



CalHFA BOARD OF DIRECTORS

California Housing Finance Agency

Board Meeting
May 14, 2020
10:00 a.m.

TELECONFERENCE
 Call-in-Number: 1-888-282-8355
 Passcode: 5294256#

LIVESTREAM
 CalHFA is streaming the meeting live at calhfa.ca.gov for desktop viewers.
 You can also watch the stream on [YouTube](#).

Agenda items may be taken out of order to accommodate speakers and maintain a quorum. Members of the public shall be provided an opportunity to address the Board at the meeting.

1. Roll Call
2. Approval of the minutes of the March 17, 2020 Board of Directors meeting 1
3. Chairman/Executive Director comments
4. Report of the Chair of the Audit Committee
5. Discussion, recommendation, and possible action regarding final loan commitment for the following project: (Ruth Vakili, Sheena Kho) 7

<u>NUMBER</u>	<u>DEVELOPMENT</u>	<u>LOCALITY</u>	<u>UNITS</u>
19-066-A/X/N	Redwood Apartments	Santa Rosa/Sonoma	96

Resolution No. 20-09 **38**

6. Discussion, recommendation, and possible action to adopt: (Don Cavier, Tim Hsu, Kate Ferguson)..... 41

A. Proposed Strategic Business Plan for Fiscal Year 2020-21

Resolution No. 20-10 **51**

B. Proposed Operating Budget for Fiscal Year 2020-21

Resolution No. 20-11 **58**

7. Reports:

- A. Annual Investment Report 74
- B. Mixed-Income Program Update 81
- C. Conduit Program Issuance Update 140
- D. COVID-19 Legislative Update 166
- E. Asset Management Quarterly Portfolio Report 167

8. Discussion of other Board matters

9. Public comment: Opportunity for members of the public to address the Board on matters within the Board’s authority

10. Adjournment

NOTES*

NEXT MEETING DATE:
July 9, 2020 – Board Meeting

MINUTES

California Housing Finance Agency (CalHFA) Board of Directors Meeting March 17, 2020

Meeting noticed on March 6, 2020

1. ROLL CALL

The California Housing Finance Agency Board of Directors Meeting was called to order at **10:09 a.m.** by Acting Chair Gunning. A quorum of members was present.

MEMBERS PRESENT: Gunning, Patterson

MEMBERS PRESENT REMOTELY: Castro Ramírez, Gallagher, Gunn (for Imbasciani), Hague (for Gordon), Hunter, Jopanda (for Ma), Johnson Hall, Olmstead (for McCauley), Prince, Sotelo, Russell, Avila Farias*

*Avila Farias was present remotely for the duration of the meeting through the public teleconference phone line. Because she was not connected to the teleconference phone line designated for Board members, her votes were not captured and recorded.

MEMBERS ARRIVING AFTER ROLL CALL: None

MEMBERS ABSENT: Bosler

STAFF PRESENT: Claire Tauriainen, Melissa Flores, Don Cavier, Tim Hsu, Stephen Beckman

STAFF PRESENT REMOTELY: Kate Ferguson

2. APPROVAL OF MINUTES – February 6, 2020

The minutes were approved by unanimous consent of members in attendance.

3. CHAIRMAN/EXECUTIVE DIRECTOR COMMENTS

Chairman comments:

- Acting Chair Gunning thanked everyone for their efforts during the COVID-19

crisis and reported that the Legislature was adjourned until April 13.

Executive Director comments:

- Executive Director Tia Boatman Patterson thanked CalHFA staff for their work in making the changes needed so that the meeting could be held in compliance with the Governor’s Executive Order regarding public meetings during the COVID-19 pandemic.
- Expressed disappointment in having to cancel the guest speakers who were scheduled to attend the meeting, but felt it was necessary under the current conditions.
- The Agency is reviewing its Business Continuity Plan and making the proper preparations to ensure appropriate responses by the Agency to the COVID-19 crisis are made. CalHFA’s Leadership team are continuing to monitor the situation, while following the guidance from the CDC, local and state public health officials, CalHR, and Governor Newsom.
- CalHFA staff that self-select to take leave due to COVID-19 can use whatever form of leave time they may have or may take personal time off without pay.
- Essential employees may have the option to telework under certain conditions. Leadership staff is developing objective criteria that can be used to determine when a job is conducive to teleworking.
- The NCSHA Legislative Conference held March 9-11 was productive. However, all future events have been canceled or modified to be consistent with the public meeting directives issued by the Governor.
- She ended her comments by welcoming the new Secretary of the Business, Consumer Services, and Housing Agency (BCSH), Lourdes Ramírez Castro, to the CalHFA Board of Directors. Secretary Ramírez Castro reported that she and the staff at BCSH are responding to the impact of COVID-19 is having to the various programs and departments under its purview, while working closely with stakeholders and State officials in their response. She will continue to communicate updated information to Patterson.

4. **Final Loan Commitment for Hayes Valley South, No. 19-046-A/N, for 110 units located in San Francisco/San Francisco – Resolution 20-03**

Presented by Stephen Beckman and Kate Ferguson. Guest speaker: Adhi Nagraj, Senior Vice President and Director of Development, McCormack Baron Salazar

On a motion by Sotelo, the Board approved staff recommendation for **Resolution No.**

20-03 with amendment, “Subject to balloon waiver offering more favorable terms, the Executive Director is authorized to modify existing financing terms.” The votes were as follows:

AYES: Castro Ramírez, Gallagher, Gunn (for Imbasciani), Gunning, Hunter, Jopanda (for Ma), Johnson Hall, Olmstead (for McCauley), Prince, Sotelo, Russell

NOES: None

ABSTENTIONS None

ABSENT: Avila Farias

5. **Support the adoption of a resolution authorizing the financing of the Agency’s multifamily housing program, the issuance of multifamily bonds, the Agency’s multifamily bond indentures, credit facilities for multifamily purposes, and related financial agreements and contracts for services (Resolution No. 20-04)**

Presented by Tim Hsu

On a motion by Hunter, the Board approved staff recommendation for **Resolution No. 20-04**. The votes were as follows.

AYES: Castro Ramírez, Gunn (for Imbasciani), Gunning, Hunter, Jopanda (for Ma), Johnson Hall, Olmstead (for McCauley), Prince, Sotelo, Russell

NOES: None

ABSTENTIONS: Gallagher

ABSENT: Avila Farias

6. **Support the adoption of a resolution authorizing the financing of the Agency’s multifamily housing program from non-bond sources, and related financial contracts for services (Resolution 20-05)**

Presented by Tim Hsu

On a motion by Gunn, the Board approved staff recommendation for **Resolution No. 20-05**. The votes were as follows:

AYES: Castro Ramírez, Gallagher, Gunn (for Imbasciani),
Gunning, Hunter, Jopanda (for Ma), Johnson Hall,
Olmstead (for McCauley), Prince, Sotelo, Russell

NOES: None

ABSTENTIONS: None

ABSENT: Avila Farias

7. **Support the adoption of a resolution authorizing the Agency’s single-family bond indentures, the issuance of single family bond, credit facilities for homeownership purposes, and related financial agreements and contracts for services (Resolution 20-06)**

Presented by Tim Hsu

On a motion by Gunn, the Board approved staff recommendation for **Resolution No. 20-06**. The votes were as follows:

AYES: Castro Ramírez, Gunn (for Imbasciani), Gunning, Hunter,
Jopanda (for Ma), Johnson Hall, Olmstead (for McCauley),
Prince, Sotelo, Russell

NOES: None

ABSTENTIONS Gallagher

ABSENT: Avila Farias

8. **Support the adoption of a resolution authorizing the Agency’s single family non-bond financing mechanisms for homeownership purposes, and related financial agreements and contracts for services (Resolution 20-07)**

Presented by Tim Hsu

On a motion by Sotelo, the Board approved staff recommendation for **Resolution No. 20-07**. The votes were as follows:

AYES: Castro Ramírez, Gallagher, Gunn (for Imbasciani),
Gunning, Hunter, Jopanda (for Ma), Johnson Hall, Sotelo,
Russell

NOES: None

ABSTENTIONS: None

ABSENT: Avila Farias, Olmstead (for McCauley), Prince

9. **Support the adoption of a resolution approving applications to the California Debt Limit Allocation Committee for private activity bond allocations for the Agency's multifamily programs (Resolution No. 20-08)**

Presented by Tim Hsu

On a motion by Gunn, the Board approved staff recommendation for **Resolution No. 20-08**. The votes were as follows:

AYES: Castro Ramírez, Gallagher, Gunn (for Imbasciani), Gunning, Hunter, Jopanda (for Ma), Johnson Hall, Olmstead (for McCauley), Sotelo, Russell

NOES: None

ABSTENTIONS None

ABSENT: Avila Farias, Prince

10. **Reports**

Acting Chair Gunning asked if there were any questions regarding the reports and there were none.

11. **Discussion of other Board matters**

Acting Chair Gunning asked if there were other matters the Board wanted to discuss and there were none.

12. **Public comment**

Acting Chair Gunning asked if there were any members of the public who had a comment and there were none.

13. **Mid-year Business Plan and Budget Update for 2019/20**

Presented by Don Cavier, Tim Hsu, and Kate Ferguson

- The Agency's Single Family program has reached 125% of the

business plan objectives at the mid-year mark for securitizing first mortgages, outpacing initial expectations.

- Revenue targets for fee income generated from the Single Family Lending program was 193% of the business plan goal. He cautioned the Board that the effects the pandemic will have on the financial markets and business operations are unknown. CalHFA is monitoring the program's pipeline.
- The Multifamily Program's mid-year lending numbers are at about 68% of the business plan goal for the year. The Mixed-Income Program (MIP) continues to be successful and is achieving the program's original intent of expediting shovel ready new construction.

14. **Wrap-up discussion on workshop topics**

Acting Chair Gunning asked if there were any questions or comments from the Board and there were none.

15. **Public comment**

Acting Chair Gunning asked if there were any questions or comments from the public and there were none.

16. **Adjournment**

As there was no further business to be conducted, Acting Chair Gunning adjourned the meeting at 12:47 p.m.

17. **Handouts**

- a) Legislation Update
- b) CalHFA Multifamily Housing Revenue Bonds III 2018 Series A
- c) Update to Continuing Disclosure Policy and Bond/Non-Bond Financing PowerPoint presentation
- d) FY 2019-2020 Mid-Year Business Plan and Operating Budget update PowerPoint presentation

CalHFA MULTIFAMILY PROGRAMS DIVISION**Final Commitment Staff Report & Request for Tax Exempt and Taxable Bond Conduit Issuance AND Permanent Take-Out Loan for Tax Exempt financing with Mixed-Income Program Subsidy Financing Senior Loan Committee "Approval": 4-22-2020 for Board Meeting on: 5-14-2020**

Project Name, County:	The Redwood Apartments, Santa Rosa, Sonoma County	
Address:	3422 Santa Rosa Ave., Santa Rosa, 95407	
CalHFA Project Number:	19-066-A/X/N	
Requested Financing by Loan Program:	\$24,000,000	Tax Exempt Bond – Conduit Issuance Amount
	\$12,000,000	Taxable-Conduit Issuance Amount
	\$15,000,000	CalHFA Tax Exempt Permanent Loan without HUD Risk Share.
	\$4,750,000	Subsidy GAP Loan funded by MIP funds

Developer:	Pacific West Communities	Borrower:	Sonoma County Pacific Associates, a California limited partnership
Permanent Lender:	CalHFA	Construction Lender:	California Bank & Trust
Equity Investor:	US Bank	Management Company:	Aperto Property Management Inc.
Contractor:	Pacific West Builder	Architect	Pacific West Architecture
Loan Officer:	Ruth Vakili	Loan Specialist:	Kevin Brown
Asset Manager:	Jessica Doan	Loan Administration:	Mirna Ramirez
Legal (Internal):	Paul Steinke	Legal (External):	N/A
Concept Meeting Date:		Approval Expiration Date:	6 months from Approval.

LOAN TERMS

1.		CONDUIT ISSUANCE	PERMANENT LOAN (CalHFA)	MIP (GAP) LOAN
	Total Loan Amount	\$24,000,000 (T/E) \$12,000,000 (Taxable)	\$15,000,000	\$4,750,000
	Loan Term & Lien Position	24 months- interest only; 1 st Lien Position during construction	40 year – partially amortizing due in year 17	17 year - Residual Receipts; 2nd Lien Position during permanent loan conversion
	Interest Rate (subject to change and locked 30 days prior to loan closing)	Underwritten at 4.50% fixed tax-exempt and taxable.	15-year MMD + 2.60% spread (tax-exempt). Underwritten at 4.45%, which includes a .25% cushion. Rate is based on a 36-month forward.	2.75% Simple Interest
	Loan to Value (LTV)	83% of investment value	80% of restricted value	N/A
	Loan to Cost	83%	34%	N/A

ANTICIPATED PROJECT MILESTONES & SCHEDULE

2.	CDLAC/TCAC Closing Deadline:	10-14-2020	Est. Construction Loan Closing:	6-15-2020
	Estimated Construction Start:	6-15-2020	Est. Construction Completion:	12-15-2021
	Estimated Stabilization and Conversion to Perm Loan(s):		6-15-2023	

SOURCES OF FUNDS

3.	<p>Construction Period Financing</p> <table border="1"> <thead> <tr> <th>SOURCE</th> <th>AMOUNT</th> <th>LIEN POSITION</th> <th>DEBT TYPE</th> </tr> </thead> <tbody> <tr> <td>Construction Loan- California Bank & Trust (T/E)</td> <td>\$24,000,000</td> <td>1st</td> <td>Interest Only</td> </tr> <tr> <td>Construction Loan- California Bank & Trust (Tax)</td> <td>\$12,000,000</td> <td>2nd</td> <td>Interest Only</td> </tr> <tr> <td>Tax Credit Equity</td> <td>\$1,298,497</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>Total</td> <td>\$37,298,497</td> <td>\$388,526</td> <td>Per Unit</td> </tr> </tbody> </table> <p>Permanent Financing</p> <table border="1"> <thead> <tr> <th>SOURCE</th> <th>AMOUNT</th> <th>LIEN POSITION</th> <th>DEBT TYPE</th> </tr> </thead> <tbody> <tr> <td>CalHFA Permanent Loan</td> <td>\$15,000,000</td> <td>1st</td> <td>Balloon 40/due in 17</td> </tr> <tr> <td>CalHFA MIP Loan</td> <td>\$4,750,000</td> <td>2nd</td> <td>Residual Receipts Loan</td> </tr> <tr> <td>Tax Credit Equity</td> <td>\$21,043,178</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>Estimated Deferred Developer Fee</td> <td>\$2,879,784</td> <td>N/A</td> <td>Payable from Cash Flow</td> </tr> <tr> <td>TOTAL DEVELOPMENT COST:</td> <td>\$43,672,962</td> <td>\$454,927</td> <td>Per Unit</td> </tr> </tbody> </table> <p>Subsidy Efficiency: The CalHFA MIP loan of \$4,750,000 equates to \$50,000 per unit restricted between 50% and 70% AMI.</p> <p>Tax Credit Type(s), Amount(s), Pricing(s), and per restricted units:</p> <ul style="list-style-type: none"> 4% Federal Tax Credits: \$17,370,663 assuming estimated pricing of \$0.94 (\$180,944 per TCAC restricted units). 4% State Tax Credits: \$5,700,000 assuming estimated pricing of \$0.90 (\$59,375 per TCAC restricted units). <p>Rental Subsidies: The Project will not be subsidized by project-based vouchers</p> <p>Other State Subsidies: The Project will not be funded by other state funds.</p> <p>Other Locality Subsidies: The Project will not be funded by locality funds.</p> <p>Cost Containment Strategy: The Developer will competitively bid all trades, obtaining a minimum of 3 bids, and implement design standards that facilitate efficiency in cost and construction scheduling. Prior to construction loan closing, CalHFA will require the Developer to certify that cost containment measures have been implemented.</p>				SOURCE	AMOUNT	LIEN POSITION	DEBT TYPE	Construction Loan- California Bank & Trust (T/E)	\$24,000,000	1st	Interest Only	Construction Loan- California Bank & Trust (Tax)	\$12,000,000	2nd	Interest Only	Tax Credit Equity	\$1,298,497	N/A	N/A	Total	\$37,298,497	\$388,526	Per Unit	SOURCE	AMOUNT	LIEN POSITION	DEBT TYPE	CalHFA Permanent Loan	\$15,000,000	1st	Balloon 40/due in 17	CalHFA MIP Loan	\$4,750,000	2nd	Residual Receipts Loan	Tax Credit Equity	\$21,043,178	N/A	N/A	Estimated Deferred Developer Fee	\$2,879,784	N/A	Payable from Cash Flow	TOTAL DEVELOPMENT COST:	\$43,672,962	\$454,927	Per Unit
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4.	Equity – Cash Out (estimate): N/A																																															

TRANSACTION SUMMARY

5.	Legislative Districts	Congress:	#5 Mike Thompson	Assembly:	#4 Cecilia Aguiar-Curry	State Senate:	#2 Mike McGuire
	Brief Project Description	<p>The Redwood Apartments (the "Project") is a family, mixed-income new construction project, consisting of four 3-story residential walk-up buildings and 1 community building. There will be 96 total units, 95 of which will be restricted between 50% to 70% AMI. Units include 12 one-bedroom units (568 sq.ft.), 60 two-bedroom units (784 sq.ft.), and 24 three-bedroom units (1,074 sq.ft.). One two-bedroom unit will be reserved for an onsite manager.</p> <p>Financing Structure: The Project's financing structure includes tax-exempt bonds, taxable bonds, 4% federal tax credits, 4% state tax credits, a CalHFA permanent loan, and A MIP loan. The project qualifies as Mixed-Income with income averaging, pursuant to TCAC regulations.</p> <p>Tax Credits and/or CDLAC Status: The project was awarded bonds and tax credits in April 14, 2020.</p> <p>Ground Lease: Not applicable.</p> <p>Rental Subsidies: The Project will not include any operating or rental subsidies.</p> <p>Amenities: The Project amenities include a 2,835 s.f. community building with an exercise room, computer room, laundry facilities, kitchen, offices and meeting space. The site will include a covered picnic area, playground and basketball court and 174 parking spaces (96 spaces are covered). Unit amenities will include central heating and air conditioning, blinds, dishwasher, garbage disposal, washer and drying hook-ups, and patios/balconies.</p> <p>Commercial Space: The Project does not include commercial space.</p>					

TRANSACTION OVERVIEW

6.	Proposal and Project Strengths
	<ul style="list-style-type: none"> • The tax credit award will generate equity representing 49% of total financing sources. • The Pacific Companies and Aperto Property Management have extensive experience in developing and managing similar affordable housing projects and have experience with CalHFA. • The Project will serve low-income families ranging between 50% to 70% of AMI. • There is a high demand for affordable housing in the Santa Rosa area. All affordable projects are 100% occupied, with waiting list of potential tenants and market rate properties have an average vacancy rate of 4.5%. The Project is anticipated to be fully leased within 2 months of completion. • On-site supportive services will be available to all tenants and will include adult educational, health, wellness, computer and financial literacy classes. The cost for these services is estimated to be \$16,000 and is included in the operating budget. • The Loan-to-Value is 80% which meets the Agency's minimum requirements and provides less risk to the Agency. • The projected portion of the developer's fee that will be collected at or prior to permanent loan conversion is \$2,500,000, which could be available to cover cost overruns and/or unforeseen issues during construction. •

7.	Project Weaknesses with Mitigants:
	<ul style="list-style-type: none"> The exit analysis assumes an increase of 2% for the cap rate and 3% for the underwriting interest rate at loan maturity. Based on these assumptions, the Project will have the ability to fully repay the balance of Agency's permanent loan but may only be able to repay a portion of the Agency's subsidy MIP loan in the estimated amount of \$2,231,015 leaving an outstanding balance of \$2,957,370. This is as expected by CalHFA given the requirement that the MIP loan be co-terminus with the permanent first mortgage. The primary source of repayment for both the first mortgage and the MIP subsidy loan is refinance of the project first mortgage. To the extent such a refinance is insufficient to fully repay the MIP loan, it is contemplated that any remaining balance will be paid from a general partner contribution as part of the final close out of partnership obligations to allow re-syndication.
8.	Underwriting Standards or Term Sheet Variations
	<ul style="list-style-type: none"> The MIP term sheet requires repayment of the MIP loan to be a pro rata share of 50% of residual receipts between the MIP and other subordinate residual receipts lenders. The Developer has requested, and the Multifamily Lending Division recommends, 75% of net cash flow paid towards deferred developer fee and 25% of net cash flow paid towards the MIP loan until the deferred developer fee is paid off, which is estimated to be in year 13. Once the deferred developer fee is paid off, net cash flow distribution will be split 50% to the Developer and 50% to the MIP loan. The affordability restrictions for the Mixed Income Program require at least 10% of the units be restricted to 81% to 120% of AMI, with an average of 100% of AMI, if supported by a market study. However, per a market study dated 12/5/19, the Project can only support rents at a maximum of 70% AMI and still comply with the requirement that rents be at 10% below market. Therefore, this project will comply with affordability requirement of 60% to 80% of AMI with an average of 70% AMI. The USRM requirement for operating reserves is for 6 months' operating expenses, debt service, and annual replacement reserve deposits. Recommendation is made to reduce the operating expense reserve to 3 months, based on the fact that the developer has considerable experience developing tax credit projects, several of which are in the CalHFA pipeline.
9.	Project Specific Conditions of Approval
	<p>Approval is conditioned upon:</p> <ul style="list-style-type: none"> Receipt of a certification by the engineer on record that Project has been built to current seismic code acceptable to the Agency prior to permanent closing. The Project must meet the readiness requirements within 180 days from TCAC/CDLAC allocation. CalHFA will require the developer to provide a cost containment certification that is acceptable to the Agency. The MIP affordability covenants will be recorded in first position.
10.	Staff Conclusion/Recommendation:
	The Multifamily Lending Division supports approval of the described financing in the amounts requested, subject to the above proposed terms and conditions.

MISSION & AFFORDABILITY

11.	CalHFA Mission/Goals
	This Project and financing proposal provide 95 units of affordable housing with a range of restricted rents between 50% AMI to 70% of AMI which will support much needed rental housing that will remain affordable for 55 years.
12.	CalHFA Affordability & Occupancy Restrictions
	<p>The CalHFA Bond Regulatory Agreement will restrict a minimum of 40% of the units at or below 60% AMI and 10% of the total units at 50% of AMI for 55 year(s).</p> <p>The CalHFA MIP Subsidy Regulatory Agreement will restrict 10% of the units at or below 50% AMI and 10% of the units at 70% AMI. The remaining units will be restricted at or below 120% of AMI.</p>

16.	Loan Security
<ul style="list-style-type: none"> The CalHFA loan(s) will be secured against the above described Project site. 	
17.	Balloon Exit Analysis Applicable: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<ul style="list-style-type: none"> The exit analysis assumes an increase of 2% for the cap rate and 3% for the underwriting interest rate at loan maturity. Based on these assumptions, the Project will have the ability to fully repay the balance of Agency’s permanent loan but may only be able to repay a portion of the Agency’s subsidy MIP loan in the estimated amount of \$2,231,015 leaving an outstanding balance of \$2,957,370. This is as expected by CalHFA given the requirement that the MIP loan be co-terminus with the permanent first mortgage. The primary source of repayment for both the first mortgage and the MIP subsidy loan is refinance of the project first mortgage. To the extent such a refinance is insufficient to fully repay the MIP loan, it is contemplated that any remaining balance will be paid from a general partner contribution as part of the final close out of partnership obligations to allow re-syndication. 	

APPRAISAL AND MARKET ANALYSIS

18.	Appraisal Review	
<ul style="list-style-type: none"> An appraisal report as of March 13, 2020 by Watts, Cohen & Partners gives a value of \$18,050,000, resulting in a loan to value ratio of 80%. The value assumes the project as restricted, at stabilized occupancy, with a property tax exemption. The appraised value is based on an income cap rate of 5%, based on recent sales data on comparable affordable housing projects in the market area. The average vacancy for affordable properties is 98% to 100%, with waiting lists for some projects. The appraisal found the values to be stable and rents are anticipated to increase at an annual rate of 3%. The project’s rents are 46% to 85% of market rents. 		
	Market Study: Property Dynamics	Dated: December 5, 2019
Regional Market Overview		
<ul style="list-style-type: none"> The Primary Market Area (“PMA”) is the city of Santa Rosa and the unincorporated areas south of the city, with a population of 193,717. The Secondary Market Area (“SMA”) is Sonoma County, with a population of 500,675. The general population in the PMA is anticipated to increase by .7% per year, which is a recent decrease from an annual 1.9% population growth over the last 10 years. The decrease is due to multiple fires in the past 2 years. Unemployment in the PMA is 2.8%, which evidences a strong employment area. The median income in the PMA was \$77,085 in 2019 and is expected to increase at an annual rate of 3.2%. 		
Local Market Area Analysis		
<ul style="list-style-type: none"> Supply: The market study surveyed 25 affordable projects in the PMA totaling 1,843 units, all of which are occupied. These properties have long waiting lists ranging from 80 to 900 names, and the majority of these lists are closed. <ul style="list-style-type: none"> Fifteen market rate projects were surveyed, have a 3.3% vacancy rate. By the time the project is complete, there will be an annual need for 2,013 units at 50%to 70% AMI. There are 8 multifamily projects under construction which are anticipated to be completed within the next 24 months. Demand/Absorption: <ul style="list-style-type: none"> Overall, the project will need to capture 4.7% of the total demand for family units in the PMA, which demonstrates high demand for affordable housing. Sixty-three percent of the units are 2-bedroom units; therefore, the capture rates for units at 50% AMI is 11.6% and for 70% AMI, it is 7.9%. The market study concluded that all units will be pre-leased, and the project will reach stabilized occupancy within 2 months of opening. 		

DEVELOPMENT SUMMARY

19.	Site Description	Requires Flood Insurance: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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<ul style="list-style-type: none"> The property is located on the east side of Santa Rosa Avenue, in the City of Santa Rosa, Sonoma County. The site is currently vacant, with level topography at street grade, measuring approximately 4.11 acres and is generally rectangular in shape. The site is zoned R3 High Density Residential, with permitted multifamily residential use. The subject is located in zone X is the area determined to be outside the 500-year flood, therefore the Project will not be subject to flood insurance. 	
20.	Form of Site Control & Expiration Date
<p>The Developer purchased the land from Savings Bank of Mendocino in December 2012 for \$275,000. A Purchase and Sale Agreement dated 5/1/2019 was executed between Developer and the Borrower in the same amount and the transaction will close at construction loan closing.</p>	
21.	Current Ownership Entity of Record
<p>Title is currently vested in Developer as the fee owner.</p>	
22.	Environmental Review Findings
<ul style="list-style-type: none"> The site was the location of a bar until its demolition in 1996. There are no other buildings on the site. A Phase I Environmental Site Assessment performed by RNC Environmental, LLC, dated 12/6/2019 revealed no evidence of recognized environmental conditions, so no additional investigation was recommended. 	
23.	Seismic Requires Earthquake Insurance: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<ul style="list-style-type: none"> This new Project will be built to State and City of Santa Rosa Building Codes, so no seismic review is required. 	
24.	Relocation Requires Relocation: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> Not Applicable
<ul style="list-style-type: none"> The Project is new construction; therefore, relocation is not applicable. 	

PROJECT DETAILS

25.	Residential Areas:			
	Residential Square Footage:	79,632	Residential Units per Acre:	23.11
	Community Area Sq. Ftg:	2,835	Total Parking Spaces:	174
	Supportive Service Areas:	N/A	Total Building Sq. Footage:	82,467
26.	Mixed-Use Project: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	Non-Residential Sq. Footage:	N/A	Number of Lease Spaces:	N/A
	Master Lease:	<input type="checkbox"/> Yes <input type="checkbox"/> No	Number of Parking Spaces:	N/A
27.	Construction Type:	New Construction, three-story type-V wood-framed, garden-style residential buildings with surface parking and 1 one-story, wood-framed community building.		
28.	Construction/Rehab Scope	Requires Demolition: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<ul style="list-style-type: none"> The subject site is new construction consisting of four 3-story residential walk-up buildings containing 96 units and 1 community building. Public improvements totaling \$771,971 include street improvements, utilities, storm drains, street lighting and sidewalks along Santa Rosa and E. Robles Avenues. The Contractor is an affiliate of the Borrower entity. The contract will be structured as a Guaranteed Maximum Price contract with a maximum of 14% for builder overhead, profit, and general requirements. 				
29.	Construction Budget Comments:			
<p>The Contractor is affiliated with the Borrower. The mark-up for profit, overhead and general conditions is 14% of total hard costs, which is consistent with TCAC's requirements.</p>				

ADDITIONAL DEVELOPMENT/ PROJECT TEAM INFORMATION

30.	Borrower Affiliated Entities
	<ul style="list-style-type: none"> Managing General Partner: Central Valley Coalition for Affordable Housing, A California Nonprofit Public Benefit Corporation 0.005% interest. Administrative General Partner: TPC Holdings VII, LLC, an Idaho limited liability company 0.005% interest. Investor Limited Partner: US Bank CDC, parent company of investor limited partner. 99.99% ownership interest.
31.	Developer/Sponsor
	<ul style="list-style-type: none"> Pacific West Communities (“PWC”) is a real estate development company specializing in design, development and construction of affordable housing in the western United States. The company has developed 169 affordable multifamily projects since its inception in 1998. PWC completes about 10 projects a year and there are currently 16 projects under construction. Caleb Roope is President and CEO of PWC and has considerable experience with financing structures which include tax credits, bonds, HOME, MHP, CDBG and other state, local and federal sources. The PWC group includes Pacific West Builders, their general contracting arm, as well as Pacific West Architecture as the architect on the PWC projects. The PWC team includes licensed architects, general contractors, engineers, project managers and financing professionals to provide a comprehensive development approach to affordable housing.
32.	Management Agent
	<ul style="list-style-type: none"> Aperto Property Management Inc. (“APM”) will be the property manager for this Project. APM has a broad experience managing market rate and affordable tax credit projects. APM manages 63 tax credit projects in California totaling over 6,100 units, five of which are in the CalHFA portfolio and are operating well. APM’s services include marketing, leasing, property maintenance/preservation, accounting/financial reporting, resident services, and affordable housing compliance. APM’s team includes an experienced management team, each with 20 years or more of experience in the property management field.
33.	Service Provider Required by TCAC or other funding source? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	<ul style="list-style-type: none"> The Borrower has elected to provide a Service Coordinator provided by Central Valley Coalition for Affordable Housing to meet CDLAC requirements for a term of 15 years. The cost for these services is \$16,000 and is currently within the approved line item operating budget. Services will be conducted onsite. Services will include health, wellness, job skills, computer, financial literacy and resume building classes.
34.	Contractor Experienced with CalHFA? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	<ul style="list-style-type: none"> Pacific West Builders (“PWB”), formed in 2003, is the construction arm of Developer and will be the general for this project as well. PWB has built 70% of the projects developed by Developer and currently has 11 projects in construction. PWB specializes in energy-efficient multifamily, single-family and modular construction. Along with Caleb Roope as President of PWB, the staff includes professionals who combined have over 60 years of experience in construction, engineering, design and project management. Many of the staff members have been with the company since its inception and are licensed general contractors.
35.	Architect Experienced with CalHFA? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	<ul style="list-style-type: none"> Pacific West Architecture (“PWA”) is the architect for this project. PWA is an affiliate of the Developer and has designed over 80 multifamily projects. PWA is licensed in 18 states in western United States. PWA has built residential projects including workforce, senior, assisted living housing projects, as well as commercial and retail developments. PWA’s services include entitlements, master use planning, design development, construction documentation and contract administration.

36.	Local Review via Locality Contribution Letter
Sonoma County returned the local contribution letter dated 1/14/2020 stating they strongly support the project.	

EXHIBITS: Detailed Financial Analysis and applicable Term Sheets

PROJECT SUMMARY		Final Commitment				
Acquisition, Rehab, Construction & Permanent Loans		Project Number	19-066-A/X			
Project Full Name	The Redwood Apartments	Borrower Name:	Sonoma County Pacific Associates, A			
Project Address	3422 Santa Rosa Ave.	Managing GP:	Central Valley Coalition for Affordable Housing			
Project City	Santa Rosa	Developer Name:	Pacific West Communities, Inc.			
Project County	Sonoma	Investor Name:	US Bank CDC			
Project Zip Code	95407	Prop Management:	Aperto Property Management Inc.			
		Tax Credits:	4			
Project Type:	Permanent Loan Only	Total Land Area (acres):	4.11			
Tenancy/Occupancy:	Individuals/Families	Residential Square Footage:	79,632			
Total Residential Units:	96	Residential Units Per Acre:	23.36			
Total Number of Buildings:	5					
Number of Stories:	3	Covered Parking Spaces:	96			
Unit Style:	Flat	Total Parking Spaces:	174			
Elevators:	--					
Acq/Construction/Rehab Financing		Loan Amount (\$)	Loan Fees	Loan Term (Mo.)	Amort. Period (Yr.)	Starting Interest Rate
Union Bank-Construction Loan (T/E)		24,000,000	0.850%	24	--	4.500%
Union Bank-Construction Loan (Taxable)		12,000,000	0.850%	24	--	4.500%
Investor Equity Contribution		1,298,497	--	--	--	--
Permanent Financing		Loan Amount (\$)	Loan Fees	Loan Term (Yr.)	Amort. Period (Yr.)	Starting Interest Rate
Perm		15,000,000	1.000%	17	40	4.700%
MIP		4,750,000	1.000%	17	--	2.750%
--		--	--	--	--	--
--		--	--	--	--	--
Deferred Developer Fees		2,879,784	NA	NA	NA	NA
--		--	NA	NA	NA	NA
Investor Equity Contributions		21,043,178	NA	NA	NA	NA
Appraised Values Upon Completion of Rehab/Construction						
Appraisal Date:	4/10/20	Capitalization Rate:	5.00%			
Investment Value (\$)	43,280,000	Restricted Value (\$)	18,750,000			
Construct/Rehab LTC	N/A	CalHFA Permanent Loan to Cost	34%			
Construct/Rehab LTV	N/A	CalHFA 1st Permanent Loan to Value	80%			
		Combined CalHFA Perm Loan to Value	105%			
Additional Loan Terms, Conditions & Comments						
<u>Construction/Rehab Loan</u>						
Payment/Performance Bond	0					
Completion Guarantee Letter of Credit	0.00%					
<u>Permanent Loan</u>						
Operating Expense Reserve Deposit	\$346,246	Cash				
Initial Replacement Reserve Deposit	\$0	Cash				
Annual Replacement Reserve Per Unit	\$250	Cash				
Date Prepared:	4/15/20	Senior Staff Date:	4/22/20			

UNIT MIX AND RENT SUMMARY

Final Commitment

The Redwood Apartments

Project Number 19-066-A/X

PROJECT UNIT MIX					
Unit Type of Style	Number of Bedrooms	Number of Baths	Average Size (Sq. Ft.)	Number of Units	Est. No. of Tenants
-	1	1	568	12	18
-	2	1	784	60	180
-	3	2	1,074	24	108
-	-	-	-	-	0
-	-	-	-	-	0
-	-	-	-	-	0
				96	306

NUMBER OF UNITS AND PERCENTAGE OF AMI RENTS RESTRICTED BY EACH AGENCY							
Agency	Number of Units Restricted For Each AMI Category						
	30%	40%	50%	60%	70%	80%	120%
CalHFA Bond/RiskShare			10	29	0	0	0
CalHFA MIP			10	0	10	0	75
Tax Credit			48	0	47	0	0
-			0	0	0	0	0
-			0	0	0	0	0
-			0	0	0	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	CTCAC	30%	-	-	-	-	-
	CTCAC	40%	-	-	-	-	-
	CTCAC	50%	-	-	-	-	-
	CTCAC	60%	-	-	-	-	-
	CTCAC	70%	-	-	-	-	-
	CTCAC	120%	-	-	-	-	-
1 Bedroom	CTCAC	30%	-	-	\$1,712	-	-
	CTCAC	40%	-	-	-	-	-
	CTCAC	50%	6	\$960	-	\$752	56%
	CTCAC	60%	-	-	-	-	-
	CTCAC	70%	6	\$1,365	-	\$347	80%
	CTCAC	120%	-	-	-	-	-
2 Bedrooms	CTCAC	30%	-	-	\$1,927	-	-
	CTCAC	40%	-	-	-	-	-
	CTCAC	50%	30	\$1,149	-	\$778	60%
	CTCAC	60%	-	-	-	-	-
	CTCAC	70%	29	\$1,635	-	\$292	85%
	CTCAC	120%	-	-	-	-	-
3 Bedrooms	CTCAC	30%	-	-	\$2,895	-	-
	CTCAC	40%	-	-	-	-	-
	CTCAC	50%	12	\$1,328	-	\$1,567	46%
	CTCAC	60%	-	-	-	-	-
	CTCAC	70%	12	\$1,890	-	\$1,005	65%
	CTCAC	120%	-	-	-	-	-
4 Bedrooms	CTCAC	30%	-	-	-	-	-
	CTCAC	40%	-	-	-	-	-
	CTCAC	50%	-	-	-	-	-
	CTCAC	60%	-	-	-	-	-
	CTCAC	70%	-	-	-	-	-
	CTCAC	120%	-	-	-	-	-
5 Bedrooms	CTCAC	30%	-	-	-	-	-
	CTCAC	40%	-	-	-	-	-
	CTCAC	50%	-	-	-	-	-
	CTCAC	60%	-	-	-	-	-
	CTCAC	70%	-	-	-	-	-
	CTCAC	120%	-	-	-	-	-

SOURCES & USES OF FUNDS			Final Commitment		
The Redwood Apartments			Project Number 19-066-A/X		
SOURCES OF FUNDS	CONST/REHAB \$	PERMANENT \$	TOTAL PROJECT SOURCES OF FUNDS		
			SOURCES (\$)	PER UNIT (\$)	%
Union Bank-Construction Loan (T/E)	24,000,000				0.0%
Union Bank-Construction Loan (Taxable)	12,000,000				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
Construct/Rehab Net Oper. Inc.	-				0.0%
Deferred Developer Fee	-				0.0%
Developer Equity Contribution	-				0.0%
Investor Equity Contribution	1,298,497				0.0%
Perm		15,000,000	15,000,000	156,250	34.3%
MIP		4,750,000	4,750,000	49,479	10.9%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Construct/Rehab Net Oper. Inc.	-	-	-	-	0.0%
Deferred Developer Fees	-	2,879,784	2,879,784	29,998	6.6%
Developer Equity Contribution	-	-	-	-	0.0%
Investor Equity Contributions	-	21,043,178	21,043,178	219,200	48.2%
TOTAL SOURCES OF FUNDS	37,298,497	43,672,962	43,672,962	454,927	45.2%
TOTAL USES OF FUNDS (BELOW)	37,298,497	43,672,962	43,672,962	454,927	100.0%
FUNDING SURPLUS (DEFICIT)	-	-	-	-	-

USES OF FUNDS	CONST/REHAB \$	PERMANENT \$	TOTAL PROJECT USES OF FUNDS		
			USES (\$)	PER UNIT (\$)	%
CONSTRUCTION/REHAB SOURCES OF FUNDS		37,298,497			
ACQUISITION COSTS					
Lesser of Land Cost or Appraised Value	275,000	-	275,000	2,865	0.6%
Demolition Costs	-	-	-	-	0.0%
Legal & Other Closing Costs	4,090	-	4,090	43	0.0%
Escrow & other closing costs	-	-	-	-	0.0%
Verifiable Carrying Costs	96,910	-	96,910	1,009	0.2%
Existing Improvements Value	-	-	-	-	0.0%
Delinquent Taxes Paid @ Closing	-	-	-	-	0.0%
CalHFA Yield Maintenance Paid @ Closing	-	-	-	-	0.0%
Existing Replacement Reserve	-	-	-	-	0.0%
Broker Fees Paid to Related Party	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL ACQUISITION COSTS	376,000	-	376,000	3,917	0.9%
CONSTRUCTION/REHAB COSTS					
Offsite Improvements	1,918,231	-	1,918,231	19,982	4.4%
Environmental Remediation (Hard Costs)	-	-	-	-	0.0%
Site Work (Hard Cost)	4,128,000	-	4,128,000	43,000	9.5%
Structures (Hard Cost)	17,756,500	-	17,756,500	184,964	40.7%
General Requirements	1,428,164	-	1,428,164	14,877	3.3%
Contractor Overhead	476,055	-	476,055	4,959	1.1%
Contractor Profit	1,428,164	-	1,428,164	14,877	3.3%
Contractor Bond	-	-	-	-	0.0%
Contractor Liability Insurance	-	-	-	-	0.0%
Personal Property	-	-	-	-	0.0%
HVAC/Resident Damage	-	-	-	-	0.0%
TOTAL CONSTRUCT/REHAB COSTS	27,135,114	-	27,135,114	282,657	62.1%

