$86,000	Cash				
Annual Replacement Reserve Per Unit	\$600	Cash				
Date Prepared:	4/26/16	Senior Staff Date:	4/28/16			

PROJECT UNIT MIX					
Unit Type of Style	Number of Bedrooms	Number of Baths	Average Size (Sq. Ft.)	Number of Units	Est. No. of Tenants
Flat	1	1	631	11	16.5
Flat	2	1	797	10	30
Townhome	2	1.5	988	8	24
Townhome	3	1.5	1,169	14	63
-	-	-	-	-	0
-	-	-	-	-	0
				43	133.5

NUMBER OF UNITS AND PERCENTAGE OF AMI RENTS RESTRICTED BY EACH AGENCY							
Agency	Number of Units Restricted For Each AMI Category						
	30%	35%	40%	50%	60%	80%	0%
CalHFA	0	0	0	0	22	0	0
City of Berkeley-Loans	9	0	0	0	17	0	0
City of Berkeley-Lease	0	0	0	0	17	0	0
Declaration of Covenants	0	0	0	0	17	0	0
HCD	0	13	0	0	5	0	0
-							
-							

COMPARISON OF AVERAGE MONTHLY RESTRICTED RENTS TO AVERAGE MARKET RENTS							
Unit Type	Restricting Agency	% of Area Median Income	Average Restricted Rents		Average Market Rents	Average Monthly Savings	% of Market Rents
			Number of Units	Unit Rent			
Studios	TCAC	30%	-	-	-	-	-
	TCAC	35%	-	-	-	-	-
	TCAC	60%	-	-	-	-	-
	CalHFA	55%	-	-	-	-	-
	CalHFA	60%	-	-	-	-	-
	Unrestricted	-	-	-	-	-	-
1 Bedroom	TCAC	30%	3	\$454	\$2,000	\$1,546	23%
	TCAC	35%	-	-	-	-	-
	TCAC	60%	3	\$977	-	\$1,023	49%
	CalHFA	55%	-	-	-	-	-
	CalHFA	60%	-	-	-	-	-
	Unrestricted	100%	5	\$1,274	-	\$272	64%
2 Bedrooms	TCAC	30%	3	\$535	\$2,750	\$2,215	19%
	TCAC	35%	2	\$639	-	\$2,111	23%
	TCAC	60%	8	\$1,163	-	\$1,587	42%
	CalHFA	55%	-	-	-	-	-
	CalHFA	60%	-	-	-	-	-
	Unrestricted	100%	4	\$1,518	-	\$1,232	55%
3 Bedrooms	TCAC	30%	3	\$608	\$3,400	\$2,792	18%
	TCAC	35%	3	\$729	-	\$2,671	21%
	TCAC	60%	2	\$1,333	-	\$2,067	39%
	CalHFA	55%	-	-	-	-	-
	CalHFA	60%	-	-	-	-	-
	Unrestricted	100%	6	\$1,746	-	\$1,654	51%
4 Bedrooms	TCAC	30%	-	-	-	-	-
	TCAC	35%	-	-	-	-	-
	TCAC	60%	-	-	-	-	-
	CalHFA	55%	-	-	-	-	-
	CalHFA	60%	-	-	-	-	-
	CalHFA	-	-	-	-	-	-
5 Bedrooms	TCAC	30%	-	-	-	-	-
	TCAC	35%	-	-	-	-	-
	TCAC	60%	-	-	-	-	-
	CalHFA	55%	-	-	-	-	-
	CalHFA	60%	-	-	-	-	-
	Unrestricted	-	-	-	-	-	-

SOURCES & USES OF FUNDS SUMMARY					Senior Staff
Rumford Plaza		Project Number		15-028-N	
SOURCES OF FUNDS	CONST/REHAB PERMANENT		TOTAL PROJECT FUNDS		
	\$	\$	SOURCES (\$)	PER UNIT (\$)	%
CalHFA Loan	3,500,000				0.0%
CalHFA Other Loan	-				0.0%
City of Berkeley	4,665,648				0.0%
HCD	1,247,252				0.0%
Bay Area Multifamily Bldg.	32,250				0.0%
Other Non-CalHFA Sources of Funds	-				0.0%
Construct/Rehab Net Oper. Inc.	-				0.0%
Deferred Developer Fee	-				0.0%
Developer Equity Contribution	-				0.0%
Investor Equity Contribution	-				0.0%
CalHFA Permanent Loan		3,500,000	3,500,000	81,395	34.8%
CalHFA Bridge Loan		-	-	-	0.0%
CalHFA Section 8 Loan		-	-	-	0.0%
City of Berkeley		4,665,648	4,665,648	108,503	46.4%
HCD		1,247,252	1,247,252	29,006	12.4%
Bay Area Multifamily Bldg.		32,250	32,250	750	0.3%
Other Non-CalHFA Sources of Funds		294,001	294,001	6,837	2.9%
Construct/Rehab Net Oper. Inc.		169,937	169,937	3,952	1.7%
Deferred Developer Fees		153,106	153,106	3,561	1.5%
Developer Equity Contribution		-	-	-	0.0%
Investor Equity Contributions		-	-	-	0.0%
TOTAL SOURCES OF FUNDS	9,445,150	10,062,194	10,062,194	234,005	100.0%

USES OF FUNDS	CONST/REHAB PERMANENT		TOTAL PROJECT COSTS		
	\$	\$	USES (\$)	PER UNIT (\$)	%
Payoff Acquisition/Rehab Financing		9,445,150			
Acquisition Costs	3,028,551	-	3,028,551	70,431	30.1%
Construction/Rehab Costs	4,866,593	-	4,866,593	113,177	48.4%
Relocation Costs	89,500	-	89,500	2,081	0.9%
Architectural Costs	206,090	-	206,090	4,793	2.0%
Surveys & Engineering Costs	14,200	-	14,200	330	0.1%
Contingency Reserves	749,526	-	749,526	17,431	7.4%
Loan Period Loan & Other Costs	152,261	-	152,261	3,541	1.5%
Permanent Loan Costs	45,750	-	45,750	1,064	0.5%
Legal Fees	15,000	-	15,000	349	0.1%
Operating Reserves	-	255,120	255,120	5,933	2.5%
Reports & Studies	44,251	-	44,251	1,029	0.4%
Other Construction/Rehab Costs	141,429	-	141,429	3,289	1.4%
Developer Fees & Costs	91,999	361,924	453,923	10,556	4.5%
TOTAL PROJECT COSTS	9,445,150	10,062,194	10,062,194	234,005	100.0%

PROJECTED INITIAL ANNUAL RENTAL OPERATING BUDGET		Senior Staff	
Rumford Plaza	Project Number	15-028-N	
INCOME			
	AMOUNT	PER UNIT	%
Rental Income			
Restricted Unit Rents	\$ 277,884	\$ 6,462	52.87%
Unrestricted Unit Rents	275,016	6,396	52.33%
Commercial Rents	-	-	0.00%
Rental & Operating Subsidies			
Section 8 Rent Subsidies	-	-	0.00%
Shelter Care Plus Rent Subsidies	-	-	0.00%
Other Subsidy (Specify)	-	-	0.00%
Other Subsidy (Specify)	-	-	0.00%
Other Income			
Laundry and Vending Income	335	8	0.06%
Garage and Parking Income	-	-	0.00%
Miscellaneous Income	-	-	0.00%
GROSS POTENTIAL INCOME (GPI)	\$ 553,235	\$ 12,866	105.26%
Less: Vacancy Loss	\$ 27,662	\$ 643	5.26%
EFFECTIVE GROSS INCOME (EGI)	\$ 525,573	\$ 13,509	100.00%
OPERATING EXPENSES			
	AMOUNT	PER UNIT	%
Administrative Expenses	\$ 75,218	\$ 1,749	\$ 0
Management Fee	28,907	672	5.50%
Social Programs & Services	-	-	0.00%
Utilities	32,991	767	6.28%
Operating & Maintenance	105,805	2,461	20.13%
Ground Lease Payments	-	-	0.00%
Real Estate Taxes	15,525	361	2.95%
Other Taxes & Insurance	41,916	975	7.98%
Assisted Living/Board & Care	-	-	0.00%
SUBTOTAL OPERATING EXPENSES	\$ 300,362	\$ 6,985	57.15%
Operating Reserves	\$ 25,800	\$ 600	4.91%
TOTAL OPERATING EXPENSES	\$ 326,162	\$ 7,585	62.06%
NET OPERATING INCOME (NOI)	\$ 199,411	\$ 4,637	37.94%
DEBT SERVICE PAYMENTS			
	AMOUNT	PER UNIT	%
CalHFA Permanent Loan	\$ 174,230	\$ 4,052	33.15%
CalHFA Section 8 Loan	\$ -	-	0.00%
City of Berkeley	\$ -	-	0.00%
HCD	\$ 10,000	233	1.90%
Bay Area Multifamily Bldg.	\$ -	-	0.00%
Replacement Reserves	\$ -	-	0.00%
	\$ -	-	0.00%
TOTAL DEBT SERVICE PAYMENTS	\$ 184,230	\$ 4,284	35.05%
EXCESS CASH FLOWS AFTER DEBT SERVICE	\$ 15,181	\$ 353	2.89%
DEBT SERVICE COVERAGE RATIO (DSCR)	1.08 to 1		
Date: 4/26/16	Senior Staff Date: 04/28/16		