SOURCES & USES OF FUNDS		Project Number			Final Commitment
The Redwood Apartments		19-066-A/X			19-066-A/X
USES OF FUNDS	CONST/REHAB \$	PERMANENT \$	TOTAL PROJECT USES OF FUNDS		
			USES (\$)	PER UNIT (\$)	%
RELOCATION COSTS					
Relocation Expense	-	-	-	-	0.0%
Relocation Compliance Monitoring	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL RELOCATION COSTS	-	-	-	-	0.0%
ARCHITECTURAL FEES					
Design	400,000	-	400,000	4,167	0.9%
Supervision	50,000	-	50,000	521	0.1%
TOTAL ARCHITECTURAL FEES	450,000	-	450,000	4,688	1.0%
SURVEY & ENGINEERING FEES					
Engineering	200,000	-	200,000	2,083	0.5%
Supervision	-	-	-	-	0.0%
ALTA Land Survey	-	-	-	-	0.0%
TOTAL SURVEY & ENGINEERING FEES	200,000	-	200,000	2,083	0.5%
CONTINGENCY RESERVES					
Hard Cost Contingency Reserve	1,700,000	-	1,700,000	17,708	3.9%
Soft Cost Contingency Reserve	1,002,837	-	1,002,837	10,446	2.3%
TOTAL CONTINGENCY RESERVES	2,702,837	-	2,702,837	28,155	6.2%
CONSTRUCT/REHAB PERIOD COSTS					
Loan Interest Reserve					
Union Bank-Construction Loan (T/E)	1,250,000	400,000	1,650,000	17,188	3.8%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Loan Fees					
Union Bank-Construction Loan (T/E)	204,000	-	204,000	2,125	0.5%
Union Bank-Construction Loan (Taxabl	102,000	-	102,000	1,063	0.2%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Other Const/Rehab Period Costs					
Deficit Const/Rehab NOI (Net Operatin	-	-	-	-	0.0%
Credit Enhancement & Application Fee	60,000	-	60,000	625	0.1%
Owner Paid Bonds/Insurance	-	-	-	-	0.0%
CalHFA Inspection Fees	6,000	-	6,000	63	0.0%
Real Estate Taxes During Rehab	15,000	-	15,000	156	0.0%
Completion Guaranty Fee	-	-	-	-	0.0%
Wage Monitoring Fee (Davis Bacon, Pr	-	-	-	-	0.0%
Insurance During Rehab	720,900	-	720,900	7,509	1.7%
Title & Recording Fees	60,000	-	60,000	625	0.1%
Construction Management & Testing	-	-	-	-	0.0%
Predevelopment Interest Expense	-	-	-	-	0.0%
Bond Issuer Fee	56,000	-	56,000	583	0.1%
Cost of Issuance	44,000	-	44,000	458	0.1%
TOTAL CONST/REHAB PERIOD COSTS	2,517,900	400,000	2,917,900	30,395	6.7%

SOURCES & USES OF FUNDS		Project Number			Final Commitment
The Redwood Apartments		19-066-A/X			19-066-A/X
USES OF FUNDS	CONST/REHAB \$	PERMANENT \$	TOTAL PROJECT USES OF FUNDS		
			USES (\$)	PER UNIT (\$)	%
PERMANENT LOAN COSTS					
Loan Fees					
CalHFA Application Fee	-	-	-	-	0.0%
Perm	75,000	75,000	150,000	1,563	0.3%
MIP	23,750	23,750	47,500	495	0.1%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Permanent Loan Cost of Issuance Fee	110,000	-	110,000	1,146	0.3%
Credit Enhancement & Application Fees	-	-	-	-	0.0%
Title & Recording (closing costs)	-	10,000	10,000	104	0.0%
Year 1 - Taxes & Special Assessments and Ins	-	94,600	94,600	985	0.2%
CalHFA Fees	-	10,085	10,085	105	0.0%
Tax Exempt Bond Allocation Fee	-	-	-	-	0.0%
Other	-	-	-	-	0.0%
TOTAL PERMANENT LOAN COSTS	208,750	213,435	422,185	4,398	1.0%
LEGAL FEES					
CalHFA Construction/Rehab Loan Legal Fees	-	-	-	-	0.0%
Other Construction/Rehab Loan Legal Fees	-	-	-	-	0.0%
CalHFA Permanent Loan Legal Fees	-	35,000	35,000	365	0.1%
Other Permanent Loan Legal Fees	-	-	-	-	0.0%
Sponsor Legal Fees	60,000	-	60,000	625	0.1%
Organizational Legal Fees	-	-	-	-	0.0%
Syndication Legal Fees	-	-	-	-	0.0%
Borrower Legal Fee	-	-	-	-	0.0%
CalHFA Bond Counsel	62,000	-	62,000	646	0.1%
TOTAL LEGAL FEES	122,000	35,000	157,000	1,635	0.4%
OPERATING RESERVES					
Operating Expense Reserve Deposit	-	346,246	346,246	3,607	0.8%
Initial Replacement Reserve Deposit	-	-	-	-	0.0%
Transition Operating Reserve Deposit	-	-	-	-	0.0%
Rent-Up Reserve Deposit	-	-	-	-	0.0%
HOME Program Replacement Reserve	-	-	-	-	0.0%
Investor Required Reserve	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL OPERATING RESERVES	-	346,246	346,246	3,607	0.8%
REPORTS & STUDIES					
Appraisal Fee	10,000	-	10,000	104	0.0%
Market Study Fee	10,000	-	10,000	104	0.0%
Physical Needs Assessment Fee	-	-	-	-	0.0%
Environmental Site Assessment Reports	15,000	-	15,000	156	0.0%
HUD Risk Share Environmental / NEPA Review	-	-	-	-	0.0%
CalHFA Earthquake Waiver Review Fee	-	-	-	-	0.0%
Relocation Consultant	-	-	-	-	0.0%
Soils Reports	-	-	-	-	0.0%
Acoustical Reports	-	-	-	-	0.0%
Termite/Dry Rot	-	-	-	-	0.0%
Consultant/Processing Agent	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL REPORTS & STUDIES	35,000	-	35,000	365	0.1%

SOURCES & USES OF FUNDS			Final Commitment		
The Redwood Apartments			Project Number 19-066-A/X		
USES OF FUNDS	CONST/REHAB \$	PERMANENT \$	TOTAL PROJECT USES OF FUNDS		
			USES (\$)	PER UNIT (\$)	%
OTHER COSTS					
TCAC Application, Allocation & Monitor Fees	57,871	-	57,871	603	0.1%
CDLAC Fees	12,600	-	12,600	131	0.0%
Local Permits & Fees	300,000	-	300,000	3,125	0.7%
Local Impact Fees	2,901,713	-	2,901,713	30,226	6.6%
Other Local Fees	-	-	-	-	0.0%
Syndicator/Investor Fees & Expenses	-	-	-	-	0.0%
Furnishings	50,000	-	50,000	521	0.1%
Accounting & Audits	10,000	-	10,000	104	0.0%
Advertising & Marketing Expenses	188,712	-	188,712	1,966	0.4%
Financial Consulting	-	-	-	-	0.0%
Miscellaneous Administrative Fees	-	-	-	-	0.0%
HUD Risk Share Insurance (First Year Prepaid	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL OTHER COSTS	3,520,896	-	3,520,896	36,676	8.1%
SUBTOTAL PROJECT COSTS	37,268,497	38,293,178	38,263,178	398,575	87.6%
DEVELOPER FEES & COSTS					
Developer Fees, Overhead & Profit	-	5,379,784	5,379,784	56,039	12.3%
Consultant Processing Agent	-	-	-	-	0.0%
Project Administration	-	-	-	-	0.0%
Syndicator Consultant Fees	-	-	-	-	0.0%
Guarantee Fees	-	-	-	-	0.0%
Construction Oversight & Management	-	-	-	-	0.0%
Other Administration Fees	30,000	-	30,000	313	0.1%
Other (Specify) correction to balance	-	-	-	-	0.0%
CASH EQUITY OUT TO DEVELOPER	-	-	-	-	0.0%
TOTAL DEVELOPER FEES & COSTS	30,000	5,379,784	5,409,784	56,352	12.4%
TOTAL PROJECT COSTS	37,298,497	43,672,962	43,672,962	454,927	100.0%

PROJECTED INITIAL ANNUAL RENTAL OPERATING BUDGET		Final Commitment	
The Redwood Apartments		Project Number	19-066-A/X
INCOME		AMOUNT	PER UNIT
			%
Rental Income			
Restricted Unit Rents	\$ 1,613,412	\$ 16,806	104.46%
Unrestricted Unit Rents	-	-	0.00%
Commercial Rents	-	-	0.00%
Rental & Operating Subsidies			
Project Based Rental Subsidy	-	-	0.00%
Other Project Based Subsidy	-	-	0.00%
Income during renovations	-	-	0.00%
Other Subsidy (Specify)	-	-	0.00%
Other Income			
Laundry Income	12,480	130	0.81%
Parking & Storage Income	-	-	0.00%
Miscellaneous Income	-	-	0.00%
GROSS POTENTIAL INCOME (GPI)	\$ 1,625,892	\$ 16,936	105.26%
Less: Vacancy Loss	\$ 81,295	\$ 847	5.26%
EFFECTIVE GROSS INCOME (EGI)	\$ 1,544,597	\$ 17,783	100.00%
OPERATING EXPENSES		AMOUNT	PER UNIT
			%
Administrative Expenses	\$ 65,750	\$ 685	\$ 0
Management Fee	61,784	644	4.00%
Social Programs & Services	16,000	167	1.04%
Utilities	135,600	1,413	8.78%
Operating & Maintenance	183,800	1,915	11.90%
Ground Lease Payments	-	-	0.00%
CalHFA Monitoring Fee	7,500	78	0.49%
Other Monitoring Fees	3,000	31	0.19%
Real Estate Taxes	8,700	91	0.56%
Other Taxes & Insurance	46,350	483	3.00%
SUBTOTAL OPERATING EXPENSES	\$ 528,484	\$ 5,505	34.22%
Operating Reserves	\$ 24,000	\$ 250	1.55%
TOTAL OPERATING EXPENSES	\$ 552,484	\$ 5,755	35.77%
NET OPERATING INCOME (NOI)	\$ 992,113	\$ 10,335	64.23%
DEBT SERVICE PAYMENTS		AMOUNT	PER UNIT
			%
Perm	\$ 832,498	\$ 8,672	53.90%
-	\$ -	-	0.00%
-	\$ -	-	0.00%
-	\$ -	-	0.00%
-	\$ -	-	0.00%
-	\$ -	-	0.00%
-	\$ -	-	0.00%
-	\$ -	-	0.00%
TOTAL DEBT SERVICE & OTHER PAYMENTS	\$ 832,498	\$ 8,672	53.90%
EXCESS AFTER DEBT SERVICE & MONITORING FEES	\$ 159,615	\$ 1,663	10.33%
DEBT SERVICE COVERAGE RATIO (DSCR)	\$ 1 to 1		
Date: 4/15/20	Senior Staff Date: 04/22/20		

PROJECTED PERMANENT LOAN CASH FLOWS											The Redwood Apartments																				
Final Commitment		Project Number 19-066-AX																													
	YEAR	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15															
RENTAL INCOME		23																													
	CPI																														
Restricted Unit Rents	2.50%																1,613,412	1,653,747	1,695,091	1,737,468	1,780,905	1,825,428	1,871,063	1,917,840	1,965,786	2,014,931	2,065,304	2,116,936	2,169,860	2,224,106	2,279,709
Unrestricted Unit Rents	2.50%																-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Rents	2.00%																-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Based Rental Subsidy	1.50%																-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Project Based Subsidy	1.50%																-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income during renovations	0.00%																-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Subsidy (Specify)	0.00%																-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Laundry Income	2.50%																12,480	12,792	13,112	13,440	13,776	14,120	14,473	14,835	15,206	15,586	15,975	16,375	16,784	17,204	17,634
Parking & Storage Income	2.50%																-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	2.50%																-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GROSS POTENTIAL INCOME (GPI)																	1,625,892	1,666,539	1,708,203	1,750,908	1,794,681	1,839,548	1,885,536	1,932,675	1,980,992	2,030,516	2,081,279	2,133,311	2,186,644	2,241,310	2,297,343
VACANCY ASSUMPTIONS																	Vacancy														
Restricted Unit Rents	5.00%																80,671	82,687	84,755	86,873	89,045	91,271	93,553	95,892	98,289	100,747	103,265	105,847	108,493	111,205	113,985
Unrestricted Unit Rents	7.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
Commercial Rents	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
Project Based Rental Subsidy	5.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
Other Project Based Subsidy	3.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
Income during renovations	20.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
Laundry Income	5.00%	624	640	656	672	689	706	724	742	760	779	799	819	839	860	882															
Parking & Storage Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
Miscellaneous Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
TOTAL PROJECTED VACANCY LOSS		81,295	83,327	85,410	87,545	89,734	91,977	94,277	96,634	99,050	101,526	104,064	106,666	109,332	112,066	114,867															
EFFECTIVE GROSS INCOME (EGI)		1,544,597	1,583,212	1,622,793	1,663,362	1,704,947	1,747,570	1,791,259	1,836,041	1,881,942	1,928,990	1,977,215	2,026,646	2,077,312	2,129,245	2,182,476															
OPERATING EXPENSES		CPI / Fee																													
Administrative Expenses	3.50%	81,750	84,611	87,573	90,638	93,810	97,093	100,492	104,009	107,649	111,417	115,316	119,353	123,530	127,853	132,328															
Management Fee	4.00%	61,784	63,328	64,912	66,534	68,198	69,903	71,650	73,442	75,278	77,160	79,089	81,066	83,092	85,170	87,299															
Utilities	3.50%	135,600	140,346	145,258	150,342	155,604	161,050	166,687	172,521	178,559	184,809	191,277	197,972	204,901	212,072	219,495															
Operating & Maintenance	3.50%	183,800	190,233	196,891	203,782	210,915	218,297	225,937	233,845	242,030	250,501	259,268	268,342	277,734	287,455	297,516															
Ground Lease Payments	3.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500															
Other Agency Monitoring Fee	0.00%	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000															
Real Estate Taxes	1.25%	8,700	8,809	8,919	9,030	9,143	9,258	9,373	9,490	9,609	9,729	9,851	9,974	10,099	10,225	10,353															
Other Taxes & Insurance	3.50%	46,350	47,972	49,651	51,389	53,188	55,049	56,976	58,970	61,034	63,170	65,381	67,670	70,038	72,489	75,026															
Required Reserve Payments	1.00%	24,000	24,240	24,482	24,727	24,974	25,224	25,476	25,731	25,989	26,248	26,511	26,776	27,044	27,314	27,587															
TOTAL OPERATING EXPENSES		552,484	570,040	588,186	606,943	626,332	646,374	667,092	688,508	710,647	733,534	757,193	781,652	806,938	833,079	860,105															
NET OPERATING INCOME (NOI)		992,113	1,013,173	1,034,606	1,056,419	1,078,614	1,101,196	1,124,168	1,147,533	1,171,295	1,195,457	1,220,022	1,244,993	1,270,374	1,296,165	1,322,371															
DEBT SERVICE PAYMENTS		Lien #																													
Perm	1	832,498	832,498	832,498	832,498	832,498	832,498	832,498	832,498	832,498	832,498	832,498	832,498	832,498	832,498	832,498															
TOTAL DEBT SERVICE & OTHER PAYMENTS		832,498	832,498	832,498	832,498	832,498	832,498	832,498	832,498	832,498	832,498	832,498	832,498	832,498	832,498	832,498															
CASH FLOW AFTER DEBT SERVICE		159,615	180,674	202,108	223,921	246,116	268,698	291,669	315,034	338,796	362,958	387,524	412,495	437,875	463,667	489,873															
DEBT SERVICE COVERAGE RATIO		1.19	1.22	1.24	1.27	1.30	1.32	1.35	1.38	1.41	1.44	1.47	1.50	1.53	1.56	1.59															
Date Prepared: 04/15/20		Senior Staff Date: 4/22/20																													
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15															
LESS: Asset Management Fee	3%	14,600	15,038	15,489	15,954	16,432	16,925	17,433	17,956	18,495	19,050	19,621	20,210	20,816	21,441	22,084															
LESS: Partnership Management Fee	3%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
net CF available for distribution		145,015	165,636	186,619	207,967	229,684	251,772	274,236	297,078	320,301	343,909	367,903	392,285	417,059	442,226	467,789															
CF split to Developer	75%	108,761	124,227	139,964	155,975	172,263	188,829	205,677	222,809	240,226	257,932	275,927	294,214	312,794	321,113	233,894															
Deferred developer fee repayment	2,879,784	2,879,784	2,771,023	2,646,796	2,506,831	2,350,856	2,178,593	1,989,764	1,784,087	1,561,278	1,321,052	1,063,121	787,194	492,980	180,185	-															
		108,761	124,227	139,964	155,975	172,263	188,829	205,677	222,809	240,226	257,932	275,927	294,214	312,794	180,185	-															
		2,771,023	2,646,796	2,506,831	2,350,856	2,178,593	1,989,764	1,784,087	1,561,278	1,321,052	1,063,121	787,194	492,980	180,185	-	-															
Payments for Residual Receipt Payments	25%															50%															
RESIDUAL RECEIPTS LOANS	Payment %	36,254	41,409	46,655	51,992	57,421	62,943	68,559	74,270	80,075	85,977	91,976	98,071	104,265	221,113	233,894															
MIP	100.00%	36,254	41,409	46,655	51,992	57,421	62,943	68,559	74,270	80,075	85,977	91,976	98,071	104,265	221,113	233,894															
0	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
Total Residual Receipts Payments	100.00%	36,254	41,409	46,655	51,992	57,421	62,943	68,559	74,270	80,075	85,977	91,976	98,071	104,265	221,113	233,894															
Balances for Residual Receipt Payments																50%															
RESIDUAL RECEIPTS LOANS	Interest Rate																														
MIP---Simple	2.75%	4,750,000	4,844,371	4,933,587	5,017,557	5,096,191	5,169,395	5,237,077	5,299,143	5,355,498	5,406,048	5,450,696	5,489,345	5,521,899	5,548,259	5,457,771															
0---	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-															
Total Residual Receipts Payments		4,750,000	4,844,371	4,933,587	5,017,557	5,096,191	5,169,395	5,237,077	5,299,143	5,355,498	5,406,048	5,450,696	5,489,345	5,521,899	5,548,259	5,457,771															

PROJECTED PERMANENT LOAN CASH FLOWS

24

Final Commitment			
	YEAR	16	17
RENTAL INCOME	CPI		
Restricted Unit Rents	2.50%	2,336,702	2,395,119
Unrestricted Unit Rents	2.50%	-	-
Commercial Rents	2.00%	-	-
Project Based Rental Subsidy	1.50%	-	-
Other Project Based Subsidy	1.50%	-	-
Income during renovations	0.00%	-	-
Other Subsidy (Specify)	0.00%	-	-
Laundry Income	2.50%	18,075	18,527
Parking & Storage Income	2.50%	-	-
Miscellaneous Income	2.50%	-	-
GROSS POTENTIAL INCOME (GPI)		2,354,776	2,413,646
VACANCY ASSUMPTIONS	Vacancy		
Restricted Unit Rents	5.00%	116,835	119,756
Unrestricted Unit Rents	7.00%	-	-
Commercial Rents	50.00%	-	-
Project Based Rental Subsidy	5.00%	-	-
Other Project Based Subsidy	3.00%	-	-
Income during renovations	20.00%	-	-
Other Subsidy (Specify)	0.00%	-	-
Laundry Income	5.00%	904	926
Parking & Storage Income	50.00%	-	-
Miscellaneous Income	50.00%	-	-
TOTAL PROJECTED VACANCY LOSS		117,739	120,682
EFFECTIVE GROSS INCOME (EGI)		2,237,038	2,292,964
OPERATING EXPENSES	CPI / Fee		
Administrative Expenses	3.50%	136,960	141,753
Management Fee	4.00%	89,482	91,719
Utilities	3.50%	227,177	235,129
Operating & Maintenance	3.50%	307,929	318,707
Ground Lease Payments	3.50%	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500
Other Agency Monitoring Fee	0.00%	3,000	3,000
Real Estate Taxes	1.25%	10,482	10,613
Other Taxes & Insurance	3.50%	77,652	80,370
Required Reserve Payments	1.00%	27,863	28,142
TOTAL OPERATING EXPENSES		888,045	916,932
NET OPERATING INCOME (NOI)		1,348,992	1,376,031
DEBT SERVICE PAYMENTS	Lien #		
Perm	1	832,498	832,498
TOTAL DEBT SERVICE & OTHER PAYMENTS		832,498	832,498
CASH FLOW AFTER DEBT SERVICE		516,494	543,533
DEBT SERVICE COVERAGE RATIO		1.62	1.65
Date Prepared:	04/15/20		

		16	17
LESS: Asset Management Fee	3%	22,746	23,429
LESS: Partnership Management Fee	3%	-	-
net CF available for distribution		493,748	520,104

CF split to Developer		246,874	260,052
Deferred developer fee repayment	2,879,784	-	-
		-	-

Payments for Residual Receipt Payments			
RESIDUAL RECEIPTS LOANS	Payment %		
MIP	100.00%	246,874	260,052
0	0.00%	-	-
Total Residual Receipts Payments	100.00%	246,874	260,052

Balances for Residual Receipt Payments			
RESIDUAL RECEIPTS LOANS	Interest Rate		
MIP---Simple	2.75%	5,354,501	5,238,252
0---	0.00%	-	-
Total Residual Receipts Payments		5,354,501	5,238,252



TAX-EXEMPT PERMANENT LOAN PROGRAM

CalHFA's Tax-Exempt Permanent Loan Program ("Perm Loan") provides competitive tax-exempt long-term financing for affordable multifamily rental housing Projects. Eligible projects include newly constructed or acquisition/rehabilitation developments that provide affordable housing opportunities for individuals, families, seniors, veterans, and special needs tenants ("Project").

Qualifications	<ul style="list-style-type: none"> Available to for-profit, non-profit, and public agency sponsors. Tax-exempt bond authority must be obtained from the California Debt Limit Allocation Committee (CDLAC) or through a 501(c)(3) exemption. The Tax-Exempt Permanent Loan may be used with or without 4% low income housing tax credits. If a lender other than CalHFA is providing short-term, first-lien debt, CalHFA shall be used as the bond issuer (for more information, review the Conduit Issuer Program Term Sheet). For Section 8 Projects, a final commitment is conditioned upon review and acceptance by CalHFA of the HAP or AHAP contract. The Perm Loan will be credit-enhanced through CalHFA's HUD/FHA Risk Sharing Program. For existing CalHFA portfolio loans, the current owner is required to pay off all outstanding CalHFA debt. Visit www.calhfa.ca.gov for the CalHFA Portfolio Loan Prepayment Policy.
Loan Amount	<ul style="list-style-type: none"> Minimum Perm Loan amount of \$5,000,000. Minimum 1.15x for debt service coverage ratio (include any financing with amortizing debt). Lesser of 90% of restricted value or 100% of development costs. For Projects with equity being cashed out, the Perm Loan amount will be restricted to no more than 80% of the restricted value.
Fees (subject to change)	<ul style="list-style-type: none"> Application Fee: \$10,000 non-refundable, due at time of application submittal, and is credited toward the CalHFA Loan Fee. Perm Loan Fee: 1.00%, half due at final commitment, with balance due at Perm Loan closing. Cost of Issuance Fee: \$110,000, half due at final commitment, with balance due at Perm Loan Closing. Credit Enhancement Fee: included in the interest rate. Annual Administrative Fee: \$7,500 annually (not to be duplicated if used in conjunction with CalHFA's Conduit Program). Inspection fees should be estimated at \$500 - \$1,000 per month (reports and fees can be shared with other construction lenders) Legal Fee: \$35,000 due at Perm Loan closing. Administrative Fee: \$1,000 at Perm Loan closing. Letter of Interest Fee: \$5,000 at LOI request, and is credited towards the CalHFA Perm Loan Fee <p>See Conduit Issuer Program Term Sheet for information on conduit issuance fees.</p>

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TAX-EXEMPT PERMANENT LOAN PROGRAM

<p>Rate & Terms (subject to change)</p>	<p>Interest Rate:</p> <ul style="list-style-type: none"> • 17 Year Balloon: 15 Year “AAA” MMD (Municipal Market Data) plus CalHFA spread • 30 Year Balloon and Fully Amortizing Loans: 30 Year “AAA” MMD plus CalHFA spread • Estimated CalHFA Spread: 2.00% to 2.50% • Rate may be locked up to 30 days prior to the construction loan closing. Rate may be locked for the term of the construction period, not to exceed 3 years. <p>Amortization/Term:</p> <ul style="list-style-type: none"> • Amortization: Up to 35 Year Amortization¹ • Term: Fully Amortizing, and 17 or 30 Year Balloons available² • Perm Loan Reduction: up to 10% reduction at Perm Loan closing permitted at no cost. • A six-month extension is permitted upon payment of a fee equal to 0.50% of the Perm Loan amount. • Breakage Fee (if applicable): between construction loan closing and Perm Loan closing and calculated based on hedge termination cost. <p>1. The Agency may offer up to a 40 year amortization at its discretion. 2. Balloon loans subject to agency approved exit strategy.</p>
<p>Loan Closing Requirements</p>	<ul style="list-style-type: none"> • 90% stabilized rental housing occupancy for 90 days as evidenced by rent rolls. • 90% of tax credit investor equity shall have been paid into the Project. • Project income is sufficient to pay operating expenses, required debt service, reserves and monitoring fees. • For mixed-use Projects, 100% non-residential occupancy as evidenced by executed leases or guarantees.
<p>Prepayment</p>	<p>The Perm Loan may be prepaid at par after 15 years of the Perm Loan period. However, the Perm Loan may be prepaid after 10 years of the Perm 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 prior written 120-day notice to CalHFA.</p>
<p>Subordinate Financing</p>	<p>Financing or grants are encouraged from local governments and third parties to achieve project feasibility. All financing, leases, development and regulatory agreements must be coterminous (or have a longer term than the combined terms of any CalHFA Acq/Rehab Loan and Perm Loan) and be subordinate to CalHFA financing.</p>

TAX-EXEMPT PERMANENT LOAN PROGRAM

Occupancy Requirements	<p>Must maintain the greater of (A) existing affordability restrictions, or (B) either (i) 20% of the units 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 (ii) 40% or more of the units must be both rent restricted and occupied by individuals whose income is 60% or less of the AMI, with adjustments for household size ("40% @ 60% AMI"); however in the latter case, a minimum of 10% of the units must be at 50% or less of AMI ("10% @ 50% AMI").</p> <p>CalHFA's regulated units must represent a pro-rata share of the available unit sizes (by bedroom count and square feet), and be disbursed throughout the project.</p>
Due Diligence	<p>The following due diligence is required to be provided at the Owner/Borrower's expense:</p> <ul style="list-style-type: none"> • Appraisal (a construction lender's appraisal may be acceptable). • HUD-2530 previous participation clearance. • Construction Costs Review for new construction loans (other construction lender's review is acceptable). • Physical Needs Assessment ("PNA") for rehabilitation projects with a Replacement Reserve Needs Analysis ("RRNA") over time for the first 20-year term (other lender's PNA/RRNA may be acceptable). • Phase I Environmental Site Assessment including but not limited to impact reviews that meet federal environmental requirements (such as historic preservation and noise remediation). • Market Study satisfactory to CalHFA. • NEPA Review. • Termite/Dry Rot reports by licensed company. • Seismic review and other studies may be required at CalHFA's discretion.
Required Impounds and Reserves	<ul style="list-style-type: none"> • Replacement Reserve: Initial cash deposit required for existing Projects, with annual deposits between \$250 and \$500 per unit/per year depending on the Project type and PNA/RRNA findings. • Operating Expense Reserve: 3-6 months of operating expenses, reserves, debt service, and monitoring fees due at Perm Loan closing (letter of credit or cash) and held for the life of the CalHFA Perm Loan. • Impounds held by CalHFA: One year's prepaid earthquake, hazard and liability insurance premiums, and property tax assessments are collected at loan closing. An earthquake insurance waiver is available for Projects which have met CalHFA earthquake waiver standards during rehabilitation or construction. • Transition Operating Reserve (TOR): required for Projects with rental subsidy contracts with contract terms that are less than 20 years. • Other reserves as required (at CalHFA's discretion).

Last revised: 4/2019

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. Not printed at taxpayer expense.



MIXED-INCOME LOAN PROGRAM

The CalHFA Mixed-Income Program ("MIP") provides competitive long-term subordinate financing for new construction multifamily housing projects restricting units (tax credit or CalHFA) between 30% and 120% of county Area Median Income ("AMI").

The MIP must be paired with CalHFA's Conduit Bond Issuance Program and a CalHFA Mixed-Income Qualified Construction Lender (defined below). Additionally, the program must be paired with CalHFA's Permanent Loan product or a sponsor must work with a CalHFA Mixed-Income Qualified Permanent Lender (defined below). The Mixed-Income resources will take the form of a subordinate loan to incentivize newly developed multifamily housing projects that serve a range of very low to moderate income renters. Eligible projects must create newly constructed regulated units that meet the income and occupancy requirements reflected below.

Qualifications

APPLICATION:

Sponsors/developers must submit a complete application package which includes all items listed on the application, the application addendum and the checklist. Incomplete application packages will not be considered. The application and checklist can be found at www.calhfa.ca.gov/multifamily/mixedincome/forms/index.htm. If the sponsor/developer is not able to meet the readiness timeline referenced below, MIP funds may be rescinded and reallocated.

AVAILABILITY:

Available to for-profit, non-profit, and public agency sponsors. Development teams must meet CalHFA experience requirements, as defined in the CalHFA Development Team Qualifications section below.

USES:

MIP Subsidy loans must be used in conjunction with CalHFA's Conduit Bond Issuance Program and a construction loan from a CalHFA Mixed-Income Qualified Construction Lender. MIP Subsidy loans must also be used in conjunction with CalHFA's permanent first-lien mortgage financing or financing from a CalHFA Mixed-Income Qualified Permanent Lender. CalHFA Mixed-Income Qualified Construction and Qualified Permanent Lenders are defined in the CalHFA Lender Qualifications section below.

FINANCING STRUCTURE:

Projects accessing the MIP Subsidy Loan funds must be structured as one of the following:

1. Tax-exempt Bond and 4% tax credit project where at least 51% of the units in each project must be tax credit financed, OR
2. Qualified mixed-income project under the California Debt Limit Allocation Committee's (CDLAC) regulations (50% or fewer units designated as tax credit or tax-exempt bond restricted) utilizing an allocation of private activity bonds to finance the project, OR
3. Qualified mixed-income project through income averaging.

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MIXED-INCOME LOAN PROGRAM

Qualifications (continued)

READINESS:

Projects must have site control and be prepared to submit for a bond and tax credit allocation and will only receive funds if bonds are issued within the issuance timeframes specified in CDLAC Regulations Section 5100.

1. **Site:** The site must be ready for construction (all potential environmental issues have been identified, mitigation plan is in place, and costs associated with the mitigation plan have been incorporated in the development budget). Environmental issues may include but not be limited to receipt of clearances for CEQA, NEPA, and applicable tribal land environmental reviews.
2. **Construction Start:** All projects must commit to begin construction 180 days from the earlier of the date of the tax-exempt bond allocation or 4% federal/state tax credit reservation. Within the 180-day period the following items must be submitted to CalHFA in their final form:
 - a. A complete updated application (inclusive of all CalHFA Addendum Items) form along with a detailed explanation of any changes from the initial application,
 - b. An executed construction contract,
 - c. Recorded deeds of trust for all construction financing (unless a project's location on tribal trust land precludes this),
 - d. Binding commitments for any other financing required to complete project construction,
 - e. Copy of a limited partnership agreement executed by the general partner/sponsor and the investor limited partner/equity provider,
 - f. Payment of all construction lender fees,
 - g. Copies of buildings permits (a grading permit does not suffice to meet this requirement except that in the event that the city or county as a rule does not issue building permits prior to the completion of grading, a grading permit shall suffice; if the project is a design build project in which the city or county does not issue building permits until designs are fully complete, the city or county shall have approved construction to begin) or the applicable tribal documents,
 - h. Copy of the notice to proceed delivered to the contractor,
 - i. If no construction lender is involved, evidence must be submitted within 180 days, as applicable, that the equity partner has been admitted to the ownership entity, and that an initial disbursement of funds has occurred.
 - j. Other documentation and information necessary to close construction financing required by CalHFA.

MIP ALLOCATION LIMITS:

1. **10% Project Cap:** No project may receive more than 10% of the total MIP allocation for the respective year.
2. **33% Sponsor Cap:** No sponsor (any individual, entity, affiliate and related entity) may receive more than 33% of MIP funds for the respective year.
3. **33% County Cap:** No one county may receive more than 33% of MIP funds for the respective year.
4. **25% Age-Restricted Cap:** No more than 25% of MIP funds for the respective year may be received by age-restricted projects.

EVIDENCE OF COST CONTAINMENT:

A Cost Containment Analysis will be completed by CalHFA at the time of the Construction Loan Closing.

The developer/sponsor must certify that cost containment measures have been implemented to minimize construction costs. These measures may include but are not limited to 1) competitively bidding out all major subcontractor and self-performing trades 2) obtain 3 bids for all major trades and 3) engage value engineer/consultant during the design process.

MIXED-INCOME LOAN PROGRAM

<p>Qualifications (continued)</p>	<p>EVIDENCE OF SUBSIDY EFFICIENCY:</p> <p>A Subsidy Efficiency Analysis will be completed as part of the Application review. The analysis will be completed again prior to closing the MIP Subordinate Loan and the MIP Loan amount may be adjusted based on the final analysis. Parameters of the analysis may include but are not limited to the following:</p> <ul style="list-style-type: none"> • A maximum of 1.20 Debt Service Coverage Ratio (“DSCR”). CalHFA may allow an initial DSCR higher than 1.20 on a case by case basis, if deemed necessary; • A project cash flow that supports the residential component of the project based on the required CalHFA permanent first lien annual debt service coverage ratio; • A separate project cash flow that supports any commercial component of the project; • A cashflow after debt service that is limited to the higher of 25% of the anticipated annual must pay debt service payment or 8% of gross income, during each of the first 3 years of project operation; • Inflation factors and vacancy rates consistent with the Agency’s Underwriting Standards and Reference Manual (“USRM”); • Developer Fee requirements will match those required under the 4% federal and/or state tax credit reservation. • Capitalized reserves shall be subject to approval by Agency for reasonableness consistent with the USRM and the Investor Limited Partnership Agreement (ILPA); • Review of Excess Sources over final Uses as approved by CalHFA resulting from any of the following: <ul style="list-style-type: none"> · An increase in tax credit equity; · An increase in permanent loan debt due to a combination of permanent loan rate reduction and/or reduction to operating expense assumptions; • Construction Cost Savings as evidenced by final cost certification, funds shall be used to reduce the MIP loan prior to CalHFA MIP loan closing or if required by other subordinate lenders, funds may be split on a pro rata basis between CalHFA and other subordinate lenders.
<p>CalHFA Mixed-Income Qualified Lender Qualifications</p>	<p>A CalHFA Qualified Construction Lender is defined as a Construction Lender that has closed at least 5 construction loans using tax-exempt bonds and 4% federal and/or state tax credits in California within the last 3 years and satisfies the requirement set forth within the application.</p> <p>A CalHFA Qualified Permanent Lender is defined as a Permanent Lender that has closed at least 5 Permanent loans using tax-exempt bonds and 4% federal and/or state tax credits in California within the last 3 years and satisfies the requirement set forth within the application.</p>
<p>CalHFA Mixed-Income Development Team Qualifications</p>	<p>The Developer/Co-Developer must be registered to do business and in good standing in the state of California. A CalHFA Qualified Developer/Co-Developer must have developed at least three (3) comparable projects within the past five (5) years.</p> <p>The proposed Project Manager must have personally managed the development of at least two (2) comparable projects within the past 5 years.</p> <p>Financial Consultants hired to assist the Developer in meeting the minimum experience requirements must be able to provide details regarding at least three (3) comparably financed projects over the last five (5) years.</p>

MIXED-INCOME LOAN PROGRAM

<p>CalHFA Mixed-Income Development Team Qualifications (Continued)</p>	<p>Architects new to CalHFA must provide information for three (3) comparable projects they designed that were built and occupied within the past five (5) years.</p> <p>General Contractor (GC) must be licensed by the State of California. GCs new to CalHFA must provide information related to three (3) comparable (in design) projects built in the past five (5) years. Similar information will be required for the proposed on-site construction supervisor. The on-site construction supervisor must have overseen three (3) comparable projects built in the past five (5) years, and they must have overseen the projects from construction start to final completion.</p> <p>Management Company must have a local presence or a field office in Northern or Southern CA (depending on the location of the Project) and have experience managing at least ten (10) low to moderate income rent restricted Comparable (size and tenant types) Projects. Also required is a resume for the proposed on-site Property Manager, reflecting prior experience during the past five (5) years managing onsite project operations and compliance with rent restricted units.</p>
<p>Permanent First Lien Loan</p>	<p>Provided by CalHFA or a CalHFA Mixed-Income Qualified Permanent Lender. The permanent loan must meet an initial DSCR of at least 1.15 and must maintain a DSCR of 1.0 or higher for the term of the permanent first lien loan. CalHFA may require an initial DSCR higher than 1.15 on a case by case basis, if deemed necessary.</p>
<p>Construction First Lien Loan</p>	<p>Provided by a CalHFA Mixed-Income Qualified Construction Lender.</p>
<p>Limitations</p>	<ol style="list-style-type: none"> 1. MIP cannot be combined with the Tax Credit Allocation Committee’s (TCAC) 9% program. 2. MIP cannot be combined with other state subordinate debt and/or subsidy programs (this does not include state tax credits). Inclusion of other subordinate debt and subsidy will be allowed at CalHFA’s discretion. 3. Projects that have a below market rate component as a result of an inclusionary obligation or are 100% below market as a result of an inclusionary obligation must demonstrate master developer commitment through a dollar-for-dollar match of CalHFA’s resources. Match can be obtained through a monetary match or equivalent in-kind contributions (e.g., land donation, land use fee concessions.) 4. At the time of MIP application to CalHFA, a project must not have already received an allocation of 4% federal and/or state tax credits from TCAC or a tax-exempt bond allocation from CDLAC. 5. Projects will not be eligible for other subsidy resources from CalHFA in addition to MIP.
<p>Mixed-Income Project Occupancy Requirements</p>	<p>FEDERAL BOND REGULATORY AGREEMENT REQUIREMENTS (ALL PROJECTS):</p> <p>Must maintain either (a) 20% of the units must be rent restricted and occupied by individuals whose incomes are 50% or less of AMI with adjustments for household size (“20% @ 50% AMI”), OR (b) 40% or more of the units must be both rent restricted and occupied by individuals whose incomes are 60% or less of AMI with adjustments for household size (“40% @ 60% AMI”): in the latter case, a minimum of 10% of the unit types must be at 50% or less of AMI (“10% @ 50% AMI”).</p> <p>MIXED INCOME REGULATORY AGREEMENT REQUIREMENTS (ALL PROJECTS):</p> <p>Affordability Requirements:</p> <ol style="list-style-type: none"> 1. To qualify, a project must have at least 10% of the total units restricted as follows*: <ol style="list-style-type: none"> a. 81% to 120% of AMI with an average of 100% of AMI or greater OR if the market study does not support restrictions at these levels,

MIXED-INCOME LOAN PROGRAM

<p>Mixed-Income Project Occupancy Requirements (Continued)</p>	<ul style="list-style-type: none"> b. 60% to 80% of AMI with an average of 70% of AMI or greater, subject to the Maximum Allowable Rents outlined below. <p>*(Deviations from the average unit affordability levels of 70% AMI or 100% AMI outlined above will only be considered if market study supports such deviations.)</p> <ul style="list-style-type: none"> 2. AND either <ul style="list-style-type: none"> a. Tax credit transactions that are income-averaged must not exceed an average affordability of 60% AMI across all restricted units, OR b. Mixed income per CDLAC definitions, a Qualified Residential Rental Project having 50% or fewer of its total units designated as Restricted Rental Units (as restricted by a Bond or TCAC Regulatory Agreement at 60% AMI or lower-CDLAC Regulations Article 1, Section 5000). <p>Note: These restrictions will remain in effect for 55 years. MIP regulatory agreement will restrict 10% of the total units at or below 80% of AMI, another 10% of the total units at or below 50% of AMI (or 80% AMI if there is an exception pursuant to Health and Safety Code Section 51335), and in addition to these restrictions, a minimum of 10% of the total units between 81% up to 120% of AMI OR (subject to the requirements identified above) 10%-29% of the total units between 60% up to 80% AMI, and the remaining units restricted at or below 120% of AMI, except for the designated manager's unit(s).</p> <p>MAXIMUM ALLOWABLE RENTS:</p> <p>Rents for units restricted at 80% AMI and below must be at least 10% below market rents as evidenced by a current Market Study.</p> <p>Rents for units restricted between 81%-120% AMI must be at least 10% below market as evidenced by a current Market Study.</p>
<p>Mixed-Income Subordinate Loan</p>	<ul style="list-style-type: none"> 1. Maximum loan amount for each project shall not exceed 10% of total MIP allocation for the respective year. <ul style="list-style-type: none"> a. Maximum loan per restricted (tax credit or CalHFA) units between 50%-80% AMI shall be \$50,000. b. Maximum loan per MIP restricted units between 81%-120% AMI shall be \$100,000. c. Projects located within the Highest or High Resource areas designated on the TCAC/HCD Opportunity Area Map shall be eligible for an additional 5% of the project eligible basis per 4% federal and state tax credit program. Opportunity Map Home Page 2. Loan size based on project need but cannot be more than 50% of the permanent loan amount.
<p>Mixed-Income Subordinate Loan Rates & Terms</p>	<ul style="list-style-type: none"> 1. Interest Rate: 2.75% simple interest. 2. Loan Term: The MIP loan term shall be coterminous with the permanent first lien loan. 3. Loan Payment: Residual receipt repayment based on cash flow analysis and split 50% to Owner and 50% to CalHFA and other residual receipt lenders. Residual receipt is defined as 50% of surplus cash which is determined as net operating income minus total debt service and other Agency approved payments. Payments shall be applied to the current and/or accrued interest and then principal of the MIP loan. 4. Affordability Term: Up to 55 years. 5. Assignability: Consent will be considered. 6. Prepayment: May be prepaid at any time without penalty.

MIXED-INCOME LOAN PROGRAM

Mixed-Income Subordinate Loan Rates & Terms (Continued)	<ol style="list-style-type: none"> 7. Subordination: A subordination and/or extension of MIP maturity request in conjunction with a re-syndication, refinance, or ownership transfer (“capitalization event(s)”) will be considered. If MIP loan is outstanding at time of the capitalization event(s), the original MIP annual fee schedule will remain in place until the earlier of MIP regulatory restriction expiration, including any extensions, or repayment of the MIP loan. If the outstanding MIP loan is subordinated at the time of such event, the surplus cash split between borrower and CalHFA and other residual receipt lenders may be altered to reflect an increased percentage of residual receipts to CalHFA out of Borrower’s share until such time as the MIP loan is paid in full. The remaining residual receipts may be split between other residual receipt lenders. 8. Funded: Only at permanent loan conversion.
CalHFA Conduit Bond Program	<p>For more information on CalHFA’s Conduit Issuer Program and the fees associated with it, visit CalHFA’s website: www.calhfa.ca.gov/multifamily/programs/forms/termsheet-conduit.pdf</p>
CalHFA First Lien Permanent Rates & Terms (subject to change)	<p>For more information on CalHFA’s Permanent Loan Program and the fees associated with it, visit CalHFA’s website: www.calhfa.ca.gov/multifamily/programs/forms/termsheet-perm-tax-exempt.pdf</p>
Fees (subject to change)	<ol style="list-style-type: none"> 1. Program Application Fee: \$10,000 non-refundable, due at time of CalHFA MIP application submittal. The application fee shall be credited towards Loan Fee at time of MIP permanent loan closing. 2. Loan Fee: 1.00% of the loan amount (50% due at final commitment and 50% due at CalHFA MIP loan closing). 3. Legal Fee: \$15,000, due at loan closing (applicable if CalHFA is not providing permanent financing). 4. Ongoing Annual MIP Fee Payable in the event that CalHFA is not the Permanent Lender: 0.35% of the Permanent Loan Amount commencing at CalHFA MIP loan closing, calculated based on the principal balance of an amortization schedule with the following assumptions: i) 55 year amortization; ii) start date, interest rate and the loan amount consistent with permanent first lien loan (this fee is applicable if CalHFA is not providing permanent financing and will remain in place until the repayment of the MIP loan). 5. Annual Administrative Fee: \$7,500 per year (subject to change). <p>Conduit Bond Program Fees: Refer to CalHFA Conduit Bond Program www.calhfa.ca.gov/multifamily/programs/forms/termsheet-conduit.pdf</p> <p>CDLAC Fees: Refer to CDLAC regulations for all applicable fees.</p> <p>If CalHFA is selected as the permanent lender, please refer to CalHFA First Lien Permanent Rates & Terms for first mortgage loan fees, credit enhancements, trustee fees, legal fees, inspection fees, administrative fees. www.calhfa.ca.gov/multifamily/programs/forms/termsheet-perm-tax-exempt.pdf</p>

Last revised: 11/2019

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. Not printed at taxpayer expense.



CONDUIT ISSUER PROGRAM

MULTIFAMILY HOUSING BONDS

The CalHFA Conduit Issuer Program is designed to facilitate access to tax-exempt and taxable bonds (“Bond”) by developers that seek financing for eligible projects that provide affordable multifamily rental housing for individuals, families, seniors, veterans or special needs tenants (“Project”). The conduit Bonds may be used to finance the acquisition, rehabilitation, and/or development of an existing Project, or they can be used for the construction of a new Project.

Qualifications	<ul style="list-style-type: none"> Available to for-profit, non-profit or public agency sponsors. Non-profit borrowers may be eligible for 501(c)(3) bonds. If bond proceeds are utilized to pay off an existing CalHFA portfolio loan visit www.calhfa.ca.gov for the CalHFA Portfolio Loan Prepayment Policy.
Bond Amount	Bond amount is determined by the loan amount of the selected construction lender.
Fees (subject to change)	<ul style="list-style-type: none"> Application Fee: \$5,000 non-refundable, due at time of application submittal (covers the cost of the TEFRA) and is credited towards the CalHFA Issuer Fee. Issuer Fee: <ol style="list-style-type: none"> 1. The greater of \$15,000 or 0.20% of the Bond amount if less than \$20 million dollars 2. If more than \$20 million dollars: \$40,000 + 0.10% of the amount above \$20 million dollars Annual Administrative Fee: \$7,500 (scattered site projects may require increased fees) due and payable in advance in annual installments commencing on Bond issuance through the term of the regulatory period. Public Sale: additional fee of \$5,000 to \$10,000 applies when Bonds are sold to the public. CDLAC Allocation Fee: 0.035% of the Bond amount, \$1,200 of which is due at time of CDLAC application submittal with the remaining fee due at construction loan closing, and is payable to CDLAC. CDLAC Performance Deposit: 0.50% of the requested Bond amount, not to exceed \$100,000, due at time of CDLAC application submittal. Deposit to be refunded after the Bond closing, upon receipt of authorization letter from CDLAC. <p>The Borrower shall be responsible for all other costs of Bond issuance including fees of the underwriter, trustee, rating agencies, lender, compliance administrator, all Bond counsel legal fees, and any other parties required to complete the transaction.</p>

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CONDUIT ISSUER PROGRAM

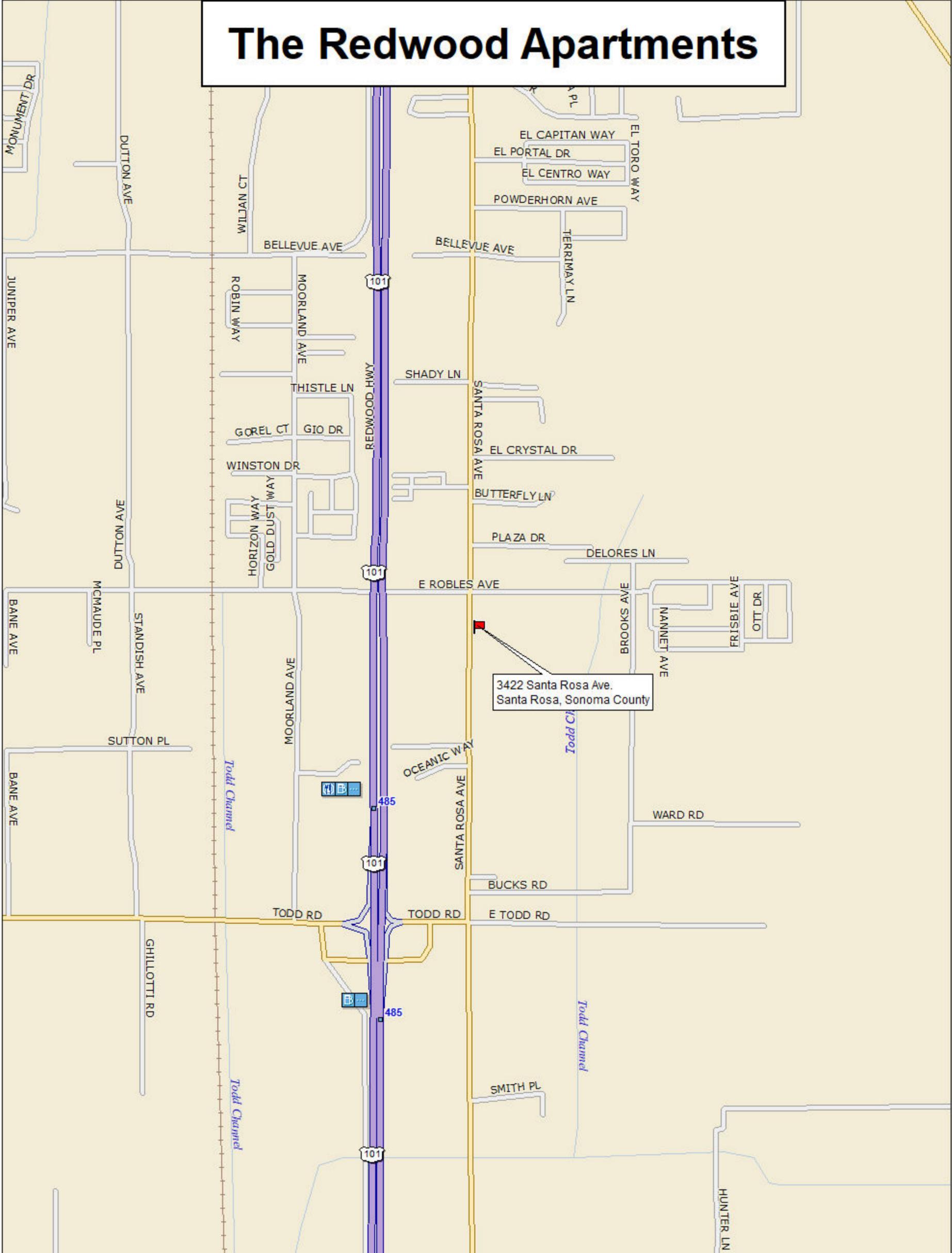
Occupancy Requirements

- Either (A) 20% of the units must be rent restricted and occupied by individuals whose incomes are 50% or less of the area median income as determined by HUD ("AMI") with adjustments for household size ("20% @ 50% AMI"), or (B) 40% or more of the units must be both rent restricted and occupied by individuals whose income is 60% or less of the AMI, with adjustments for household size ("40% @ 60% AMI"); however in the latter case, a minimum of 10% of the units must be at 50% or less of AMI.
- Borrower will be required to enter into a Regulatory Agreement which will be recorded against the Project for the Qualified Project Period (as defined in the CalHFA Regulatory Agreement). This includes the latter of the federally-required qualified project period, repayment of the Bond funded loan, redemption of the Bonds or the full term of the CDLAC Resolution requirements.

Last revised: 03/2019

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The Redwood Apartments



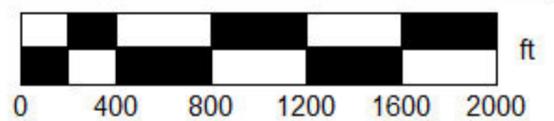
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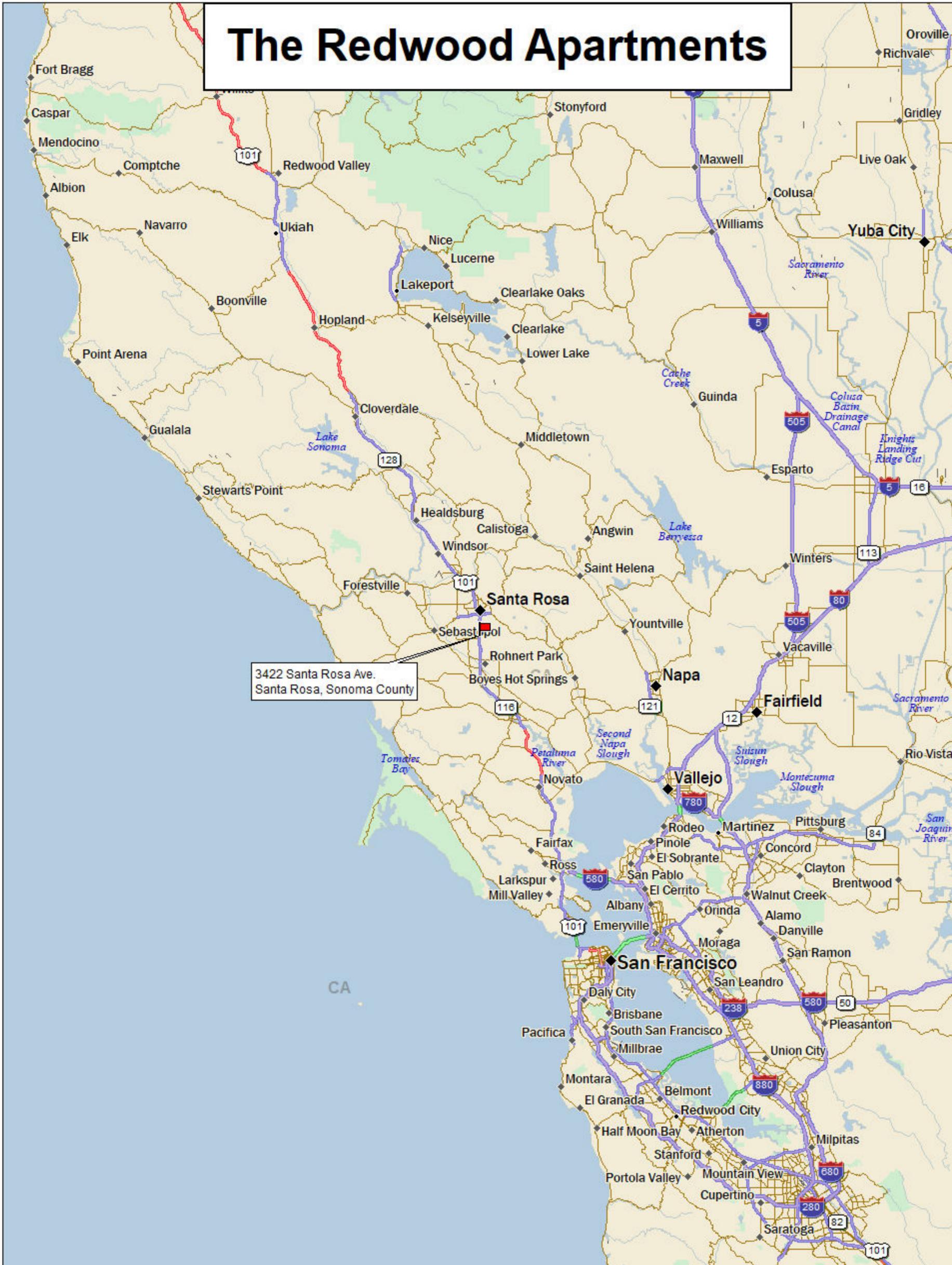


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The Redwood Apartments



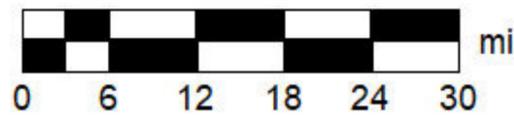
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1 WHEREAS, the Board wishes to grant the staff the authority to enter into a loan
2 commitment to provide permanent financing for the development and taking out the Conduit
3 Bonds upon Agency staff determining in its judgment that reasonable and prudent financing
4 mechanisms can be achieved;

5
6 NOW, THEREFORE, BE IT RESOLVED by the Board of Directors (the "Board") of
7 the California Housing Finance Agency as follows:

8
9 1. The Executive Director, or in her absence, the Chief Deputy Director, is hereby
10 authorized to execute and deliver a final commitment letter, in a form acceptable to the Agency,
11 and subject to recommended terms and conditions set forth in the Staff Report and any terms
12 and conditions as the Board has designated in the Minutes of the Board Meeting, in relation to
13 the Development described above and as follows:

<u>PROJECT NUMBER</u>	<u>DEVELOPMENT NAME/ LOCALITY</u>	<u>MORTGAGE AMOUNT</u>
19-066-A/X/N	THE REDWOOD APARTMENTS	\$15,000,000.00 Tax-Exempt Permanent First Mortgage Loan
		\$ 4,750,000.00 MIP Subsidy Loan

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25 The Board recognizes that in the event that staff cannot determine that reasonable and prudent
26 financing mechanisms can be achieved, the staff will not enter into loan commitments to finance
27 the Development. In addition, access to capital markets may require significant changes to the
28 terms of loans submitted to the Board. Notwithstanding paragraph 2 below, the staff is
29 authorized to make any needed modifications to the loan which in staff's judgment are directly
30 or indirectly the result of the disruptions to the capital markets referred to above.

31
32 2. The Executive Director may modify the terms and conditions of the loan or
33 loans as described in the Staff Report, provided that major modifications, as defined below,
34 must be submitted to this Board for approval. "Major modifications" as used herein means
35 modifications which either (i) increase the total aggregate amount of any loans made pursuant to
36 the Resolution by more than 7%; or (ii) modifications which in the judgment of the Executive
37 Director, or in her absence, the Chief Deputy Director of the Agency, adversely change the
38 financial or public purpose aspects of the final commitment in a substantial way.

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SECRETARY'S CERTIFICATE

I, Claire Tauriainen, the undersigned, do hereby certify that I am the duly authorized Secretary of the Board of Directors of the California Housing Finance Agency, and hereby further certify that the foregoing is a full, true, and correct copy of Resolution No. 20-09 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 14th day of May 2020, at which meeting all said directors had due notice, a quorum was present 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 hereto this 14th day of May 2020.

ATTEST:

CLAIRE TAURIAINEN
Secretary of the Board of Directors of the
California Housing Finance Agency

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State of California

MEMORANDUM

To: CalHFA Board of Directors

Date: May 14, 2020

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

Subject: Agenda Item: Proposed Strategic Business Plan & Operating Budget for Fiscal Year 2020-21

Background

Every January and February the Agency's leadership team holds a series of business planning sessions designed to review the organization's performance against the current year business plan and to use that discussion to assist in the development of the proposed business plan for the coming fiscal year. Directly following the business planning sessions, each department head is tasked with the development of a budget that supports the achievement of the goals and strategic initiatives outlined in the Agency's proposed business plan. In March, staff provided a detailed Board report and conducted a mid-year business plan update and policy workshop with the Board in which staff presented actual business plan results through mid-year (December 31, 2019) and projections for the remainder of the current fiscal year. Staff also provided the Board with information regarding possible initiatives for the 2020-21 fiscal year.

Fiscal year 2019-20 has been an incredibly successful year for CalHFA despite the uncertainty impacting the health of our country and economy. While we continue to grapple with the domino effect of shutting down an economy and sorting through how this will impact our business lines, we should take a moment to acknowledge the hard work and dedication of our CalHFA staff. The Agency's Single Family Lending program is on pace for another record-setting year. The 2018-19 fiscal year was the third consecutive record-setting year for the CalHFA single family lending program, as they securitized more than \$3.5 billion in first mortgage loan purchases, assisting 12,050 first-time homebuyers. Despite the unprecedented situation occurring in our economy and around the world, the program has already exceeded last year's all-time record.

Similarly, the Agency's Multifamily Lending program continues to make meaningful progress to improve our products, pricing and execution and this has led to year-over-year growth in overall lending activity. For 2019-20, the business planning goal for Multifamily Lending was \$500.7 million:

- \$120 million in First Lien Loan Origination
- \$40 million in Mixed-Income Program (subsidy)
- \$321 million in Conduit Issuance
- \$20 million in Special Needs Housing Program (SNHP)

The pipeline of projects set to close prior to the end of the fiscal year reveals a high likelihood that the program will exceed established business planning goals closing approximately \$1.2 billion in total lending volume, another all-time high for CalHFA.

Other significant business plan highlights for the 2019-20 fiscal year are noted below. For a complete list of Agency activities and accomplishments, please refer to the materials provided in the March 2019 Board meeting:

- Launched the HUD 184 Indian Home Loan Guarantee program
- Launched the USDA Homeownership Program for rural communities
- Expect launch of Fannie Mae Homestyle Energy Efficiency program prior to end of fiscal year
- Completed the research necessary to stand up a bond recycling program
- Successfully renewed letters of credit supporting variable rate demand obligations
- Standard and Poor's raised CalHFA's issuer credit rating, from 'A+' to 'AA-' with a stable outlook
- CalHFA executed two conduit securitizations with Citibank Community Capital for \$636 million which does not impact valuable State bond cap and provided CalHFA with additional resources to support our mission
- Completed Request for Proposal (RFP) for a vendor to provide Optical Character Recognition (OCR) software to extract and compare data from Single Family lending documents to streamline and automate manual processes
- Agency received the second consecutive award for Excellence in Financial reporting from the Government Finance Officers Association (GFOA)
- Implemented Dynamics Budgets software to streamline Agency budget processes
- Identified new multifamily software that will potentially consolidate both the origination platform and the asset management platform into a single system eliminating manual processes and improve data collection and reporting

- Developed and implemented a plan to transition residual KYHC activities to Single Family Loan Administration, Fiscal Services and IT
- Completed State Leadership Accountability Act (SLAA) report
- Completed key recruitments for the Director of Multifamily Programs, the Deputy Director of Multifamily Programs and the Multifamily Credit Officer

2020-21 Business Plan

Unlike previous years, I will provide no literary references or allegories to help describe the CalHFA journey or future focus. As with all organizations, we are defined by our greatest assets, the employees. Our staff are dedicated, mission driven and determined, but like all people, we are impacted by the world around us and we react and adapt in different ways and at different speeds. I speak only for myself when I say that having lived through the great recession as a CFO for an organization that needed to make hard decisions regarding how to keep the organization solvent, I had hoped I would never find myself in the same position again. Thankfully, as we watch things unfold in the financial markets and the economy at large, CalHFA is in a great position to weather this crisis. We will have our pain points and no one can ever predict every eventuality, but through Executive Director Patterson's strong leadership and the talent and focused efforts of our Agency staff, we have purposefully and methodically eliminated our exposure to variable rate demand obligations, dramatically improved the strength of our balance sheet, transformed our business processes, and built a foundation for the future with experienced leaders and staff. The future may still be uncertain at times, and we may face more storms on this journey, but I am confident that this team can navigate whatever is put in front of us. That said, we identified the following primary goals for CalHFA's 2020-21 Strategic Business Plan:

1. *Promote state-wide affordable housing production and opportunities for homeownership while maintaining financial sustainability and independence*
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, lenders (both public and private), and stakeholders who complement CalHFA's lending objectives and policy priorities in order to deliver effective and innovative housing solutions*

With these goals serving as a guide rail, the Business Plan was formulated by the Agency's mid-year performance, internal analysis of operational requirements needed to advance business planning goals and the changes in the political and financial markets. In addition to the

business plan, we have incorporated resource projections to provide the Board with 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 proposed fiscal year 2020-21 Business Plan (Attachment 6-B) which supports the three goals previously outlined includes:

- Securitize \$2 billion in first mortgage loan purchases generating \$30 million in revenue for Single Family Lending
- Finance \$67 million in MyHome subordinate loans for down payment assistance generating \$3.3 million in administrative fees
- Finance \$40 million in Zero Interest Program (ZIP) subordinate loans for closing cost assistance
- Continue efforts to pursue permanent source of down payment assistance
- Standardize documents for subordinate notes and deeds (Fannie/Freddie)
- Launch the FHA 203(h) for disaster victims
- Implement Fannie Mae's upload process for Universal Residential Loan Application (Form 1003)
- Initiate Phase 1 efforts to implement Optical Character Recognition (OCR) software single family lending
- Finance \$1 billion in Multifamily Lending activity including:
 - \$714 million in conduit issuance
 - \$49.2 million permanent loan conversions
 - \$153.3 million permanent loan commitments
 - \$74 million mixed-income subsidy loans commitments
 - \$18.4 million in other subsidy loan conversions and commitments
 - \$40.5 million in Special Needs Housing Program (SNHP) lending
- Generate \$4.3 million in lending fee income from Multifamily Lending activity
- Monitor market acceptance of the Mixed-Income Program (MIP) and adjust program as needed to address current market environment while ensuring the efficient utilization of funds

- Monitor the status of future funding allocations for the MIP and develop strategies to expand or contract program as needed (i.e. continued disbursement of AB 101 funds, new allocations of state tax credits)
- Continue portfolio preservation strategy
- Continue orderly wind-down of the Special Needs Housing Program
- Close out Traditional Contract Administration (TCA) activities in coordination with HUD
- Manage balance sheet capital reserves to achieve an AA General Obligation rating
- Develop strategy, systems and capacity to administer a tax-exempt bond recycling program
- Refine multifamily yield maintenance process and procedures
- Eliminate all variable rate bonds
- Prioritize filling key vacancies within divisions; promote succession planning; and reduce key employee dependencies
- Advocate for federal and state resources to stabilize California's affordable housing portfolio
- Develop strategies to affirmatively further fair housing by reviewing our loan portfolio regulatory agreements, statutes and internal policies

Budget Summary

We developed the proposed budget for fiscal year 2020-21 with the above Business Plan in mind. The following charts provide a summary of the estimated resources for the coming fiscal year and how those resources will be deployed. The Agency anticipates that operating revenues will exceed operating costs by approximately \$30.3 million and will be used to support future affordable housing lending activity and operational costs. In order to implement and deliver on the goals and activities outlined in the Agency's strategic business plan, staff recommends adoption of an operating budget of \$39.7 million, of which \$25.7 million will be used for personal services and \$14 million for operating expenses and equipment.

Revenues

Agency resources are primarily generated from lending fees, interest income, servicing fees and other administrative fees. Unlike five years ago, revenues generated from current year lending activities now cover the Agency's entire operating budget and any surplus can be used to support our affordable housing programs, retire debt, improve our overall credit rating in the market, etc. Single Family Lending will set a new record in lending volume and revenue generation this year; however, the COVID-19 crisis has slowed production in the last couple of months. Accordingly, we are being prudent in these uncertain times and will be hedging our production and revenue estimates down to a level that is reasonable based upon the most recent production statistics and sustainable based upon available resources.

The Agency's Multifamily Lending programs have continued to grow year-over-year and we have a high degree of confidence that we will surpass our overall lending goals for fiscal year 2019-20. As for the fiscal year 2020-21 projections, the pipeline of multifamily projects stemming from our mixed-income program, the majority of which have received allocations of both bonds and tax credits, is solid and will close construction in the new fiscal year. Despite the current state of things, transactions in this stage of the lending process are much less vulnerable to fallout because if they do not close construction in six months of their allocation date, they will lose their bonds and tax credits. Of course, there can still be fallout, there are many variables and unknowns at play, including how the tax credit market will value large volume of tax credits flooding the market during the crisis and what impact that might represent to some projects. Accordingly, staff have made allowances for fallout and applied haircuts to certain pipeline assumptions. The effects of the crisis on our multifamily production and revenues will likely be felt in fiscal year 2021-22 after the impact of COVID-19 on the State budget and the overall effect on the economy is fully realized and absorbed into the financial ecosystem. As always, staff will provide the Board with quarterly progress reports and revisit the business plan assumptions and provide updated forecasts during the mid-year business plan review.

CALIFORNIA HOUSING FINANCE AGENCY

Fiscal Year 2020-21 REVENUE BUDGET

(IN THOUSANDS)

Single Family Lending:

Lending Fees	30,000
Interest Income	13,750
Servicing Income	2,000
Other Admin. Fee Income	3,300
TOTAL	51,050

Multifamily Lending:

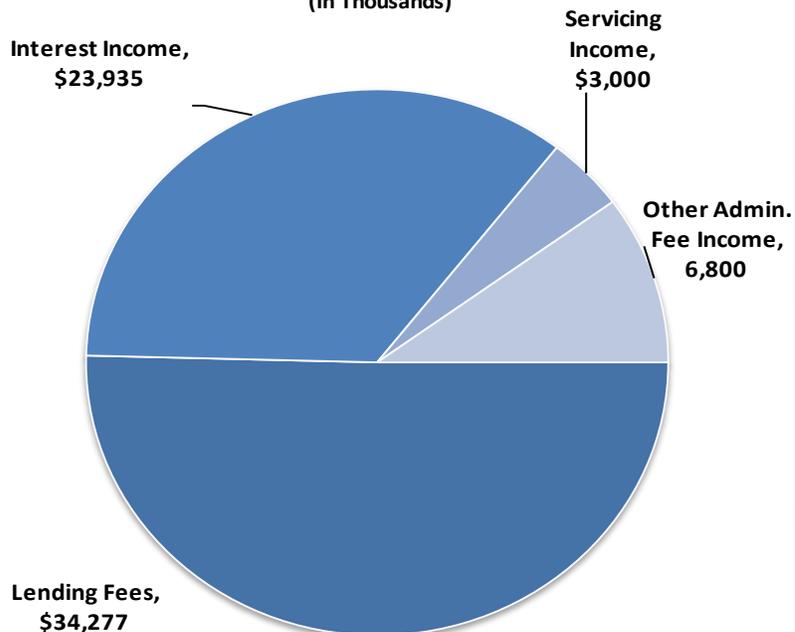
Lending Fees	4,277
Interest Income	10,185
Servicing Income	1,000
Other Admin. Fee Income	3,500
TOTAL	18,962

TOTAL EST. REVENUES	70,012
----------------------------	---------------

ESTIMATED SOURCES FISCAL YEAR 2020-21

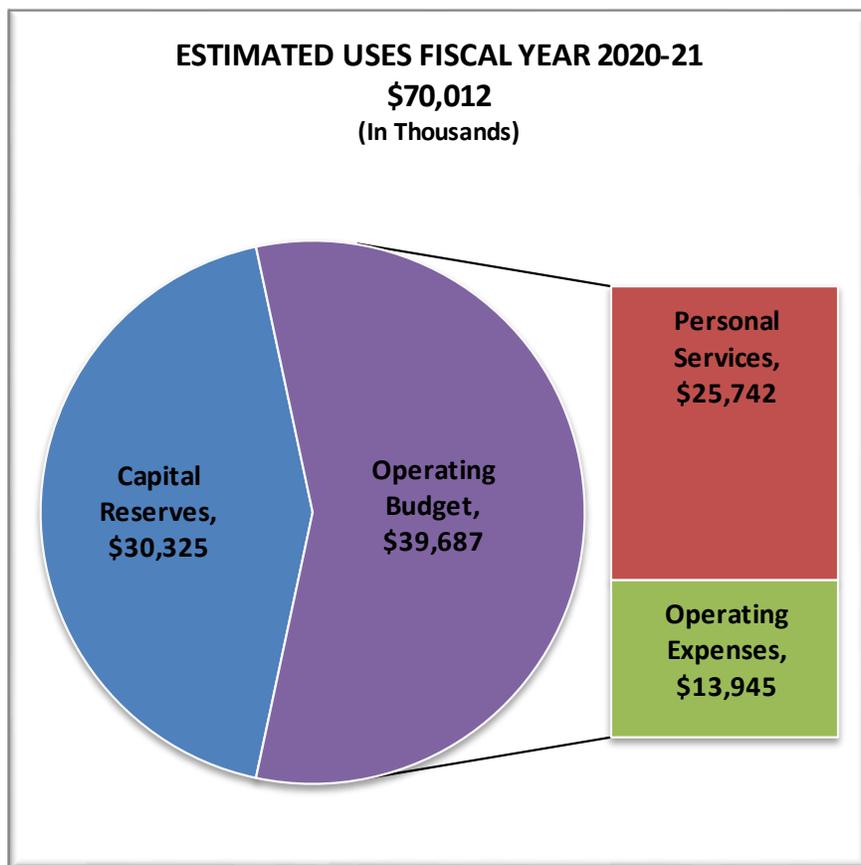
\$70,012

(In Thousands)



Operating Budget

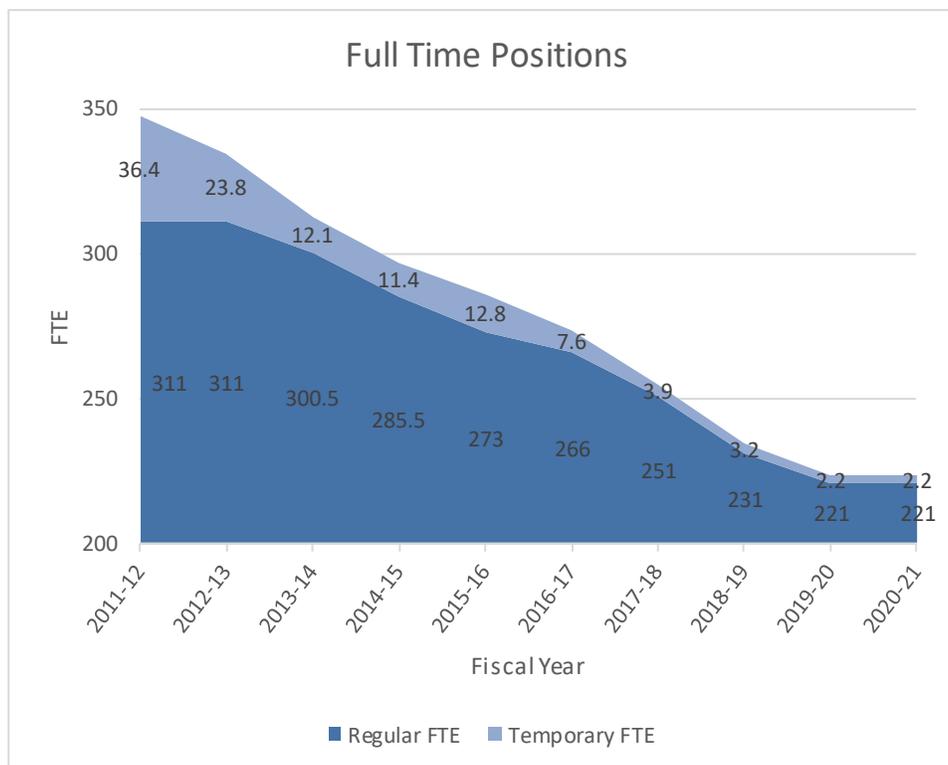
The Agency proposes a balanced operating budget in the amount of \$39.7 million representing the appropriations required to support the operational initiatives for fiscal year 2020-21 (Attachment 6-C). The proposed budget reflects a \$2.1 million or 5% percent decrease in appropriations compared with the prior year and is directly attributable to reductions in salaries and benefits stemming from anticipated vacancies and a more accurate refinement in the way employee benefit costs are budgeted. For the past six years, the Agency has embraced a management philosophy centered on accountability, fiscal responsibility and the idea that the actions we take should further the mission and goals of the organization in the most efficient ways practicable. Consequently, between fiscal year 2014-15 and 2019-20, the Agency used technology and the refinement of business processes to reduce the Agency's operating budget by 8% and for the most part has maintained that cost structure despite the rising costs of employee salaries and benefits. While doing this we have increased our lending production to record setting levels in both of our major business units. As a result, while budgets of other State agencies have grown, CalHFA has streamlined its operations, controlled costs and produced better results in the process.



CALIFORNIA HOUSING FINANCE AGENCY							
Fiscal Year 2020-21 OPERATING BUDGET							
(IN THOUSANDS)							
	Adopted Budget 2016-17	Adopted Budget 2017-18	Adopted Budget 2018-19	Adopted Budget 2019-20	Proposed Budget 2020-21	Variance FY 19/20 to FY 20/21	
OPERATING EXPENSES							
Salaries and Benefits	29,683	29,131	28,642	28,806	25,565	(3,241)	-13%
Temp Services/Other	526	291	230	175	177	2	1%
<i>Personal Services</i>	29,610	28,910	28,349	28,483	25,742	(2,741)	-11%
General Expense	694	827	722	775	745	(30)	-4%
Communications	414	440	417	407	429	22	5%
Travel	480	553	597	638	498	(140)	-28%
Training	175	203	209	270	256	(14)	-5%
Facilities Operation	2,825	2,919	2,974	3,115	2,868	(247)	-9%
Consulting & Professional Services	3,861	3,460	3,008	2,867	5,634	2,767	49%
Central Administrative Services	2,624	2,254	2,317	2,699	1,860	(839)	-45%
Information Technology	854	813	953	2,326	1,485	(841)	-57%
Equipment	130	130	130	180	170	(10)	-6%
<i>Operating Expenses</i>	12,057	11,599	11,327	13,276	13,945	669	5%
TOTALS	\$41,667	\$40,509	\$39,676	\$ 41,759	\$ 39,687	\$ (2,072)	-5%

Staffing

For fiscal year 2020-21, the Agency is proposing that authorized full-time equivalent positions (FTEs) be left unchanged at 223.2 FTEs (221 permanent positions and 2.2 temporary positions), identical to the prior year. The following table illustrates the changes in the approved FTEs since fiscal year 2011-12:



With this information in mind, staff respectfully submit the proposed 2020-21 Business Plan and Operating Budget for Board approval.

Attachments

- 6-A FY 2020-21 Proposed Business Plan Executive Summary
- 6-B FY 2020-21 Proposed Business Plan
- 6-C FY 2020-21 Proposed CalHFA Operating Budget:
 1. CalHFA Fund Operating Budget
 2. Summary of Personnel and Division Budgets
 3. 2245 CA Housing Finance Agency – Position/Salary Detail
 4. Out of State Travel
 5. Schedule of Contracts

1 BOARD OF DIRECTORS
2 OF THE CALIFORNIA HOUSING FINANCE AGENCY
3

4 RESOLUTION NO. 20-10
5

6 RESOLUTION AUTHORIZING THE AGENCY BUSINESS PLAN
7 FOR FISCAL YEAR 2020/2021
8
9

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

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

21
22 WHEREAS, the COVID-19 virus has impacted every facet of daily life,
23 including the California economy and real estate markets, and will present financial
24 challenges within changing credit and capital markets into the foreseeable future;

25
26 WHEREAS, the Agency must responsibly manage real estate related risk
27 and liquidity for operating expenses and financial obligations;

28
29 WHEREAS, the Agency has presented to the Board of Directors a Business
30 Plan, for fiscal year 2020/21, with its goals, key strategies and action items
31 designed to assist the Agency in meeting its financial obligations, its statutory
32 objectives, support the housing needs of the people of California and to provide the
33 Agency with the necessary road map to respond to the current COVID-19 crisis and
34 reemerge as a leading affordable housing lender providing bond financing and
35 mortgage financing well into the future;

36
37 NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the
38 Agency as follows:
39

40 1. The 2020/21 Business Plan, as presented by the written presentation
41 attached hereto and made a part hereof, and any additional presentations made at
42 the meeting, is hereby fully endorsed and adopted.
43

44 2. In implementing the Business Plan, the Agency shall strive to satisfy all
45 the capital adequacy, liquidity reserve, credit and other reserve and any other
46 requirements necessary to maintain the Agency’s general obligation credit ratings
47 and the current credit ratings on its debt obligations, to comply with the
48 requirements of the Agency’s providers of credit enhancement, liquidity, and

1 interest rate swaps and to satisfy any other requirements of the Agency's bond and
2 insurance programs.

3
4 3. The updated Business Plan is necessarily based on various economic,
5 fiscal and legal assumptions. Therefore, for the Agency to respond to changing
6 circumstances, and subject to the provisions of Resolution 11-06, the Executive
7 Director shall have the authority to adjust the Agency's day-to-day activities to
8 reflect actual economic, fiscal and legal circumstances to attain goals and
9 objectives consistent with the intent of the updated Business Plan.

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12 Attachment
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SECRETARY'S CERTIFICATE

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2
3 I, Claire Tauriainen, the undersigned, do hereby certify that I am the duly
4 authorized Secretary of the Board of Directors of the California Housing Finance
5 Agency, and hereby further certify that the foregoing is a full, true, and correct
6 copy of Resolution No. 20-10 duly adopted at a regular meeting of the Board of
7 Directors of the California Housing Finance Agency duly called and held on the
8 14th day of May, 2020, at which meeting all said directors had due notice, a
9 quorum was present and that at said meeting said resolution was adopted by the
10 following vote:

11
12 AYES:

13
14 NOES:

15
16 ABSTENTIONS:

17
18 ABSENT:

19
20 IN WITNESS WHEREOF, I have executed this certificate hereto this
21 14th day of May 2020.