A		B	C	D	E	F	G	H	I	J	K	L
PROJECTED PERMANENT LOAN CASH FLOWS												
Senior Staff												
		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Rumford Plaza
		1	2	3	4	5	6	7	8	9	10	
1	RENTAL INCOME											
2	Restricted Unit Rents	281,358	288,391	295,601	302,991	310,566	318,330	326,288	334,446	342,807	351,377	
3	Unrestricted Unit Rents	278,454	285,415	292,550	299,864	307,361	315,045	322,921	330,994	339,269	347,751	
4	Commercial Rents	-	-	-	-	-	-	-	-	-	-	
5	Section 8 Rent Subsidies	-	-	-	-	-	-	-	-	-	-	
6	Shelter Care Plus Rent Subsidies	-	-	-	-	-	-	-	-	-	-	
7	Other Subsidy (Specify)	-	-	-	-	-	-	-	-	-	-	
8	Other Subsidy (Specify)	-	-	-	-	-	-	-	-	-	-	
9	Other Subsidy (Specify)	-	-	-	-	-	-	-	-	-	-	
10	Laundry and Vending Income	348	357	366	375	384	394	404	414	424	435	
11	Garage and Parking Income	-	-	-	-	-	-	-	-	-	-	
12	Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	
13	GROSS POTENTIAL INCOME (GPI)	560,159	574,163	588,517	603,230	618,311	633,769	649,613	665,853	682,500	699,562	
14	VACANCY ASSUMPTIONS											
15	Restricted Unit Rents	14,068	14,420	14,780	15,150	15,528	15,917	16,314	16,722	17,140	17,569	
16	Unrestricted Unit Rents	13,923	14,271	14,628	14,993	15,368	15,752	16,146	16,550	16,963	17,388	
17	Commercial Rents	-	-	-	-	-	-	-	-	-	-	
18	Section 8 Rent Subsidies	-	-	-	-	-	-	-	-	-	-	
19	Shelter Care Plus Rent Subsidies	-	-	-	-	-	-	-	-	-	-	
20	Other Subsidy (Specify)	-	-	-	-	-	-	-	-	-	-	
21	Other Subsidy (Specify)	-	-	-	-	-	-	-	-	-	-	
22	Other Subsidy (Specify)	-	-	-	-	-	-	-	-	-	-	
23	Laundry and Vending Income	17	18	18	19	19	20	20	21	21	22	
24	Garage and Parking Income	-	-	-	-	-	-	-	-	-	-	
25	Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	
26	TOTAL PROJECTED VACANCY LOSS	28,008	28,708	29,426	30,162	30,916	31,688	32,481	33,293	34,125	34,978	
27	EFFECTIVE GROSS INCOME (EGI)	532,151	545,455	559,092	573,069	587,396	602,080	617,132	632,561	648,375	664,584	
28	OPERATING EXPENSES											
29	Administrative Expenses	76,910	79,602	82,388	85,272	88,256	91,345	94,543	97,852	101,276	104,821	
30	Management Fee	29,268	30,000	30,750	31,519	32,307	33,114	33,942	34,791	35,661	36,552	
31	Utilities	33,733	34,914	36,136	37,401	38,710	40,065	41,467	42,918	44,420	45,975	
32	Operating & Maintenance	108,186	111,972	115,891	119,947	124,145	128,491	132,988	137,642	142,460	147,446	
33	Ground Lease Payments	-	-	-	-	-	-	-	-	-	-	
34	Real Estate Taxes	15,525	16,068	16,631	17,213	17,815	18,439	19,084	19,752	20,443	21,159	
35	Other Taxes & Insurance	42,859	44,359	45,912	47,519	49,182	50,903	52,685	54,529	56,437	58,413	
36	Assisted Living/Board & Care	-	-	-	-	-	-	-	-	-	-	
37	Required Reserve Payments	25,800	26,058	26,319	26,582	26,848	27,116	27,387	27,661	27,938	28,217	
38	TOTAL OPERATING EXPENSES	332,282	342,974	354,027	365,452	377,263	389,473	402,096	415,145	428,635	442,583	
39	NET OPERATING INCOME (NOI)	199,870	202,481	205,065	207,617	210,132	212,607	215,037	217,416	219,739	222,001	
40	DEBT SERVICE PAYMENTS											
41	Lien #											
42	1 CalHFA Permanent Loan	174,230	174,230	174,230	174,230	174,230	174,230	174,230	174,230	174,230	174,230	
43	2 CalHFA Section 8 Loan	-	-	-	-	-	-	-	-	-	-	
44	3 City of Berkeley	-	-	-	-	-	-	-	-	-	-	
45	4 HCD	-	-	-	-	-	-	-	-	-	-	
46	5 Bay Area Multifamily Bldg. Replacement Reserves	-	-	-	-	-	-	-	-	-	-	
47		-	-	-	-	-	-	-	-	-	-	
48		-	-	-	-	-	-	-	-	-	-	
49		-	-	-	-	-	-	-	-	-	-	
50	TOTAL DEBT SERVICE PAYMENTS	174,230										
51	CASH FLOW AFTER DEBT SERVICE	25,639	28,251	30,835	33,386	35,902	38,377	40,807	43,186	45,509	47,771	
52	DEBT SERVICE COVERAGE RATIO	1.15	1.16	1.18	1.19	1.21	1.22	1.23	1.25	1.26	1.27	
53	Date Prepared: 04/26/16											Senior Staff Date: 4/28/16

A		B	M	N	O	P	Q	R	S	T	U	V
PROJECTED PERMANENT LOAN CASH FLOW			2027	2028	2029	2030	2031	2032	2033	2034	2035	Rumford Plaza 2036
1	Senior Staff		11	12	13	14	15	16	17	18	19	20
4	RENTAL INCOME	YEAR										
5	Restricted Unit Rents	CPI	360,161	369,165	378,395	387,854	397,551	407,490	417,677	428,119	438,822	449,792
6	Unrestricted Unit Rents	2.50%	356,444	365,355	374,489	383,852	393,448	403,284	413,366	423,700	434,293	445,150
7	Commercial Rents	0.00%	-	-	-	-	-	-	-	-	-	-
8	Section 8 Rent Subsidies	0.00%	-	-	-	-	-	-	-	-	-	-
9	Shelter Care Plus Rent Subsidies	0.00%	-	-	-	-	-	-	-	-	-	-
10	Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-
11	Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-
12	Laundry and Vending Income	2.50%	446	457	468	480	492	504	517	530	543	556
13	Garage and Parking Income	0.00%	-	-	-	-	-	-	-	-	-	-
14	Miscellaneous Income	0.00%	-	-	-	-	-	-	-	-	-	-
15	GROSS POTENTIAL INCOME (GPI)		717,051	734,978	753,352	772,186	791,490	811,278	831,560	852,349	873,657	895,499
16	VACANCY ASSUMPTIONS	Vacancy										
17	Restricted Unit Rents	5.00%	18,008	18,458	18,920	19,393	19,878	20,374	20,884	21,406	21,941	22,490
18	Unrestricted Unit Rents	5.00%	17,822	18,268	18,724	19,193	19,672	20,164	20,668	21,185	21,715	22,258
19	Commercial Rents	50.00%	-	-	-	-	-	-	-	-	-	-
20	Section 8 Rent Subsidies	0.00%	-	-	-	-	-	-	-	-	-	-
21	Shelter Care Plus Rent Subsidies	0.00%	-	-	-	-	-	-	-	-	-	-
22	Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-
23	Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-
24	Laundry and Vending Income	5.00%	22	23	23	24	25	25	26	26	27	28
25	Garage and Parking Income	0.00%	-	-	-	-	-	-	-	-	-	-
26	Miscellaneous Income	0.00%	-	-	-	-	-	-	-	-	-	-
27	TOTAL PROJECTED VACANCY LOSS		35,853	36,749	37,668	38,609	39,575	40,564	41,578	42,617	43,683	44,775
28	EFFECTIVE GROSS INCOME (EGI)		681,199	698,229	715,684	733,577	751,916	770,714	789,982	809,731	829,975	850,724
29	OPERATING EXPENSES	CPI / Fee										
30	Administrative Expenses	3.50%	108,490	112,287	116,217	120,284	124,494	128,852	133,362	138,029	142,860	147,860
31	Management Fee	5.50%	37,466	38,403	39,363	40,347	41,355	42,389	43,449	44,535	45,649	46,790
32	Utilities	3.50%	47,584	49,250	50,973	52,757	54,604	56,515	58,493	60,540	62,659	64,852
33	Operating & Maintenance	3.50%	152,606	157,948	163,476	169,198	175,119	181,249	187,592	194,158	200,954	207,987
34	Ground Lease Payments	3.50%	-	-	-	-	-	-	-	-	-	-
35	Real Estate Taxes	1.25%	21,900	22,666	23,459	24,280	25,130	26,010	26,920	27,862	28,838	29,847
36	Other Taxes & Insurance	3.50%	60,457	62,573	64,763	67,030	69,376	71,804	74,317	76,918	79,610	82,397
37	Assisted Living/Board & Care	0.00%	-	-	-	-	-	-	-	-	-	-
38	Required Reserve Payments	1.00%	28,499	28,784	29,072	29,363	29,656	29,953	30,253	30,555	30,861	31,169
39	TOTAL OPERATING EXPENSES		457,002	471,910	487,323	503,259	519,736	536,771	554,386	572,598	591,430	610,902
40	NET OPERATING INCOME (NOI)		224,197	226,319	228,361	230,317	232,180	233,942	235,596	237,133	238,544	239,822
41	DEBT SERVICE PAYMENTS	Lien #										
42	CalHFA Permanent Loan	1	174,230	174,230	174,230	174,230	174,230	174,230	174,230	174,230	174,230	174,230
43	CalHFA Section 8 Loan	2	-	-	-	-	-	-	-	-	-	-
44	City of Berkeley	3	-	-	-	-	-	-	-	-	-	-
45	HCD	4	-	-	-	-	-	15,500	15,965	16,444	16,937	17,445
46	Bay Area Multifamily Bldg.	5	-	-	-	-	-	-	-	-	-	-
47	Replacement Reserves	-	-	-	-	-	-	-	-	-	-	-
48		-	-	-	-	-	-	-	-	-	-	-
49		-	-	-	-	-	-	-	-	-	-	-
50	TOTAL DEBT SERVICE PAYMENTS		174,230	174,230	174,230	174,230	174,230	174,230	174,230	174,230	174,230	174,230
51	CASH FLOW AFTER DEBT SERVICE		49,966	52,088	54,131	56,087	57,950	59,712	61,416	63,064	64,657	66,197
52	DEBT SERVICE COVERAGE RATIO		1.29	1.30	1.31	1.32	1.33	1.33	1.34	1.34	1.35	1.35
53	Date Prepared:		04/26/16									Senior Staff Date: 4/28/16