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23
24 ATTEST:

25 Claire Tauriainen
26 Secretary of the Board of Directors of the
27 California Housing Finance Agency
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CALHFA FY2020-21 BUSINESS PLAN

Executive Summary

SERVE PEOPLE

Promote state-wide affordable housing production and opportunities for homeownership while maintaining financial sustainability and independence

REFINE OPERATIONS

Continue to improve operational efficiencies through the use of technology, workforce planning and the implementation of best practices

BUILD PARTNERSHIPS

Collaborate with other housing entities, lenders and stakeholders who complement CalHFA's lending objectives and policy priorities in order to deliver effective and innovative housing solutions

SERVE PEOPLE



Single Family Lending

- Help 6,700 homebuyers purchase their first home
- Secure \$2 billion in 1st mortgage loans to generate \$30 million in revenue
- Finance \$107 million in subordinate loans for down payment assistance and closing costs, generating \$3.3 million in fees
- Continue to monitor and implement the Fannie Mae Duty to Serve mandate and the upload process for Universal Residential Loan Application (Form 1003)
- Continue efforts to pursue permanent source of down payment assistance programs
- Launch the FHA 203(h) for disaster victims



Multifamily Lending

- Produce and preserve more than 3,525 units of affordable housing
- Finance \$1 billion in multifamily lending with \$714 million in conduit issuance, \$202.5 million in permanent loan conversions and commitments, \$74 million in Mixed-Income Program (MIP) lending, and \$40.5 million in Special Needs Housing Program (SNHP) lending, and \$18.4 million in other subsidy loan conversions and commitments
- Monitor market acceptance and status of future funding allocations for MIP
- Continue the portfolio preservation strategy
- Close out Traditional Contract Administration (TCA) activities in coordination with HUD

REFINE OPERATIONS

Financial Position

- Manage balance sheet capital reserves to achieve an AA General Obligation rating
- Develop strategies, systems and capacity to administer a tax-exempt bond recycling program
- Refine Multifamily yield maintenance process and procedures
- Eliminate all variable rate bonds

Risk Mitigation

- Identify risks associated with agency activities in compliance with the State Leadership Accountability Act report
- Implement Security Information and Event Management (SIEM)

Operational Efficiencies

- Acquire and implement Optical Character Recognition (OCR) software to streamline loan processing
- Prioritize filling key vacancies within divisions, promote succession planning, and reduce key employee dependencies
- Expand use of Geographic Information Systems and Microsoft PowerBI for data visualization and mapping internally and externally
- Transition Multifamily Asset Management activities to a new streamlined system
- Implement an Information Technology Service Management (ITSM) to improve IT customer service
- Transition residual Keep Your Home CA activities to Loan Administration, Fiscal Services and IT

BUILD PARTNERSHIPS

Partnerships for CA Housing Needs

- Continue collaboration with DGS and HCD regarding state surplus property
- Build and maintain relationships with state and federal legislators by providing technical assistance, advocacy for affordable housing in CA, and resources to stabilize housing portfolio
- Establish strategy for partnerships in communities recovering from disasters
- Develop strategies to affirmatively further fair housing by reviewing our loan portfolio regulatory agreements, statutes and internal policies



CalHFA Strategic Business Plan FY 2020-21

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

BUSINESS PLAN GOALS	KEY STRATEGIES	ACTION ITEMS	Initial Plan Year	Multi-Year Effort?	Expected Completion FY20/21	Expected Completion FY21/22	Expected Completion FY22/23		
Promote state-wide affordable housing production and opportunities for homeownership while maintaining financial sustainability and independence	1 Promote sustainable homeownership opportunities by expanding product offerings while serving a broad range of income and housing types	Finance \$2 billion in single family lending activity and serve approximately 6,700 homebuyers	Volume	Fee Income	Homeowners				
		A Securitization of 1st mortgage loans	\$ 2,000,000,000	\$ 30,000,000	6,700				
		B MyHOME subordinate loans for down payment assistance	\$ 67,000,000	\$ 3,300,000	-				
		C Zero Interest Program (ZIP) Subordinate loans for closing cost assistance	\$ 40,000,000	\$ -	-				
			\$ 2,107,000,000	\$ 33,300,000	6,700				
		D Continue efforts to pursue permanent source of down payment assistance	18/19	YES	Continuous	Continuous	Continuous		
		E Continue to monitor and implement Fannie Mae's Duty to Serve mandate	20/21	YES	Continuous	Continuous	Continuous		
		F Standardize documents for subordinate notes and deeds (Fannie/Freddie)	20/21	NO	9/30/2020				
		G Launch/Offer the FHA 203(h) for disaster victims	20/21	NO	12/31/2020				
		H Implement Fannie Mae's upload process for Universal Residential Loan Application (Form 1003)	20/21	NO	12/31/2020				
		I Complete Keep Your Home California (KYHC) wind-down and transitional activities to CalHFA's oversight	19/20	NO	6/30/2021				
		J Optical Character Recognition (OCR) migration:							
		J1 Initiate Phase 1 efforts to select, acquire and develop schedule for implementation of OCR software	20/21	NO	6/30/2021				
		J2 Initiate Phase 2 efforts to implement OCR software for pre-submission, compliance review and purchase review	20/21	YES	6/30/2022				
		2 Expand multifamily lending opportunities and unit production while addressing preservation needs and providing incentives for mixed-income housing		Finance \$1 billion in multifamily lending activity for approximately 3,525 units	Volume	Fee Income	Units		
				A Conduit Issuance	\$713,860,415	\$1,131,360	445		
				B Permanent Loan Conversions*	\$49,240,071	\$230,325	0*		
				C Permanent Loan Commitments**	\$153,319,840	\$753,005	305		
				D Subsidy Loan Perm Conversion	\$11,936,000	\$0	0		
				E Subsidy Loan Commitments	\$6,500,000	\$0	0		
F Mixed-Income Program (MIP) Subsidy Loan Commitments	\$73,865,000			\$1,287,851	1618				
G SNHP Permanent Loan Conversions	\$40,488,163			\$874,506	1157				
	* Units counted in previous Fiscal year								
	**Units for Perm. Loans tied to MIP subsidies are reported under the MIP subsidy Loan								
	TOTAL			\$1,049,209,489	\$4,277,048	3525			
H Monitor market acceptance of Mixed Income Program (MIP) and adjust program as needed to address current market environment while ensuring the efficient utilization of funds	19/20			YES	Continuous	Continuous	Continuous		
I Monitor the status of future funding allocations for the MIP and develop strategies to expand or contract program as needed (i.e. continued disbursement of AB 101 funds, new allocations of state tax credits)	19/20			YES	Continuous	Continuous	Continuous		
J Continue portfolio preservation strategy to retain portfolio projects set to pay off in the next 5 years and to endeavor to extend regulatory agreement and preserve project affordability	19/20			YES	Continuous	Continuous	Continuous		
K Continue efforts to expand Conduit Issuance to communities that are underserved and lack capacity	19/20			YES	Continuous	Continuous	Continuous		
L Continue responsible wind-down of the Special Needs Housing Program (SNHP):	19/20								
L1 Coordinate disposition of remaining program funds with participating Counties	19/20			NO	6/30/2021				
L2 Process remaining pipeline of SNHP projects	19/20			YES		6/30/2022			
L3 Explore opportunities to transfer servicing & compliance activities back to localities or HCD	19/20			YES			6/30/2023		
M Expand the Preservation Program Platform to include Tax Exempt Bonds resulting from Bond Recycling Program	20/21			NO	3/31/2021				
N Close out Traditional Contract Administration (TCA) activities in coordination with HUD	20/21	NO	6/30/2021						
O Develop procedures related to interdepartmental workflows and job functions to be incorporated in the existing Multifamily Procedure Manual.	20/21	NO	12/31/2020						
P Multifamily system integration and migration:	20/21	YES							
P1 Initiate phase 1 effort to transition multifamily asset management activities to a new system	20/21	YES		12/31/2021					
P2 Initiate phase 2 effort to transition multifamily origination platform to a new system	20/21	YES		6/30/2022					

BUSINESS PLAN GOALS	KEY STRATEGIES	ACTION ITEMS		Initial Plan Year	Multi-Year Effort?	Expected Completion FY20/21	Expected Completion FY21/22	Expected Completion FY22/23	
	3 Strengthen Agency financial position by monetizing assets for liquidity while maximizing return on equity and investment	A	Manage balance sheet capital reserves to achieve an AA General Obligation rating	19/20	YES		6/30/2022		
		B	Establish strategic partnerships to expand financial executions that we can offer to developers	19/20	NO	6/30/2021			
		C	Tax Exempt Bond Recycling Program:	20/21	YES				
		C1	Develop internal systems to administer bond recycling activities	19/20	NO	9/30/2020			
		C2	Execute strategy to preserve tax exempt volume cap and deploy on new transactions	19/20	NO	12/31/2020			
		C3	Develop strategy to expand the recycling program, if feasible and necessary	20/21	YES		12/31/2021		
		D	Refine Multifamily yield maintenance process and procedures	20/21	NO	7/31/2020			
		E	Eliminate all variable rate bonds	20/21	YES		12/31/2021		
Continue to improve operational efficiencies through the use of technology, workforce planning, and the implementation of best practices	4 Increase Operational Efficiencies	A	Continue efforts to streamline and refine processes to improve efficiencies in the Mortgage Access System (e.g. OCR capabilities)	19/20	YES	Continuous	Continuous	Continuous	
		B	Workforce planning: support divisions in filling key vacancies; succession planning; reduce key employee dependencies	17/18	YES	Continuous	Continuous	Continuous	
		C	Identify data visualization and mapping needs and expand use throughout Agency reports; internal and external using GIS and PowerBI	19/20	YES		12/31/2021		
		D	Perform an internal assessment of the Multifamily Loan Accounting process; streamline and automate activities	19/20	NO	12/31/2020			
		E	A/P automation - Docuphase	19/20	YES		9/30/2021		
		F	Implement an Information Technology Service Management (ITSM) to improve IT customer service	19/20	NO	9/30/2020			
		G	Continue cross training, creating desk manuals, succession planning in multiple units (Finance, MF, OGC, Admin etc.)	18/19	YES	Continuous	Continuous	Continuous	
	5 Continuously monitor and employ long-term strategies to mitigate enterprise risk and improve agency management reporting	A	Work with division managers to identify risks associated with agency activities in compliance with the State Leadership Accountability Act (SLAA) report	18/19	YES	Continuous	Continuous	Continuous	
		B	Implement Security Information and Event Management (SIEM)	19/20	NO	9/30/2020			
	Collaborate with other housing entities, lenders (both public and private), and stakeholders who complement CalHFA's lending objectives and policy priorities in order to deliver effective and innovative housing solutions	6 Establish partnerships to increase opportunities for affordable housing production and preservation	A	Continue collaboration efforts with DGS and HCD on the use of state surplus property	18/19	YES	Continuous	Continuous	Continuous
			B	Build and maintain relationships with State and Federal legislators and their staff to provide them with technical assistance; advocate for affordable housing in CA, including resources to stabilize housing portfolio during and post COVID-19 crisis	18/19	YES	Continuous	Continuous	Continuous
			C	Establish disaster strategy for partnerships in communities recovering from disasters (e.g. Sonoma county)	19/20	YES	Continuous	Continuous	Continuous
		7 Affirmatively Furthering Fair Housing	A	Review current regulatory agreements to ensure our compliance with fair housing	20/21	YES	Continuous	Continuous	Continuous
			B	Perform an analysis and build a report on how we are meeting fair housing efforts in our current portfolio	20/21	NO	9/30/2020		
C			Policy review and adjustments (tenant grievance, no displacement, no net loss, AFFH)	20/21	NO	9/30/2020			

1 BOARD OF DIRECTORS
2 OF THE CALIFORNIA HOUSING FINANCE AGENCY

3
4 RESOLUTION NO. 20-11

5
6 RESOLUTION AUTHORIZING THE AGENCY OPERATING BUDGET FOR FISCAL
7 YEAR 2020/2021

8
9 WHEREAS, the Board of Directors of the California Housing Finance Agency has
10 reviewed its proposed operating budget for the 2020/2021 fiscal year;

11
12 NOW, THEREFORE, BE IT RESOLVED as follows:

- 13
14 1. The operating budget attached hereto is hereby approved for operations of the
15 California Housing Finance Agency Fund for fiscal year 2020/2021.

16
17
18
19 Attachment

SECRETARY'S CERTIFICATE

I, Claire Tauriainen, the undersigned, do hereby certify that I am the duly authorized Secretary of the Board of Directors of the California Housing Finance Agency, and hereby further certify that the foregoing is a full, true, and correct copy of Resolution No. 20-11 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 14th day of May 2020, at which meeting all said directors had due notice, a quorum was present 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 hereto this 14th day of
May 2020.

ATTEST:

CLAIRE TAURIAINEN
Secretary of the Board of Directors of the
California Housing Finance Agency

April 17, 2020

CALIFORNIA HOUSING FINANCE AGENCY
2020-21
CALHFA FUND OPERATING BUDGET
(IN THOUSANDS)

	Adopted Budget	Actual	Adopted Budget	Projected Actual	Proposed Budget
<u>EXPENDITURE ITEM</u>	<u>2018-19</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2019-20</u>	<u>2020-21</u>
PERSONAL SERVICES					
Salaries and Wages	\$20,432	\$17,482	\$19,636	\$17,377	\$19,428
Benefits	9,922	8,846	11,288	9,991	10,198
Estimated Savings (Vacancies)	(1,712)	(534)	(2,118)	(2,118)	(4,061)
Anticipated Salaries and Wages and Benefits	<u>28,642</u>	<u>25,794</u>	<u>28,806</u>	<u>25,250</u>	<u>25,565</u>
Temporary Help	184	118	127	112	145
Students/Retired Annuitants	154	0	127	112	145
Contract	30	0	0	0	0
Overtime	46	30	48	28	32
Reimbursements	(523)	(393)	(498)	(490)	0
KYHC (Outside Funding)	(\$523)	\$0	(\$498)	(\$490)	\$0
HCD	\$0	\$0	\$0	\$0	\$0
Caltrans	\$0	\$0	\$0	\$0	\$0
TOTALS, Personal Services	<u>\$28,349</u>	<u>\$25,549</u>	<u>\$28,483</u>	<u>\$24,900</u>	<u>\$25,742</u>
OPERATING EXPENSES AND EQUIPMENT					
General Expense	722	569	775	675	745
Communications	417	317	407	400	429
Travel	597	396	638	500	498
Training	209	145	270	175	256
Facilities Operation	2,974	2,787	3,115	3,000	2,868
Consulting & Professional Services	3,008	1,677	2,867	1,500	5,634
Central Admin. Serv.*	2,317	2,253	2,699	2,690	1,860
Information Technology	953	1,001	2,326	2,200	1,485
Equipment	130	52	180	100	170
TOTALS, Operating Expenses and Equipment	<u>\$11,327</u>	<u>\$9,197</u>	<u>\$13,276</u>	<u>\$11,240</u>	<u>\$13,945</u>
TOTALS, EXPENDITURES	<u>\$39,676</u>	<u>\$34,746</u>	<u>\$41,759</u>	<u>\$36,140</u>	<u>\$39,687</u>

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

April 28, 2020

CALIFORNIA HOUSING FINANCE AGENCY
2020-21

SUMMARY
PERSONNEL YEARS AND DIVISION BUDGETS

DIVISION	PERSONNEL YEARS			DIVISION BUDGET AMOUNTS		
	Actual 2018-19	Adopted Budget 2019-20	Proposed Budget 2020-21	Actual 2018-19	Adopted Budget 2019-20	Proposed Budget 2020-21
BOARD MEMBERS	0.0	0.0	0.0	\$29,346	\$83,500	\$ 61,250
EXECUTIVE OFFICE	5.2	6.0	6.0	\$1,647,365	\$2,091,422	\$1,962,848
ERM & C	3.3	8.0	0.0	\$1,512,437	\$1,367,068	\$ -
ADMINISTRATION	19.4	21.0	20.0	\$2,701,534	\$3,171,172	\$ 3,074,570
FINANCING	9.8	7.0	11.0	\$1,081,134	\$1,354,740	\$ 1,787,180
FISCAL SERVICES	32.1	33.0	34.0	\$5,110,877	\$5,201,352	\$ 5,262,423
GENERAL COUNSEL	12.0	12.0	12.0	\$2,294,497	\$2,845,844	\$ 3,107,252
MARKETING	7.2	9.0	9.0	\$1,502,736	\$2,061,834	\$ 1,972,505
I.T.	17.5	19.0	22.0	\$4,437,886	\$6,304,323	\$ 6,094,027
SINGLE FAMILY LENDING	48.2	50.0	52.0	\$7,035,956	\$7,852,892	\$ 10,095,667
MULTIFAMILY	19.9	27.0	26.0	\$3,406,154	\$4,502,168	\$ 4,118,228
ASSET MANAGEMENT	24.0	29.0	29.0	\$4,073,209	\$4,690,641	\$ 4,426,251
INDIRECT COST POOL/TEMPS	1.6	2.2	2.2	(\$87,293)	\$729,600	\$ 1,784,900
REIMBURSEMENTS	-	-	-	\$0	(\$497,805)	\$0
TOTAL PYS AND BUDGET AMOUNTS	200.2	223.2	223.2	\$34,745,838	\$41,758,752	\$39,686,547

2245 CALIFORNIA HOUSING FINANCE AGENCY

ORGANIZATIONAL UNIT Classification	EXPENDITURES					
	Filled 2018-19	Authorized 2019-20	Proposed 2020-21	Actual 2018-19 (Salary Range)	Budgeted 2019-20	Proposed 2020-21
OPERATIONS						
Executive Office						
Executive Office:						
Board Members	-	-	-	\$100/day	\$5,000	\$5,000
Executive Director	1.0	1.0	1.0	14,333-21,500	242,338	258,000
Chief Deputy Director	1.0	1.0	1.0	12,667-19,000	224,479	228,000
Director of Business & Governmental Affairs	1.0	1.0	1.0	8,333-12,500	155,250	102,496
Information Officer II	0.4	-	-	6,187-7,688	-	-
Assoc Govtl Prog Analyst	1.0	1.0	1.0	4,975-6,228	68,900	74,452
Staff Services Analyst	0.2	-	-	4,136-5,179	-	-
Legislative Office:						
Director of Legislation	0.6	1.0	1.0	11,802-14,592	146,472	150,000
Assoc Govtl Prog Analyst	-	1.0	1.0	4,975-6,228	71,663	63,333
Totals, Executive Office	5.2	6.0	6.0	\$800,662	\$914,103	\$881,281
Enterprise Risk Mangement & Compliance						
Director of Enterprise Risk Mgt & Compliance	0.3	1.0	-	10,667-16,000	165,602	-
Risk Manager	0.3	1.0	-	9,333-14,000	176,142	-
Staff Services Mgr II	0.3	-	-	7,190-8,167	-	-
Financing Officer	0.3	-	-	7,121-8,867	-	-
Housing Finance Ofcr	0.6	2.0	-	7,121-8,867	220,256	-
Staff Services Mgr I	0.3	-	-	5,917-7,351	-	-
Housing Finance Spec	0.9	2.0	-	5,465-6,841	169,930	-
Assoc Govtl Prog Analyst	-	1.0	-	4,975-6,228	78,098	-
Mgt Services Techn	0.3	1.0	-	2,822-3,992	49,581	-
Totals, Enterprise Risk Management & Compliance	3.3	8.0	-	\$930,185	\$859,610	\$0
Administrative Division						
Director of Administration, C.E.A. A	1.0	1.0	1.0	6,913-9,937	128,348	131,561
Contracts and C&P:						
Staff Services Mgr II	1.0	1.0	1.0	7,190-8,167	101,434	103,972
Assoc Govtl Prog Analyst	1.9	2.0	-	4,975-6,228	143,853	-
Assoc Pers Analyst	1.6	2.0	2.0	4,975-6,228	132,854	134,033
Staff Services Analyst	-	-	1.0	3,186-5,179	-	53,751
Business Services:						
Staff Services Mgr I	1.0	1.0	1.0	5,917-7,351	91,299	93,578
Assoc Govtl Prog Analyst	2.5	3.0	3.0	4,975-6,228	222,002	221,177
Business Service Assistant-Spec	1.0	1.0	1.0	2,822-4,318	53,630	54,969
Mgt Services Techn	1.0	1.0	1.0	2,822-3,992	45,805	50,824
Central Scan Facility:						
Office Tech-Typing	-	-	3.0	3,038-3,916	-	123,698
Office Asst-Typing	3.6	4.0	1.0	2,424-3,292	145,393	32,816
Human Resources:						
Staff Services Mgr II	1.0	1.0	1.0	7,190-8,167	97,376	103,109
Staff Services Mgr I	0.9	1.0	1.0	5,917-7,351	91,299	93,578
Sr Pers Spec	0.1	-	1.0	4,239-5,309	-	68,427
Staff Services Analyst	-	-	1.0	3,186-5,179	-	57,986
Office Techn-Typing	0.9	1.0	-	3,038-3,916	38,747	-
Pers Spec	0.9	1.0	-	3,016-4,496	52,322	-
Mgt Services Techn	1.0	1.0	1.0	2,822-3,992	49,581	50,824
Totals, Administrative Division	19.4	21.0	20.0	\$1,249,981	\$1,393,943	\$1,374,303

Financing Division						
Director	1.0	1.0	1.0	11,667-17,500	200,181	150,679
Director of Enterprise Risk Mgt & Compliance	0.4	-	1.0	10,667-16,000	-	137,764
Risk Manager	0.7	-	1.0	9,333-14,000	-	120,536
Acctg Administrator III	0.5	-	-	7,897-8,966	-	-
Financing Ofcr	3.2	4.0	4.0	7,121-8,867	400,688	394,994
Housing Finance Ofcr	1.4	-	-	6,847-8,526	-	-
Staff Services Manager	0.1	-	-	5,917-7,351	-	-
Housing Finance Spec	1.4	-	-	5,465-6,841	-	-
Associate Governmental Program Analyst	0.3	-	-	4,975-6,228	-	-
Research Data Analyst I	0.1	2.0	4.0	3,512-5,439	106,899	227,517
Mgt Services Techn	0.7	-	-	2,822-3,992	-	-
Totals, Financing Division	9.8	7.0	11.0	\$550,637	\$707,768	\$1,031,490
Fiscal Services Division						
Fiscal Services						
Comptroller, C.E.A. B	1.0	1.0	1.0	10,010-11,924	148,013	151,794
Deputy Comptroller, C.E.A. A	1.0	1.0	1.0	7,190-10,334	116,028	124,870
Financial Reporting & Bond Administration:						
Financial Accountant II	0.3	1.0	1.0	7,144-8,877	105,247	113,012
Acctg Administrator II	0.7	-	-	6,495-8,070	-	-
Acctg Administrator I-Spec	3.8	4.0	3.0	5,465-6,841	339,861	261,252
Assoc Acctg Analyst	2.0	2.0	3.0	5,223-6,542	164,925	250,001
Sr Acctg Officer-Spec	0.5	-	-	4,975-6,228	-	-
Fiscal Systems:						
Information Technology Specialist II	-	-	1.0	6,482-8,523	0	104,832
Information Technology Specialist I	-	-	1.0	5,118-8,280	0	87,447
Sr Adm Analyst-Acctg Sys	1.0	1.0	-	6,495-8,070	100,229	0
Assoc Adm Analyst-Acctg Sys	1.0	1.0	-	5,223-6,542	81,252	0
Single Family:						
Acctg Administrator II	0.5	-	-	6,495-8,070	-	-
Acctg Administrator I-Supvr	-	1.0	1.0	5,917-7,351	79,221	81,363
Sr Acctg Officer-Spec	3.0	3.0	3.0	4,975-6,228	234,922	205,951
Acctg Officer-Spec	5.0	5.0	6.0	4,344-5,439	330,574	400,648
Accountant Trainee	0.3	1.0	-	3,665-4,370	53,839	-
Accountant I-Spec	0.7	-	-	3,245-4,063	-	-
Multifamily:						
Acctg Administrator II	-	1.0	1.0	6,495-8,070	90,449	82,681
Acctg Administrator I-Supvr	1.0	1.0	1.0	5,917-7,351	91,299	75,325
Acctg Administrator I-Spec	1.7	2.0	2.0	5,465-6,841	169,930	174,168
Assoc Acctg Analyst	1.0	1.0	1.0	5,223-6,542	77,352	83,283
Sr Acctg Officer-Spec	1.0	2.0	2.0	4,975-6,228	139,776	146,650
Acctg Officer-Spec	2.0	1.0	1.0	4,344-5,439	67,552	69,237
Accountant Trainee	0.5	-	-	3,665-4,370	-	-
Operating:						
Acctg Administrator II-Supvr	0.1	-	1.0	6,495-8,070	-	98,674
Acctg Administrator I-Supvr	0.9	1.0	-	5,917-7,351	91,299	-
Sr Acctg Officer-Spec	1.0	1.0	1.0	4,975-6,228	77,352	79,286
Associate Governmental Program Analyst	0.1	-	1.0	4,975-6,228	-	68,446
Acctg Officer-Spec	1.0	1.0	1.0	4,344-5,439	67,552	69,237
Accountant Trainee	-	-	1.0	3,665-4,370	-	47,070
Accountant I-Spec	0.7	1.0	-	3,245-4,063	41,479	-
Office Techn-Typing	0.3	-	-	3,038-3,916	-	-
Totals, Fiscal Services	32.1	33.0	34.0	\$2,493,425	\$2,668,152	\$2,775,227
General Counsel Division						
Asst Chief Counsel	1.1	1.0	1.0	12,312-14,401	172,812	182,003
General Counsel	0.9	1.0	1.0	11,667-17,500	194,947	197,190
Records Management:						
Assoc Govtl Prog Analyst	1.0	1.0	1.0	4,975-6,228	77,352	75,520
Single Family:						
Attorney IV	-	1.0	1.0	10,173-13,062	154,079	164,628
Attorney III	1.0	-	-	9,210-11,815	-	-
Attorney I	1.0	1.0	1.0	5,602-9,760	96,369	110,916
Housing Finance Spec	1.0	1.0	1.0	5,465-6,841	84,965	82,948
Multifamily/Asset Management:						
Attorney IV	0.8	1.0	1.0	10,173-13,062	155,497	170,586

Attorney III	0.2	-	-	9,210-11,815	-	-
Attorney I	1.0	1.0	1.0	5,602-9,760	89,080	103,437
Housing Finance Spec	2.0	2.0	2.0	5,465-6,841	169,930	170,032
Staff Services Analyst	2.0	2.0	2.0	3,186-5,179	120,924	117,208
Totals, General Counsel Division	12.0	12.0	12.0	\$1,248,907	\$1,315,956	\$1,374,466
Marketing Division						
C.E.A. A	1.0	1.0	1.0	7,190-10,334	128,348	131,561
Information Officer II	1.6	3.0	3.0	6,187-7,688	266,099	275,741
Research Data Specialist I	-	1.0	1.0	5,465-6,841	76,420	69,569
Information Officer I	1.0	-	-	4,975-6,228	-	-
Information Technology Specialist I	-	-	1.0	5,118-8,280	-	91,800
Information Technology Associate	2.0	2.0	1.0	3,877-5,196	165,931	73,320
Assoc Govtl Prog Analyst	-	-	1.0	4,975-6,228	-	63,336
Staff Services Analyst	0.6	2.0	1.0	3,186-5,179	103,091	53,370
Office Techn-Typing	1.0	-	-	3,038-3,916	-	-
Totals, Marketing Division	7.2	9.0	9.0	\$577,340	\$739,890	\$758,697
Information Technology Division						
Chief Information Officer	0.6	1.0	1.0	9,333-14,000	152,445	136,937
Application Systems Development & Support:						
Information Technology Supervisor II	0.7	-	-	6,683-8,955	-	-
Information Technology Specialist II	0.4	1.0	2.0	6,482-8,523	107,979	229,524
Information Technology Supervisor I	-	1.0	1.0	6,078-8,145	75,489	77,379
Information Technology Specialist I	2.8	3.0	4.0	5,118-8,280	254,618	342,584
Information Technology Associate	3.0	2.0	-	3,877-6,245	149,462	-
Information Security & Exchange						
Information Technology Specialist II	-	-	1.0	6,482-8,523	-	110,129
Security Administration & Workstation Support:						
Information Technology Manager I	0.9	1.0	1.0	8,949-10,877	122,138	97,419
Information Technology Supervisor II	0.1	-	-	6,683-8,955	-	-
Information Technology Specialist II	1.2	3.0	1.0	6,482-8,523	325,426	86,272
Information Technology Specialist I	1.3	2.0	5.0	5,118-8,280	170,795	480,666
Information Technology Associate	1.7	1.0	1.0	3,877-6,245	62,037	66,762
Information Technology Technician	-	1.0	3.0	3,248-5,195	56,331	137,821
Project Management, Procurement, Budgets						
Information Technology Specialist I	3.8	3.0	1.0	5,118-8,280	286,053	75,150
Information Technology Associate	1.0	-	1.0	3,877-6,245	-	83,276
Totals, CalHFA Information Technology Division	17.5	19.0	22.0	\$1,646,274	\$1,762,774	\$1,923,919
Temporary Help	1.1	2.2	2.2	69,757	127,000	145,000
Overtime	-	-	-	11,714	18,000	14,000
Totals, CalHFA Operations	107.6	117.2	116.2	\$9,578,882	\$10,507,195	\$10,278,381
PROGRAMS						
Single Family						
Director of Homeownership	1.0	1.0	1.0	11,667-17,500	217,350	210,000
Compliance and Loan Administration						
Housing Finance Chief	1.0	1.0	1.0	8,681-9,858	122,436	125,497
Housing Finance Ofcr	1.0	2.0	2.0	7,121-8,867	220,256	225,754
Housing Finance Spec	3.0	3.0	4.0	5,465-6,841	254,896	345,732
Staff Services Manager I	-	-	1.0	5,917-7,351	-	92,962
Housing Finance Assoc	2.8	4.0	6.0	4,975-6,228	288,492	443,809
Housing Finance Trainee	2.0	2.0	2.0	3,186-4,318	107,259	109,937
Mgt Services Techn	1.0	1.0	2.0	2,822-3,992	49,581	101,647
Loan Production						
Housing Finance Chief	1.0	1.0	1.0	8,681-9,858	122,436	125,497
Housing Finance Ofcr	2.2	2.0	2.0	7,121-8,867	205,493	193,110
Staff Services Mgr I	1.0	1.0	2.0	5,917-7,351	91,299	188,446
Housing Finance Spec	4.3	4.0	4.0	5,465-6,841	340,699	309,169
Housing Finance Assoc	11.9	12.0	8.0	4,975-6,228	928,573	630,520
Office Techn-Typing	1.0	1.0	-	3,038-3,916	47,221	-
Mgt Services Techn	1.0	1.0	2.0	2,822-3,922	49,581	101,635
Secondary Marketing and Systems Support						
Housing Finance Chief	1.0	1.0	1.0	8,681-9,858	117,294	125,497
Housing Finance Ofcr	1.0	1.0	1.0	7,121-8,867	110,128	112,877
Staff Services Manager I	-	-	1.0	5,917-7,351	-	92,962
Housing Finance Spec	7.0	10.0	9.0	5,465-6,841	838,415	757,552
Housing Finance Assoc	4.0	1.0	1.0	4,975-6,228	77,352	79,286

Housing Finance Trainee	-	1.0	1.0	3,186-4,318	46,944	48,179
Office Techn-Typing	1.0	-	-	3,038-3,916	-	-
Totals, Single Family	48.2	50.0	52.0	\$3,960,804	\$4,235,707	\$4,420,067
Multifamily Programs						
Director of Multifamily Programs	0.3	1.0	1.0	11,667-17,500	181,127	195,615
Deputy Director of Multifamily Programs	-	1.0	1.0	7,190-16,679	132,087	131,204
Credit Officer, C.E.A. A	-	1.0	1.0	7,190-16,679	104,639	121,204
Housing Finance Chief	-	-	1.0	8,681-9,858	-	110,520
Staff Services Mgr II	0.7	1.0	-	7,190-8,167	101,434	-
Housing Finance Ofcr	3.7	5.0	5.0	7,121-8,867	519,220	503,066
Housing Finance Spec	4.7	8.0	7.0	5,465-6,841	644,399	563,080
Housing Finance Assoc	4.0	5.0	4.0	4,975-6,228	353,975	269,650
Housing Finance Asst	3.7	2.0	1.0	4,136-5,179	129,893	62,796
Staff Services Analyst	-	-	2.0	3,186-5,179	-	106,629
Office Techn-Typing	0.8	1.0	1.0	3,038-3,916	43,514	38,671
Construction Services:						
Sr Housing Constrn Insp	1.0	1.0	1.0	9,382-11,741	146,528	150,195
Housing Constrn Insp	1.0	1.0	1.0	8,639-10,815	134,971	110,516
Totals, Multifamily Programs	19.9	27.0	26.0	\$1,847,567	\$2,491,787	\$2,363,147
Asset Management						
Asset Management:						
Housing Finance Chief	1.5	2.0	2.0	8,681-9,858	233,136	236,012
Housing Maint Insp	3.0	4.0	4.0	7,975-9,977	485,188	440,053
Housing Finance Ofcr	3.3	4.0	4.0	7,121-8,867	405,066	413,806
Staff Services Mgr I	0.6	1.0	1.0	5,917-7,351	91,299	93,578
Housing Finance Spec	9.3	12.0	12.0	5,465-6,841	978,658	964,892
Housing Finance Assoc	1.3	3.0	4.0	4,975-6,228	204,308	279,376
Housing Finance Asst	2.0	1.0	-	4,136-5,179	55,506	-
Housing Finance Trainee	1.0	-	-	3,186-4,318	-	-
Office Techn-Typing	1.0	1.0	1.0	3,038-3,916	43,167	46,451
Mgt Services Techn	1.0	1.0	1.0	2,822-3,992	49,581	50,824
Totals, Asset Management	24.0	29.0	29.0	\$2,176,128	\$2,545,909	\$2,524,992
Temporary Help	0.5	-	-	48,350	0	0
Overtime	-	-	-	18,571	30,000	18,000
Totals, Programs	92.6	106.0	107.0	\$8,051,420	\$9,303,403	\$9,326,206
Totals Regular/Ongoing Positions Before Salary Savings	198.6	221.0	221.0	\$17,481,910	\$19,635,597	\$19,427,587
CalHFA Salary Savings	-	-	-	\$0	-\$2,117,545	-\$4,060,553
TOTALS, CalHFA AUTHORIZED POSITIONS	200.2	223.2	223.2	\$17,630,302	\$17,693,052	\$15,544,034
<i>Regular/Ongoing Positions (CalHFA)</i>	<i>198.6</i>	<i>221.0</i>	<i>221.0</i>	<i>17,481,910</i>	<i>17,518,052</i>	<i>15,367,034</i>
<i>Temporary Help (CalHFA)</i>	<i>1.6</i>	<i>2.2</i>	<i>2.2</i>	<i>118,107</i>	<i>127,000</i>	<i>145,000</i>
<i>Overtime (CalHFA)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>30,285</i>	<i>48,000</i>	<i>32,000</i>

TOTAL AGENCY FY 2020-21 Out of State Travel Requests

Mission Critical Travel	Division	Date of event (If known)	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
2019 NCSHA Annual Conference (Oct. 24-27, 2020)	Agency Wide	October 2020	New Orleans, LA	8	1	6	\$ 30,000.00	Mission critical 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. The training sessions offered are multi-disciplinary and sending only one representative to attend multiple sessions is not possible. Job-required training necessary to maintain licensure or similar standards required for holding a position as no comparable training can be obtained in California or a different state not subject to the travel prohibition.	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.
2020 NCSHA HFA Institute (Est. Jan. 10-15, 2021)	Agency Wide	January 2021	Washington, DC	4	1	0	\$ 8,750.00	Mission critical event designed to strengthen understanding of program fundamentals and explore advanced techniques for administering various housing programs and initiatives. The training sessions offered are multi-disciplinary and sending only one representative to attend multiple sessions is not possible. Job-required training necessary to maintain licensure or similar standards required for holding a position as no comparable training can be obtained in California or a different state not subject to the travel prohibition.	Loss of opportunity to obtain in-depth instruction on essential HFA programs.
2019 NCSHA Legislative Conference (Est. Mar. 22-24, 2021)	Agency Wide	March 2021	Washington, DC	6	2	1	\$ 22,500.00	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. The training sessions offered are multi-disciplinary and sending only one representative to attend multiple sessions is not possible. Job-required training necessary to maintain licensure or similar standards required for holding a position as no comparable training can be obtained in California or a different state not subject to the travel prohibition.	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.
NCSHA Executive Development Seminar	Agency Wide	November 2020	South Bend, IN	1	0	1	\$ 1,500.00	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. Job-required training necessary to maintain licensure or similar standards required for holding a position as no comparable training can be obtained in California or a different state not subject to the travel prohibition.	Failure to provide executive management with high level training regarding organizational transformation, change management and organizational performance.
NCSHA Housing Credit Connect (Est. June 22-25, 2021)	Exec, Financing, Multifamily	June 2020	Denver, CO	3	1	3	\$ 10,500.00	Mission critical annual meeting with national HFAs regarding low income housing tax credits, including legislative updates, industry expert meetings, IRS regulation changes, and policy discussions. The training sessions offered are multi-disciplinary and sending only one representative to attend multiple sessions is not possible. This event is a function required by statute, contract, or executive directive.	Failure to obtain critical information on changes to Multifamily low income housing tax credits, including any legislative core related financing methods.
NCSHA Executive Directors Workshop	Executive	July 2020	TBD	1	0	0	\$ 1,750.00	Mission critical annual meeting with national HFA Executive Directors regarding low income housing tax credits, including legislative updates, industry expert meetings, IRS regulation changes, and policy discussions. Job required training necessary to maintain licensure or similar standards required for holding a position as no comparable training can be obtained in California or a different state not subject to the travel prohibition.	Failure to obtain critical information on changes to Multifamily low income housing tax credits, including any legislative ore related financing methods.

TOTAL AGENCY FY 2020-21 Out of State Travel Requests

Mission Critical Travel	Division	Date of event (if known)	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 Special Board of Director's Meeting	Executive	TBD	Washington, DC	1	0	0	\$ 1,750.00	Provide mission critical guidance as a member of the Board of Directors to NCSHA member HFA's on ways to better serve low and moderate income neighborhoods and residents across the country. This event is a function required by statute, contract, or executive directive.	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.
NCSHA Board Member Training	Board	TBD	TBD	0	2	0	\$ 5,000.00	Mission critical 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. The training sessions offered are multi-disciplinary and sending only one representative to attend multiple sessions is not possible. This event is a function required by statute, contract, or executive directive.	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.
2021 Government Social Media Conference	Marketing	TBD	TBD	0	0	1	\$ 1,750.00	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. Job-required training necessary to maintain licensure or similar standards required for holding a position as no comparable training can be obtained in California or a different state not subject to the travel prohibition.	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.
2020 Western HUD Lender's Conference	Exec, Asset Management	September 2020	TBD	2	0	1	\$ 4,500.00	Mission critical consortium of HUD approved multifamily lenders to share with and provide updates on HFA multifamily insurance programs including updates from HUD national office, updates and revisions to appraisal evaluations and engineering, updates to asset management, legal and loan closing requirements. Requests by the federal government to appear before committees.	Failure to hear from HUD HUB Directors, HUD national headquarters staff, and other HUD senior management to address challenges and issues that impact CalHFA and its lending initiatives.
Western States HFA Summit	Single Family, Executive	TBD	TBD	2	0	0	\$ 2,500.00	Annual mission critical meeting with Western States HFA's. This training event is designed to strengthen the understanding of regional issues in various housing related program areas which are common to our region. Work on regional issues / solutions by partnering with sister HFA in cost sharing ventures. This event is a function required by statute, contract, or executive directive.	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.
West Coast HFA Meet Up	Executive, General Counsel	TBD	TBD	2	0	0	\$ 2,500.00	Annual mission critical meeting with Western States HFA's. This training event is designed to strengthen the understanding of regional issues in various housing related program areas which are common to our region. Work on regional issues / solutions by partnering with sister HFA in cost sharing ventures. This event is a function required by statute, contract, or executive directive.	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.
Fannie Mae's HFA Institute	General Counsel, Single Family	September 2020	Washington, DC	2	0	1	\$ 5,250.00	Required by federal partners. To obtain mission critical information on Fannie Mae's HFA Preferred Program (A NCSHA sponsored HFA Conference). Requests by the federal government to appear before committees.	Not attending could jeopardize CalHFA's participation in Fannie Mae's HFA Preferred Program.

TOTAL AGENCY FY 2020-21 Out of State Travel Requests

Mission Critical Travel	Division	Date of event (If known)	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
HUD TRACS Annual Meeting	Asset Management	TBD	Washington, DC	1	0	0	\$ 2,500.00	Required by federal partners. Tenant Rental Assistance Certification System (TRACS) Mission critical meeting to learn of the latest changes and HUD regarding occupancy related issues, software updates, and new HUD initiatives. Meetings or training required by a grant or to maintain grant funding.	Failure to obtain the most current and critical information regarding HUD matters.
HUD 811 Convening	Asset Management	TBD	Washington, DC	1	0	1	\$ 5,000.00	Mission critical and 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. Meetings or training required by a grant or to maintain grant funding.	Failure to obtain information on program changes as well as provide important feedback on the Agency's experience with the 811 program so far.
HUD Introduction Meeting	Executive	TBD	Washington, DC	1	0	0	\$ 1,500.00	As the new presidential administration takes shape, it is mission critical to introduce CalHFA and its business lines to HUD. The ongoing programs we have with HUD (Section 8 TCA, Section 811 PRA, FHA Risk-Share, etc.) are critical to the success of CalHFA's mission. Meetings or training required by a grant or to maintain grant funding.	HUD may eliminate or alter programs without CalHFA's full input. Some of these changes may negatively alter CalHFA's role in affordable housing.
Rating Agency Visit	Executive	TBD	New York, NY	1	0	0	\$ 1,750.00	Mission critical required annual management review with Moody's. This event is a function required by statute, contract, or executive directive.	Potential negative comments on Agency management. Failure to educate rating agencies regarding specific business risks that influence our ratings on debt issuance.
Federal Financing Bank HUD Risk-Share Program Meeting	Executive	TBD	Washington, DC	1	0	0	\$ 1,750.00	Mission critical meeting with HUD, US Treasury, and the Federal Financing Bank on the Agency's major primary housing program, the FFB Risk-Share loan program. Requests by the federal government to appear before committees.	Failure to meet with CalHFA's partners in this unique HFA financing tool could result in lowered lending production at higher financing rates
MBA National Technology in Mortgage Banking Conference	I.T., Single Family	TBD	TBD	2	0	2	\$ 10,000.00	Mission critical training on all of the emerging technologies, the impact of new regulations, vendor solutions, and to connect with vendors and industry experts related to mortgage lending. Job-required training necessary to maintain licensure or similar standards required for holding a position, if comparable training cannot be obtained in California or a different state not subject to the travel prohibition. A function required by statute, contract, or executive directive.	Loss of cost savings and efficiencies for not meeting needs of single family IT business needs, resulting in the inability to collaborate and strengthen lending products for affordable housing initiatives. Failure to obtain in depth instructions on essential system and regulatory changes in the industry.
GPUG Summit Conference (October 15-18, 2019)	Fiscal Services	October 2020	Nashville, TN	1	0	2	\$ 6,000.00	Agency is utilizing MSGP2016 for the Agency's business. The recent implementation of several modules and plan to implement several additional modules makes this a mission critical summit, as it will provide CalHFA with the necessary tools to realize the full potential of the software solution. The training sessions offered are multi-disciplinary (IT, Fiscal, Budget, Admin, etc.) and sending only one representative to attend multiple training sessions is not possible. A function required by statute, contract, or executive directive.	Failure to obtain critical training may result in inefficient or incorrect implementation of GP modules, staff inefficiencies, and missed financial reporting deadlines.
Freddy Mac	Executive	TBD	Washington, DC	1	0	0	\$ 1,750.00	Mission critical meeting with Freddie Mac to discuss new partnerships and capital raising opportunities for Multifamily Programs. Requests by the federal government to appear before committees.	Loss of opportunity to obtain in-depth instruction on essential HFA programs.