A		B	W	X	Y	Z	AA	AB	AC	AD	AE	AF
PROJECTED PERMANENT LOAN CASH FLOW												
Rumford Plaza												
Senior Staff												
		2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	
		YEAR	22	23	24	25	26	27	28	29	30	
1	RENTAL INCOME											
2	Restricted Unit Rents	461,037	472,563	484,377	496,487	508,899	521,621	534,662	548,028	561,729	575,772	
3	Unrestricted Unit Rents	456,279	467,686	479,378	491,362	503,646	516,238	529,144	542,372	555,931	569,830	
4	Commercial Rents	-	-	-	-	-	-	-	-	-	-	
5	Section 8 Rent Subsidies	-	-	-	-	-	-	-	-	-	-	
6	Shelter Care Plus Rent Subsidies	-	-	-	-	-	-	-	-	-	-	
7	Other Subsidy (Specify)	-	-	-	-	-	-	-	-	-	-	
8	Other Subsidy (Specify)	-	-	-	-	-	-	-	-	-	-	
9	Laundry and Vending Income	570	585	599	614	630	645	661	678	695	712	
10	Garage and Parking Income	-	-	-	-	-	-	-	-	-	-	
11	Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	
12	GROSS POTENTIAL INCOME (GPI)	917,886	940,833	964,354	988,463	1,013,175	1,038,504	1,064,467	1,091,078	1,118,355	1,146,314	
13	VACANCY ASSUMPTIONS											
14	Restricted Unit Rents	23,052	23,628	24,219	24,824	25,445	26,081	26,733	27,401	28,086	28,789	
15	Unrestricted Unit Rents	22,814	23,384	23,969	24,568	25,182	25,812	26,457	27,119	27,797	28,491	
16	Commercial Rents	-	-	-	-	-	-	-	-	-	-	
17	Section 8 Rent Subsidies	-	-	-	-	-	-	-	-	-	-	
18	Shelter Care Plus Rent Subsidies	-	-	-	-	-	-	-	-	-	-	
19	Other Subsidy (Specify)	-	-	-	-	-	-	-	-	-	-	
20	Other Subsidy (Specify)	-	-	-	-	-	-	-	-	-	-	
21	Laundry and Vending Income	29	29	30	31	31	32	33	34	35	36	
22	Garage and Parking Income	-	-	-	-	-	-	-	-	-	-	
23	Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	
24	TOTAL PROJECTED VACANCY LOSS	45,894	47,042	48,218	49,423	50,659	51,925	53,223	54,554	55,918	57,316	
25	EFFECTIVE GROSS INCOME (EGI)	871,992	893,792	916,137	939,040	962,516	986,579	1,011,243	1,036,524	1,062,438	1,088,998	
26	OPERATING EXPENSES											
27	Administrative Expenses	153,035	158,392	163,935	169,673	175,612	181,758	188,120	194,704	201,518	208,572	
28	Management Fee	47,960	49,159	50,388	51,647	52,938	54,262	55,618	57,009	58,434	59,895	
29	Utilities	67,122	69,471	71,903	74,420	77,024	79,720	82,510	85,398	88,387	91,481	
30	Operating & Maintenance	215,267	222,801	230,599	238,670	247,023	255,669	264,618	273,879	283,465	293,386	
31	Ground Lease Payments	-	-	-	-	-	-	-	-	-	-	
32	Real Estate Taxes	30,891	31,973	33,092	34,250	35,449	36,689	37,974	39,303	40,678	42,102	
33	Other Taxes & Insurance	85,281	88,265	91,355	94,552	97,861	101,287	104,832	108,501	112,298	116,229	
34	Assisted Living/Board & Care	-	-	-	-	-	-	-	-	-	-	
35	Required Reserve Payments	31,481	31,796	32,114	32,435	32,759	33,087	33,418	33,752	34,089	34,430	
36	TOTAL OPERATING EXPENSES	631,037	651,856	673,385	695,647	718,667	742,472	767,089	792,545	818,870	846,094	
37	NET OPERATING INCOME (NOI)	240,955	241,935	242,752	243,393	243,849	244,107	244,155	243,979	243,567	242,904	
38	DEBT SERVICE PAYMENTS											
39	CalHFA Permanent Loan	174,230	174,230	174,230	174,230	174,230	174,230	174,230	174,230	174,230	174,230	
40	CalHFA Section 8 Loan	-	-	-	-	-	-	-	-	-	-	
41	City of Berkeley	-	-	-	-	-	-	-	-	-	-	
42	HCD	17,969	18,508	19,063	19,635	20,224	20,831	21,466	22,099	22,762	23,445	
43	Bay Area Multifamily Bldg. Replacement Reserves	-	-	-	-	-	-	-	-	-	-	
44	-	-	-	-	-	-	-	-	-	-	-	
45	-	-	-	-	-	-	-	-	-	-	-	
46	-	-	-	-	-	-	-	-	-	-	-	
47	-	-	-	-	-	-	-	-	-	-	-	
48	-	-	-	-	-	-	-	-	-	-	-	
49	-	-	-	-	-	-	-	-	-	-	-	
50	TOTAL DEBT SERVICE PAYMENTS	192,199	192,738	193,293	193,865	194,454	195,061	195,686	196,330	196,993	197,675	
51	CASH FLOW AFTER DEBT SERVICE	48,756	49,197	49,458	49,528	49,395	49,046	48,469	47,650	46,575	45,229	
52	DEBT SERVICE COVERAGE RATIO	1.25	1.26	1.26	1.26	1.25	1.25	1.25	1.24	1.24	1.23	
53	Date Prepared: 04/26/16											Senior Staff Date: 4/28/16

A		B		AG		AH		AI		AJ		AK		AL		AM		AN		AO		AP	
PROJECTED PERMANENT LOAN CASH FLOW		Senior Staff		2047		2048		2049		2050		2051		2052		2053		2054		2055			
		YEAR		31		32		33		34		35		36		37		38		39		40	
1	RENTAL INCOME																						
2	Restricted Unit Rents		590,166	604,921	620,044	635,545	651,433	667,719	684,412	701,522	719,061	737,037	754,913	772,789	790,665	808,541	826,417	844,293	862,169	880,045	897,921	915,797	933,673
3	Unrestricted Unit Rents		584,075	598,677	613,644	628,985	644,710	660,828	677,348	694,282	711,639	729,430	747,221	765,012	782,803	800,594	818,385	836,176	853,967	871,758	889,549	907,340	925,131
4	Commercial Rents		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Section 8 Rent Subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Shelter Care Plus Rent Subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other Subsidy (Specify)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Other Subsidy (Specify)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Laundry and Vending Income		730	748	767	786	806	826	847	868	889	912	934	955	976	997	1,018	1,039	1,060	1,081	1,102	1,123	1,144
10	Garage and Parking Income		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Miscellaneous Income		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	GROSS POTENTIAL INCOME (GPI)		1,174,972	1,204,346	1,234,455	1,265,316	1,296,949	1,329,373	1,362,607	1,396,673	1,431,589	1,467,379	1,503,169	1,538,959	1,574,749	1,610,539	1,646,329	1,682,119	1,717,909	1,753,699	1,789,489	1,825,279	1,861,069
13	VACANCY ASSUMPTIONS																						
14	Restricted Unit Rents		29,508	30,246	31,002	31,777	32,572	33,386	34,221	35,076	35,953	36,852	37,767	38,699	39,649	40,617	41,603	42,607	43,629	44,660	45,709	46,776	47,851
15	Unrestricted Unit Rents		29,204	29,934	30,682	31,449	32,236	33,041	33,867	34,714	35,582	36,472	37,387	38,318	39,266	40,231	41,213	42,212	43,228	44,261	45,311	46,378	47,462
16	Commercial Rents		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Section 8 Rent Subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Shelter Care Plus Rent Subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Other Subsidy (Specify)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Other Subsidy (Specify)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Laundry and Vending Income		37	37	38	39	40	41	42	43	44	46	47	48	49	50	51	52	53	54	55	56	57
22	Garage and Parking Income		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Miscellaneous Income		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	TOTAL PROJECTED VACANCY LOSS		58,749	60,217	61,723	63,266	64,847	66,469	68,130	69,834	71,579	73,369	75,204	77,084	78,999	80,950	82,937	84,961	87,022	89,120	91,255	93,427	95,636
25	EFFECTIVE GROSS INCOME (EGI)		1,116,223	1,144,129	1,172,732	1,202,051	1,232,102	1,262,904	1,294,477	1,326,839	1,360,010	1,394,010	1,428,815	1,464,435	1,500,865	1,538,104	1,576,153	1,615,012	1,654,681	1,695,160	1,736,459	1,778,578	1,821,517
26	OPERATING EXPENSES																						
27	Administrative Expenses		215,872	223,427	231,247	239,341	247,718	256,388	265,361	274,649	284,262	294,211	304,491	315,111	326,084	337,414	349,104	361,157	373,577	386,367	399,529	413,067	426,985
28	Management Fee		61,392	62,927	64,500	66,113	67,766	69,460	71,196	72,976	74,801	76,671	78,588	80,552	82,564	84,623	86,730	88,886	91,092	93,349	95,657	98,017	100,429
29	Utilities		94,682	97,996	101,426	104,976	108,650	112,453	116,389	120,462	124,679	129,042	133,563	138,134	142,859	147,641	152,482	157,385	162,351	167,380	172,473	177,631	182,855
30	Operating & Maintenance		303,655	314,283	325,283	336,667	348,451	360,647	373,269	386,334	399,955	413,850	428,121	442,769	457,796	473,204	489,095	505,372	522,038	539,096	556,548	574,397	592,646
31	Ground Lease Payments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Real Estate Taxes		43,575	45,101	46,679	48,313	50,004	51,754	53,565	55,440	57,381	59,389	61,466	63,613	65,832	68,125	70,494	72,940	75,464	78,067	80,750	83,513	86,357
33	Other Taxes & Insurance		120,297	124,507	128,865	133,375	138,043	142,875	147,875	153,051	158,408	163,952	169,685	175,608	181,722	188,028	194,528	201,224	208,118	215,212	222,507	230,004	237,704
34	Assisted Living/Board & Care		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Required Reserve Payments		34,775	35,122	35,473	35,828	36,186	36,548	36,914	37,283	37,656	38,032	38,413	38,798	39,187	39,580	39,977	40,379	40,785	41,194	41,607	42,023	42,442
36	TOTAL OPERATING EXPENSES		874,248	903,363	933,473	964,543	996,618	1,030,124	1,064,570	1,100,195	1,137,040	1,175,147	1,214,517	1,255,161	1,297,091	1,340,328	1,384,884	1,430,761	1,478,970	1,529,522	1,582,438	1,636,721	1,692,382
37	NET OPERATING INCOME (NOI)		241,976	240,766	239,259	237,437	235,284	232,780	229,907	226,644	222,970	218,863	214,315	209,336	203,926	198,087	192,818	187,119	181,000	174,471	167,532	160,185	152,430
38	DEBT SERVICE PAYMENTS																						
39	CalHFA Permanent Loan		174,230	174,230	174,230	174,230	174,230	174,230	174,230	174,230	174,230	174,230	174,230	174,230	174,230	174,230	174,230	174,230	174,230	174,230	174,230	174,230	174,230
40	CalHFA Section 8 Loan		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41	City of Berkeley		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42	HCD		24,148	24,873	25,619	26,388	27,179	27,995	28,835	29,700	30,591	31,508	32,452	33,423	34,421	35,446	36,498	37,578	38,686	39,822	40,986	42,177	43,395
43	Bay Area Multifamily Bldg. Replacement Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	TOTAL DEBT SERVICE PAYMENTS		198,379	199,103	199,849	200,618	201,410	202,225	203,065	203,930	204,821	205,739	206,684	207,655	208,652	209,676	210,726	211,802	212,904	214,032	215,186	216,366	217,573
45	CASH FLOW AFTER DEBT SERVICE		43,597	41,663	39,409	36,819	33,874	30,555	26,842	22,714	18,149	13,124	7,737	1,967	-3,181	-8,441	-13,849	-19,406	-25,121	-30,994	-37,126	-43,527	-50,197
46	DEBT SERVICE COVERAGE RATIO		1.22	1.21	1.20	1.18	1.17	1.15	1.13	1.11	1.09	1.06	1.04	1.02	1.00	0.98	0.96	0.94	0.92	0.90	0.88	0.86	0.84
47	Date Prepared: 04/26/16																						

State of California

M E M O R A N D U M

To: CalHFA Board of Directors Date: May 5, 2016

From: Di Richardson, Director of Legislation 
CALIFORNIA HOUSING FINANCE AGENCY

Subject: Legislative Report

By the time you get this report, much of the information will be out of date. The Assembly has already announced their support for \$1.4 billion in funding for various housing programs; the Senate has sponsored the \$2 billion *No Place Like Home* Initiative, and the Governor will have announced his May Revise proposal. So hopefully crystal balls will be coming a little more into focus in the next few weeks. In the meantime, we have passed some significant milestones on the calendar. April 22 was the last date for policy committees to pass bills that needed to be heard in fiscal committee. Tomorrow, May 6 is the last day for policy committees to pass all bills from the house of origin. May 27 is the last day for fiscal bills to report out. So May, like many of the preceding months, will be very busy. Below I have included an update on some bills I believe may be of interest to you. Going forward, bills that are reported to have died will fall off the list, and you will only get reports on active bills. As always, if you have any questions, please give me a call.

Affordable Housing

AB 2208 (Santiago D) Local planning: housing element: inventory of land for residential development.

Last Amend: 4/4/2016

Status: 4/21/2016-From committee: Do pass and re-refer to Com. on APPR. (Ayes 8. Noes 0.) (April 20). Re-referred to Com. on APPR.

Summary: Would expand that inventory of land suitable for residential development to include buildings owned or under the control of a city or a county, zoned for residential or nonresidential use and capable of having residential developments constructed above the existing building, and to include underutilized sites, as defined. By imposing new duties upon local agencies with respect to the housing element of the general plan, this bill would impose a state-mandated local program.

AB 2281 (Calderon D) Housing assistance.

Last Amend: 3/17/2016

Status: 4/22/2016-Failed Deadline pursuant to Joint Rule 61(b)(5). (Last location was A. H. & C.D. on 3/29/2016)

Summary: Would require the Department of Business Oversight, in coordination with the Bureau of Real Estate, on or before January 1, 2018, to develop and implement a program providing nonmonetary incentives to sellers of single-family dwellings to sell to buyers who will occupy them, with the goal of making home buyers with preapproved loans as appealing as cash buyers.

AB 2282 (Calderon D) Rental housing: large-scale buy-to-rent investors: data collection.

Last Amend: 4/25/2016

Status: 4/26/2016-Re-referred to Com. on APPR.

Summary: Would require the Department of Business Oversight to design and implement a registration program for the purpose of registering and monitoring large-scale buy-to-rent investors and analyzing the impacts they are having on California's real estate market. The bill would require the Department of Business Oversight, in designing the program to consider methods to require large-scale buy-to-rent investors to renew registration of their rental property on an annual basis, including new and current single-family home rentals that they own or in which they have invested.

AB 2283 (Calderon D) Public retirement system: investments: securitized rental homes.