TOTAL AGENCY FY 2020-21 Out of State Travel Requests

Mission Critical Travel	Division	Date of event (if known)	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
GSE's	Executive, Multifamily	TBD		2	0	0	\$ 3,000.00	Mission critical meeting with GSE's to discuss new partnerships and capital raising opportunities for Multifamily Programs. Requests by the federal government to appear before committees.	Loss of opportunity to obtain in-depth instruction on essential HFA programs.
National Housing & Rehabilitation Conference	Executive, Multifamily	TBD		3	0	0	\$ 5,250.00	Mission critical event for training and best practices sponsored by developers involved with multifamily lending products and creation of innovative lending strategies. Job-required training necessary to maintain licensure or similar standards required for holding a position as no comparable training can be obtained in California or a different state not subject to the travel prohibition.	Failure to meet with HFA partners will reduce lending opportunities and prevent Agency staff from understanding and modifying our lending products to meet the needs of the development community.
CIO Leadership Forum 2021	Executive, Information Technology	TBD		2	0	0	\$ 4,000.00	Mission critical event for training for building the culture and digital dexterity to support innovation. This leadership forum dissects the challenges and opportunities of digital business among select peers that drove competitive advantages for attending organizations. A function required by statute, contract, or executive directive.	Missed opportunity to explore strategic trends and technologies that could assist in reshaping the future of IT and CalHFA.
Smiths Research & Grading Conference	Executive	TBD		1	0	0	\$ 1,000.00	Mission critical event designed to explore new ways to improve organizations with products that attract homeowners such as down-payment assistance. Develop and promote sustainable lending practices in order to minimize institutional risks, build stronger stakeholder and consumer relationships. Implement key financial strategies to maintain and improve the Agency's credit ratings. Job-required training necessary to maintain licensure or similar standards required for holding a position as no comparable training can be obtained in California or a different state not subject to the travel prohibition.	Failure to obtain the most current and critical information regarding research and analysis for institutional investors.
CDFA National Development Finance Summit	Executive	TBD		1	0	0	\$ 1,750.00	A mission critical summit built to learn about all types of development finance tools and programs from industry experts. Job-required training necessary to maintain licensure or similar standards required for holding a position as no comparable training can be obtained in California or a different state not subject to the travel prohibition.	Failure to obtain the most current and critical information regarding finance approaches and solutions.
National Housing Conference Home Ownership Taskforce	Executive	TBD		1	0	0	\$ 2,000.00	Mission critical event designed to educate participants on how to provide housing and community development assistance, and to make sure everyone has access to "Fair and Equal Housing", by increasing safe and affordable rental housing, reducing homelessness, and fighting housing discrimination. Requested to serve as a member of the National Taskforce.	Loss of opportunity to obtain in-depth instruction on essential HFA programs, as well as State and Federal affordable housing initiatives.
Fannie Mae Rural Duty to Serve	Exec	TBD		1	0	0	\$ 2,000.00	Mission critical meeting with secondary marketing purchaser of single family and multifamily loans. To further explore the ability to influence and provide input of issues related to helping homeowners and communities located in some of our nations most challenging markets. Attendance is required as member of the Board and serves as mission critical to CalHFA. Requests by the federal government to appear before committees.	Loss of cost savings and efficiencies for not meeting lending partners in one location, resulting in the inability to collaborate as strengthen leading products for affordable housing initiatives.

TOTAL AGENCY FY 2020-21 Out of State Travel Requests

Mission Critical Travel	Division	Date of event (if known)	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
Novogradac Conference	General Counsel	TBD		1	0	0	\$ 2,000.00	Mission critical conference to bring together hundreds of professionals to explore ways to overcome structuring and other challenges with the primary goal to help build America's low income neighborhoods. Job-required training necessary to maintain licensure or similar standards required for holding a position as no comparable training can be obtained in California or a different state not subject to the travel prohibition.	Loss of opportunity to strengthen knowledge of CA issues and trends.
CLA Real Property Symposium	General Counsel	TBD		1	0	0	\$ 2,000.00	Mission critical symposium to discuss latest trends and developments in commercial real estate as well as the future of commercial real estate. High priority topics include tax benefits in investing in opportunity zones, discussion on impact on landlord-tenant relationships and latest developments in real property law. Job-required training necessary to maintain licensure or similar standards required for holding a position as no comparable training can be obtained in California or a different state not subject to the travel prohibition.	Loss of opportunity to strengthen knowledge of industry housing issues and trends.
Gartner IT Symposium/Xpo 2020	Information Technology	TBD		1	0	3	\$ 7,000.00	Mission critical IT Symposium/XPO 2020 is the place to hone leadership skills, refine IT strategies, and find the innovative technologies that help to power digital transformation. Job-required training necessary to maintain licensure or similar standards required for holding a position as no comparable training can be obtained in California or a different state not subject to the travel prohibition.	Missed opportunity to explore strategic trends and technologies that could assist in reshaping the future of IT and CalHFA.
National Housing Conference Solutions for Housing Communications	Marketing	TBD		1	0	1	\$ 4,000.00	A mission critical national convening designed especially for housing communicators that focuses on communications strategies and tactics for expanding awareness of the benefits of affordable housing and building support for affordable housing policies and development. Workshops address communications tools and trends needed as a housing communicator. National experts provide helpful tips and strategies on how housing organizations communicate with policymakers, the media, stakeholders and its constituents. Job-required training necessary to maintain licensure or similar standards required for holding a position as no comparable training can be obtained in California or a different state not subject to the travel prohibition	Lack of preparedness on the latest's strategies and tactics for communicating, building support for and defending efforts surrounding affordable housing. Without keeping apprised of the communication efforts around the nation, we risk being ineffective in our efforts here in California where the housing crisis is substantially worse than many other states.
Ross Training	Asset Management	TBD		1	0	1	\$ 3,000.00	Mission critical training with RBD, and industry expert that works directly with HUD Headquarters on policy decisions. RBD is also facilitator for HUD headquarters as it relates to TRACS and MORS. Job-required training necessary to maintain licensure or similar standards required for holding a position as no comparable training can be obtained in California or a different state not subject to the travel prohibition.	Failure to obtain critical training will result in loss of the most up to date industry knowledge and key information on HUD TRACS
Totals				81	7	24	\$ 159,750.00		

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

April 23, 2020

CalHFA Contracts for FY 2020/21

		Consulting and Professional Services Proposed 2020/21	Remarks
DIVISION CONTRACTS			
<u>REGULAR ONGOING CONTRACTS</u>			
AGENCY WIDE			
	Cornerstone	600	Security Monitoring
TOTALS		600	
EXECUTIVE			
	BCSH	150,000	Interagency Agreement
	Management Consulting Services	200,000	Potential expansion of organizational assessment
	Economic Impact Study Report	50,000	Economic Impact Study Report
	Towers Watson Delaware, Inc.	50,000	Executive Evaluation/Compensation
TOTALS		450,000	
ADMINISTRATION			
	State Controller's Office	5,000	Leave Accounting
	HR Legal Services (Shaw)	150,000	Attorney services for workplace investigations, mediation, and expert witness work as necessary
	Heidrick	105,000	HR Consulting Services
	CalHR Attorney Services	10,000	Attorney services for workplace investigations, mediation, and expert witness work as necessary
	TPI	50,000	Professional advice
	GPTW	5,000	Consulting Services
TOTALS		325,000	
INFORMATION TECHNOLOGY			
	QBIX	9,000	General Ledger Report Upgrades
	BGI Support	15,000	Programming Support for Fiscal Services - MF Loan Servicing System
	Public Consulting Group	300,000	Programming Support
	Providence Technology Group (ShareP	25,000	SharePoint Technical Support
	Macroview, Inc.	1,000	Technical Support
	RedCar Consultation	250,000	Technical Support
	American River Technologies	250,000	KYHC
	Baygrape	160,000	KYHC Programming support
	Eplus Technology	50,000	RSA/PAM Integration technical expertise
	Altura Communication Services	1,000	Professional services and programming support for VoIP (telephone) system
	AB670 Assessment	55,000	Independent Security Assessment

	SSAE 18 SOC 1	35,000	Security
	Enterprise Networking Solutions	5,000	Server Upgrades
	Altura Communication Services (VoIP)	1,000	Telephone Support and Maintenance
	Enterasys (EYEP)	10,000	Ongoing Switch Maintenance
TOTALS		1,167,000	
FINANCING			
	Bloomberg	30,000	Financial services used to monitor interest rate swap markets and fixed income markets
	Refinitive	35,000	Municipal Market Indexes
TOTALS		65,000	
BOARD MEMBERS			
	3Play Media	4,000	Closed captioning and interactive transcript for services for CalHFA Board meetings
TOTALS		4,000	
FISCAL SERVICES			
	Audits		
	CliftonLarsonAllen	190,000	Housing Finance Fund Financial Audit
	Deloitte	76,500	KYHC
	Other		
	McCracken Financial Solutions Corp.		Multifamily Loan Servicing ASP - Ongoing
	Ominicap	5,000	Tax Compliance Calculations
TOTALS		271,500	
GENERAL COUNSEL			
	Litigation related		
	Bankruptcy/Consultation Services	5,000	Bankruptcy
	Cal Attorney General	25,000	Homeowner loan and routine litigation
	Orrick	15,000	Litigation
	Kronick	15,000	Litigation
	Non-litigation related/Other		
	Greenberg Trauig	75,000	HUD OIG
	Kronick	50,000	Advice
	Orrick	300,000	Hourly bond & finance advice
	Other		
	Hawkins Delafield & Wood LLP	20,000	Bond counsel
	HotDocs	10,000	Support
	Kronick	150,000	Transactional Support
TOTALS		665,000	
MARKETING			
	Marketing/Digital Marketing/PR	200,000	Agency Promotion and Printing
	Fuze Digital Solutions, LLC	6,000	Web Enhancements

	Lazzarone Photography	10,000	Photographer for Annual Report
	Design Forge	15,000	Consultant for Annual Report
	Critical Mention	6,000	Media monitoring tool and housing data collection
TOTALS		237,000	
SINGLE FAMILY LENDING			
	McBride Edwards LLP	40,000	Servicing Auditor
	All Regs	6,500	Quarterly enhancements to the CalHFA Servicer Guide
	MERSCORP, Inc.	10,000	Electronic Registry Service
	Community Ventures dba eHome Ameri	100,000	Online homebuyer counseling classes for CalHFA borrowers
	MTS Softworks	29,900	AI technology expertise
	Aardvark	40,000	Temp Help KYHC
	Utopian	1,531,367	KYHC
	Zieve Brodnax & Steele	10,000	KYHC
	Dept. of Justice	10,000	KYHC
	Kelli Foutz	21,000	KYHC
	Jean Mills	90,000	KYHC
	Chris Anglewirth	200,000	KYHC
	Tami Swihart	15,000	KYHC
	Janet Van Y	40,000	KYHC
TOTALS		2,143,767	
MULTIFAMILY			
	Multifamily Underwriting Services	150,000	MF Underwriting Services
	Experian Information Solutions, Inc.	5,000	Credit reports on business partners obtaining financing from CalHFA
TOTALS		155,000	
ASSET MANAGEMENT			
	EPS	100,000	TRACS expertise
	Jay Hays	15,000	3rd Party Property Inspector
	Professional Associate Services	15,000	Professional Services
	Inspections	20,000	Property Inspection Services
TOTALS		150,000	
GRAND TOTAL		5,633,867	

State of California

MEMORANDUM

To: Board of Directors

Date: April 13, 2020



From: Timothy Hsu, Interim Director of Financing
CALIFORNIA HOUSING FINANCE AGENCY

Subject: ANNUAL INVESTMENT REPORT

In 2012, the Board adopted an investment policy and asked for a periodic investment report. Attached for your information is an investment report as of June 30, 2019, the end date for the most recent fiscal year. This report shows that CalHFA moneys continue to be invested in accordance with the Board-approved investment policy.

INVESTMENT REPORT
JUNE 30, 2019

SUMMARY

As of June 30, 2019, CalHFA had \$1.12 billion of cash equivalents and investments (together “investments”).

The portfolio is still heavily concentrated in the State Investment Pool (71% of the total), which means the investment earnings are likely to remain low. The State Investment Pool’s year-to-date yield at June 30, 2019 was 2.27%. The persistence of lower interest rates is the key risk of the investment portfolio.

Amount Invested (\$ in millions)					
<u>Investment Type</u>	<u>Bond</u> <u>Indentures</u>	<u>CalHFA</u> <u>G-O</u>	<u>Admin</u>	<u>NIBP</u>	<u>Total</u>
Investment Agreements	\$ 1.4	\$ 0.0	\$ 0.0	\$ 0.0	\$ 1.4
State Investment Pool	155.9	195.7	438.4	8.5	798.5
Securities (Fair market value)	23.4	197.1	0.0	86.4	306.9
U.S. Bank N.A. Open CP	0.2	0.0	0.0	7.6	7.8
Time Deposits	0.0	0.0	0.0	0.0	0.0
Money Market and Bank Deposit	<u>3.7</u>	<u>1.6</u>	<u>0.0</u>	<u>0.0</u>	<u>5.3</u>
Totals	\$ 184.6	\$ 394.4	\$ 438.4	\$ 102.5	\$ 1,119.9

INVESTMENT AGREEMENTS

As stated in the Investment Policy, we have always strived to invest bond moneys in investment agreements. Such agreements give us a high level of security of principal, a fixed rate of return to match the fixed cost of our debt, and complete liquidity so that we can use them like interest-bearing checking accounts and make deposits and withdrawals on short notice.

It is worth noting that the universe of investment agreement providers has diminished greatly due to credit rating downgrades and lower interest rates. The Agency will monitor this marketplace and attempt to acquire more eligible investment agreements as the opportunities arise.

Investment Agreement Balances				
(\$ in millions)				
	Bond Proceeds (For Loan Purchases)	Reserve Funds	Debt Service Funds	Totals
Single Family	\$ 0.0	\$ 0.1	\$ 1.3	\$ 1.4
Multifamily	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Totals	\$ 0.0	\$ 0.1	\$ 1.3	\$ 1.4

The first two attachments show information about our \$1.4 million of deposits with financial institutions providing us with investment agreements. If the financial institution's credit ratings were to fall below a certain threshold level, we have the right to request collateralization or the return of our deposits. In recent years, the Agency has liquidated its position in investment agreements provided by DEPFA bank, AIG, MBIA, Aegon and certain Westdeutsche LB investment agreements. The liquidated proceeds were invested in the State Investment Pool

STATE INVESTMENT POOL (SURPLUS MONEY INVESTMENT FUND "SMIF")

As shown in the table on page 2, we have \$798.5 billion invested in the State Investment Pool, also referred to as Surplus Money Investment Fund ("SMIF"), which, over time, has given us security, a relatively competitive return (relative to similar investment vehicles such as Money Market Funds), complete liquidity, and administrative simplicity.

As stated in the Investment Policy, we invest most of the non-bond indenture moneys (funds invested under our Housing Assistance Trust, Contract Administration Programs, money received from HUD for the Section 8 projects, servicing impound account moneys, funds held in the Agency's operating account and general reserves of the Agency), in the SMIF. In recent years the Agency has been investing an increasing amount of bond moneys in the State Investment Pool, for the reasons mentioned under "Investment Agreements"

The State's treasury operations are managed in compliance with the California government code and according to a statement of investment policy which sets forth permitted investment vehicles, liquidity parameters and maximum maturity of investments. The Pooled Money Investment Account (PMIA) operates with the oversight of the Pooled Money Investment Board (consisting of the State Treasurer, the State Controller and Director of Finance).

SECURITIES

The third attachment provides additional information about the \$307 million (fair market value) of securities held by the Agency, which are Fannie Mae and Ginnie Mae securities backed by loans originated for our single family and multifamily programs.

U.S. BANK N.A. COMMERCIAL PAPER

The Agency invests funds under the Residential Mortgage Revenue Bond and the Affordable Multifamily Housing Revenue Bond indentures in U.S. Bank Open Commercial Paper (CP). On these transactions, U.S. Bank also serves as the bond trustee. The Open CP agreements are unsecured promissory notes issued by U.S. Bank National Association and are not insured by Federal Deposit Insurance Corporation ("FDIC") or guaranteed by any governmental agency or authority, or by U.S. Bank N.A. The Open CP has a short term rating of A1+/P1 and a long term rating of AA- . At June 30, 2019, the amount deposited in CP was \$7.8 million.

MONEY MARKET AND BANK DEPOSITS

Occasionally the Agency will have on deposit, with our bond trustee, bond (indenture) funds which the bond trustee sweeps, nightly, into a U.S. Treasury money market fund. At June 30, 2019, the amount deposited in the MMF was \$5.3 million.

Attachment #1

SUMMARY OF CALIFORNIA HOUSING FINANCE AGENCY FUNDS DEPOSITED IN INVESTMENT AGREEMENTS - June 30, 2019				
INVESTMENT AGREEMENT PROVIDER	COUNTRY	MOODY'S RATING	STANDARD & POOR'S RATING	AMOUNT INVESTED
Societe Generale	France	A1	A	\$ 1,276,775
Rabobank Int.	Netherlands	Aa3	A+	73,515
Total Funds Invested in Investment Agreements				\$ 1,350,290
Foreign Sovereign Ratings				
France		Aa2	AA	\$ 1,276,775
Netherlands		Aaa	AAA	73,515
				\$ 1,350,290

Attachment #2

California Housing Finance Agency Funds Invested in Investment Agreements June 30, 2019 Totals by Financial Institution Ratings		
Moody's Ratings	Amount Invested	Percentage of Total Invested
Aa3	\$ 73,515	5.44%
A1	<u>1,276,775</u>	<u>94.56%</u>
Total	<u>\$ 1,350,290</u>	<u>100.00%</u>
S & P Ratings		
A+	\$ 73,515	5.44%
A	<u>1,276,775</u>	<u>94.56%</u>
Total	<u>\$ 1,350,290</u>	<u>100.00%</u>

Attachment #3

Summary of CalHFA Investments in Securities as of June 30, 2019								
By Type of Security								
Type of Investment	Par Value Program Account	Par Value Reserve Account	Par Value Unencumbered by bonds	Total Par Value	Book Value	Market Value	Weighted Average Coupon	Weighted Average Remaining Maturity
GNMA Securities	\$ 50,610,186	\$ 1,776,852	\$ 81,120,446	\$ 133,507,484	\$ 133,507,484	\$ 138,384,279	3.56%	25.42 Years
FNMA Securities	33,039,994	19,396,275	107,056,144	159,492,414	159,492,414	168,542,478	2.89%	17.10 Years
Totals	<u>\$ 83,650,180</u>	<u>\$ 21,173,127</u>	<u>\$ 188,176,590</u>	<u>\$ 292,999,897</u>	<u>\$ 292,999,897</u>	<u>\$ 306,926,758</u>		

Summary of CalHFA Investments in Securities as of June 30, 2019					
By Indenture or Account					
Indenture or Account Description	Par Value Program Account Assets	Par Value Reserve Account Assets	Par Value Unencumbered by bonds	Total Par Value	Market Value
Home Mortgage Revenue Bonds	\$ 4,170,949	\$ 18,714,815		\$ 22,885,764	\$ 23,404,092
Residential Mortgage Revenue Bonds	46,439,237	2,458,313		48,897,549	50,825,078
Affordable Multifamily Housing Rev. Bc	33,039,994			33,039,994	35,572,043
Housing Assistance Trust			\$ 32,400,758	32,400,758	35,053,990
Federal Home Loan Bank			\$ 127,956,351	127,956,351	132,903,620
Emergency Reserve Account			\$ 27,819,481	27,819,481	29,167,935
Totals	<u>\$ 83,650,180</u>	<u>\$ 21,173,127</u>	<u>\$ 188,176,590</u>	<u>\$ 292,999,897</u>	<u>\$ 306,926,758</u>

State of California

MEMORANDUM

To: Board of Directors

Date: May 14, 2020

From: Kate Ferguson, Director of Multifamily
CALIFORNIA HOUSING FINANCE AGENCY

Subject: UPDATE OF MIXED-INCOME PROGRAM

The CalHFA Mixed-Income Program (MIP) provides long term subordinate financing for new construction multifamily housing projects restricting units (tax credit or CalHFA) between 30% and 120% county Area Median Income (“AMI”). MIP resources will take the form of a subordinate loan to incentivize newly developed multifamily housing projects that serve a range of very low to moderate income renters. Eligible projects must create newly constructed regulated units that meet the income and occupancy requirements.

MIP 2019 Allocation to CalHFA from SB-2: \$47.4 million

MIP 2020 Allocation to CalHFA from SB-2 & AB101: \$180 million

The breakdown of 2019 & 2020 MIP projects that received initial and final commitments from CalHFA is as follows:

- **MIP 2019 Projects:** \$43.75 Million
 - 7 Projects
 - 1,296 Units
- **MIP 2020 Projects (to date):** \$107.5 Million
 - 13 Projects
 - 1933 Units

Projects that were approved for final commitments by CalHFA’s Senior Loan Committee for MIP only financing under resolution 19-02 since Board meeting on February 6, 2020:

- Sepulveda Apartments
- The Courtyard at Kimball

Project that was approved by CalHFA’s Senior Loan Committee for CalHFA permanent and MIP financing that is being considered for Board approval on May 14, 2020 under resolution 20-09:

- The Redwood Apartments

MIP 2019

	<u>Project Name</u>	<u>Project Type</u>	<u>City</u>	<u>County</u>	<u>MIP Amount</u>	<u>MIP/Unit Amount</u>	<u>Total Units</u>	<u>Restricted Units (60%-120% AMI)</u>	<u>Average AMI Qualified for TC</u>	<u>CalHFA Permantet Loan</u>	<u>CalHFA Approval Issued</u>	<u>Received or Anticipated TCAC/CDLAC Award Date</u>	<u>Estimated Closing</u>
1	Arena Senior	Senior	Sacramento	Sacramento	\$ 6,000,000	\$ 25,210	240	238	61.0%	\$ -	Final Commitment	2019	Construction Closed
2	Glen Loma Ranch	Family & Senior	Gilroy	Santa Clara	\$ 7,850,000	\$ 50,321	158	156	60.0%	\$ -	Final Commitment	February (CDLAC) & April (TCAC)	Construction Closed
3	Village at Burlingame	Family & Senior	Burlingame	San Mateo	\$ 9,700,000	\$ 74,046	132	131	61.0%	\$ -	Final Commitment	February (CDLAC) & April (TCAC)	Construction Closed
4	Hayward Mission	Family	Hayward	Alameda	\$ 5,000,000	\$ 35,971	140	139	60.0%	\$ -	Initial Commitment	February (CDLAC) & April (TCAC)	September
5	Antioch Seniors	Family & Senior	Antioch	Contra Costa	\$ 6,000,000	\$ 15,385	394	390	59.0%	\$ -	Initial Commitment	February	June
6	Valencia Point	Family	San Diego	San Diego	\$ 4,040,000	\$ 40,000	102	101	58.0%	\$ -	Initial Commitment	February	July
7	Twin Oaks Senior (Formerly: Senior)	Senior	Oakley	Contra Costa	\$ 5,160,000	\$ 40,000	130	129	63.0%	\$ -	Initial Commitment	February	TBD
	TOTAL				\$ 43,750,000	\$ 34,073	1,296	1,284	60.3%				

MIP 2020

	<u>Project Name</u>	<u>Project Type</u>	<u>City</u>	<u>County</u>	<u>MIP Amount</u>	<u>MIP/Unit Amount</u>	<u>Total Units</u>	<u>Restricted Units (60-120% AMI)</u>	<u>Average AMI Qualified for TC</u>	<u>CalHFA Permanent Loan</u>	<u>CalHFA Approval Issued</u>	<u>Received or Anticipated TCAC/CDLAC Award Date</u>	<u>Estimated Closing</u>
1	Sepulveda Apartments	Family	Pittsburg	Contra Costa	\$ 15,500,000	\$ 44,034	356	352	60.0%	\$ -	Final Commitment	April 14, 2020	June
2	The Atchison	Family	Pittsburg	Contra Costa	\$ 10,700,000	\$ 53,500	202	200	60.0%	\$ 32,000,000	Initial Commitment	April 14, 2020	August
3	Beacon Villa	Family	Pittsburg	Contra Costa	\$ 6,350,000	\$ 117,593	54	53	60.0%	\$ 10,500,000	Initial Commitment	April 14, 2020	October
4	Frishman Hollos II	Family	Truckee	Nevada	\$ 4,388,000	\$ 65,493	68	67	60.0%	\$ 5,800,000	Initial Commitment	April 14, 2020	September
5	The Parkway Apts	Family	Folsom	Sacramento	\$ 3,350,000	\$ 47,183	72	71	59.9%	\$ 6,800,000	Initial Commitment	April 14, 2020	July
6	Arden Way Apts-Sacramento	Family	Sacramento	Sacramento	\$ 7,610,000	\$ 63,950	120	119	59.8%	\$ 10,750,000	Initial Commitment	April 14, 2020	October
7	1717 S Street	Family	Sacramento	Sacramento	\$ 10,250,000	\$ 92,342	159	111	58.8%	\$ -	Initial Commitment	April 14, 2020	July
8	The Courtyard at Kimball	Family	National City	San Diego	\$ 6,500,000	\$ 50,000	131	130	60.0%	\$ -	Final Commitment	April 14, 2020	June
9	Santa Rosa Apartments	Family	Santa Rosa	Sonoma	\$ 9,850,000	\$ 58,982	154	152	64.0%	\$ 24,731,000	Initial Commitment	April 14, 2020	August
10	Kawana Springs	Family	Santa Rosa	Sonoma	\$ 9,500,000	\$ 57,927	151	149	64.0%	\$ 23,826,000	Initial Commitment	April 14, 2020	August
11	The Redwood Apartments	Family	Santa Rosa	Sonoma	\$ 4,750,000	\$ 50,000	96	95	59.9%	\$ 15,000,000	Seeking Final Commitment on 5/14/20	April 14, 2020	June
12	One Lake Family Apts.	Family	Fairfield	Solano	\$ 14,255,000	\$ 75,824	190	188	60.0%	\$ 21,716,000	Initial Commitment	April 14, 2020	September
13	Fancher Creek Senior Apts	Senior	Fresno	Fresno	\$ 4,500,000	\$ 25,281	180	178	58.0%	\$ 8,808,815	Initial Commitment	April 14, 2020	July
	TOTAL				\$ 107,503,000	\$ 57,642	1,933	1,865	60.4%	159,931,815			

**Final Commitment Staff Report & Request for Loan Approval of Tax Exempt and Taxable Bond
Conduit Issuance AND Mixed Income Program Subsidy Financing
Senior Loan Committee "Approval": 3-19-2020 for Board Meeting on: 5-14-2020**

Project Name, County:	Sepulveda Apartments, Los Angeles County		
Address:	8811-8861 Sepulveda Blvd., 15430 and 15408 Rayen St., 8832-8840 Langdon Ave., Los Angeles, 91343		
CalHFA Project Number:	19-071 A/X		
Requested Financing by Loan Program:	\$90,000,000	Tax Exempt Bond – Conduit Issuance Amount	
	\$15,000,000	Taxable Bond – Conduit Issuance Amount	
	\$15,500,000	Subsidy GAP Loan funded MIP funds	

DEVELOPMENT/PROJECT TEAM

Developer:	Meta Housing Corporation	Borrower:	8821 Sepulveda L.P.
Permanent Lender:	Pacific Western Bank	Construction Lender:	Pacific Western Bank
Equity Investor:	Boston Financial	Management Company:	The John Stewart Company
Contractor:	Milender White	Architect	Togawa Smith Martin, Inc
Loan Officer:	Ruth Vakili	Loan Specialist:	Lorrie Blevins
Asset Manager:	Jessica Doan	Loan Administration:	Jennifer Beardwood
Legal (Internal):	Torin Heenan	Legal (External):	N/A
Concept Meeting Date:	TBD	Approval Expiration Date:	6 months from approval

LOAN TERMS

1.		CONDUIT ISSUANCE Pacific Western Bank	PERMANENT LOAN Pacific Western Bank	MIP (GAP) LOAN
	Total Loan Amount	\$90,000,000 T/E \$15,000,000 Tax	\$64,479,063	\$15,500,000
	Loan Term & Lien Position	36 months- interest only 1 st and 2 nd Lien Position during construction	40-year partially amortizing due in year 15; 1st Lien Position at permanent conversion	15-year - Residual Receipts; 2nd Lien Position during permanent loan conversion
	Interest Rate (subject to change and locked 30 days prior to loan closing)	Underwritten at 3.60% T/E 3.60% taxable, fixed	Underwritten at 4.05%	2.75% Simple Interest
	Loan to Value (LTV)	Maximum LTV is 90%	Maximum LTV is 70%	N/A
	Loan to Cost	75%	47.25%	N/A

ANTICIPATED PROJECT MILESTONES & SCHEDULE

2.	CDLAC/TCAC Closing Deadline:	6/8/2020	Est. Construction Loan Closing:	6/2020
	Estimated Construction Start:	6/2020	Est. Construction Completion:	8/2022
	Estimated Stabilization and Conversion to Perm Loan(s):		6/2023	

SOURCES OF FUNDS

3.	Construction Period Financing			
	SOURCE	AMOUNT	LIEN POSITION	DEBT TYPE
	Construction Loan- Tax Pacific Western Bank (T/E)	\$90,000,000	1st	Interest Only
	Construction Loan- Taxable Pacific Western Bank (Tax)	\$15,000,000	2nd	Interest Only
	Tax Credit Equity	\$20,140,359	N/A	N/A
	Total	\$125,140,359	\$ 351,518	Per Unit
	Permanent Financing			
	SOURCE	AMOUNT	LIEN POSITION	DEBT TYPE
	Pacific Western Bank Permanent Loan	\$ 64,479,063	1st	Balloon 40/due in 15
	CalHFA MIP Loan	\$15,500,000	2nd	Residual Receipts Loan
	CDLAC Deposit Refund	\$296,731	N/A	N/A
	Lease Up Income	\$2,000,000	N/A	N/A
	Tax Credit Equity	\$ 44,756,354	N/A	N/A
	Estimated Deferred Developer Fee	\$ 12,752,614	N/A	Payable from Cash Flow
	TOTAL DEVELOPMENT COST:	\$139,784,762	\$392,654	Per Unit
	Subsidy Efficiency: The CalHFA MIP loan amount equates to \$49,839/PU for MIP units restricted between 50% and 70% AMI.			
	Tax Credit Type(s), Amount(s), Pricing(s), and per restricted units :			
	<ul style="list-style-type: none"> 4% Federal Tax Credits: \$49,182,810 assuming estimated pricing of \$0.91 (\$127,149 per restricted units). 			
	Rental Subsidies: The Project will not be subsidized by project-based vouchers.			
	Other State Subsidies: The Project will not be funded by other state funds.			
Other Locality Subsidies: The Project will not be funded by locality funds.				
Cost Containment Strategy: The Developer will competitively bid all trades, obtaining a minimum of 3 bids, and implement design standards that facilitate efficiency in cost and construction scheduling. Prior to construction loan closing, CalHFA will require the Developer to certify that cost containment measures have been implemented.				
Lease Up Income prior to permanent loan conversion: The developer assumes a lease up income of \$2 million that will be available prior to permanent loan conversion. The lease up income is calculated as follows; 60% of NOI from the start of lease up for Building 1, through lease up of Building 2 and ending on the conversion date, which is a total of 10 months.				
4.	Equity – Cash N/A			

TRANSACTION SUMMARY

5.	Legislative Districts	Congress:	#29 Tony Cardenas	Assembly:	#46 Adrin Nazarian	State Senate:	#18 Robert M Hertzberg
Brief Project Description		<p>Sepulveda Apartments (the “Project”) is a new mixed-income family project, consisting of 2 buildings; one building is 4 stories of residential and one building is 4 stories over a 1 story, at grade podium parking. There will be a total of 356 units, 352 will be restricted to families earning 30%-70% AMI and four non-restricted units will be reserved for onsite managers. There will be a mix of studios, 1,2,3 and 4-bedroom units, ranging in square footage between 399 sq. ft to 1,175 sq. ft.</p> <p>Amenities: The Project will be gated with surveillance cameras, and will include a clubhouse/community room, exercise room, tot lot/playground and 3-laundry rooms. Unit amenities will include central heating/air, dishwasher, garbage disposal and patio/balconies.</p> <p>Financing Structure: The Project’s financing structure includes tax-exempt bonds, 4% tax credits, and MIP gap financing. The project will be income averaged, pursuant to TCAC regulations.</p> <p>Tax Credits and/or CDLAC Status: The developer received a tax-exempt bond allocation December 11, 2019 and anticipates receiving the federal tax credits April 14, 2020.</p> <p>Ground Lease: Not applicable.</p> <p>Commercial Space: The Project does not include commercial space.</p>					

TRANSACTION OVERVIEW

6.	Proposal and Project Strengths
<ul style="list-style-type: none"> • The Developer anticipates receiving 4% tax credits which is projected to generate equity representing 32% of total financing sources. • The sponsor/developer, Meta Housing and property management company, the John Stewart Company, have extensive experience in developing similar affordable housing projects and have experience with CalHFA. • The Project will serve 352 low-income families with incomes ranging between 30% to 70% of AMI. • The projected portion of the developer’s fee that will be collected at or prior to permanent loan conversion is \$1,947,386 which could be available to cover cost overruns and/or unforeseen issues during construction. • The developer is contributing an amount of \$12,752,614 via deferred developer fee to the Project. • According to the market study the overall capture rate is only 1.5%, with absorption expected to be 44 to 50 units per month. The project will be fully leased within seven to ten months from completion. • All major shopping, transportation and recreational amenities are located within a short distance of the Project. 	

7.	Project Weaknesses with Mitigants:
	<ul style="list-style-type: none"> The exit analysis assumes 7% cap rate and a 3% increase of the underwriting interest rate at loan maturity. Based on these assumptions, the Project will have the ability to fully repay the permanent loan but may only have the ability to repay a portion of the Agency's subsidy MIP loan in the estimated amount of \$5,012,112 leaving an outstanding balance of \$14,876,591. This is as expected by CalHFA given the requirement that the MIP loan be co-terminus with the permanent first mortgage. The primary source of repayment for both the first mortgage and the MIP subsidy loan is refinance of the project first mortgage. To the extent such a refinance is insufficient to fully repay the MIP loan, it is contemplated that any remaining balance will be paid from a general partner contribution as part of the final close out of partnership obligations to allow re-syndication.
8.	Underwriting Standards or Term Sheet Variations
	<ul style="list-style-type: none"> The MIP term sheet requires repayment of the MIP loan to be a pro rata share of 50% of residual receipts between the MIP and other subordinate residual receipts lenders. The Developer has requested, and the Multifamily Lending Division recommends, a deferment of payments to the MIP loan until the deferred developer fee is paid off, which is estimated to be in year 13. Upon payment of the deferred developer fee, the Developer will receive 50% of net cash flow and the MIP loan will receive 50% of net cash flow. The affordability restrictions for the Mixed Income Program require at least 10% of the units be restricted to 81% to 120% of AMI, with an average of 100% of AMI, if supported by a market study. Although the market study dated December 18, 2019 supports rents at a range between 81% to 120% of AMI while complying with the requirement that rents be 10% below market, the developer has instead elected to restrict 10% of the units between 60% to 80% of AMI with an average of 70% of AMI. The developer's reasoning is that the loss of the of federal 4% tax credits plus the loss of the property tax exemption for units above 80% AMI is approximately \$150K/unit. The MIP only allows up to \$100K/unit in subsidy financing for units above 80% AMI which produces a financing gap for these units with no identified resource to fill the gap. Approval of this exception is recommended by Multi-Family Underwriting and Credit Staff subject to CalHFA being the permanent lender and based on the following: approval facilitates the progression of a shovel ready project without delay; the project has received bond allocations from CDLAC and is awaiting 4% federal tax credits in April; the affordability restrictions for units between 60% to 80% will allow the Project to qualify for federal 4% tax credits which limits the required per unit MIP subsidy and overall improves the project economics.
9.	Project Specific Conditions of Approval
	<p>Approval is conditioned upon</p> <ul style="list-style-type: none"> Receipt of locality contribution letter evidencing support of Project prior to construction loan closing. The final appraisal will be subject to Agency's review and approval prior to construction close. CalHFA may require a copy of the construction and/or permanent lenders proforma evidencing consistent underwriting assumptions. The Project must meet the readiness requirements within 180 days from TCAC/CDLAC allocation. Copy of Density Bonus land use requirements prior to construction close. Final LPA acceptable to Agency prior to construction close. Evidence of all environmental remediation and clearances are required prior to permanent loan conversion. Evidence of tax credit award prior to construction close. Subject to receipt of a certification acceptable to CalHFA from the engineer on record that project was built to current seismic code prior to permanent loan closing. CalHFA requires that MIP affordability covenants be recorded in first position. An increase to total MIP funds will not be considered as a result of cost increase. The Project is subject to a potential participation agreement between CalHFA and permanent lender.

10. Staff Conclusion/Recommendation:
The Multifamily Lending Division supports approval of the described financing in the amounts requested, subject to the above proposed terms and conditions.

MISSION & AFFORDABILITY

11. CalHFA Mission/Goals
This Project and financing proposal provide 352 units of affordable housing with a range of restricted rents between 30% AMI and 70% of AMI which will support much needed rental housing that will remain affordable for 55 years.

12. CalHFA Affordability & Occupancy Restrictions
The CalHFA MIP Subsidy Regulatory Agreement will restrict 36 of units at or below 50% and 36 of units between 81% to 120% of AMI and the remaining 280 of restricted units will be restricted at or below 120% of AMI, for a term of 55 years.
In addition, the Project will be restricted by the following jurisdictions as described below: <ul style="list-style-type: none"> The City will restrict 11% of total units to 50% or less of AMI and 89% of units at or below 120% of AMI for a term of 55 years.

Rent Limit Summary Table							
Restrictions @ AMI	Total	Studio	1-bdrm	2-bdrm	3-bdrm	4-bdrm	% of Total
30%	41	3	1	14	21	2	11.0%
60%	188	15	4	66	97	6	53.0%
70% (60% to 80% tranche for MIP purposes)	123	10	3	42	64	4	35.0%
Manager's Unit	4			4			1.0%
Total	356	28	8	126	182	12	100%

NUMBER OF UNITS AND AMI RENTS RESTRICTED BY EACH AGENCY								
Regulatory Source (Type in Lender Names)	Lien Priority if Recorded Document	Term of Agrmt (years)	Number of Units Restricted For Each AMI Category					
			(enter various AMI%'s in each columns yellow field, then show the number of regulated units for each AMI, by Source)					
			30%	50%	60%	80%	120%	
CalHFA Bond	1st	55		36	107			
CalHFA MIP	2nd	55		36		36		280
TCAC	3rd	55	41		188	123		
City of LA	4 th	55	39					313

13. Geocoder Information	Central City: Yes	Underserved: NO
	Low/Mod Census Tract: Upper	Below Poverty line: 18%
	Minority Census Tract: 40%	Rural Area: No

FINANCIAL ANALYSIS SUMMARY

14. Capitalized Reserves:			
	Replacement Reserves (RR):	N/A	
	Operating Expense Reserve (OER):	1,373,395 OER amount is size based on 3 months of operating expenses, debt service, and annual replacement reserves deposits. Permanent Lender, or Investor will hold this reserve.	
	Transitional Operating Reserve (TOR):	N/A	
15. Cash Flow Analysis			
	1st Year DSCR:	1.15	Project-Based Subsidy Term: N/A
	End Year DSCR:	1.57	Annual Replacement Reserve Per Unit: \$250/unit
	Residential Vacancy Rate:	5. %	Rental Income Inflation Rate: 2.50%
	Subsidy Vacancy Rate:	N/A	Subsidy Income Inflation Rate: N/A
	Non-residential Vacancy Rate:	N/A	Project Expenses Inflation Rate: 3.50%
			Property Tax Inflation Rate: 1.25%
16. Loan Security			
	<ul style="list-style-type: none"> The CalHFA loan will be secured against the above described Project site. 		
17. Balloon Exit Analysis	Applicable: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
	<ul style="list-style-type: none"> The exit analysis assumes 7% cap rate and 3% increase of the underwriting interest rate at loan maturity. Based on these assumptions, the Project will be able to refinance the permanent loan but may only have the ability to repay a portion of the Agency's subsidy MIP loan in the estimated amount of \$5,102,112 leaving an outstanding balance of \$15,317,744. This is as expected by CalHFA given the requirement that the MIP loan be co-terminus with the permanent first mortgage. The primary source of repayment for both the first mortgage and the MIP subsidy loan is refinance of the project first mortgage. To the extent such a refinance is insufficient to fully repay the MIP loan, it is contemplated that any remaining balance will be paid from a general partner contribution as part of the final close out of partnership obligations to allow re-syndication. 		