Last Amend: 3/28/2016

Status: 4/22/2016-Failed Deadline pursuant to Joint Rule 61(b)(5). (Last location was A. P.E.,R. & S.S. on 4/20/2016)

Summary: Would require the Teachers' Retirement Board and the Board of Administration of the Public Employees' Retirement System, before either board chooses to invest in new securitized home rental properties or reinvest in an existing investment in securitized home rental properties and consistent with their fiduciary duties, to evaluate their investment in securitized home rental properties and ensure certain requirements are met, including that the property management group is in compliance with fair housing laws, as specified.

AB 2319 (Gordon D) California Infrastructure and Economic Development Bank.

Status: 4/19/2016-From committee: Do pass and re-refer to Com. on APPR. (Ayes 6. Noes 0.) (April 19). Re-referred to Com. on APPR.

Summary: Would expand the authority of the California Infrastructure and Economic Development Bank by adding affordable housing, as defined, to the types of projects to which the bank is authorized to provide financial assistance. By expanding the bank's authority to expend funds in a continuously appropriated fund, the bill would make an appropriation.

AB 2388 (Gipson D) Local government: housing: ownership.

Last Amend: 4/4/2016

Status: 5/4/2016-In committee: Set, first hearing. Referred to APPR. suspense file.

Summary: Would require the Department of Housing and Community Development, in conjunction with the California Housing Finance Agency to report, no later than January 1, 2018, on ways to increase homeownership for extremely low, very low, and low-income households. The bill would require the department and the agency to carry out and include in the report a survey of housing authorities in California, as specified.

AB 2441 (Thurmond D) Housing: Workforce Housing Pilot Program.

Last Amend: 4/26/2016

Status: 4/27/2016-Re-referred to Com. on APPR.

Summary: Would create the Workforce Housing Pilot Program, pursuant to which the Department of Housing and Community Development would award grant funding to eligible cities or cities and counties located in high-cost counties, as specified, for the predevelopment costs, acquisition, construction, or rehabilitation of rental housing projects or units within rental housing projects that serve, and for providing downpayment assistance to, persons and families of low or moderate income.

AB 2475 (Gordon D) Loan program: California Infrastructure and Economic Development Bank.

Last Amend: 3/18/2016

Status: 4/21/2016-From committee: Do pass and re-refer to Com. on APPR. (Ayes 5. Noes 2.) (April 20). Re-referred to Com. on APPR.

Summary: Would establish within the California Infrastructure and Economic Development Bank the Local Government Affordable Housing Forgivable Loan Program, and require the bank to make loans to a local government for the development of affordable housing by the local government on terms and conditions the bank deems in the best interests of the state.

AB 2518 (Gomez D) Sales and use taxes: exemption: nonprofit corporation: building and construction supplies.

Last Amend: 4/28/2016

Status: 5/2/2016-Re-referred to Com. on REV. & TAX.

Summary: Current sales and use tax laws impose taxes on retailers measured by the gross receipts from the sale of tangible personal property sold at retail in this state, or on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for storage, use, or other consumption in this state, and provides various exemptions from the taxes imposed by those laws. This bill, for a period of five years after the operative date of this bill, would partially exempt from those taxes the gross receipts from the sale of, and the storage, use, or other consumption in this state of, building and construction supplies, materials, equipment, and machinery, and the parts thereof, that are purchased for a specified use by a nonprofit corporation, as provided.

AB 2734 (Atkins D) Local Control Affordable Housing Act.

Last Amend: 4/5/2016

Status: 5/4/2016-In committee: Set, first hearing. Referred to APPR. suspense file.

Summary: Would establish the Local Control Affordable Housing Act to require the Department of Finance, on or before an unspecified date (and on or before the same date each year thereafter) to determine the state General Fund savings for the fiscal year as a result of the dissolution of redevelopment agencies. The bill would provide that, upon appropriation, 50% of that amount or \$1,000,000,000, whichever is less, be allocated to the Department of Housing and Community Development.

AB 2818 (Chiu D) Property taxation: community land trust.

Last Amend: 5/2/2016

Status: 5/3/2016-Re-referred to Com. on REV. & TAX.

Summary: Current law requires the county assessor to consider, when valuing real property for property taxation purposes, the effect of any enforceable restrictions to which the use of the land may be subjected, including, but not limited to, zoning, recorded contracts with governmental agencies, and various other restrictions imposed by governments. This bill, for lien dates occurring on and after January 1, 2017, in assessing an owner-occupied single-family dwelling or owner-occupied unit in a multifamily dwelling, and the land on which the dwelling or unit is situated required for the convenient occupation and use of that dwelling or unit by persons and families of low or moderate income, would require the value of the dwelling or unit and the land to be presumed to be the purchase price of the dwelling or unit.

SB 1413 (Leno D) School districts: employee housing.

Last Amend: 4/27/2016

Status: 5/4/2016-Re-referred to Com. on APPR.

Summary: Current law establishes various housing and home loan programs throughout the state to help low-income families and other specified groups. Current law authorizes the governing board of any school district, when leasing a building for housing of school district employees, to lease the building for any period they deem necessary. This bill would authorize a school district to establish and implement programs, as provided, that address the housing needs of teachers and school district employees who face challenges in securing affordable housing.

Bond Acts

SB 879 (Beall D) Affordable Housing Bond Act of 2016.

Last Amend: 5/5/2016

Status: 5/5/2016-Set for hearing May 11.

Summary: Would enact the Affordable Housing Bond Act of 2016, which, if adopted, would authorize the issuance of bonds in the amount of \$3,000,000,000 pursuant to the State General Obligation Bond Law. Proceeds from the sale of these bonds would be used to finance various existing housing programs, as well as infill infrastructure financing and affordable housing matching grant programs, as provided.

SB 1403 (Glazer D) Housing bonds.

Status: 3/10/2016-Referred to Com. on RLS.

Summary: Current law, the Housing and Emergency Shelter Trust Fund Act of 2006, authorizes the issuance of bonds to finance various housing programs, capital outlay related to infill development, brownfield cleanup that promotes infill development, housing-related parks, and transit-oriented development programs. This bill would state the intent of the Legislature to enact legislation that would authorize the issuance of bonds to finance the development of affordable housing.

CalHFA

AB 1969 (Steinorth R) Affordable housing: home purchase assistance.

Last Amend: 5/4/2016

Status: 5/5/2016-Re-referred to Com. on APPR.

Summary: Current law establishes the California Homebuyer's Downpayment Assistance Program, which requires the California Housing Finance Agency to, among other things, administer a program that provides downpayment assistance, including deferred-payment, low-interest, junior mortgage loans to reduce principal and interest payments, that makes financing affordable to first-time low- and moderate-income home buyers, pursuant to specified terms. This bill would appropriate \$10,000,000 from the General Fund to the California Homebuyer's Downpayment Assistance Program for the purposes of the downpayment assistance program described above.

AB 2200 (Thurmond D) School Employee Housing Assistance Grant Program.

Last Amend: 4/14/2016

Status: 4/21/2016-From committee: Do pass and re-refer to Com. on APPR. (Ayes 5. Noes 0.) (April 20). Re-referred to Com. on APPR.

Summary: Would require the California Housing Finance Agency to administer a program to provide financing assistance, as specified, to a qualified school district, as defined, and to a qualified developer, as defined, for the creation of affordable rental housing for school employees, including teachers. The bill would require the State Department of Education to certify that a school district seeking a grant meets the definition of qualified school district.

AB 2280 (Ridley-Thomas D) California Housing Finance Agency: program eligibility requirements: changes.

Last Amend: 4/21/2016

Status: 4/25/2016-Re-referred to Com. on APPR.

Summary: Would require the California Housing Finance Agency, within 5 business days of making a change to the eligibility requirements for a housing or lending program that the agency administrates, to provide a lender or other party participating in the program notice of the change unless providing that notice within 5 business days would impose an undue burden on the agency. The bill would authorize the notice to be provided by a program bulletin.

CEQA

AB 1500 (Maienschein R) Planning and zoning: housing element: supportive housing and transitional housing.

Last Amend: 1/13/2016

Status: 2/4/2016-Referred to Com. on T. & H.

Summary: Would authorize a city or county to additionally include in its assessment and inventory the identification of supportive housing and transitional housing, as those terms are defined in specified statutes. If a local government elects to include this identification in its assessment and inventory, the bill would impose certain requirements, including that the identified zone or zones include sufficient capacity to accommodate the need for supportive housing or transitional housing, that the local government demonstrate that existing or proposed permit processing, development, and management standards are objective and encourage and facilitate the development of supportive housing or transitional housing.

AB 2356 (Gomez D) Planning and zoning: housing element: extremely low income housing.

Last Amend: 5/2/2016

Status: 5/3/2016-Re-referred to Com. on RLS.

Summary: The Planning and Zoning Law requires a city or county to adopt a general plan for land use development that includes, among other things, a housing element. That law

requires the housing element to include an assessment of housing needs and an inventory of resources and constraints relevant to the meeting of these needs. This bill would authorize a city or county to additionally include in its assessment and inventory the identification of housing for extremely low income households, as defined.

Density Bonus

AB 1934 (Santiago D) Planning and zoning: density bonuses: mixed-use projects.

Last Amend: 4/14/2016

Status: 4/21/2016-From committee: Do pass and re-refer to Com. on APPR. (Ayes 8. Noes 0.) (April 20). Re-referred to Com. on APPR.

Summary: Would, when an applicant for approval for commercial development agrees to partner with an affordable housing developer to construct a mixed-used project for which the housing will be located onsite at the proposed commercial development, require a city, county, or city and county to grant to the commercial developer a density bonus, as specified. By increasing the duties of local officials relating to the administration of density bonuses, this bill would create a state-mandated local program.

AB 2501 (Bloom D) Housing: density bonuses.

Last Amend: 4/14/2016

Status: 4/21/2016-From committee: Do pass and re-refer to Com. on APPR. (Ayes 7. Noes 0.) (April 20). Re-referred to Com. on APPR.

Summary: Would require the local government to adopt procedures and timelines for processing a density bonus application, provide a list of documents and information required to be submitted with the application in order for it to be deemed complete, and notify the applicant whether it is complete.

AB 2556 (Nazarian D) Density bonuses.

Last Amend: 4/14/2016

Status: 4/21/2016-From committee: Do pass and re-refer to Com. on APPR. (Ayes 8. Noes 0.) (April 20). Re-referred to Com. on APPR.

Summary: Would revise the definition of "replace" to require a city, county, or city and county to adopt a rebuttable presumption regarding the proportion of lower income households that occupy existing units if the income category of the households in occupancy is not known.

Farmworker Housing

AB 2140 (Hernández, Roger D) Income taxes: insurance tax: credits: low-income housing: farmworker housing assistance.

Last Amend: 3/28/2016

Status: 3/30/2016-From committee: Do pass and re-refer to Com. on REV. & TAX. (Ayes 7. Noes 0.) (March 30). Re-referred to Com. on REV. & TAX.

Summary: Would authorize the California Tax Credit Allocation Committee to allocate the farmworker housing credit even if the taxpayer receives federal credits for buildings located in designated difficult development areas or qualified census tracts. The bill would also redefine farmworker housing to mean housing in which at least 50% of the units are available to, and occupied by, farmworkers and their households.

Fees

AB 1804 (Melendez R) Land use: development fees.

Status: 2/9/2016-From printer. May be heard in committee March 10.

Summary: The Mitigation Fee Act requires a local agency that establishes, increases, or imposes a fee as a condition of approval of a development project to, among other things, determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.

Homeless

AB 870 (Cooley D) Homelessness: rapid rehousing.

Last Amend: 9/1/2015

Status: 9/11/2015-Failed Deadline pursuant to Rule 61(a)(14). (Last location was INACTIVE FILE on 9/9/2015)

Summary: Would require the Department of Housing and Community Development to establish, upon appropriation of funds in the annual Budget Act, an enhancement program for awarding grants to counties and private nonprofit organizations that operate a rapid rehousing program. The bill would require the department to develop guidelines to select 4 counties and private nonprofit organizations to receive these grant funds and require that eligible counties and private nonprofit organizations include those that are eligible to receive funds from the state pursuant to the Emergency Solutions Grants Program with a demonstrated high funding need.

AB 2821 (Chiu D) Medi-Cal Housing Program.

Last Amend: 4/26/2016

Status: 4/27/2016-Re-referred to Com. on APPR.

Summary: Would require HCD, in coordination with DHCS, to, on or before July 1, 2017, design and create the Medi-Cal Housing Program and on or before January 1, 2018, and every year thereafter, subject to appropriation by the Legislature, award grants to eligible counties or regions participating in a Whole Person Care pilot program, a program under the Medi-Cal program that provides specified entities with the option to receive support to integrate care for a particularly vulnerable group of Medi-Cal beneficiaries, including individuals who are experiencing or are at risk of homelessness.

SB 1380 (Mitchell D) Homeless Coordinating and Financing Council.

Last Amend: 4/21/2016

Status: 4/29/2016-Set for hearing May 9.

Summary: Would require a state agency or department that funds, implements, or administers a state program that provides housing or housing-related services to people experiencing homelessness or at risk of homelessness, except as specified, to revise or adopt guidelines and regulations to include enumerated Housing First policies. The bill would also establish the Homeless Coordinating and Financing Council to oversee the implementation of the Housing First guidelines and regulations and, among other things, to identify resources, benefits, and services that can be accessed to prevent and end homelessness in California.

Housing Element

AB 1500 (Maienschein R) Planning and zoning: housing element: supportive housing and transitional housing.

Last Amend: 1/13/2016

Status: 2/4/2016-Referred to Com. on T. & H.

Summary: Would authorize a city or county to additionally include in its assessment and inventory the identification of supportive housing and transitional housing, as those terms are defined in specified statutes. If a local government elects to include this identification in its assessment and inventory, the bill would impose certain requirements, including that the identified zone or zones include sufficient capacity to accommodate the need for supportive housing or transitional housing, that the local government demonstrate that existing or proposed permit processing, development, and management standards are objective and encourage and facilitate the development of supportive housing or transitional housing.

AB 2685 (Lopez D) Housing elements: adoption.

Last Amend: 4/25/2016

Status: 4/26/2016-Re-referred to Com. on APPR.

Summary: The Planning and Zoning Law requires a city or county to adopt a comprehensive, long-term general plan for the physical development of the city or county and of any land outside its boundaries that bears relation to its planning. That law also requires the general plan to contain specified mandatory elements, including a housing element for the preservation, improvement, and development of housing. This bill would require the planning agency to circulate public comments prior to the adoption of the housing element.

Land Use Planning

AB 1934 (Santiago D) Planning and zoning: density bonuses: mixed-use projects.

Last Amend: 4/14/2016

Status: 4/21/2016-From committee: Do pass and re-refer to Com. on APPR. (Ayes 8. Noes 0.) (April 20). Re-referred to Com. on APPR.

Summary: Would, when an applicant for approval for commercial development agrees to partner with an affordable housing developer to construct a mixed-used project for which the housing will be located onsite at the proposed commercial development, require a city, county, or city and county to grant to the commercial developer a density bonus, as specified.

AB 2060 (Steinorth R) Land use: housing.

Status: 2/18/2016-From printer. May be heard in committee March 19.

Summary: The Planning and Zoning Law requires each city, county, and city and county to prepare and adopt a general plan that contains certain mandatory elements, including, but not limited to, a housing element that analyzes current and projected housing needs. Current law includes various legislative findings and declarations related to the statewide importance of housing availability and the responsibility of state and local government to address regional housing needs.

AB 2208 (Santiago D) Local planning: housing element: inventory of land for residential development.

Last Amend: 4/4/2016

Status: 4/21/2016-From committee: Do pass and re-refer to Com. on APPR. (Ayes 8. Noes 0.) (April 20). Re-referred to Com. on APPR.

Summary: Would expand that inventory of land suitable for residential development to include buildings owned or under the control of a city or a county, zoned for residential or nonresidential use and capable of having residential developments constructed above the existing building, and to include underutilized sites, as defined.

AB 2299 (Bloom D) Land use: housing: 2nd units.

Last Amend: 4/5/2016

Status: 4/21/2016-From committee: Do pass and re-refer to Com. on APPR. (Ayes 6. Noes 2.) (April 20). Re-referred to Com. on APPR.

Summary: The Planning and Zoning Law authorizes the legislative body of a city or county to regulate, among other things, the intensity of land use, and also authorizes a local agency to provide by ordinance for the creation of 2nd units in single-family and multifamily residential zones, as specified. This bill would, instead, require a local agency to provide by ordinance for the creation of 2nd units in these zones.

AB 2356 (Gomez D) Planning and zoning: housing element: extremely low income housing.

Last Amend: 5/2/2016

Status: 5/3/2016-Re-referred to Com. on RLS.

Summary: The Planning and Zoning Law requires a city or county to adopt a general plan for land use development that includes, among other things, a housing element. That law requires the housing element to include an assessment of housing needs and an inventory of resources and constraints relevant to the meeting of these needs. This bill would authorize a city or county to additionally include in its assessment and inventory the identification of housing for extremely low income households, as defined.

AB 2406 (Thurmond D) Housing: junior accessory dwelling units.

Last Amend: 4/28/2016

Status: 5/5/2016-From committee: Do pass. (Ayes 7. Noes 0.) (May 4).

Summary: The Planning and Zoning Law authorizes a local agency to provide by ordinance for the creation of 2nd units in single-family and multifamily residential areas, as prescribed. This bill would, in addition, authorize a local agency to provide by ordinance for the creation of junior accessory dwelling units, as defined, in single-family residential zones. The bill would require the ordinance to include, among other things, standards for the creation of a junior accessory dwelling unit, required deed restrictions, and occupancy requirements.

AB 2501 (Bloom D) Housing: density bonuses.