APPRAISAL AND MARKET ANALYSIS

18. Appraisal Review	
	<ul style="list-style-type: none"> A joint appraisal with Pacific Western Bank is expected by April 30, 2020. Prior to Construction Loan Closing, CalHFA will require an Appraisal acceptable to CalHFA in its sole discretion.

	Market Study: Kinetic Valuation Group	Dated: 12/18/2019
<p>Regional Market Overview</p> <ul style="list-style-type: none"> • The Primary Market Area is the city of Los Angeles (population of 856,088) and the Secondary Market Area (“SMA”) is Los Angeles County (population of 10,255,222) • The general population in the PMA is anticipated to increase by .41% per year • Unemployment in the PMA is 4%, which evidences a strong employment area. <p>Local Market Area Analysis Supply:</p> <ul style="list-style-type: none"> ○ There are currently 48 LIHTC projects in City of Los Angeles and they are 100% occupied with long wait lists. ○ The Project will be new construction and excellent condition. Market rate comparable properties were built or renovated between 1964 and 2019. ○ The Project will address two major community needs in the greater Los Angeles region: the need for an increased supply of affordable housing and housing that is specifically designed for households between one to six-people. <p>Demand/Absorption:</p> <ul style="list-style-type: none"> ○ The project will need to capture 1.5 % of the total demand for family units in the PMA. The affordable units are anticipated to lease up at a rate of 44 to 50 units per month and reach stabilized occupancy within 7 -10 months of opening. 		
<p>Local Market Area Analysis Supply:</p> <ul style="list-style-type: none"> ○ There are currently 48 LIHTC projects in City of Los Angeles and they are 100% occupied with long wait lists. ○ The Project will be new construction and excellent condition. Market rate comparable properties were built or renovated between 1964 and 2019. ○ The Project will address two major community needs in the greater Los Angeles region: the need for an increased supply of affordable housing and housing that is specifically designed for households between one to six-people. <p>Demand/Absorption:</p> <ul style="list-style-type: none"> ○ The project will need to capture 1.5 % of the total demand for family units in the PMA. The affordable units are anticipated to lease up at a rate of 44 to 50 units per month and reach stabilized occupancy within 7 -10 months of opening. 		

DEVELOPMENT SUMMARY

19.	Site Description	Requires Flood Insurance: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<ul style="list-style-type: none"> • The property is located on the southwest corner of Sepulveda Blvd and Rayen Street in the North Hills neighborhood of Los Angeles . • The site is currently vacant, with level topography at street grade, measuring approximately 4.36 acres and is irregular in shape. • The site consists of 7 contiguous parcels that will be merged prior to start of construction. • The site is zoned R3-1 Medium Density Residential with permitted multifamily residential use. • The subject is located in Flood Zone X. Zone X is the area determined to be outside the 500-year flood and protected by levee from 100-year flood, therefore the Project will not be subject to flood insurance. 		
20.	Form of Site Control & Expiration Date	
<p>The site is under contract, purchase contract dated June 25, 2019 between Seller (M.D.B. Family Properties and RDB Family Properties) and Meta Housing Corporation. Purchase price is \$14,000,000 and expires June 22, 2020</p>		

21.	Current Ownership Entity of Record
Title is currently vested in M.D.B. Families Properties, a California limited partnership and RDB Family Properties, a California limited partnership.	
22.	Environmental Review Findings
<ul style="list-style-type: none"> Former uses on the site consisted of a nursery, fertilizer manufacturing, a parking lot and commercial buildings. From 1931 to 1968 a gas station and auto repair shop existed on portions of the site. A Phase I dated 9/20/19 by EFI Global recommended additional testing due to the historic uses. A Phase II Environmental Site Assessment performed by AEI Consultants dated 11/21/19 revealed evidence of recognized environmental conditions, which includes underground storage tanks. The tanks will be removed, and any contamination will be mitigated. The cost of mitigation is \$250,000 and is included in the construction budget. 	
23.	Seismic Requires Earthquake Insurance: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<ul style="list-style-type: none"> This new Project will be built to State and City of Los Angeles Building Codes, so no seismic review is required. The borrower will be required to submit a certification acceptable to CalHFA from the engineer on record that project was built to current seismic code prior to permanent loan closing. 	
24.	Relocation Requires Relocation: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> Not Applicable
<ul style="list-style-type: none"> The project is new construction on vacant land. No relocation required. 	

PROJECT DETAILS

25.	Residential Areas:			
	Residential Square Footage:	374,050	Residential Units per Acre:	81.65
	Community Area Sq. Ft:	67,992	Total Parking Spaces:	356
	Supportive Service Areas:	Incl	Total Building Sq. Footage:	559,748
26.	Mixed-Use Project: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	Non-Residential Sq. Footage:	N/A	Number of Lease Spaces:	N/A
	Master Lease:	<input type="checkbox"/> Yes <input type="checkbox"/> No	Number of Parking Spaces:	N/A
27.	Construction Type:	The Project will be one building of 4 stories of residential and one building of 4 stories of residential over 1 story at-grade podium parking		
28.	Construction/Rehab Scope Requires Demolition: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
<ul style="list-style-type: none"> The subject site is new construction. Environmental remediation of contaminants outlined on section 22 above is included in the development budget in the estimated amount of \$250,000. 				
29.	Construction Budget Comments:			
<ul style="list-style-type: none"> The Developer is currently looking for cost saving design options to reduce construction costs and minimize the amount of deferred developer fee. 				

ADDITIONAL DEVELOPMENT/ PROJECT TEAM INFORMATION

30.	Management Agent		
31.	Service Provider	Required by TCAC or other funding source? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
The borrower has elected to provide supportive services for all tenants through LifeSTEPS. There is \$15,000 in the annual operating budget for this service.			

32.	Contractor	Experienced with CalHFA? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>The general contractor (GC) is Milender White which has extensive experience in constructing similar affordable housing projects in California, however, CalHFA is not familiar with the general contractor. The GC has provided information on three (5) Comparable (in design) Projects they have built in the past five (5) years. The GC has also provided resumes of the principals, key staff.</p>		
33.	Architect	Experienced with CalHFA? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>The architect, Togawa Smith Martin Inc. which has extensive experience in designing and managing similar affordable housing projects in California through the locality’s building permit process, however, CalHFA is not familiar with the architect.</p>		
34.	Local Review via Locality Contribution Letter	
<p>The locality, City of Los Angeles has not returned the local contribution letter stating they strongly support the project. It was requested on 3/5/20.</p>		

EXHIBITS: Detailed Financial Analysis and applicable Term Sheets

PROJECT SUMMARY			Final Commitment			
Acquisition, Rehab, Construction & Permanent Loans			Project Number 19-071-A/X			
Project Full Name	Sepulveda Apartments	Borrower Name:	8821 Sepulveda L.P.			
Project Address	8811-8861 Sepulveda Blvd., 15430 and	Managing GP:	Foundation for Affordable Housing			
Project City	Los Angeles	Developer Name:	Meta Housing Corporation			
Project County	Los Angeles	Investor Name:	Boston Financial Investment Management			
Project Zip Code	91343	Prop Management:	The John Stewart Company			
		Tax Credits:	4			
Project Type:	Mixed Income Loan Only (Conduit Perm Loan)	Total Land Area (acres):	4.36			
Tenancy/Occupancy:	Individuals/Families	Residential Square Footage:	306,042			
Total Residential Units:	356	Residential Units Per Acre:	81.65			
Total Number of Buildings:	2	Covered Parking Spaces:	356			
Number of Stories:	4	Total Parking Spaces:	356			
Unit Style:	Flat					
Elevators:	2					
Acq/Construction/Rehab Financing		Loan Amount (\$)	Loan Fees	Loan Term (Mo.)	Amort. Period (Yr.)	Starting Interest Rate
CalHFA Conduit/Pacific Western Bank		90,000,000	0.500%	36	--	3.600%
Taxable Construction		15,000,000	0.500%	36	--	3.600%
Investor Equity Contribution		20,140,359	--	--	--	--
Permanent Financing		Loan Amount (\$)	Loan Fees	Loan Term (Yr.)	Amort. Period (Yr.)	Starting Interest Rate
--		--	--	--	--	--
MIP		15,500,000	1.000%	15	--	2.750%
Conduit First Lien Loan Pacific Western Bank		64,479,063	--	15	40	4.050%
Deferred Developer Fees		12,752,614	NA	NA	NA	NA
--		--	NA	NA	NA	NA
Investor Equity Contributions		44,756,354	NA	NA	NA	NA
Appraised Values Upon Completion of Rehab/Construction						
Appraisal Date:	TBD	Capitalization Rate:				TBD
Investment Value (\$)	TBD	Restricted Value (\$)				TBD
Construct/Rehab LTC	TBD	CalHFA Permanent Loan to Cost				TBD
Construct/Rehab LTV	TBD	CalHFA 1st Permanent Loan to Value				N/A
		Combined CalHFA Perm Loan to Value				TBD
Additional Loan Terms, Conditions & Comments						
<u>Construction/Rehab Loan</u>						
Payment/Performance Bond			0			
Completion Guarantee Letter of Credit			0.00%			
<u>Permanent Loan</u>						
Operating Expense Reserve Deposit	\$0	Cash				
Initial Replacement Reserve Deposit	\$0	Cash				
Annual Replacement Reserve Per Unit	\$250	Cash				
Date Prepared:	3/16/20	Senior Staff Date:	3/19/20			

UNIT MIX AND RENT SUMMARY **Final Commitment**
 Sepulveda Apartments Project Number 19-071-A/X

PROJECT UNIT MIX					
Unit Type of Style	Number of Bedrooms	Number of Baths	Average Size (Sq. Ft.)	Number of Units	Est. No. of Tenants
Studio	-	1	399	28	28
Flat	1	1	525	8	8
Flat	2	1	778	126	126
Flat	3	2	981	182	182
Flat	4	2	1,175	12	12
-	-	-	-	-	0
				356	356

NUMBER OF UNITS AND PERCENTAGE OF AMI RENTS RESTRICTED BY EACH AGENCY							
Agency	Number of Units Restricted For Each AMI Category						
	30%	40%	50%	60%	80%	120%	0%
CalHFA Bond/RiskShare			36	107			
CalHFA MIP			36	0	36	280	
Tax Credit	41	0	0	188	123	0	0
Density Bonus	39	0	0	0	0	313	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	CTCAC	30%	3	\$530	\$1,700	\$1,170	31%
	CTCAC	60%	15	\$1,078		\$622	63%
	CTCAC	70%	10	\$1,260		\$440	74%
	CTCAC	80%	-	-		-	-
	HCD	100%	-	-		-	-
	HCD	120%	-	-		-	-
1 Bedroom	CTCAC	30%	1	\$563	\$2,050	\$1,487	27%
	CTCAC	60%	4	\$1,151		\$899	56%
	CTCAC	70%	3	\$1,347		\$703	66%
	CTCAC	80%	-	-		-	-
	HCD	100%	-	-		-	-
	HCD	120%	-	-		-	-
2 Bedrooms	CTCAC	30%	14	\$672	\$2,425	\$1,753	28%
	CTCAC	60%	66	\$1,377		\$1,048	57%
	CTCAC	70%	42	\$1,612		\$813	66%
	CTCAC	80%	-	-		-	-
	HCD	100%	-	-		-	-
	HCD	120%	-	-		-	-
3 Bedrooms	CTCAC	30%	21	\$775	\$2,625	\$1,750	31%
	CTCAC	60%	97	\$1,589		\$936	63%
	CTCAC	70%	64	\$1,861		\$664	74%
	CTCAC	80%	-	-		-	-
	HCD	100%	-	-		-	-
	HCD	120%	-	-		-	-
4 Bedrooms	CTCAC	30%	2	\$858	\$2,925	\$2,067	29%
	CTCAC	60%	6	\$1,767		\$1,158	60%
	CTCAC	70%	4	\$2,056		\$869	70%
	CTCAC	80%	-	-		-	-
	HCD	100%	-	-		-	-
	HCD	120%	-	-		-	-
5 Bedrooms	CTCAC	30%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	70%	-	-		-	-
	CTCAC	80%	-	-		-	-
	HCD	100%	-	-		-	-
	HCD	120%	-	-		-	-
Date Prepared:		3/16/20		Senior Staff Date:		3/19/20	

SOURCES & USES OF FUNDS			Final Commitment		
Sepulveda Apartments			Project Number 19-071-AJX		
SOURCES OF FUNDS	CONST/REHAB \$	PERMANENT \$	TOTAL PROJECT SOURCES OF FUNDS		
			SOURCES (\$)	PER UNIT (\$)	%
CalHFA Conduit/Pacific Western Bank	90,000,000				0.0%
-	-				0.0%
-	-				0.0%
Taxable Construction	15,000,000				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
Deferred Operating Reserve	-				0.0%
Deferred Fee & Costs	-				0.0%
-	-				0.0%
Construct/Rehab Net Oper. Inc.	-				0.0%
Deferred Developer Fee	-				0.0%
Developer Equity Contribution	-				0.0%
Investor Equity Contribution	20,140,359				0.0%
MIP		15,500,000	15,500,000	43,539	11.1%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		64,479,063	64,479,063	181,121	46.1%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
CDLAC Deposit Refund		296,731	296,731	834	0.2%
Lease Up Income		2,000,000	2,000,000	5,618	1.4%
-		-	-	-	0.0%
Construct/Rehab Net Oper. Inc.		-	-	-	0.0%
Deferred Developer Fees		12,752,614	12,752,614	35,822	9.1%
Developer Equity Contribution		-	-	-	0.0%
Investor Equity Contributions		44,756,354	44,756,354	125,720	32.0%
TOTAL SOURCES OF FUNDS	125,140,359	139,784,762	139,784,762	392,654	100.0%
TOTAL USES OF FUNDS (BELOW)	125,140,359	139,784,762	139,784,762	392,654	100.0%
FUNDING SURPLUS (DEFICIT)	-	-	-	-	-

USES OF FUNDS	CONST/REHAB \$	PERMANENT \$	TOTAL PROJECT USES OF FUNDS		
			USES (\$)	PER UNIT (\$)	%
CONSTRUCTION/REHAB SOURCES OF FUNDS		125,140,359			
ACQUISITION COSTS					
Lesser of Land Cost or Appraised Value	14,000,000	-	14,000,000	39,326	10.0%
Demolition Costs	-	-	-	-	0.0%
Legal & Other Closing Costs	-	-	-	-	0.0%
Escrow & other closing costs	-	-	-	-	0.0%
Verifiable Carrying Costs	-	-	-	-	0.0%
Existing Improvements Value	-	-	-	-	0.0%
Delinquent Taxes Paid @ Closing	-	-	-	-	0.0%
CalHFA Yield Maintenance Paid @ Closing	-	-	-	-	0.0%
Existing Replacement Reserve	-	-	-	-	0.0%
Broker Fees Paid to Related Party	-	-	-	-	0.0%
Other (Specify)	417,375	-	417,375	1,172	0.3%
Other (Specify)	-	-	-	-	0.0%
TOTAL ACQUISITION COSTS	14,417,375	-	14,417,375	40,498	10.3%
CONSTRUCTION/REHAB COSTS					
Offsite Improvements	-	-	-	-	0.0%
Environmental Remediation (Hard Costs)	250,000	-	250,000	702	0.2%
Site Work (Hard Cost)	910,000	-	910,000	2,556	0.7%
Structures (Hard Cost)	73,402,532	-	73,402,532	206,187	52.5%
General Requirements	2,982,501	-	2,982,501	8,378	2.1%
Contractor Overhead	2,982,502	-	2,982,502	8,378	2.1%
Contractor Profit	2,982,502	-	2,982,502	8,378	2.1%
Contractor Bond	-	-	-	-	0.0%
Contractor Liability Insurance	-	-	-	-	0.0%
Personal Property	-	-	-	-	0.0%
P&P Bonds Insurance	2,065,337	-	2,065,337	5,802	1.5%
TOTAL CONSTRUCT/REHAB COSTS	85,575,374	-	85,575,374	240,380	61.2%

SOURCES & USES OF FUNDS			Final Commitment		
Sepulveda Apartments			Project Number 19-071-A/X		
USES OF FUNDS	CONST/REHAB \$	PERMANENT \$	TOTAL PROJECT USES OF FUNDS		
			USES (\$)	PER UNIT (\$)	%
RELOCATION COSTS					
Relocation Expense	-	-	-	-	0.0%
Relocation Compliance Monitoring	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL RELOCATION COSTS	-	-	-	-	0.0%
ARCHITECTURAL FEES					
Design	890,000	-	890,000	2,500	0.6%
Supervision	480,000	-	480,000	1,348	0.3%
TOTAL ARCHITECTURAL FEES	1,370,000	-	1,370,000	3,848	1.0%
SURVEY & ENGINEERING FEES					
Engineering	1,943,295	-	1,943,295	5,459	1.4%
Supervision	-	-	-	-	0.0%
ALTA Land Survey	-	-	-	-	0.0%
TOTAL SURVEY & ENGINEERING FEES	1,943,295	-	1,943,295	5,459	1.4%
CONTINGENCY RESERVES					
Hard Cost Contingency Reserve	3,396,765	-	3,396,765	9,541	2.4%
Soft Cost Contingency Reserve	1,000,000	-	1,000,000	2,809	0.7%
TOTAL CONTINGENCY RESERVES	4,396,765	-	4,396,765	12,350	3.1%
CONSTRUCT/REHAB PERIOD COSTS					
Loan Interest Reserve					
CalHFA Conduit/Pacific Western Bank	6,036,900	-	6,036,900	16,958	4.3%
Origination Fee	525,000	-	525,000	1,475	0.4%
Taxable Construction	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Loan Fees					
CalHFA Conduit/Pacific Western Bank	450,000	-	450,000	1,264	0.3%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Taxable Construction	75,000	-	75,000	211	0.1%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Other Const/Rehab Period Costs					
Deficit Const/Rehab NOI (Net Operating In	-	-	-	-	0.0%
Credit Enhancement & Application Fees	72,400	-	72,400	203	0.1%
Owner Paid Bonds/Insurance	-	-	-	-	0.0%
CalHFA Inspection Fees	-	-	-	-	0.0%
Real Estate Taxes During Rehab	45,000	-	45,000	126	0.0%
Completion Guaranty Fee	-	-	-	-	0.0%
Wage Monitoring Fee (Davis Bacon, Preva	-	-	-	-	0.0%
Insurance During Rehab	1,000,000	-	1,000,000	2,809	0.7%
Title & Recording Fees	84,000	-	84,000	236	0.1%
Other:	-	-	-	-	0.0%
Other	-	-	-	-	0.0%
Bond Issuer Fee	110,000	-	110,000	309	0.1%
Misc. Bond Issuance Costs	193,125	-	193,125	542	0.1%
TOTAL CONST/REHAB PERIOD COSTS	8,591,425	-	8,591,425	24,133	6.1%

SOURCES & USES OF FUNDS			Final Commitment		
Sepulveda Apartments			Project Number 19-071-A/X		
USES OF FUNDS	CONST/REHAB	PERMANENT	TOTAL PROJECT USES OF FUNDS		
	\$	\$	USES (\$)	PER UNIT (\$)	%
PERMANENT LOAN COSTS					
Loan Fees					
CalHFA Application Fee	-	-	-	-	0.0%
MIP	77,500	77,500	155,000	435	0.1%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Credit Enhancement & Application Fees	-	-	-	-	0.0%
Title & Recording (closing costs)	-	72,997	72,997	205	0.1%
Year 1 - Taxes & Special Assessments and Insura	-	-	-	-	0.0%
CalHFA Fees	-	-	-	-	0.0%
Credit Enhancement/Application Fee	35,000	-	35,000	98	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL PERMANENT LOAN COSTS	112,500	150,497	262,997	739	0.2%
LEGAL FEES					
CalHFA Construction/Rehab Loan Legal Fees	-	-	-	-	0.0%
Other Construction/Rehab Loan Legal Fees	70,000	-	70,000	197	0.1%
CalHFA Permanent Loan Legal Fees	-	15,000	15,000	42	0.0%
Other Permanent Loan Legal Fees	-	-	-	-	0.0%
Sponsor Legal Fees	-	-	-	-	0.0%
Organizational Legal Fees	-	-	-	-	0.0%
Syndication Legal Fees	-	-	-	-	0.0%
Borrower Legal Fee	200,000	25,000	225,000	632	0.2%
CalHFA Bond Counsel	62,000	-	62,000	174	0.0%
TOTAL LEGAL FEES	332,000	40,000	372,000	1,045	0.3%
OPERATING RESERVES					
Operating Expense Reserve Deposit	-	-	-	-	0.0%
Initial Replacement Reserve Deposit	-	-	-	-	0.0%
Transition Operating Reserve Deposit	-	-	-	-	0.0%
Rent-Up Reserve Deposit	-	-	-	-	0.0%
HOME Program Replacement Reserve	-	-	-	-	0.0%
Investor Required Reserve	-	1,373,395	1,373,395	3,858	1.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL OPERATING RESERVES	-	1,373,395	1,373,395	3,858	1.0%
REPORTS & STUDIES					
Appraisal Fee	-	-	-	-	0.0%
Market Study Fee	8,000	-	8,000	22	0.0%
Physical Needs Assessment Fee	-	-	-	-	0.0%
Environmental Site Assessment Reports	13,250	-	13,250	37	0.0%
HUD Risk Share Environmental / NEPA Review F	-	-	-	-	0.0%
CalHFA Earthquake Waiver Review Fee	-	-	-	-	0.0%
Relocation Consultant	-	-	-	-	0.0%
Soils Reports	-	-	-	-	0.0%
Acoustical Reports	-	-	-	-	0.0%
Termite/Dry Rot	-	-	-	-	0.0%
Consultant/Processing Agent	-	-	-	-	0.0%
Other (Specify)	248,135	-	248,135	697	0.2%
TOTAL REPORTS & STUDIES	269,385	-	269,385	757	0.2%

SOURCES & USES OF FUNDS			Final Commitment		
Sepulveda Apartments			Project Number 19-071-A/X		
USES OF FUNDS	CONST/REHAB	PERMANENT	TOTAL PROJECT USES OF FUNDS		
	\$	\$	USES (\$)	PER UNIT (\$)	%
OTHER COSTS					
TCAC Application, Allocation & Monitor Fees	645,004	-	645,004	1,812	0.5%
CDLAC Fees	31,500	-	31,500	88	0.0%
Local Permits & Fees	1,000,000	-	1,000,000	2,809	0.7%
Local Impact Fees	3,049,747	-	3,049,747	8,567	2.2%
Other Local Fees	-	-	-	-	0.0%
Syndicator/Investor Fees & Expenses	-	-	-	-	0.0%
Furnishings	484,500	-	484,500	1,361	0.3%
Accounting & Reimbursables	105,000	-	105,000	295	0.1%
Advertising & Marketing Expenses	254,000	-	254,000	713	0.2%
Financial Consulting	-	-	-	-	0.0%
Other Miscellaneous	28,000	-	28,000	79	0.0%
HUD Risk Share Insurance (First Year Prepaid)	-	-	-	-	0.0%
Other (Specify)	900,000	-	900,000	2,528	0.6%
Other (Specify)	-	-	-	-	0.0%
TOTAL OTHER COSTS	6,497,751	-	6,497,751	18,252	4.6%
SUBTOTAL PROJECT COSTS	123,505,870	126,704,251	125,069,762	351,320	89.5%
DEVELOPER FEES & COSTS					
Developer Fees, Overhead & Profit	1,619,489	13,080,511	14,700,000	41,292	10.5%
Consultant Processing Agent	-	-	-	-	0.0%
Project Administration	-	-	-	-	0.0%
Syndicator Consultant Fees	-	-	-	-	0.0%
Guarantee Fees	-	-	-	-	0.0%
Construction Oversight & Management	-	-	-	-	0.0%
Other Administration Fees	-	-	-	-	0.0%
Other (Specify) correction to balance	15,000	-	15,000	42	0.0%
CASH EQUITY OUT TO DEVELOPER	-	-	-	-	0.0%
TOTAL DEVELOPER FEES & COSTS	1,634,489	13,080,511	14,715,000	41,334	10.5%
TOTAL PROJECT COSTS	125,140,359	139,784,762	139,784,762	392,654	100.0%

PROJECTED INITIAL ANNUAL RENTAL OPERATING BUDGET		Final Commitment		
Sepulveda Apartments		Project Number	19-071-AJX	
INCOME		AMOUNT	PER UNIT	%
Rental Income				
Restricted Unit Rents	\$ 6,211,666	\$ 17,448		103.81%
Unrestricted Unit Rents	-	-		0.00%
Commercial Rents	-	-		0.00%
Rental & Operating Subsidies				
Project Based Rental Subsidy	-	-		0.00%
Other Project Based Subsidy	-	-		0.00%
Income during renovations	-	-		0.00%
Other Subsidy (Specify)	-	-		0.00%
Other Income				
Laundry Income	87,006	244		1.45%
Parking & Storage Income	-	-		0.00%
Miscellaneous Income	-	-		0.00%
GROSS POTENTIAL INCOME (GPI)		\$ 6,298,672	\$ 17,693	105.26%
Less: Vacancy Loss	\$ 314,933	\$ 885		5.26%
EFFECTIVE GROSS INCOME (EGI)		\$ 5,983,739	\$ 18,578	100.00%
OPERATING EXPENSES		AMOUNT	PER UNIT	%
Administrative Expenses	\$ 403,000	\$ 1,132	\$ 0	
Management Fee	234,862	660		3.93%
Social Programs & Services	-	-		0.00%
Utilities	383,800	1,078		6.41%
Operating & Maintenance	608,800	1,710		10.17%
Ground Lease Payments	-	-		0.00%
CalHFA Monitoring Fee	7,500	21		0.13%
Mixed Income Loan Fee	224,525	631		3.75%
Other Monitoring Fees	-	-		0.00%
Real Estate Taxes	12,000	34		0.20%
Other Taxes & Insurance	207,000	581		3.46%
SUBTOTAL OPERATING EXPENSES		\$ 2,081,487	\$ 5,847	34.79%
Operating Reserves	\$ 89,000	\$ 250		1.49%
TOTAL OPERATING EXPENSES		\$ 2,170,487	\$ 6,097	36.27%
NET OPERATING INCOME (NOI)		\$ 3,813,252	\$ 10,711	63.73%
DEBT SERVICE PAYMENTS		AMOUNT	PER UNIT	%
PERMANENT LOAN DEBT SERVICE PAYMENTS	\$ -	\$ -		0.00%
-	\$ -	-		0.00%
-	\$ -	-		0.00%
Conduit First Lien Loan Pacific Western Bank	\$ 3,257,897	9,151		54.45%
City Monitoring Fee	\$ 60,896	171		1.02%
-	\$ -	-		0.00%
-	\$ -	-		0.00%
MIP Annual Fee (applicable for MIP only deals)	\$ 224,525	631		3.75%
TOTAL DEBT SERVICE & OTHER PAYMENTS		\$ 3,543,317	\$ 9,322	59.22%
EXCESS AFTER DEBT SERVICE & MONITORING FEES		\$ 269,935	\$ 1,389	4.51%
DEBT SERVICE COVERAGE RATIO (DSCR)		\$ 1 to 1		
Date: 3/16/20	Senior Staff Date: 03/19/20			

PROJECTED PERMANENT LOAN CASH FLOWS												Sepulveda Apartments	
Final Commitment	YEAR	1	2	3	4	5	6	7	8	9	10	11	12
		Project Number 19-071-A/X											
RENTAL INCOME													
	CPI												
Restricted Unit Rents	2.50%	6,211,666	6,366,957	6,526,131	6,689,284	6,856,517	7,027,929	7,203,628	7,383,718	7,568,311	7,757,519	7,951,457	8,150,244
Unrestricted Unit Rents	2.50%	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Rents	2.00%	-	-	-	-	-	-	-	-	-	-	-	-
Project Based Rental Subsidy	1.50%	-	-	-	-	-	-	-	-	-	-	-	-
Other Project Based Subsidy	1.50%	-	-	-	-	-	-	-	-	-	-	-	-
Income during renovations	0.00%	-	-	-	-	-	-	-	-	-	-	-	-
Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-	-	-
Laundry Income	2.50%	87,006	89,182	91,411	93,696	96,039	98,440	100,901	103,423	106,009	108,659	111,376	114,160
Parking & Storage Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-
GROSS POTENTIAL INCOME (GPI)		6,298,672	6,456,139	6,617,542	6,782,981	6,952,555	7,126,369	7,304,528	7,487,142	7,674,320	7,866,178	8,062,833	8,264,403
VACANCY ASSUMPTIONS													
	Vacancy												
Restricted Unit Rents	5.00%	310,583	318,348	326,307	334,464	342,826	351,396	360,181	369,186	378,416	387,876	397,573	407,512
Unrestricted Unit Rents	7.00%	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Rents	50.00%	-	-	-	-	-	-	-	-	-	-	-	-
Project Based Rental Subsidy	5.00%	-	-	-	-	-	-	-	-	-	-	-	-
Other Project Based Subsidy	3.00%	-	-	-	-	-	-	-	-	-	-	-	-
Income during renovations	20.00%	-	-	-	-	-	-	-	-	-	-	-	-
Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-	-	-
Laundry Income	5.00%	4,350	4,459	4,571	4,685	4,802	4,922	5,045	5,171	5,300	5,433	5,569	5,708
Parking & Storage Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL PROJECTED VACANCY LOSS		314,934	322,807	330,877	339,149	347,628	356,318	365,226	374,357	383,716	393,309	403,142	413,220
EFFECTIVE GROSS INCOME (EGI)		5,983,738	6,133,332	6,286,665	6,443,832	6,604,928	6,770,051	6,939,302	7,112,785	7,290,604	7,472,869	7,659,691	7,851,183
OPERATING EXPENSES													
	CPI / Fee												
Administrative Expenses	3.50%	403,000	417,105	431,704	446,813	462,452	478,638	495,390	512,729	530,674	549,248	568,471	588,368
Management Fee	3.93%	234,862	240,733	246,752	252,920	259,243	265,724	272,368	279,177	286,156	293,310	300,643	308,159
Utilities	3.50%	383,800	397,233	411,136	425,526	440,419	455,834	471,788	488,301	505,391	523,080	541,388	560,336
Operating & Maintenance	3.50%	608,800	630,108	652,162	674,987	698,612	723,063	748,371	774,564	801,673	829,732	858,773	888,830
Ground Lease Payments	3.50%	-	-	-	-	-	-	-	-	-	-	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Mixed Income Loan Fee	0.00%	224,525	223,377	222,182	220,938	219,642	218,293	216,888	215,425	213,902	212,316	210,664	208,945
Other Agency Monitoring Fee	0.00%	-	-	-	-	-	-	-	-	-	-	-	-
Real Estate Taxes	1.25%	12,000	12,150	12,302	12,456	12,611	12,769	12,929	13,090	13,254	13,420	13,587	13,757
Other Taxes & Insurance	3.50%	207,000	214,245	221,744	229,505	237,537	245,851	254,456	263,362	272,579	282,120	291,994	302,214
Required Reserve Payments	1.00%	89,000	89,890	90,789	91,697	92,614	93,540	94,475	95,420	96,374	97,338	98,311	99,294
TOTAL OPERATING EXPENSES		2,170,487	2,232,341	2,296,270	2,362,342	2,430,631	2,501,212	2,574,164	2,649,567	2,727,504	2,808,063	2,891,331	2,977,403
NET OPERATING INCOME (NOI)		3,813,252	3,900,990	3,990,396	4,081,490	4,174,297	4,268,839	4,365,138	4,463,218	4,563,100	4,664,807	4,768,360	4,873,781
DEBT SERVICE PAYMENTS													
	Lien #												
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
Conduit First Lien Loan Pacific Western Bank	1	3,257,897	3,257,897	3,257,897	3,257,897	3,257,897	3,257,897	3,257,897	3,257,897	3,257,897	3,257,897	3,257,897	3,257,897
City Monitoring Fee	-	60,896	60,896	60,896	60,896	60,896	60,896	60,896	60,896	60,896	60,896	60,896	60,896
TOTAL DEBT SERVICE & OTHER PAYMENTS		3,318,793	3,318,793	3,318,793	3,318,793	3,318,793	3,318,793	3,318,793	3,318,793	3,318,793	3,318,793	3,318,793	3,318,793
CASH FLOW AFTER DEBT SERVICE		494,459	582,198	671,603	762,698	855,504	950,046	1,046,346	1,144,425	1,244,307	1,346,014	1,449,567	1,554,988
DEBT SERVICE COVERAGE RATIO		1.15	1.18	1.20	1.23	1.26	1.29	1.32	1.34	1.37	1.41	1.44	1.47
Date Prepared: 03/16/20												Senior Staff Date: 3/19/20	
		1	2	3	4	5	6	7	8	9	10	11	12
LESS: Asset Management Fee	3%	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048	13,439	13,842
LESS: Partnership Management Fee	3%	15,000	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002	19,572	20,159	20,764
net CF available for distribution		469,459	556,448	645,081	735,379	827,367	921,064	1,016,494	1,113,678	1,212,638	1,313,395	1,415,969	1,520,382
Developer Split	100%	469,459	556,448	645,081	735,379	827,367	921,064	1,016,494	1,113,678	1,212,638	1,313,395	1,415,969	1,520,382
	50%												
Deferred developer fee repayment	12,752,614	12,752,614	12,283,155	11,726,707	11,081,626	10,346,247	9,518,881	8,597,816	7,581,322	6,467,644	5,255,006	3,941,611	2,525,642
		469,459	556,448	645,081	735,379	827,367	921,064	1,016,494	1,113,678	1,212,638	1,313,395	1,415,969	1,520,382
		12,283,155	11,726,707	11,081,626	10,346,247	9,518,881	8,597,816	7,581,322	6,467,644	5,255,006	3,941,611	2,525,642	1,005,260
Payments for Residual Receipt Payments		100%											
RESIDUAL RECEIPTS LOANS													
	Payment %												
MIP	100.00%	-	-	-	-	-	-	-	-	-	-	-	-
0	0.00%	-	-	-	-	-	-	-	-	-	-	-	-
Total Residual Receipts Payments	100.00%	-	-	-	-	-	-	-	-	-	-	-	-
Balances for Residual Receipt Payments													
RESIDUAL RECEIPTS LOANS													
	Interest Rate												
MIP--Simple	2.75%	15,500,000	15,926,250	16,352,500	16,778,750	17,205,000	17,631,250	18,057,500	18,483,750	18,910,000	19,336,250	19,762,500	20,188,750
0---	0.00%	-	-	-	-	-	-	-	-	-	-	-	-
Total Residual Receipts Payments		15,500,000	15,926,250	16,352,500	16,778,750	17,205,000	17,631,250	18,057,500	18,483,750	18,910,000	19,336,250	19,762,500	20,188,750

PROJECTED PERMANENT LOAN CASH FLOWS				
Final Commitment				
	YEAR	13	14	15
RENTAL INCOME				
	CPI			
Restricted Unit Rents	2.50%	8,354,000	8,562,850	8,776,921
Unrestricted Unit Rents	2.50%	-	-	-
Commercial Rents	2.00%	-	-	-
Project Based Rental Subsidy	1.50%	-	-	-
Other Project Based Subsidy	1.50%	-	-	-
Income during renovations	0.00%	-	-	-
Other Subsidy (Specify)	0.00%	-	-	-
Laundry Income	2.50%	117,014	119,939	122,938
Parking & Storage Income	2.50%	-	-	-
Miscellaneous Income	2.50%	-	-	-
GROSS POTENTIAL INCOME (GPI)		8,471,014	8,682,789	8,899,859
VACANCY ASSUMPTIONS				
	Vacancy			
Restricted Unit Rents	5.00%	417,700	428,142	438,846
Unrestricted Unit Rents	7.00%	-	-	-
Commercial Rents	50.00%	-	-	-
Project Based Rental Subsidy	5.00%	-	-	-
Other Project Based Subsidy	3.00%	-	-	-
Income during renovations	20.00%	-	-	-
Other Subsidy (Specify)	0.00%	-	-	-
Laundry Income	5.00%	5,851	5,997	6,147
Parking & Storage Income	50.00%	-	-	-
Miscellaneous Income	50.00%	-	-	-
TOTAL PROJECTED VACANCY LOSS		423,551	434,139	444,993
EFFECTIVE GROSS INCOME (EGI)		8,047,463	8,248,649	8,454,866
OPERATING EXPENSES				
	CPI / Fee			
Administrative Expenses	3.50%	608,961	630,274	652,334
Management Fee	3.93%	315,863	323,759	331,853
Utilities	3.50%	579,948	600,246	621,255
Operating & Maintenance	3.50%	919,939	952,136	985,461
Ground Lease Payments	3.50%	-	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500
Mixed Income Loan Fee	0.00%	207,154	205,290	203,348
Other Agency Monitoring Fee	0.00%	-	-	-
Real Estate Taxes	1.25%	13,929	14,103	14,279
Other Taxes & Insurance	3.50%	312,791	323,739	335,070
Required Reserve Payments	1.00%	100,287	101,290	102,303
TOTAL OPERATING EXPENSES		3,066,372	3,158,339	3,253,404
NET OPERATING INCOME (NOI)		4,981,091	5,090,311	5,201,461
DEBT SERVICE PAYMENTS				
	Lien #			
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
Conduit First Lien Loan Pacific Western Bank	1	3,257,897	3,257,897	3,257,897
City Monitoring Fee	-	60,896	60,896	60,896
TOTAL DEBT SERVICE & OTHER PAYMENTS		3,318,793	3,318,793	3,318,793
CASH FLOW AFTER DEBT SERVICE		1,662,298	1,771,518	1,882,669
DEBT SERVICE COVERAGE RATIO		1.50	1.53	1.57
Date Prepared: 03/16/20				
		13	14	15
LESS: Asset Management Fee	3%	14,258	14,685	15,126
LESS: Partnership Management Fee	3%	21,386	22,028	22,689
net CF available for distribution		1,626,654	1,734,805	1,844,854
Developer Split	100%	1,005,260	867,402	922,427
	50%			
Deferred developer fee repayment	12,752,614	1,005,260	-	-
		1,005,260	-	-
		-	-	-
Payments for Residual Receipt Payments				
RESIDUAL RECEIPTS LOANS				
	Payment %			
MIP	100.00%	621,395	867,402	922,427
0	0.00%	-	-	-
Total Residual Receipts Payments	100.00%	621,395	867,402	922,427
Balances for Residual Receipt Payments				
RESIDUAL RECEIPTS LOANS				
	Interest Rate			
MIP---Simple	2.75%	20,615,000	20,419,855	19,978,703
0---	0.00%	-	-	-
Total Residual Receipts Payments		20,615,000	20,419,855	19,978,703



California Housing Finance Agency

MIXED-INCOME LOAN PROGRAM

The CalHFA Mixed-Income Program ("MIP") provides competitive long-term subordinate financing for new construction multifamily housing projects restricting units (tax credit or CalHFA) between 30% and 120% of county Area Median Income ("AMI").

The MIP must be paired with CalHFA's Conduit Bond Issuance Program and a CalHFA Mixed-Income Qualified Construction Lender (defined below). Additionally, the program must be paired with CalHFA's Permanent Loan product or a sponsor must work with a CalHFA Mixed-Income Qualified Permanent Lender (defined below). The Mixed-Income resources will take the form of a subordinate loan to incentivize newly developed multifamily housing projects that serve a range of very low to moderate income renters. Eligible projects must create newly constructed regulated units that meet the income and occupancy requirements reflected below.

Qualifications

APPLICATION:

Sponsors/developers must submit a complete application package which includes all items listed on the application, the application addendum and the checklist. Incomplete application packages will not be considered. The application and checklist can be found at www.calhfa.ca.gov/multifamily/mixedincome/forms/index.htm. If the sponsor/developer is not able to meet the readiness timeline referenced below, MIP funds may be rescinded and reallocated.

AVAILABILITY:

Available to for-profit, non-profit, and public agency sponsors. Development teams must meet CalHFA experience requirements, as defined in the CalHFA Development Team Qualifications section below.

USES:

MIP Subsidy loans must be used in conjunction with CalHFA's Conduit Bond Issuance Program and a construction loan from a CalHFA Mixed-Income Qualified Construction Lender. MIP Subsidy loans must also be used in conjunction with CalHFA's permanent first-lien mortgage financing or financing from a CalHFA Mixed-Income Qualified Permanent Lender. CalHFA Mixed-Income Qualified Construction and Qualified Permanent Lenders are defined in the CalHFA Lender Qualifications section below.

FINANCING STRUCTURE:

Projects accessing the MIP Subsidy Loan funds must be structured as one of the following:

1. Tax-exempt Bond and 4% tax credit project where at least 51% of the units in each project must be tax credit financed, OR
2. Qualified mixed-income project under the California Debt Limit Allocation Committee's (CDLAC) regulations (50% or fewer units designated as tax credit or tax-exempt bond restricted) utilizing an allocation of private activity bonds to finance the project, OR
3. Qualified mixed-income project through income averaging.

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MIXED-INCOME LOAN PROGRAM

Qualifications (continued)

READINESS:

Projects must have site control and be prepared to submit for a bond and tax credit allocation and will only receive funds if bonds are issued within the issuance timeframes specified in CDLAC Regulations Section 5100.