Last Amend: 4/14/2016

Status: 4/21/2016-From committee: Do pass and re-refer to Com. on APPR. (Ayes 7. Noes 0.) (April 20). Re-referred to Com. on APPR.

Summary: Would require the local government to adopt procedures and timelines for processing a density bonus application, provide a list of documents and information required to be submitted with the application in order for it to be deemed complete, and notify the applicant whether it is complete. By increasing the duties of local officials, this bill would impose a state-mandated local program. The bill would prohibit a local government from requiring additional reports or studies to be prepared by the developer as a condition of the application.

AB 2502 (Mullin D) Land use: zoning regulations.

Last Amend: 4/18/2016

Status: 4/28/2016-Read second time. Ordered to third reading.

Summary: The Planning and Zoning Law authorizes the legislative body of any city, county, or city and county to adopt ordinances regulating zoning within its jurisdiction, as specified. This bill would additionally authorize the legislative body of any city, county, or city and county to adopt ordinances to establish, as a condition of development, inclusionary housing requirements, as specified, and would declare the intent of the Legislature in adding this provision.

AB 2522 (Bloom D) Land use: attached housing developments.

Last Amend: 4/5/2016

Status: 4/22/2016-Failed Deadline pursuant to Joint Rule 61(b)(5). (Last location was A. L. GOV. on 4/6/2016)

Summary: Would require an attached housing development to be a permitted use by right, as defined, and subject to the existing conditions imposed on a use by right, if it satisfies the same specified conditions as to location and other conditions requiring location on property that is part of the jurisdiction's residential inventory or that has been or will be rezoned under the jurisdiction's housing program.

AB 2556 (Nazarian D) Density bonuses.

Last Amend: 4/14/2016

Status: 4/21/2016-From committee: Do pass and re-refer to Com. on APPR. (Ayes 8. Noes 0.) (April 20). Re-referred to Com. on APPR.

Summary: Would revise the definition of "replace" to require a city, county, or city and county to adopt a rebuttable presumption regarding the proportion of lower income households that occupy existing units if the income category of the households in occupancy is not known.

AB 2584 (Daly D) Land use: housing development.

Last Amend: 4/25/2016

Status: 5/4/2016-Read second time. Ordered to third reading.

Summary: The Housing Accountability Act, among other things, prohibits a local agency from disapproving a housing development project for very low, low-, or moderate-income households or an emergency shelter unless the local agency makes specified written findings. The act authorizes an applicant or person who would be eligible to apply for residency in the development or emergency shelter to bring an action to enforce the act. This bill would, in addition, authorize a housing organization, as defined, to bring an action to enforce the act.

SB 1069 (Wieckowski D) Land use: zoning.

Last Amend: 4/26/2016

Status: 4/29/2016-Set for hearing May 9.

Summary: The Planning and Zoning Law authorizes the legislative body of a city or county to regulate, among other things, the intensity of land use, and also authorizes a local agency to provide by ordinance for the creation of 2nd units in single-family and multifamily residential zones, as specified. That law makes findings and declarations with respect to the value of 2nd units to California's housing supply. This bill would replace the term "second unit" with "accessory dwelling unit" throughout the law.

Landlord/Tenant/Rent Control

SB 1053 (Leno D) Housing discrimination: applications.

Last Amend: 4/4/2016

Status: 4/18/2016-April 18 hearing: Placed on APPR. suspense file.

Summary: Current law generally prohibits housing discrimination with respect to various personal characteristics including source of income. Existing law defines "source of income" for these purposes as lawful, verifiable income paid directly to a tenant or paid to a representative of a tenant, which does not include a landlord. This bill would amend the definition of "source of income" to also include specified federal, state, or local housing assistance or subsidies paid either to the tenant or directly to the landlord on behalf of the tenant.

Mortgage Lending

AB 2391 (Steinorth R) Residential property: possession by declaration.

Last Amend: 3/30/2016

Status: 4/22/2016-Failed Deadline pursuant to Joint Rule 61(b)(5). (Last location was A. JUD. on 3/31/2016)

Summary: Until January 1, 2018, current law permits an owner of specified residential property in the Cities of Palmdale and Lancaster in the County of Los Angeles or the City of Ukiah in the County of Mendocino to register vacant real property with the local law enforcement agency and to execute, under penalty of perjury, a Declaration of Ownership of Residential Real Property that may be filed with the local law enforcement agency of the jurisdiction in which the property is located. Current law requires the local law enforcement agency with which the property is registered to respond as soon as practicable after being notified that an unauthorized person has been found on the property. This bill would extend the sunset date for these provisions until January 1, 2020.

SB 1150 (Leno D) Mortgages and deeds of trust: mortgage servicers and lenders: successors in interest.

Last Amend: 4/26/2016

Status: 5/3/2016-SEN. JUD. Vote - Do pass as amended.

Summary: Would prohibit a mortgage servicer, upon notification that a borrower has died, from recording a notice of default until the mortgage servicer does certain things, including requesting reasonable documentation of the death of the borrower from a claimant, who is someone claiming to be a successor in interest, who is not a party to the loan or promissory note and providing a reasonable period of time for the claimant to present the requested documentation. The bill would deem a claimant a successor in interest, as defined, upon receipt by a mortgage servicer of the reasonable documentation regarding the status of the claimant.

SB 1391 (Bates R) Common interest developments.

Status: 3/10/2016-Referred to Com. on RLS.

Summary: Current law, the Davis-Stirling Common Interest Development Act, defines and regulates common interest developments. Current law authorizes a homeowners association to place a lien on a property and to take specified enforcement actions to satisfy outstanding dues or assessments owed on a property in the development.

RDA/TI

AB 2031 (Bonta D) Local government: affordable housing: financing.

Last Amend: 3/17/2016

Status: 5/5/2016-From committee: Do pass. (Ayes 7. Noes 1.) (May 4).

Summary: Would authorize a city or county that formed a redevelopment agency and became the successor agency that received a finding of completion from the Department of Finance to reject its allocations of property tax revenues from the trust fund. The bill would direct those rejected property tax revenues to an affordable housing special beneficiary district, established as a temporary and distinct local governmental entity for the purposes of receiving a rejected distribution of property tax proceeds and promoting affordable housing by providing financing assistance within its boundaries.

AB 2697 (Bonilla D) Redevelopment dissolution: successor agencies: disposal of assets and properties.

Last Amend: 4/14/2016

Status: 4/21/2016-From committee: Do pass and re-refer to Com. on APPR. (Ayes 6. Noes 3.) (April 20). Re-referred to Com. on APPR.

Summary: Would require a successor agency, prior to the disposal of land of the former redevelopment agency, to send a written offer to sell for the purposes of developing low- and moderate-income housing to any local public entity within whose jurisdiction the land is located, as specified. The bill would additionally require the sale of land of the former redevelopment agency to be subject to certain requirements relating to affordable housing. By imposing new duties on local officials, this bill would impose a state-mandated local program.

Supportive/Special Needs Housing

AB 253 (Hernández, Roger D) Mental health.

Last Amend: 4/30/2015

Status: 1/12/2016-In committee: Set, first hearing. Hearing canceled at the request of author.

Summary: Would expand the Mental Health Services Oversight and Accountability Commission by 2 additional members who each have specified mental health knowledge and experience, to be appointed by the Governor. By amending the provisions of the Mental Health Services Act, this bill requires a 2/3 vote of the Legislature.

Tax Credits

AB 1920 (Chau D) California Tax Credit Allocation Committee: low-income housing credit: fines.

Last Amend: 3/18/2016

Status: 5/5/2016-Read second time. Ordered to Consent Calendar.

Summary: Current law authorizes the California Tax Credit Allocation Committee to make any allocation or reservation of the state's housing credit ceiling to a housing credit applicant subject to specified terms and conditions. This bill would authorize the committee to establish a specified schedule of fines for violations of the terms and conditions, the regulatory agreement, covenants, or program regulations. The bill would require these fines to be deposited in the Housing Rehabilitation Loan Fund and would authorize the committee to record a property lien if the fine has not been paid within a specified period of time.

AB 2140 (Hernández, Roger D) Income taxes: insurance tax: credits: low-income housing: farmworker housing assistance.

Last Amend: 3/28/2016

Status: 3/30/2016-From committee: Do pass and re-refer to Com. on REV. & TAX. (Ayes 7. Noes 0.) (March 30). Re-referred to Com. on REV. & TAX.

Summary: Would authorize the California Tax Credit Allocation Committee to allocate the farmworker housing credit even if the taxpayer receives federal credits for buildings located in designated difficult development areas or qualified census tracts. The bill would also redefine farmworker housing to mean housing in which at least 50% of the units are available to, and occupied by, farmworkers and their households.

AB 2817 (Chiu D) Taxes: credits: low-income housing: allocation increase.

Last Amend: 3/17/2016

Status: 3/30/2016-From committee: Do pass and re-refer to Com. on REV. & TAX. (Ayes 7. Noes 0.) (March 30). Re-referred to Com. on REV. & TAX.

Summary: Would, for calendar years beginning 2017, increase the aggregate housing credit dollar amount that may be allocated among low-income housing projects by \$300,000,000, as specified. The bill would also increase the amount the committee may allocate to farmworker housing projects from \$500,000 to \$25,000,000 per year. The bill, under the insurance taxation law, the Personal Income Tax Law, and the Corporation Tax Law, would modify the definition of applicable percentage relating to qualified low-income buildings that meet specified criteria.

AB 2842 (Thurmond D) Workforce Housing Tax Credit Pilot: property taxes: income taxes: insurance taxes: credits: low-income housing: sale of credit.

Last Amend: 4/12/2016

Status: 4/27/2016-In committee: Set, first hearing. Hearing canceled at the request of author.

Summary: Current law establishes a low-income housing tax credit program pursuant to which the California Tax Credit Allocation Committee provides procedures and requirements for the allocation of state insurance, income, and corporation tax credit amounts among low-income housing projects in modified conformity to federal law that have been allocated, or qualify for, a federal low-income housing tax credit and for farmworker housing. This bill would limit the aggregate amount of credits allocated by the California Tax Credit Allocation Committee, on a first-come-first-served basis, to \$100,000,000, and would provide for the one-time resale of that credit, as provided.

SB 873

(Beall D) Income taxes: insurance taxes: credits: low-income housing: sale of credit.

Last Amend: 4/5/2016

Status: 4/18/2016-April 18 hearing: Placed on APPR. suspense file.

Summary: Would, beginning on or after January 1, 2016, allow a taxpayer that is allowed a low-income housing tax credit to elect to sell all or a portion of that credit to one or more unrelated parties, as described, for each taxable year in which the credit is allowed for not less than 80% of the amount of the credit to be sold, and would provide for the one-time resale of that credit, as provided. The bill would require the California Tax Credit Allocation Committee to enter into an agreement with the Franchise Tax Board to pay any costs incurred by the Franchise Tax Board in administering these provisions.

TOD/Infill

AB 2356 (Gomez D) Planning and zoning: housing element: extremely low income housing.

Last Amend: 5/2/2016

Status: 5/3/2016-Re-referred to Com. on RLS.

Summary: The Planning and Zoning Law requires a city or county to adopt a general plan for land use development that includes, among other things, a housing element. That law requires the housing element to include an assessment of housing needs and an inventory of resources and constraints relevant to the meeting of these needs. This bill would authorize a city or county to additionally include in its assessment and inventory the identification of housing for extremely low income households, as defined.

Veterans

AB 1029 (Frazier D) Veterans: service providers.

Last Amend: 5/18/2015

Status: 8/28/2015-Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. on 6/24/2015)

Summary: Would allow entities meeting specified requirements to apply to the Department of Veterans Affairs to become certified California veteran service providers. The bill would require the department to maintain a list of certified California veteran service providers on its Internet Web site, including the type of supportive services provided by the providers. The bill would require that certification would remain valid for 3 years unless the entity is decertified by the department.

AB 2876 (Bloom D) Veterans housing: assistance.

Last Amend: 3/18/2016

Status: 4/22/2016-Failed Deadline pursuant to Joint Rule 61(b)(5). (Last location was A. H. & C.D. on 3/28/2016)

Summary: Would require the Department of Housing and Community Development, after consulting with the Department of Veterans Affairs, to establish a program to provide on an annual basis a grant to eligible cities, counties, or nonprofit organizations that provide services to homeless veterans. The bill would require these grants to be used to provide veterans who receive a federal Supportive Housing voucher, but may or may not be eligible for funds from the federal Department of Veterans Affairs Supportive Services for Veteran Families program, with supplemental funding for one or more move-in expenses, as defined.

State of California

MEMORANDUM

To: CalHFA Board of Directors Date: May 5, 2016

From: Di Richardson, Director of Legislation 
CALIFORNIA HOUSING FINANCE AGENCY

Subject: Keep Your Home California Update

I will start with the “big” news, for those of you that haven’t already heard.

At the end of last year, Congress passed legislation effectively ending the HAMP program, and transferring the remaining \$2 billion to Hardest Hit Fund States. US Treasury (UST) released those funds in two phases...Phase 1 was allocated using a formula based on current state population and utilization of the original allocation. Keep Your Home California was awarded an additional \$213.5 million in that phase. Phase 2 was a competitive round, in which additional funds were awarded to 13 participating states. California was awarded an additional \$169.8 million in Phase 2, bringing a combined \$383.3 million, which we believe will help approximately 12,000 more homeowners.

With the addition of these new funds, UST also announced the program would be extended until December 31, 2020. Based on internal projections, we believe we will award all funds by the middle of 2018. Disbursements will continue for some additional time (remember, we make up to 18 payments for the Unemployment Assistance Program) and it takes a bit longer to complete funding for principal reduction programs.

I have included a chart to show how much funding was awarded to each state:

Keep Your Home California

May 5, 2016

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FIFTH ROUND FUNDING ALLOCATIONS BY STATE¹

State	Phase 1 Allocation	Phase 2 Allocation	Total Fifth Round Funding Allocation	Total HHF Funding (Rounds 1-5)
AL	Ineligible	Did Not Apply	\$0	\$162,521,345
AZ	\$28,282,519	Did Not Apply	\$28,282,519	\$296,048,525
CA	\$213,489,977	\$169,769,247	\$383,259,224	\$2,358,593,320
DC	\$4,924,602	\$3,123,331	\$8,047,933	\$28,745,131
FL	\$77,896,538	Did Not Apply	\$77,896,538	\$1,135,735,674
GA	\$30,880,575	\$0	\$30,880,575	\$370,136,394
IL	\$118,174,500	\$151,299,560	\$269,474,060	\$715,077,617
IN	\$28,565,323	\$33,454,975	\$62,020,298	\$283,714,437
KY	\$30,148,245	\$27,955,713	\$58,103,958	\$207,005,833
MI	\$74,491,816	\$188,106,491	\$262,598,307	\$761,204,045
MS	\$19,340,040	\$23,063,338	\$42,403,378	\$144,291,701
NC	\$78,016,445	\$145,709,333	\$223,725,778	\$706,507,564
NJ	\$69,231,301	\$45,354,517	\$114,585,818	\$415,133,962
NV	\$8,885,641	Did Not Apply	\$8,885,641	\$202,911,881
OH	\$97,590,720	\$94,316,248	\$191,906,968	\$762,302,067
OR	\$36,425,456	\$58,110,108	\$94,535,564	\$314,578,350
RI	\$9,680,817	\$26,942,913	\$36,623,730	\$115,975,303
SC	\$22,030,274	Did Not Apply	\$22,030,274	\$317,461,821
TN	\$51,945,211	\$32,794,226	\$84,739,437	\$302,055,030
TOTAL	\$1,000,000,000	\$1,000,000,000	\$2,000,000,000	\$9,600,000,000

So now I am sure you are asking how much of our original allocation has been used.

As of April 30, 2016, Keep Your Home has provided the following in assistance:

Cumulative # <u>borrowers receiving assistance</u>	69,285 ¹
Cumulative program \$ <u>disbursed/spent</u>	\$1,358,615,810.17 ²
Cumulative program \$ <u>committed</u>	\$1,470,414,313.28

1 – Approved homeowners that either have received or will receive KYHC program assistance.

2 – Amount disbursed net of returns.

A few other highlights I would like to share with you:

- The PRP transaction pipeline continues to be the largest of the KYHC programs by volume, representing 43% of all transactions in the pipeline. In addition, PRP represented 48% of all funded transactions by dollar for the quarter.
- The most popular PRP utility is now PRP-Affordability (PRP-A) which provides principal assistance to eligible homeowners with an unaffordable payment (defined as a debt to income greater than 38% of the gross household income) that was caused by a verified hardship – even if their homes are not underwater. All PRP-A transactions are secured by a thirty-year lien.
- PRP-A approved applicants for the quarter totaled 430 transactions or 61% of all approved PRP transactions for the period for a total of \$27,285,596 in PRP-A benefit assistance.
- The second most popular PRP utility is PRP-Recast (PRP-K) which enables a homeowner to obtain an affordable payment and reduce the total debt associated with their negative equity first mortgage without use of a servicer-provided loan modification. All PRP-K transactions are secured with a five-year lien.
- For the quarter, approved PRP transactions (includes all utilities – Recast/Curtailment, Affordability and Modification) resulted in a median monthly payment reduction of \$236 per month, from \$1,405 to \$1,169; an almost 17% reduction.
- Seventy-three percent (73%) of homeowners who received KYHC benefit assistance since program inception are below 80% of the area median income (AMI) for their county of residence. More than 66% of households assisted have an annual income of less than \$50,000.

We continue to be extremely proud of what this program accomplishes, and look forward to continuing to assist additional homeowners with the additional funds that have been awarded. As always, please let me know if you have any questions

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