1. **Site:** The site must be ready for construction (all potential environmental issues have been identified, mitigation plan is in place, and costs associated with the mitigation plan have been incorporated in the development budget). Environmental issues may include but not be limited to receipt of clearances for CEQA, NEPA, and applicable tribal land environmental reviews.
2. **Construction Start:** All projects must commit to begin construction 180 days from the earlier of the date of the tax-exempt bond allocation or 4% federal/state tax credit reservation. Within the 180-day period the following items must be submitted to CalHFA in their final form:
 - a. A complete updated application (inclusive of all CalHFA Addendum Items) form along with a detailed explanation of any changes from the initial application,
 - b. An executed construction contract,
 - c. Recorded deeds of trust for all construction financing (unless a project's location on tribal trust land precludes this),
 - d. Binding commitments for any other financing required to complete project construction,
 - e. Copy of a limited partnership agreement executed by the general partner/sponsor and the investor limited partner/equity provider,
 - f. Payment of all construction lender fees,
 - g. Copies of buildings permits (a grading permit does not suffice to meet this requirement except that in the event that the city or county as a rule does not issue building permits prior to the completion of grading, a grading permit shall suffice; if the project is a design build project in which the city or county does not issue building permits until designs are fully complete, the city or county shall have approved construction to begin) or the applicable tribal documents,
 - h. Copy of the notice to proceed delivered to the contractor,
 - i. If no construction lender is involved, evidence must be submitted within 180 days, as applicable, that the equity partner has been admitted to the ownership entity, and that an initial disbursement of funds has occurred.
 - j. Other documentation and information necessary to close construction financing required by CalHFA.

MIP ALLOCATION LIMITS:

1. **10% Project Cap:** No project may receive more than 10% of the total MIP allocation for the respective year.
2. **33% Sponsor Cap:** No sponsor (any individual, entity, affiliate and related entity) may receive more than 33% of MIP funds for the respective year.
3. **33% County Cap:** No one county may receive more than 33% of MIP funds for the respective year.
4. **25% Age-Restricted Cap:** No more than 25% of MIP funds for the respective year may be received by age-restricted projects.

EVIDENCE OF COST CONTAINMENT:

A Cost Containment Analysis will be completed by CalHFA at the time of the Construction Loan Closing. The developer/sponsor must certify that cost containment measures have been implemented to minimize construction costs. These measures may include but are not limited to 1) competitively bidding out all major subcontractor and self-performing trades 2) obtain 3 bids for all major trades and 3) engage value engineer/consultant during the design process.

MIXED-INCOME LOAN PROGRAM

<p>Qualifications (continued)</p>	<p>EVIDENCE OF SUBSIDY EFFICIENCY:</p> <p>A Subsidy Efficiency Analysis will be completed as part of the Application review. The analysis will be completed again prior to closing the MIP Subordinate Loan and the MIP Loan amount may be adjusted based on the final analysis. Parameters of the analysis may include but are not limited to the following:</p> <ul style="list-style-type: none"> • A maximum of 1.20 Debt Service Coverage Ratio (“DSCR”). CalHFA may allow an initial DSCR higher than 1.20 on a case by case basis, if deemed necessary; • A project cash flow that supports the residential component of the project based on the required CalHFA permanent first lien annual debt service coverage ratio; • A separate project cash flow that supports any commercial component of the project; • A cashflow after debt service that is limited to the higher of 25% of the anticipated annual must pay debt service payment or 8% of gross income, during each of the first 3 years of project operation; • Inflation factors and vacancy rates consistent with the Agency’s Underwriting Standards and Reference Manual (“USRM”); • Developer Fee requirements will match those required under the 4% federal and/or state tax credit reservation. • Capitalized reserves shall be subject to approval by Agency for reasonableness consistent with the USRM and the Investor Limited Partnership Agreement (ILPA); • Review of Excess Sources over final Uses as approved by CalHFA resulting from any of the following: <ul style="list-style-type: none"> • An increase in tax credit equity; • An increase in permanent loan debt due to a combination of permanent loan rate reduction and/or reduction to operating expense assumptions; • Construction Cost Savings as evidenced by final cost certification, funds shall be used to reduce the MIP loan prior to CalHFA MIP loan closing or if required by other subordinate lenders, funds may be split on a pro rata basis between CalHFA and other subordinate lenders.
<p>CalHFA Mixed-Income Qualified Lender Qualifications</p>	<p>A CalHFA Qualified Construction Lender is defined as a Construction Lender that has closed at least 5 construction loans using tax-exempt bonds and 4% federal and/or state tax credits in California within the last 3 years and satisfies the requirement set forth within the application.</p> <p>A CalHFA Qualified Permanent Lender is defined as a Permanent Lender that has closed at least 5 Permanent loans using tax-exempt bonds and 4% federal and/or state tax credits in California within the last 3 years and satisfies the requirement set forth within the application.</p>
<p>CalHFA Mixed-Income Development Team Qualifications</p>	<p>The Developer/Co-Developer must be registered to do business and in good standing in the state of California. A CalHFA Qualified Developer/Co-Developer must have developed at least three (3) comparable projects within the past five (5) years.</p> <p>The proposed Project Manager must have personally managed the development of at least two (2) comparable projects within the past 5 years.</p> <p>Financial Consultants hired to assist the Developer in meeting the minimum experience requirements must be able to provide details regarding at least three (3) comparably financed projects over the last five (5) years.</p>

MIXED-INCOME LOAN PROGRAM

<p>CalHFA Mixed-Income Development Team Qualifications (Continued)</p>	<p>Architects new to CalHFA must provide information for three (3) comparable projects they designed that were built and occupied within the past five (5) years.</p> <p>General Contractor (GC) must be licensed by the State of California. GCs new to CalHFA must provide information related to three (3) comparable (in design) projects built in the past five (5) years. Similar information will be required for the proposed on-site construction supervisor. The on-site construction supervisor must have overseen three (3) comparable projects built in the past five (5) years, and they must have overseen the projects from construction start to final completion.</p> <p>Management Company must have a local presence or a field office in Northern or Southern CA (depending on the location of the Project) and have experience managing at least ten (10) low to moderate income rent restricted Comparable (size and tenant types) Projects. Also required is a resume for the proposed on-site Property Manager, reflecting prior experience during the past five (5) years managing onsite project operations and compliance with rent restricted units.</p>
<p>Permanent First Lien Loan</p>	<p>Provided by CalHFA or a CalHFA Mixed-Income Qualified Permanent Lender. The permanent loan must meet an initial DSCR of at least 1.15 and must maintain a DSCR of 1.0 or higher for the term of the permanent first lien loan. CalHFA may require an initial DSCR higher than 1.15 on a case by case basis, if deemed necessary.</p>
<p>Construction First Lien Loan</p>	<p>Provided by a CalHFA Mixed-Income Qualified Construction Lender.</p>
<p>Limitations</p>	<ol style="list-style-type: none"> 1. MIP cannot be combined with the Tax Credit Allocation Committee's (TCAC) 9% program. 2. MIP cannot be combined with other state subordinate debt and/or subsidy programs (this does not include state tax credits). Inclusion of other subordinate debt and subsidy will be allowed at CalHFA's discretion. 3. Projects that have a below market rate component as a result of an inclusionary obligation or are 100% below market as a result of an inclusionary obligation must demonstrate master developer commitment through a dollar-for-dollar match of CalHFA's resources. Match can be obtained through a monetary match or equivalent in-kind contributions (e.g., land donation, land use fee concessions.) 4. At the time of MIP application to CalHFA, a project must not have already received an allocation of 4% federal and/or state tax credits from TCAC or a tax-exempt bond allocation from CDLAC. 5. Projects will not be eligible for other subsidy resources from CalHFA in addition to MIP.
<p>Mixed-Income Project Occupancy Requirements</p>	<p>FEDERAL BOND REGULATORY AGREEMENT REQUIREMENTS (ALL PROJECTS):</p> <p>Must maintain either (a) 20% of the units must be rent restricted and occupied by individuals whose incomes are 50% or less of AMI with adjustments for household size ("20% @ 50% AMI"), OR (b) 40% or more of the units must be both rent restricted and occupied by individuals whose incomes are 60% or less of AMI with adjustments for household size ("40% @ 60% AMI"); in the latter case, a minimum of 10% of the unit types must be at 50% or less of AMI ("10% @ 50% AMI").</p> <p>MIXED INCOME REGULATORY AGREEMENT REQUIREMENTS (ALL PROJECTS):</p> <p>Affordability Requirements:</p> <ol style="list-style-type: none"> 1. To qualify, a project must have at least 10% of the total units restricted as follows*: <ol style="list-style-type: none"> a. 81% to 120% of AMI with an average of 100% of AMI or greater OR if the market study does not support restrictions at these levels,

MIXED-INCOME LOAN PROGRAM

<p>Mixed-Income Project Occupancy Requirements (Continued)</p>	<ul style="list-style-type: none"> b. 60% to 80% of AMI with an average of 70% of AMI or greater, subject to the Maximum Allowable Rents outlined below. <p>*(Deviations from the average unit affordability levels of 70% AMI or 100% AMI outlined above will only be considered if market study supports such deviations.)</p> <ul style="list-style-type: none"> 2. AND either <ul style="list-style-type: none"> a. Tax credit transactions that are income-averaged must not exceed an average affordability of 60% AMI across all restricted units, OR b. Mixed income per CDLAC definitions, a Qualified Residential Rental Project having 50% or fewer of its total units designated as Restricted Rental Units (as restricted by a Bond or TCAC Regulatory Agreement at 60% AMI or lower-CDLAC Regulations Article 1, Section 5000). <p>Note: These restrictions will remain in effect for 55 years. MIP regulatory agreement will restrict 10% of the total units at or below 80% of AMI, another 10% of the total units at or below 50% of AMI (or 80% AMI if there is an exception pursuant to Health and Safety Code Section 51335), and in addition to these restrictions, a minimum of 10% of the total units between 81% up to 120% of AMI OR (subject to the requirements identified above) 10%-29% of the total units between 60% up to 80% AMI, and the remaining units restricted at or below 120% of AMI, except for the designated manager's unit(s).</p> <p>MAXIMUM ALLOWABLE RENTS:</p> <p>Rents for units restricted at 80% AMI and below must be at least 10% below market rents as evidenced by a current Market Study.</p> <p>Rents for units restricted between 81%-120% AMI must be at least 10% below market as evidenced by a current Market Study.</p>
<p>Mixed-Income Subordinate Loan</p>	<ul style="list-style-type: none"> 1. Maximum loan amount for each project shall not exceed 10% of total MIP allocation for the respective year. <ul style="list-style-type: none"> a. Maximum loan per restricted (tax credit or CalHFA) units between 50%-80% AMI shall be \$50,000. b. Maximum loan per MIP restricted units between 81%-120% AMI shall be \$100,000. c. Projects located within the Highest or High Resource areas designated on the TCAC/HCD Opportunity Area Map shall be eligible for an additional 5% of the project eligible basis per 4% federal and state tax credit program. Opportunity Map Home Page 2. Loan size based on project need but cannot be more than 50% of the permanent loan amount.
<p>Mixed-Income Subordinate Loan Rates & Terms</p>	<ul style="list-style-type: none"> 1. Interest Rate: 2.75% simple interest. 2. Loan Term: The MIP loan term shall be coterminous with the permanent first lien loan. 3. Loan Payment: Residual receipt repayment based on cash flow analysis and split 50% to Owner and 50% to CalHFA and other residual receipt lenders. Residual receipt is defined as 50% of surplus cash which is determined as net operating income minus total debt service and other Agency approved payments. Payments shall be applied to the current and/or accrued interest and then principal of the MIP loan. 4. Affordability Term: Up to 55 years. 5. Assignability: Consent will be considered. 6. Prepayment: May be prepaid at any time without penalty.

MIXED-INCOME LOAN PROGRAM

Mixed-Income Subordinate Loan Rates & Terms (Continued)	<ol style="list-style-type: none"> 7. Subordination: A subordination and/or extension of MIP maturity request in conjunction with a re-syndication, refinance, or ownership transfer ("capitalization event(s)") will be considered. If MIP loan is outstanding at time of the capitalization event(s), the original MIP annual fee schedule will remain in place until the earlier of MIP regulatory restriction expiration, including any extensions, or repayment of the MIP loan. If the outstanding MIP loan is subordinated at the time of such event, the surplus cash split between borrower and CalHFA and other residual receipt lenders may be altered to reflect an increased percentage of residual receipts to CalHFA out of Borrower's share until such time as the MIP loan is paid in full. The remaining residual receipts may be split between other residual receipt lenders. 8. Funded: Only at permanent loan conversion.
CalHFA Conduit Bond Program	For more information on CalHFA's Conduit Issuer Program and the fees associated with it, visit CalHFA's website: www.calhfa.ca.gov/multifamily/programs/forms/termsheet-conduit.pdf
CalHFA First Lien Permanent Rates & Terms (subject to change)	For more information on CalHFA's Permanent Loan Program and the fees associated with it, visit CalHFA's website: www.calhfa.ca.gov/multifamily/programs/forms/termsheet-perm-tax-exempt.pdf
Fees (subject to change)	<ol style="list-style-type: none"> 1. Program Application Fee: \$10,000 non-refundable, due at time of CalHFA MIP application submittal. The application fee shall be credited towards Loan Fee at time of MIP permanent loan closing. 2. Loan Fee: 1.00% of the loan amount (50% due at final commitment and 50% due at CalHFA MIP loan closing). 3. Legal Fee: \$15,000, due at loan closing (applicable if CalHFA is not providing permanent financing). 4. Ongoing Annual MIP Fee Payable in the event that CalHFA is not the Permanent Lender: 0.35% of the Permanent Loan Amount commencing at CalHFA MIP loan closing, calculated based on the principal balance of an amortization schedule with the following assumptions: i) 55 year amortization; ii) start date, interest rate and the loan amount consistent with permanent first lien loan (this fee is applicable if CalHFA is not providing permanent financing and will remain in place until the repayment of the MIP loan). 5. Annual Administrative Fee: \$7,500 per year (subject to change). <p>Conduit Bond Program Fees: Refer to CalHFA Conduit Bond Program www.calhfa.ca.gov/multifamily/programs/forms/termsheet-conduit.pdf</p> <p>CDLAC Fees: Refer to CDLAC regulations for all applicable fees.</p> <p>If CalHFA is selected as the permanent lender, please refer to CalHFA First Lien Permanent Rates & Terms for first mortgage loan fees, credit enhancements, trustee fees, legal fees, inspection fees, administrative fees. www.calhfa.ca.gov/multifamily/programs/forms/termsheet-perm-tax-exempt.pdf</p>

Last revised: 11/2019

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California Housing Finance Agency

CONDUIT ISSUER PROGRAM

MULTIFAMILY HOUSING BONDS

The CalHFA Conduit Issuer Program is designed to facilitate access to tax-exempt and taxable bonds ("Bond") by developers that seek financing for eligible projects that provide affordable multifamily rental housing for individuals, families, seniors, veterans or special needs tenants ("Project"). The conduit Bonds may be used to finance the acquisition, rehabilitation, and/or development of an existing Project, or they can be used for the construction of a new Project.

Qualifications	<ul style="list-style-type: none"> Available to for-profit, non-profit or public agency sponsors. Non-profit borrowers may be eligible for 501(c)(3) bonds. If bond proceeds are utilized to pay off an existing CalHFA portfolio loan visit www.calhfa.ca.gov for the CalHFA Portfolio Loan Prepayment Policy.
Bond Amount	Bond amount is determined by the loan amount of the selected construction lender.
Fees (subject to change)	<ul style="list-style-type: none"> Application Fee: \$5,000 non-refundable, due at time of application submittal (covers the cost of the TEFRA) and is credited towards the CalHFA Issuer Fee. Issuer Fee: <ol style="list-style-type: none"> 1. The greater of \$15,000 or 0.20% of the Bond amount if less than \$20 million dollars 2. If more than \$20 million dollars: \$40,000 + 0.10% of the amount above \$20 million dollars Annual Administrative Fee: \$7,500 (scattered site projects may require increased fees) due and payable in advance in annual installments commencing on Bond issuance through the term of the regulatory period. Public Sale: additional fee of \$5,000 to \$10,000 applies when Bonds are sold to the public. CDLAC Allocation Fee: 0.035% of the Bond amount, \$1,200 of which is due at time of CDLAC application submittal with the remaining fee due at construction loan closing, and is payable to CDLAC. CDLAC Performance Deposit: 0.50% of the requested Bond amount, not to exceed \$100,000, due at time of CDLAC application submittal. Deposit to be refunded after the Bond closing, upon receipt of authorization letter from CDLAC. <p>The Borrower shall be responsible for all other costs of Bond issuance including fees of the underwriter, trustee, rating agencies, lender, compliance administrator, all Bond counsel legal fees, and any other parties required to complete the transaction.</p>

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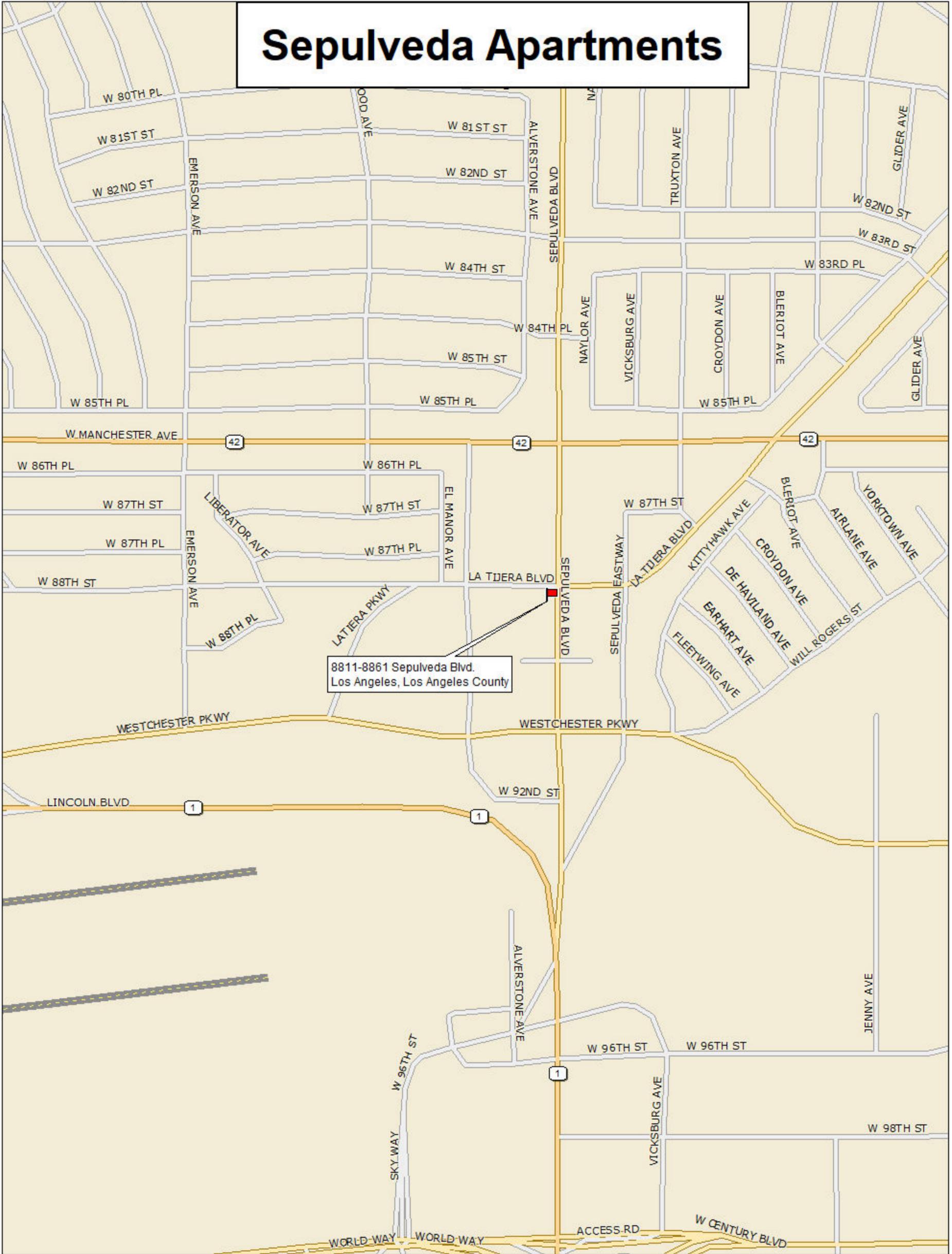
CONDUIT ISSUER PROGRAM**Occupancy Requirements**

- Either (A) 20% of the units must be rent restricted and occupied by individuals whose incomes are 50% or less of the area median income as determined by HUD ("AMI") with adjustments for household size ("20% @ 50% AMI"), or (B) 40% or more of the units must be both rent restricted and occupied by individuals whose income is 60% or less of the AMI, with adjustments for household size ("40% @ 60% AMI"); however in the latter case, a minimum of 10% of the units must be at 50% or less of AMI.
- Borrower will be required to enter into a Regulatory Agreement which will be recorded against the Project for the Qualified Project Period (as defined in the CalHFA Regulatory Agreement). This includes the latter of the federally-required qualified project period, repayment of the Bond funded loan, redemption of the Bonds or the full term of the CDLAC Resolution requirements.

Last revised: 03/2019

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Sepulveda Apartments



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Los Angeles, Los Angeles County

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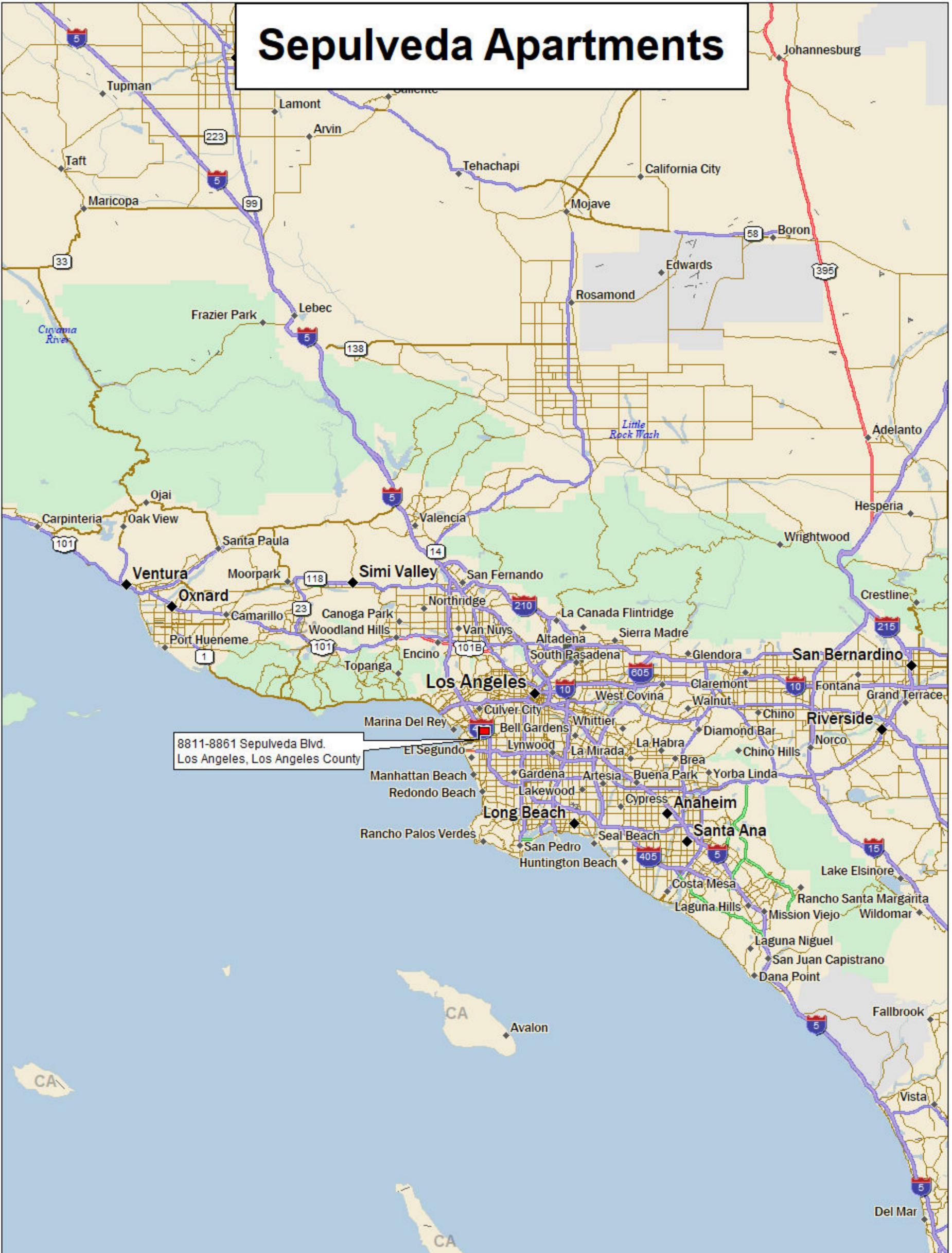
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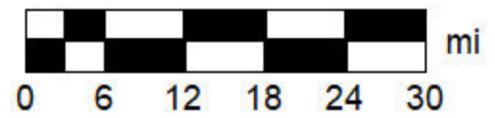
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CalHFA MULTIFAMILY PROGRAMS DIVISION
Final Commitment Staff Report & Request for Tax-Exempt and Taxable Conduit Issuance and
Loan Approval of Mixed Income Program Subsidy Financing
Senior Loan Committee "Approval": March 19, 2020 for Board Meeting on May, 14, 2020

Project Name, County:	The Courtyards at Kimball, San Diego County	
Address:	1105 National City Blvd., National City, 91950	
CalHFA Project Number:	19-068-A/X	
Requested Financing by Loan Program:	\$38,000,000	Tax-Exempt Bond – Conduit Issuance Amount (Series A)
	\$22,000,000	Taxable Bond – Conduit Issuance Amount (Series A-S)
	\$10,000,000	Tax-Exempt Bond (Bonneville)– Conduit Issuance Amount (Series B)
	\$6,500,000	Subsidy GAP Loan funded by MIP funds

DEVELOPMENT/PROJECT TEAM

Developer:	Pacific West Communities	Borrower:	National City Pacific Associates, a California Limited Partnership
Construction Lender:	Citibank	Equity Investor:	US Bank
Permanent Lender:	Citibank	Management Company:	ConAm Management Corp.
Loan Officer:	Ruth Vakili	Loan Specialist:	Kevin Brown
Asset Manager:	Jessica Doan	Loan Administration:	Mirna Ramirez
Legal (Internal):	Torin Heenan	Legal (External):	N/A
Concept Meeting Date:	TBD	Approval Expiration Date:	6 months from Approval

LOAN TERMS

1.		CONDUIT ISSUANCE (Citibank)	PERMANENT LOAN (Citibank)	MIP (GAP) LOAN
	Total Loan Amount	\$38,000,000 (T/E- A) \$22,000,000 (Tax- A-S) \$10,000,000 (T/E- B)	\$24,500,000 (T/E) (Series A) \$10,000,000 (T/E) (Series B)	\$6,500,000
	Loan Term & Lien Position	30 months- interest only; 1 st , 2 nd , & 3 rd Lien Position during construction. One 6-month extension available.	40-year amortization, due in 30 years (Series A)* 45 years-(Series B)	30 year - Residual Receipts; 3rd Lien Position.
	Interest Rate (subject to change and locked 30 days prior to loan closing)	Underwritten at 4.50% Fixed (Series A) 4.50% Fixed (Series A-S) 8.00% (Series B)	4.50% Fixed Series A* 5%-8% Adjustable Residual Receipts Series B ***	2.75% Simple Interest
	Loan to Value (LTV)	LTV is anticipated to be less than 80%.	Maximum 90% LTV	N/A
	Loan to Cost	72%	42%	TBD

* Citibank has the ability to require repayment of loan in full commencing in year 18.
 **The interest rate for the permanent loan is conservative based on what permanent lenders are currently locking on other transactions. Prior to construction loan closing, the interest rate will be locked and the financial analysis will be updated.
 *** Bonneville's interest rate is floating, with a 5% floor and an 8% ceiling. Underwritten by CalHFA with a 6.5% blended rate.

ANTICIPATED PROJECT MILESTONES & SCHEDULE

2.	CDLAC/TCAC Closing Deadline:	1/11/2021	Est. Construction Loan Closing:	5/2020
	Estimated Construction Start:	5/2020	Est. Construction Completion:	5/2022
	Estimated Stabilization and Conversion to Perm Loan(s):	11/2023		

SOURCES OF FUNDS

3.	Construction Period Financing			
	SOURCE	AMOUNT	LIEN POSITION	DEBT TYPE
	Construction Loan (T/E- Series A)	\$38,000,000	1 st	Interest Only
	Construction Loan (Tax- Series A-S)	\$22,000,000	2 nd	Interest Only
	Construction Loan (T/E- Series B)	\$10,000,000	3 rd	Interest Only
	Tax Credit Equity	\$3,712,441	N/A	N/A
	TOTAL	\$73,712,441	\$562,690	Per Unit
	Permanent Financing			
	SOURCE	AMOUNT	LIEN POSITION	DEBT TYPE
	Permanent Loan- (Citi - Series A)	\$24,500,000	1 st	Balloon 40/30
	Permanent Loan- (Bonneville T/E- Series B)	\$10,000,000	2 nd	Residual Receipts, due in 45 years.
	CalHFA MIP	\$6,500,000	3 rd	Residual Receipts, due at 30 years or repayment of 1 st lien loan
	Tax Credit Equity	\$36,405,086	N/A	N/A
	Deferred Developer Fee	\$5,200,000	N/A	Payable from Cash Flow
	TOTAL DEVELOPMENT COST:	\$82,605,086	\$630,573	Per Unit
	Subsidy Efficiency: The CalHFA MIP loan of \$6,500,000 equates to \$50,000 per unit, restricted between 50% and 80% AMI. Project will be re-underwritten prior to permanent loan closing to assure subsidy efficiency.			
	Tax Credit Type(s), Amount(s), Pricing(s), and per TCAC restricted units:			
	<ul style="list-style-type: none"> • 4% Federal Tax Credits: \$32,163,030 assuming estimated pricing of \$0.90 (\$247,408 per TCAC restricted units). • 4% State Tax Credits: \$9,100,000 assuming estimated pricing of \$0.82 (\$70,000 per TCAC restricted units). 			
	Rental Subsidies: The Project will not include any operating or rental subsidies.			
	Other State Subsidies: The Project will not be funded by other state funds.			
Other Locality Subsidies: The Project will not be funded by other locality funds.				

	<p>Cost Containment Strategy: The Developer will competitively bid all trades, obtaining a minimum of 3 bids, and implement design standards that facilitate efficiency in cost and construction scheduling. Prior to construction loan closing, CalHFA will require the Developer to certify that cost containment measures have been implemented.</p> <p>High Cost Explanation: The total development cost, at \$630,573 per unit, is high. One of the reasons is because the project is located on a hillside, which requires significant excavation and retaining walls to support the parking areas and foundation. The site work alone is estimated to cost \$3,275,000. Secondly, the permit and impact fees are \$2,092,000. Site work and impact fees together total 6.5% of the total development costs.</p>
4.	Equity – Cash Out (estimate): Not applicable

TRANSACTION SUMMARY

5.	Legislative Districts	Congress:	#51 Juan Vargas	Assembly:	#80 Lorena Gonzalez Fletcher	State Senate:	#40 Ben Hueso
	<p>Brief Project Description</p>	<p>The Courtyards at Kimball (the “Project”) is a family, mixed-income new construction project consisting of one mid-rise, elevator served, 5 story building over one level of podium parking containing 88 spaces. There will be 131 total units, 130 of which will be restricted between 50% and 80% AMI. Units include 24 2-bedroom units (921 sq.ft.), 74 3-bedroom units (1,060 sq.ft.), and 33 4-bedroom units (1,319 sq.ft.). One unrestricted 3-bedroom unit will be reserved for an onsite property manager.</p> <p>Financing Structure: The Project’s financing structure includes tax-exempt and taxable bonds, 4% federal tax credits, 4% state tax credits, a qualified lender permanent loan, and MIP financing. The project qualifies as Mixed-Income with income averaging, pursuant to TCAC regulations.</p> <p>Tax Credits and/or CDLAC Status: The developer applied for bonds and tax credits in January for an April 14, 2020 award.</p> <p>Ground Lease: Not Applicable.</p> <p>Amenities: The Project amenities include a community room, parking garage, exercise room, picnic area, central laundry facilities, and a computer room. Unit amenities will include central heating and air conditioning, blinds, dishwasher, garbage disposal, and patios/balconies.</p> <p>Commercial Space: The Project does not include commercial space.</p>					

TRANSACTION OVERVIEW

6.	<p>Proposal and Project Strengths</p>
	<ul style="list-style-type: none"> • The Developer anticipates receiving 4% federal and state tax credits which will generate equity representing 44% of total financing sources. • The developer, the Pacific Companies and property management company, ConAm Management Corp have extensive experience in developing and managing similar affordable housing projects and have experience with CalHFA. • The Project will serve low-income families ranging between 50% to 80% of AMI. The rents are affordable, 18% to 40% below market, as supported by the Market Study. • The Loan-to-Value is anticipated to be below 80%, which meets the Agency’s minimum requirements and provides less risk to the Agency. • The projected portion of the developer’s fee that will be collected at or prior to permanent loan conversion is \$2,800,000 which could be available to cover cost overruns and/or unforeseen issues during construction.

	<ul style="list-style-type: none"> • There is a high demand for affordable housing in the Project’s area and it is anticipated to be fully leased within 3 months of completion.
<p>7.</p>	<p>Project Weaknesses with Mitigants:</p>
	<ul style="list-style-type: none"> • The affordability restrictions for the Mixed Income Program require at least 10% of the units be restricted to 81% to 120% of AMI, with an average of 100% of AMI, if supported by a market study. However, per a market study dated 12/2/19, the Project does not support an average of 100% of AMI and still comply with the requirement that rents be 10% below market. Therefore, this project will comply with affordability requirement of 60% to 80% of AMI with an average of 70% of AMI. The developer is deferring 65% of the developer fee. Along with the Bonneville B bond loan of \$10,000,000, the total of \$15,200,000 in repayment obligations comes from net cash flow, which affects the repayment of the MIP loan. The proposed repayment is structured as follows: <ul style="list-style-type: none"> (a) Until deferred developer fee is paid in full, or year 15: 90% of net cash flow paid towards developer fee, 10% towards B bonds, and MIP loan repayment is deferred. (b) Upon payment of developer fee or year 15: 12.5% of net cash flow to Developer; the remaining 87.5% of net cash flow will be split based on 75% to B bonds and 12.5% to the MIP loan.
<p>8.</p>	<p>Underwriting Standards or Term Sheet Variations</p>
	<ul style="list-style-type: none"> • MIP program requires a minimum of 10% of the total units to be restricted between 81% to 120% of AMI (average of 100% of AMI). However, per a market study dated 12/2/19, the Project does not support an average of 100% of AMI and still comply with the requirement that rents be 10% below market. Therefore, this project will comply with affordability requirement of 60% to 80% of AMI with an average of 70% of AMI. • The MIP term sheet requires repayment of the MIP loan to be a pro rata share of 50% of residual receipts between the MIP and other subordinate residual receipts lenders. It also allows for deferment of repayment for up to 15 years. A request has been made to defer payments to the MIP loan until the developer fee is paid off, estimated to be by year 13. Upon repayment of deferred developer’s fee, 12.5% of net cash flow will go to Developer; the remaining 87.5% of net cash flow will be split based on 75% to B bonds and 12.5% to the MIP loan. Upon repayment of B bonds, the residual receipt split will be reverted back to 50% to developer and 50% to MIP loan. • The permanent tax-exempt Bonneville private capital subordinate residual receipt loan (“B-bonds”) provided by private-investor(s) requires that MIP be in junior or 3rd lien position behind both the permanent first lien loan & B-bonds. The Agency’s subsidy loan is typically in second position behind the first lien permanent loan. However, it may be recorded in junior lien position, subject to Agency’s approval. The B-bonds loan amount is anticipated to be \$10 million and the MIP loan amount is \$6.5 million, therefore MIP lien position may be junior to the B-bonds. However, the Agency requires that MIP affordability covenants be recorded in first position.
<p>9.</p>	<p>Project Specific Conditions of Approval</p>
	<p>Approval is conditioned upon:</p> <ul style="list-style-type: none"> • The final appraisal will be subject to Agency’s review and approval. • CalHFA may require a copy of the construction and/or permanent lenders proforma evidencing underwriting consistent with current assumptions. • The Project must meet the readiness requirements within 180 days from TCAC/CDLAC allocation. • CalHFA will require the developer to provide a cost containment certification that is acceptable to the Agency. • Receipt of a certification by the engineer on record that Project has been built to current seismic code acceptable to the Agency prior to permanent closing. • CalHFA will require an independent review of the costs by a 3rd Party consultant acceptable to Agency prior to construction loan closing. • MIP affordability covenants shall be recorded in first position. • The MIP loan is to be paid in full upon refinance of the permanent loan, or sale of property. • An increase to total MIP funds will not be considered as a result of cost increase. • The Project is subject to a potential participation agreement between Citibank and CalHFA.

10.	Staff Conclusion/Recommendation:
The Multifamily Lending Division supports approval of the described financing in the amount(s) requested, subject to the above proposed terms and conditions.	

MISSION & AFFORDABILITY

11.	CalHFA Mission/Goals
This Project and financing proposal provide 130 units of affordable housing with a range of restricted rents between 50% AMI to 80% of AMI which will support much needed rental housing that will remain affordable for 55 years.	

12.	CalHFA Affordability & Occupancy Restrictions
The CalHFA Bond Regulatory Agreement will restrict a minimum of 40% of the total units at or below 60% AMI with 10% of these units at 50% of AMI for 55 year(s).	
The CalHFA MIP Subsidy Regulatory Agreement will restrict 10% (13 units) at 50% AMI and 10% (13 units) between 60% and 80% AMI. The remaining 104 of restricted units will be restricted at or below 120% of AMI.	

Regulatory Limit Summary Table					
Restrictions @ AMI	Total	2-bdrm	3-bdrm	4-bdrm	% of Total
50%	65	12	37	16	49.6%
60%	26	5	15	6	19.8%
70%	13	2	7	4	9.9%
80%	26	5	14	7	19.8%
Manager's Unit	1		1		0.8%
Total	131	24	74	33	99.2%

NUMBER OF UNITS AND AMI RENTS RESTRICTED BY EACH AGENCY							
Regulatory Source <i>(Type in Lender Names)</i>	Lien Priority if Recorded Document	Term of Agrmt (years)	Number of Units Restricted For Each AMI Category				
			<i>(enter various AMI%'s in each column yellow field, then show the number of regulated units for each AMI, by Source)</i>				
			50%	60%	70%	80%	<=120%
Bond Reg	1 st	55	14	40			
CalHFA MIP	2 nd	55	13		13	104	
Tax Credits		55	65	26	13	26	

13. Geocoder Information	Central City: No	Underserved: No
	Low/Mod Census Tract: Lower	Below Poverty line: 31.07%
	Minority Census Tract: 93.95%	Rural Area: No

FINANCIAL ANALYSIS SUMMARY

14. Capitalized Reserves:			
	Replacement Reserves (RR):	N/A	
	Operating Expense Reserve (OER):	\$543,645 based on 3-months of expenses & debt service. To be held by investor or 1 st lien lender.	
	Transitional Operating Reserve (TOR):	N/A	
15. Cash Flow Analysis			
	1st Year DSCR:	1.15	Project-Based Subsidy Term: N/A
	End Year DSCR:	2.15	Annual Replacement Reserve Per Unit: \$250/unit
	Residential Vacancy Rate:	5.00%	Rental Income Inflation Rate: 2.5%
	Subsidy Vacancy Rate:	N/A	Subsidy Income Inflation Rate: N/A
	Non-residential Vacancy Rate:	N/A	Project Expenses Inflation Rate: 3.50%
			Property Tax Inflation Rate: 1.25%
	<ul style="list-style-type: none"> The operating Expense Reserve is sized to cover three months of operating expenses, debt service and replacement reserve. The Operating Expense Reserve and Replacement Reserve accounts will be held by investor or 1st lien lender. 		
16. Loan Security			
	<ul style="list-style-type: none"> The CalHFA MIP loan will be secured against the above described Project site in third lien position, however, MIP affordability covenants will be recorded in first position. 		
17. Balloon Exit Analysis	Applicable: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
	<ul style="list-style-type: none"> The exit analysis assumes a 7 % cap rate and a 3% increase of the underwriting interest rate at loan maturity. Based on these assumptions, the Project will have the ability to fully repay the balance of 1st lien permanent loan but may not have the ability to repay the Agency's subsidy MIP loan and B-bonds, leaving an outstanding balance of approximately \$32 million. This is as expected by CalHFA given the requirement that the MIP loan be co-terminus with the permanent first mortgage. The primary source of repayment for both the first mortgage and the MIP subsidy loan is refinance of the project first mortgage. To the extent such a refinance is insufficient to fully repay the MIP loan, it is contemplated that any remaining balance will be paid from a general partner contribution as part of the final close out of partnership obligations to allow re-syndication. 		

APPRAISAL AND MARKET ANALYSIS

18. Appraisal Review		
	<ul style="list-style-type: none"> An appraisal has been engaged by Citibank and is expected to be available by March 27, 2020. CalHFA's review and approval of the appraisal is a condition of construction loan closing. 	
	Market Study: Kinetic Valuation Group, Inc.	Dated: 12/5/2019
	Regional Market Overview	
	<ul style="list-style-type: none"> The Primary Market Area consists of portions of National City and San Diego (population of 199,567) and the Secondary Market Area ("SMA") is San Diego County (population of 3,334,024) 	

<ul style="list-style-type: none"> The general population in the PMA is anticipated to increase by 1.8% per year Unemployment in the SMA is 2.7%, which evidences a strong employment area.
<p>Local Market Area Analysis</p> <ul style="list-style-type: none"> Supply: <ul style="list-style-type: none"> There are currently 28 family projects in the PMA and they have high occupancy rates with long wait lists. There are currently no affordable projects under construction. Demand/Absorption: <ul style="list-style-type: none"> The project will need to capture 5.8% of the total demand for family units in the PMA, which is a low capture rate. The affordable units are anticipated to lease up at a rate of 43 to 65 units per month and reach stabilized occupancy within 3 months of opening.

DEVELOPMENT SUMMARY

19. Site Description	Requires Flood Insurance: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<ul style="list-style-type: none"> The property is located on the Southwest corner of National City Boulevard and East 11th Street, in the City of National City, San Diego County. The site is currently vacant, with level topography at street grade, measuring approximately 1.33 acres and is generally "L" in shape. The site consists of 3 contiguous, vacant parcels that will be merged/split prior to start of construction. The site is zoned 5B (medium-density residential), with permitted multifamily residential use. The subject is located in Flood Zone X (area of minimum flood hazard). Zone X is the area determined to be outside the 500-year flood and protected by levee from 100-year flood, therefore the Project will not be subject to flood insurance. 	
20. Form of Site Control & Expiration Date	
<p>The current owner, Coachella Affordable Housing Investors V, LLC, of the site and the Project owner, National City Pacific Associates, a California Limited Partnership, entered into a Purchase and Sale Agreement dated April 15, 2019 which expires on April 30, 2020 with two 45-days extensions available for an amount of \$4,545,000.</p>	
21. Current Ownership Entity of Record	
<p>Title is currently vested in Coachella Affordable Housing Investors V, LLC as the fee owner.</p>	
22. Environmental Review Findings	
<ul style="list-style-type: none"> A Phase I Environmental Site Assessment performed by KCE Matrix, Inc., dated December 6, 2019 revealed no evidence of recognized environmental conditions, so no additional investigation was recommended. 	
23. Seismic	Requires Earthquake Insurance: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<ul style="list-style-type: none"> This new Project will be built to State and City of National City Building Codes, so no seismic review is required. 	
24. Relocation	Requires Relocation: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> Not Applicable
<ul style="list-style-type: none"> The Project is new construction on vacant land therefore relocation is not applicable. 	

PROJECT DETAILS

25. Residential Areas:				
	Residential Square Footage:	144,071	Residential Units per Acre:	98.50
	Community Area Sq. Ftg:	77,295	Total Parking Spaces:	88
	Supportive Service Areas:	N/A	Total Building Sq. Footage:	220,306

26.	Mixed-Use Project: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
		Non-Residential Sq. Footage:	N/A	Number of Lease Spaces:	N/A
		Master Lease:	N/A	Number of Parking Spaces:	N/A
27.	Construction Type:	New construction consisting of wood frame with stucco siding with one level of podium parking.			
28.	Construction/Rehab Scope	Requires Demolition: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	<ul style="list-style-type: none"> The subject site is new construction. 				
29.	Construction Budget Comments:				
	<ul style="list-style-type: none"> CalHFA will require an independent review of the costs by a 3rd Party consultant prior to construction loan closing. 				

ADDITIONAL DEVELOPMENT/ PROJECT TEAM INFORMATION

30.	Management Agent				
	The Project will be managed by ConAm Management Corporation, which has extensive experience in managing similar affordable housing projects in the area and manages several projects in CalHFA's portfolio.				
31.	Service Provider	Required by TCAC or other funding source? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	<ul style="list-style-type: none"> Onsite services will not be available to the residents. 				
32.	Contractor	Experienced with CalHFA? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
	The general contractor is Sinanian Development, Inc. (Sinanian), which has extensive experience in constructing similar affordable housing projects in California. Sinanian was established in 1983 and has completed 5 multifamily developments in California within the last 5 years. Sinanian has completed two large scale projects with the developer which were completed on-time and within the planned budgets.				
45.	Architect	Experienced with CalHFA? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	The Architect is Architects Orange, which has extensive experience in designing and managing similar affordable housing projects in California through the locality's building permit process.				
33.	Local Review via Locality Contribution Letter				
	The locality, City of National City, returned the local contribution letter on 2/27/2020 stating they support the project.				

EXHIBITS: Detailed Financial Analysis and applicable Term Sheets

PROJECT SUMMARY		Final Commitment				
Acquisition, Rehab, Construction & Permanent Loans		Project Number	19-068-A/X			
Project Full Name	The Courtyards at Kimball	Borrower Name:	National City Pacific Associates, a California			
Project Address	1105 National City Blvd	Managing GP:	Riverside Charitable Corporation			
Project City	National City	Developer Name:	Pacific West Communities, Inc.			
Project County	San Diego	Investor Name:	US Bank			
Project Zip Code	91950	Prop Management:	ConAm Management Corporation			
		Tax Credits:	4			
Project Type:	Permanent Loan Only	Total Land Area (acres):	1.33			
Tenancy/Occupancy:	Individuals/Families	Residential Square Footage:	144,071			
Total Residential Units:	131	Residential Units Per Acre:	98.50			
Total Number of Buildings:	1	Covered Parking Spaces:	88			
Number of Stories:	5	Total Parking Spaces:	88			
Unit Style:	Flat					
Elevators:	1					
Acq/Construction/Rehab Financing		Loan Amount (\$)	Loan Fees	Loan Term (Mo.)	Amort. Period (Yr.)	Starting Interest Rate
Conduit Tax-Exempt (Citibank)		38,000,000	1.000%	30	40	4.500%
Conduit Taxable (Citibank)		22,000,000	1.000%	30	2.50	4.500%
Conduit Tax-Exempt (Bonneville)		10,000,000	--	30	55	8.000%
--		--	--	--	--	--
--		--	--	--	--	--
--		--	--	--	--	--
Investor Equity Contribution		3,712,441	--	--	--	--
Permanent Financing		Loan Amount (\$)	Loan Fees	Loan Term (Yr.)	Amort. Period (Yr.)	Starting Interest Rate
--		--	--	--	--	--
MIP		6,500,000	1.000%	30	--	2.750%
--		--	--	--	--	--
--		--	--	--	--	--
Conduit First Lien Loan		24,500,000	--	30	40	4.500%
Conduit Subordinate Loan (Boneville)		10,000,000	--	45	45	6.500%
--		--	--	--	--	--
--		--	--	--	--	--
--		--	--	--	--	--
Deferred Developer Fees		5,200,000	NA	NA	NA	NA
--		--	NA	NA	NA	NA
Investor Equity Contributions		36,405,086	NA	NA	NA	NA
Appraised Values Upon Completion of Rehab/Construction						
Appraisal Date:	--	Capitalization Rate:			5.00%	
Investment Value (\$)	--	Restricted Value (\$)			--	
Construct/Rehab LTC	N/A	CalHFA Permanent Loan to Cost			--	
Construct/Rehab LTV	N/A	CalHFA 1st Permanent Loan to Value			#DIV/0!	
		Combined CalHFA Perm Loan to Value			#DIV/0!	
Additional Loan Terms, Conditions & Comments						
Construction/Rehab Loan						
Payment/Performance Bond				Waived		
Completion Guarantee Letter of Credit				N/A		
Permanent Loan						
Operating Expense Reserve Deposit	\$0	Cash				
Initial Replacement Reserve Deposit	\$0	Cash				
Annual Replacement Reserve Per Unit	\$250	Cash				
Date Prepared:	3/16/12	Senior Staff Date:			3/19/20	

UNIT MIX AND RENT SUMMARY

Final Commitment

The Courtyards at Kimball

Project Number 19-068-A/X

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	2	1	921	24	72
Flat	3	2	1,060	74	333
Flat	4	2	1,319	33	198
-	-	-	-	-	0
-	-	-	-	-	0
-	-	-	-	-	0
				131	603

NUMBER OF UNITS AND PERCENTAGE OF AMI RENTS RESTRICTED BY EACH AGENCY							
Agency	Number of Units Restricted For Each AMI Category						
	40%	50%	60%	70%	80%	120%	Market
RiskShare		14	40				
alHFA MIP		13			13	104	
Tax Credit		65	26	13	26		
-							
-							
-							
-							

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	CTCAC	50%	-	-	-	-	-	
	CTCAC	60%	-	-	-	-	-	
	CTCAC	70%	-	-	-	-	-	
	CTCAC	80%	-	-	-	-	-	
	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	
1 Bedroom	CTCAC	50%	-	-	-	-	-	
	CTCAC	60%	-	-	-	-	-	
	CTCAC	70%	-	-	-	-	-	
	CTCAC	80%	-	-	-	-	-	
	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	
2 Bedrooms	CTCAC	50%	12	\$1,157	\$2,300	\$1,143	50%	
	CTCAC	60%	5	\$1,398		\$902	61%	
	CTCAC	70%	2	\$1,639		\$661	71%	
	CTCAC	80%	5	\$1,880		\$420	82%	
	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	
3 Bedrooms	CTCAC	50%	37	\$1,335	\$2,625	\$1,290	51%	
	CTCAC	60%	15	\$1,613		\$1,012	61%	
	CTCAC	70%	7	\$1,891		\$734	72%	
	CTCAC	80%	14	\$2,170		\$455	83%	
	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	
4 Bedrooms	CTCAC	50%	16	\$1,481	\$2,975	\$1,494	50%	
	CTCAC	60%	6	\$1,792		\$1,183	60%	
	CTCAC	70%	4	\$2,102		\$873	71%	
	CTCAC	80%	7	\$2,413		\$562	81%	
	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	
5 Bedrooms	CTCAC	50%	-	-	-	-	-	
	CTCAC	60%	-	-	-	-	-	
	CTCAC	70%	-	-	-	-	-	
	CTCAC	80%	-	-	-	-	-	
	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	
Date Prepared:		3/16/12			Senior Staff Date:			3/19/20

SOURCES & USES OF FUNDS		Final Commitment			
The Courtyards at Kimball		Project Number 19-068-A/X			
SOURCES OF FUNDS	CONST/REHAB \$	PERMANENT \$	TOTAL PROJECT SOURCES OF FUNDS		
			SOURCES (\$)	PER UNIT (\$)	%
Conduit Tax-Exempt (Citibank)	38,000,000				0.0%
Conduit Taxable (Citibank)	22,000,000				0.0%
Conduit Tax-Exempt (Bonneville)	10,000,000				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
Deferred Costs	-				0.0%
-	-				0.0%
-	-				0.0%
Construct/Rehab Net Oper. Inc.	-				0.0%
Deferred Developer Fee	-				0.0%
Developer Equity Contribution	-				0.0%
Investor Equity Contribution	3,712,441				0.0%
-	-				0.0%
MIP		6,500,000	6,500,000	49,618	7.9%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Conduit First Lien Loan		24,500,000	24,500,000	187,023	29.7%
Conduit Subordinate Loan (Bonneville)		10,000,000	10,000,000	76,336	12.1%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Construct/Rehab Net Oper. Inc.	-	-	-	-	0.0%
Deferred Developer Fees	-	5,200,000	5,200,000	39,695	6.3%
Developer Equity Contribution	-	-	-	-	0.0%
Investor Equity Contributions	-	36,405,086	36,405,086	277,901	44.1%
TOTAL SOURCES OF FUNDS	73,712,441	82,605,086	82,605,086	630,573	100.0%
TOTAL USES OF FUNDS (BELOW)	73,712,441	82,605,086	82,605,086	630,573	100.0%
FUNDING SURPLUS (DEFICIT)	-	-	-	-	-

USES OF FUNDS	CONST/REHAB \$	PERMANENT \$	TOTAL PROJECT USES OF FUNDS		
			USES (\$)	PER UNIT (\$)	%
CONSTRUCTION/REHAB SOURCES OF FUNDS		73,712,441			
ACQUISITION COSTS					
Lesser of Land Cost or Appraised Value	4,545,000	-	4,545,000	34,695	5.5%
Demolition Costs	-	-	-	-	0.0%
Legal & Other Closing Costs	5,000	-	5,000	38	0.0%
Escrow & other closing costs	-	-	-	-	0.0%
Verifiable Carrying Costs	-	-	-	-	0.0%
Existing Improvements Value	-	-	-	-	0.0%
Delinquent Taxes Paid @ Closing	-	-	-	-	0.0%
CalHFA Yield Maintenance Paid @ Closing	-	-	-	-	0.0%
Existing Replacement Reserve	-	-	-	-	0.0%
Broker Fees Paid to Related Party	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL ACQUISITION COSTS	4,550,000	-	4,550,000	34,733	5.5%
CONSTRUCTION/REHAB COSTS					
Offsite Improvements	-	-	-	-	0.0%
Environmental Remediation (Hard Costs)	-	-	-	-	0.0%
Site Work (Hard Cost)	3,275,000	-	3,275,000	25,000	4.0%
Structures (Hard Cost)	45,192,320	-	45,192,320	344,980	54.7%
General Requirements	2,908,039	-	2,908,039	22,199	3.5%
Contractor Overhead	1,027,507	-	1,027,507	7,844	1.2%
Contractor Profit	3,082,522	-	3,082,522	23,531	3.7%
Contractor Bond	-	-	-	-	0.0%
Contractor Liability Insurance	450,000	-	450,000	3,435	0.5%
Personal Property	-	-	-	-	0.0%
HVAC/Resident Damage	-	-	-	-	0.0%
TOTAL CONSTRUCT/REHAB COSTS	55,935,388	-	55,935,388	426,988	67.7%

SOURCES & USES OF FUNDS		Final Commitment			
The Courtyards at Kimball		Project Number		19-068-A/X	
USES OF FUNDS	CONST/REHAB \$	PERMANENT \$	TOTAL PROJECT USES OF FUNDS		
			USES (\$)	PER UNIT (\$)	%
RELOCATION COSTS					
Relocation Expense	-	-	-	-	0.0%
Relocation Compliance Monitoring	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL RELOCATION COSTS	-	-	-	-	0.0%
ARCHITECTURAL FEES					
Design	550,000	-	550,000	4,198	0.7%
Supervision	200,000	-	200,000	1,527	0.2%
TOTAL ARCHITECTURAL FEES	750,000	-	750,000	5,725	0.9%
SURVEY & ENGINEERING FEES					
Engineering	240,000	-	240,000	1,832	0.3%
Supervision	-	-	-	-	0.0%
ALTA Land Survey	-	-	-	-	0.0%
TOTAL SURVEY & ENGINEERING FEES	240,000	-	240,000	1,832	0.3%
CONTINGENCY RESERVES					
Hard Cost Contingency Reserve	2,800,000	-	2,800,000	21,374	3.4%
Soft Cost Contingency Reserve	500,000	-	500,000	3,817	0.6%
TOTAL CONTINGENCY RESERVES	3,300,000	-	3,300,000	25,191	4.0%
CONSTRUCT/REHAB PERIOD COSTS					
Loan Interest Reserve					
Conduit Tax-Exempt (Citibank)	3,100,000	-	3,100,000	23,664	3.8%
Conduit Tax-Exempt (Bonneville)	1,600,000	-	1,600,000	12,214	1.9%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Loan Fees					
Conduit Tax-Exempt (Citibank)	380,000	-	380,000	2,901	0.5%
Conduit Taxable (Citibank)	220,000	-	220,000	1,679	0.3%
Conduit Tax-Exempt (Bonneville)	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Other Const/Rehab Period Costs					
Deficit Const/Rehab NOI (Net Operating In	-	-	-	-	0.0%
Credit Enhancement & Application Fees	-	-	-	-	0.0%
Owner Paid Bonds/Insurance	-	-	-	-	0.0%
CalHFA Inspection Fees	7,500	-	7,500	57	0.0%
Real Estate Taxes During Rehab	80,000	-	80,000	611	0.1%
Completion Guaranty Fee	-	-	-	-	0.0%
Wage Monitoring Fee (Davis Bacon, Preva	-	-	-	-	0.0%
Insurance During Rehab	424,300	-	424,300	3,239	0.5%
Title & Recording Fees	80,000	-	80,000	611	0.1%
Construction Management & Testing	-	-	-	-	0.0%
Predevelopment Interest Expense	-	-	-	-	0.0%
Bond Issuer Fee	90,000	-	90,000	687	0.1%
Construction Lender Costs (Legal, etc)	39,000	-	39,000	298	0.0%
TOTAL CONST/REHAB PERIOD COSTS	6,020,800	-	6,020,800	45,960	7.3%

SOURCES & USES OF FUNDS		Final Commitment			
The Courtyards at Kimball		Project Number		19-068-A/X	
USES OF FUNDS	CONST/REHAB	PERMANENT	TOTAL PROJECT USES OF FUNDS		
	\$	\$	USES (\$)	PER UNIT (\$)	%
PERMANENT LOAN COSTS					
Loan Fees					
CalHFA Application Fee	-	-	-	-	0.0%
MIP	32,500	32,500	65,000	496	0.1%
Conduit First Lien Loan	-	-	-	-	0.0%
Conduit Subordinate Loan (Boneville)	-	-	-	-	0.0%
Credit Enhancement & Application Fees	-	15,000	15,000	115	0.0%
Title & Recording (closing costs)	-	10,000	10,000	76	0.0%
Year 1 - Taxes & Special Assessments and Insurance	-	-	-	-	0.0%
CalHFA Fees	-	10,085	10,085	77	0.0%
Tax Exempt Bond Allocation Fee	-	-	-	-	0.0%
Other (Specify): Perm Loan Fees & Costs	-	237,415	237,415	1,812	0.3%
TOTAL PERMANENT LOAN COSTS	32,500	305,000	337,500	2,576	0.4%
LEGAL FEES					
CalHFA Construction/Rehab Loan Legal Fees	-	-	-	-	0.0%
Other Construction/Rehab Loan Legal Fees	150,000	-	150,000	1,145	0.2%
CalHFA Permanent Loan Legal Fees	-	15,000	15,000	115	0.0%
Other Permanent Loan Legal Fees	-	48,000	48,000	366	0.1%
Sponsor Legal Fees	10,000	-	10,000	76	0.0%
Organizational Legal Fees	-	-	-	-	0.0%
Syndication Legal Fees	-	-	-	-	0.0%
Borrower Legal Fee	75,000	25,000	100,000	763	0.1%
CalHFA Bond Counsel	62,000	-	62,000	473	0.1%
TOTAL LEGAL FEES	297,000	88,000	385,000	2,939	0.5%
OPERATING RESERVES					
Operating Expense Reserve Deposit	-	-	-	-	0.0%
Initial Replacement Reserve Deposit	-	-	-	-	0.0%
Transition Operating Reserve Deposit	-	-	-	-	0.0%
Rent-Up Reserve Deposit	-	-	-	-	0.0%
HOME Program Replacement Reserve	-	-	-	-	0.0%
Investor Required Reserve: Operating Expense Reserve	-	543,645	543,645	4,150	0.7%
Other (Specify):	-	-	-	-	0.0%
TOTAL OPERATING RESERVES	-	543,645	543,645	4,150	0.7%
REPORTS & STUDIES					
Appraisal Fee	10,000	-	10,000	76	0.0%
Market Study Fee	10,000	-	10,000	76	0.0%
Physical Needs Assessment Fee	-	-	-	-	0.0%
Environmental Site Assessment Reports	10,000	-	10,000	76	0.0%
HUD Risk Share Environmental / NEPA Review Fee	-	-	-	-	0.0%
CalHFA Earthquake Waiver Review Fee	-	-	-	-	0.0%
Relocation Consultant	-	-	-	-	0.0%
Soils Reports	-	-	-	-	0.0%
Acoustical Reports	-	-	-	-	0.0%
Termite/Dry Rot	-	-	-	-	0.0%
Consultant/Processing Agent	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL REPORTS & STUDIES	30,000	-	30,000	229	0.0%

SOURCES & USES OF FUNDS		Final Commitment			
The Courtyards at Kimball		Project Number 19-068-A/X			
USES OF FUNDS	CONST/REHAB	PERMANENT	TOTAL PROJECT USES OF FUNDS		
	\$	\$	USES (\$)	PER UNIT (\$)	%
OTHER COSTS					
TCAC Application, Allocation & Monitor Fees	87,463	-	87,463	668	0.1%
CDLAC Fees	21,000	-	21,000	160	0.0%
Local Permits & Fees	520,000	-	520,000	3,969	0.6%
Local Impact Fees	1,630,789	-	1,630,789	12,449	2.0%
Other Local Fees	-	-	-	-	0.0%
Syndicator/Investor Fees & Expenses	-	-	-	-	0.0%
Furnishings	60,000	-	60,000	458	0.1%
Accounting & Audits	10,000	-	10,000	76	0.0%
Advertising & Marketing Expenses	183,501	-	183,501	1,401	0.2%
Financial Consulting	-	-	-	-	0.0%
Miscellaneous Administrative Fees	-	-	-	-	0.0%
HUD Risk Share Insurance (First Year Prepaid)	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL OTHER COSTS	2,512,753	-	2,512,753	19,181	3.0%
SUBTOTAL PROJECT COSTS					
	73,668,441	74,649,086	74,605,086	569,504	90.3%
DEVELOPER FEES & COSTS					
Developer Fees, Overhead & Profit	44,000	7,956,000	8,000,000	61,069	9.7%
Consultant Processing Agent	-	-	-	-	0.0%
Project Administration	-	-	-	-	0.0%
Syndicator Consultant Fees	-	-	-	-	0.0%
Guarantee Fees	-	-	-	-	0.0%
Construction Oversight & Management	-	-	-	-	0.0%
Other Administration Fees	-	-	-	-	0.0%
Other (Specify) correction to balance	-	-	-	-	0.0%
CASH EQUITY OUT TO DEVELOPER	-	-	-	-	0.0%
TOTAL DEVELOPER FEES & COSTS	44,000	7,956,000	8,000,000	61,069	9.7%
TOTAL PROJECT COSTS					
	73,712,441	82,605,086	82,605,086	630,573	100.0%

PROJECTED INITIAL ANNUAL RENTAL OPERATING BUDGET		Final Commitment	
The Courtyards at Kimball		Project Number	19-068-A/X
INCOME		AMOUNT	PER UNIT
			%
Rental Income			
Restricted Unit Rents	\$ 2,526,072	\$ 19,283	104.72%
Unrestricted Unit Rents	-	-	0.00%
Commercial Rents	-	-	0.00%
Rental & Operating Subsidies			
Project Based Rental Subsidy	-	-	0.00%
Other Project Based Subsidy	-	-	0.00%
Income during renovations	-	-	0.00%
Other Subsidy (Specify)	-	-	0.00%
Other Income			
Laundry Income	13,079	100	0.54%
Parking & Storage Income	-	-	0.00%
Miscellaneous Income	-	-	0.00%
GROSS POTENTIAL INCOME (GPI)		\$ 2,539,151	\$ 19,383
Less: Vacancy Loss		\$ 126,958	\$ 969
EFFECTIVE GROSS INCOME (EGI)		\$ 2,412,193	\$ 20,352
OPERATING EXPENSES		AMOUNT	PER UNIT
			%
Administrative Expenses	\$ 98,210	\$ 750	\$ 0
Management Fee	96,005	733	3.98%
Social Programs & Services	-	-	0.00%
Utilities	137,100	1,047	5.68%
Operating & Maintenance	331,900	2,534	13.76%
Ground Lease Payments	-	-	0.00%
CalHFA Monitoring Fee	7,500	57	0.31%
Mixed Income Loan Fee	85,585	653	3.55%
Other Monitoring Fees	-	-	0.00%
Real Estate Taxes	18,900	144	0.78%
Other Taxes & Insurance	76,260	582	3.16%
SUBTOTAL OPERATING EXPENSES		\$ 851,460	\$ 6,500
Operating Reserves		\$ 32,750	\$ 250
TOTAL OPERATING EXPENSES		\$ 884,210	\$ 6,750
NET OPERATING INCOME (NOI)		\$ 1,527,983	\$ 11,664
DEBT SERVICE PAYMENTS		AMOUNT	PER UNIT
			%
-	\$ -	\$ -	0.00%
-	\$ -	-	0.00%
-	\$ -	-	0.00%
Conduit First Lien Loan	\$ 1,321,715	10,089	54.79%
Conduit Subordinate Loan (Boneville)	\$ -	-	0.00%
-	\$ -	-	0.00%
-	\$ -	-	0.00%
-	\$ -	-	0.00%
TOTAL DEBT SERVICE & OTHER PAYMENTS		\$ 1,321,715	\$ 10,089
EXCESS AFTER DEBT SERVICE & MONITORING FEES		\$ 206,269	\$ 1,575
DEBT SERVICE COVERAGE RATIO (DSCR)		\$ 1 to 1	
Date: 3/16/12		Senior Staff Date: 03/19/20	

PROJECTED PERMANENT LOAN CASH FLOWS		The Courtyards at Kimball														
Final Commitment		Project Number 19-068-A/X														
	YEAR	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
RENTAL INCOME																
	CPI															
Restricted Unit Rents	2.50%	2,526,072	2,589,224	2,653,954	2,720,303	2,788,311	2,858,019	2,929,469	3,002,706	3,077,773	3,154,718	3,233,586	3,314,425	3,397,286	3,482,218	
Unrestricted Unit Rents	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Commercial Rents	2.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Project Based Rental Subsidy	1.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Project Based Subsidy	1.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Income during renovations	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Laundry Income	2.50%	13,079	13,406	13,741	14,085	14,437	14,798	15,168	15,547	15,936	16,334	16,742	17,161	17,590	18,030	
Parking & Storage Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Miscellaneous Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
GROSS POTENTIAL INCOME (GPI)		2,539,151	2,602,630	2,667,696	2,734,388	2,802,748	2,872,816	2,944,637	3,018,253	3,093,709	3,171,052	3,250,328	3,331,586	3,414,876	3,500,248	
VACANCY ASSUMPTIONS																
	Vacancy															
Restricted Unit Rents	5.00%	126,304	129,461	132,698	136,015	139,416	142,901	146,473	150,135	153,889	157,736	161,679	165,721	169,864	174,111	
Unrestricted Unit Rents	7.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Commercial Rents	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Project Based Rental Subsidy	5.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Project Based Subsidy	3.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Income during renovations	20.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Laundry Income	5.00%	654	670	687	704	722	740	758	777	797	817	837	858	879	901	
Parking & Storage Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Miscellaneous Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL PROJECTED VACANCY LOSS		126,958	130,131	133,385	136,719	140,137	143,641	147,232	150,913	154,685	158,553	162,516	166,579	170,744	175,012	
EFFECTIVE GROSS INCOME (EGI)		2,412,193	2,472,498	2,534,311	2,597,669	2,662,610	2,729,176	2,797,405	2,867,340	2,939,024	3,012,499	3,087,812	3,165,007	3,244,132	3,325,235	
OPERATING EXPENSES																
	CPI / Fee															
Administrative Expenses	3.50%	98,210	101,647	105,205	108,887	112,698	116,643	120,725	124,951	129,324	133,850	138,535	143,384	148,402	153,596	
Management Fee	3.98%	96,005	98,405	100,866	103,387	105,972	108,621	111,337	114,120	116,973	119,897	122,895	125,967	129,116	132,344	
Utilities	3.50%	137,100	141,899	146,865	152,005	157,325	162,832	168,531	174,429	180,535	186,853	193,393	200,162	207,168	214,418	
Operating & Maintenance	3.50%	331,900	343,517	355,540	367,983	380,863	394,193	407,990	422,269	437,049	452,346	468,178	484,564	501,524	519,077	
Ground Lease Payments	3.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500		
Mixed Income Loan Fee	0.00%	85,585	85,213	84,825	84,418	83,993	83,549	83,084	82,597	82,089	81,557	81,000	80,418	79,809	79,173	
Other Agency Monitoring Fee	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Real Estate Taxes	1.25%	18,900	19,138	19,375	19,618	19,863	20,111	20,363	20,617	20,875	21,138	21,400	21,667	21,938	22,212	
Other Taxes & Insurance	3.50%	76,260	78,929	81,692	84,551	87,510	90,573	93,743	97,024	100,420	103,935	107,572	111,337	115,234	119,267	
Required Reserve Payments	1.00%	32,750	33,078	33,408	33,742	34,080	34,421	34,765	35,112	35,464	35,818	36,176	36,538	36,904	37,273	
TOTAL OPERATING EXPENSES		884,210	909,324	935,275	962,092	989,804	1,018,442	1,048,037	1,078,621	1,110,227	1,142,892	1,176,649	1,211,538	1,247,595	1,284,861	
NET OPERATING INCOME (NOI)		1,527,984	1,563,175	1,599,036	1,635,576	1,672,806	1,710,733	1,749,368	1,788,719	1,828,796	1,869,608	1,911,162	1,953,469	1,996,537	2,040,375	
DEBT SERVICE PAYMENTS																
	Lien #															
MIP	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Conduit First Lien Loan	1	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	
Conduit Subordinate Loan (Bonneville)	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL DEBT SERVICE & OTHER PAYMENTS		1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	
CASH FLOW AFTER DEBT SERVICE		206,269	241,460	277,321	313,862	351,091	389,019	427,653	467,005	507,082	547,893	589,448	631,755	674,822	718,660	
DEBT SERVICE COVERAGE RATIO		1.16	1.18	1.21	1.24	1.27	1.29	1.32	1.35	1.38	1.41	1.45	1.48	1.51	1.54	
Date Prepared		03/16/12										Senior Staff Date 3/19/20				
LESS: Asset Management Fee		3%	18,100	18,643	19,202	19,778	20,372	20,983	21,612	22,261	22,929	23,616	24,325	25,055	25,806	26,580
LESS: Partnership Management Fee		3%	-	-	-	-	-	-	-	-	-	-	-	-	-	
net CF available for distribution		188,169	222,817	258,119	294,083	330,719	368,036	406,041	444,744	484,153	524,276	565,123	606,700	649,016	692,079	
		90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	12.50%	
Residual Receipts to Developer		169,352	200,535	232,307	264,675	297,647	331,232	365,437	400,270	435,738	471,849	508,610	546,030	584,115	622,876	
Deferred developer fee repayment		5,200,000	5,030,648	4,830,113	4,597,806	4,333,131	4,035,484	3,704,251	3,338,814	2,938,545	2,502,807	2,030,958	1,522,348	976,318	392,203	
		169,352	200,535	232,307	264,675	297,647	331,232	365,437	400,270	435,738	471,849	508,610	546,030	584,115	622,876	
		5,030,648	4,830,113	4,597,806	4,333,131	4,035,484	3,704,251	3,338,814	2,938,545	2,502,807	2,030,958	1,522,348	976,318	392,203	-	
Payments for Residual Receipt Payments		10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	87.5%	
RESIDUAL RECEIPTS LOANS																
	Payment %															
MIP	12.50%	18,817	22,282	25,812	29,408	33,072	36,804	40,604	44,474	48,415	52,428	56,512	60,670	64,902	276,328	
Bonneville B Bonds	75.0%	18,817	22,282	25,812	29,408	33,072	36,804	40,604	44,474	48,415	52,428	56,512	60,670	64,902	276,328	
Total Residual Receipts Payments		87.50%	18,817	22,282	25,812	29,408	33,072	36,804	40,604	44,474	48,415	52,428	56,512	60,670	276,328	
Balances for Residual Receipt Payments																
RESIDUAL RECEIPTS LOANS																
	Interest Rate															
MIP---	2.75%	6,500,000	6,678,750	6,857,500	7,036,250	7,215,000	7,393,750	7,572,500	7,751,250	7,930,000	8,108,750	8,287,500	8,466,250	8,645,000	8,823,750	
Bonneville B Bonds---	6.50%	10,000,000	10,831,183	11,299,928	12,008,612	12,759,763	13,556,076	14,400,417	15,295,840	16,245,595	17,253,144	18,322,171	19,456,599	20,660,608	21,938,646	
Total Residual Receipts Payments---		16,500,000	17,309,933	18,157,428	19,044,862	19,974,763	20,949,826	21,972,917	23,047,090	24,175,595	25,361,894	26,609,671	27,922,849	29,305,608	30,762,396	

PROJECTED PERMANENT LOAN CASH FLOWS													The Courtyards at Kimball				
Final Commitment	YEAR	15	16	17	18	19	20	21	22	23	24	25	26	27	28		
		Project Number 19-068-A/X															
RENTAL INCOME																	
	CPI																
Restricted Unit Rents	2.50%	3,569,274	3,658,505	3,749,968	3,843,717	3,939,810	4,038,305	4,139,263	4,242,745	4,348,813	4,457,534	4,568,972	4,683,196	4,800,276	4,920,283		
Unrestricted Unit Rents	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Commercial Rents	2.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Project Based Rental Subsidy	1.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Other Project Based Subsidy	1.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Income during renovations	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Laundry Income	2.50%	18,480	18,942	19,416	19,901	20,399	20,909	21,432	21,967	22,517	23,079	23,656	24,248	24,854	25,475		
Parking & Storage Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Miscellaneous Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
GROSS POTENTIAL INCOME (GPI)		3,587,754	3,677,448	3,769,384	3,863,619	3,960,209	4,059,214	4,160,695	4,264,712	4,371,330	4,480,613	4,592,628	4,707,444	4,825,130	4,945,758		
VACANCY ASSUMPTIONS																	
	Vacancy																
Restricted Unit Rents	5.00%	178,464	182,925	187,498	192,186	196,991	201,915	206,963	212,137	217,441	222,877	228,449	234,160	240,014	246,014		
Unrestricted Unit Rents	7.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Commercial Rents	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Project Based Rental Subsidy	5.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Other Project Based Subsidy	3.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Income during renovations	20.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Laundry Income	5.00%	924	947	971	995	1,020	1,045	1,072	1,098	1,126	1,154	1,183	1,212	1,243	1,274		
Parking & Storage Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Miscellaneous Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
TOTAL PROJECTED VACANCY LOSS		179,388	183,872	188,469	193,181	198,010	202,961	208,035	213,236	218,566	224,031	229,631	235,372	241,257	247,288		
EFFECTIVE GROSS INCOME (EGI)		3,408,366	3,493,575	3,580,915	3,670,438	3,762,199	3,856,254	3,952,660	4,051,476	4,152,763	4,256,582	4,362,997	4,472,072	4,583,874	4,698,471		
OPERATING EXPENSES																	
	CPI/Fee																
Administrative Expenses	3.50%	158,972	164,536	170,295	176,255	182,424	188,809	195,417	202,257	209,336	216,663	224,246	232,094	240,218	248,625		
Management Fee	3.98%	135,653	139,044	142,520	146,083	149,736	153,479	157,316	161,249	165,280	169,412	173,647	177,988	182,438	186,999		
Utilities	3.50%	221,923	229,690	237,729	246,050	254,662	263,575	272,800	282,348	292,230	302,458	313,044	324,001	335,341	347,078		
Operating & Maintenance	3.50%	537,245	556,048	575,510	595,653	616,501	638,078	660,411	683,525	707,449	732,209	757,837	784,361	811,814	840,227		
Ground Lease Payments	3.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500		
Mixed Income Loan Fee	0.00%	78,507	77,810	77,081	76,319	75,522	74,688	73,816	72,904	71,950	70,952	69,909	68,817	67,676	66,481		
Other Agency Monitoring Fee	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Real Estate Taxes	1.25%	22,490	22,771	23,056	23,344	23,636	23,931	24,231	24,533	24,840	25,151	25,465	25,783	26,108	26,432		
Other Taxes & Insurance	3.50%	123,442	127,762	132,234	136,862	141,652	146,610	151,741	157,052	162,549	168,238	174,127	180,221	186,529	193,057		
Required Reserve Payments	1.00%	37,645	38,022	38,402	38,786	39,174	39,566	39,961	40,361	40,764	41,172	41,584	42,000	42,420	42,844		
TOTAL OPERATING EXPENSES		1,323,376	1,363,184	1,404,328	1,446,853	1,490,806	1,536,236	1,583,193	1,631,730	1,681,899	1,733,756	1,787,358	1,842,766	1,900,040	1,959,244		
NET OPERATING INCOME (NOI)		2,084,990	2,130,391	2,176,587	2,223,585	2,271,393	2,320,017	2,369,467	2,419,747	2,470,865	2,522,827	2,575,639	2,629,306	2,683,834	2,739,227		
DEBT SERVICE PAYMENTS																	
	Lien #																
MIP	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Conduit First Lien Loan	1	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715		
Conduit Subordinate Loan (Bonneville)	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
TOTAL DEBT SERVICE & OTHER PAYMENTS		1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715		
CASH FLOW AFTER DEBT SERVICE		763,275	808,677	854,873	901,870	949,678	998,303	1,047,752	1,098,032	1,149,150	1,201,112	1,253,924	1,307,591	1,362,119	1,417,512		
DEBT SERVICE COVERAGE RATIO		1.58	1.61	1.65	1.68	1.72	1.76	1.79	1.83	1.87	1.91	1.95	1.99	2.03	2.07		
Date Prepared	03/16/12	Senior Staff Date 3/19/20														Se	
LESS: Asset Management Fee	3%	27,378	28,199	29,045	29,917	30,814	31,738	32,691	33,671	34,681	35,722	36,794	37,897	39,034	40,205		
LESS: Partnership Management Fee	3%	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
net CF available for distribution		735,897	780,478	825,827	871,954	918,864	966,564	1,015,061	1,064,361	1,114,469	1,165,390	1,217,130	1,269,694	1,323,085	1,377,307		
		12.50%	12.50%	12.50%	12.50%	12.50%	12.50%	12.50%	12.50%	12.50%	12.50%	12.50%	12.50%	12.50%	12.50%		
Residual Receipts to Developer		91,987	97,560	103,228	108,994	114,858	120,821	126,883	133,045	139,309	145,674	152,141	158,712	165,386	172,163		
Deferred developer fee repayment	5,200,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Payments for Residual Receipt Payments		87.5%	87.5%	87.5%	87.5%	87.5%	87.5%	87.5%	87.5%	87.5%	87.5%	87.5%	87.5%	87.5%	87.5%		
RESIDUAL RECEIPTS LOANS																	
	Payment %																
MIP	12.50%	91,987	97,560	103,228	108,994	114,858	120,821	126,883	133,045	139,309	145,674	152,141	158,712	165,386	172,163		
Bonneville B Bonds	75.0%	551,923	585,358	619,370	653,965	689,148	724,923	761,296	798,271	835,851	874,043	912,848	952,270	992,314	1,032,980		
Total Residual Receipts Payments	87.50%	643,910	682,918	722,599	762,960	804,006	845,744	888,179	931,316	975,160	1,019,716	1,064,989	1,110,982	1,157,699	1,205,143		
Balances for Residual Receipt Payments																	
RESIDUAL RECEIPTS LOANS																	
	Interest Rate																
MIP---	2.75%	9,002,500	9,089,263	9,170,453	9,245,975	9,315,730	9,379,623	9,437,552	9,489,419	9,535,124	9,574,566	9,607,642	9,634,251	9,654,289	9,667,653		
Bonneville B Bonds---	6.50%	23,088,330	24,037,148	25,014,205	26,020,758	27,058,141	28,127,773	29,231,155	30,369,884	31,545,656	32,760,272	34,015,647	35,313,816	36,656,944	38,047,332		
Total Residual Receipts Payments---		32,090,830	33,126,411	34,184,658	35,266,732	36,373,872	37,507,395	38,668,707	39,859,303	41,080,780	42,334,838	43,623,289	44,948,067	46,311,233	47,714,985		

PROJECTED PERMANENT LOAN CASH FLOWS		The Courtyards at Kimball	
Final Commitment		Project Number	19-068-AX
	YEAR	29	30
RENTAL INCOME			
	CPI		
Restricted Unit Rents	2.50%	5,043,290	5,169,372
Unrestricted Unit Rents	2.50%	-	-
Commercial Rents	2.00%	-	-
Project Based Rental Subsidy	1.50%	-	-
Other Project Based Subsidy	1.50%	-	-
Income during renovations	0.00%	-	-
Other Subsidy (Specify)	0.00%	-	-
Laundry Income	2.50%	26,112	26,765
Parking & Storage Income	2.50%	-	-
Miscellaneous Income	2.50%	-	-
GROSS POTENTIAL INCOME (GPI)		5,069,402	5,196,137
VACANCY ASSUMPTIONS			
	Vacancy		
Restricted Unit Rents	5.00%	252,165	258,469
Unrestricted Unit Rents	7.00%	-	-
Commercial Rents	50.00%	-	-
Project Based Rental Subsidy	5.00%	-	-
Other Project Based Subsidy	3.00%	-	-
Income during renovations	20.00%	-	-
Other Subsidy (Specify)	0.00%	-	-
Laundry Income	5.00%	1,306	1,338
Parking & Storage Income	50.00%	-	-
Miscellaneous Income	50.00%	-	-
TOTAL PROJECTED VACANCY LOSS		253,470	259,807
EFFECTIVE GROSS INCOME (EGI)		4,815,932	4,936,331
OPERATING EXPENSES			
	CPI / Fee		
Administrative Expenses	3.50%	257,327	266,334
Management Fee	3.98%	191,674	196,466
Utilities	3.50%	359,226	371,798
Operating & Maintenance	3.50%	869,635	900,072
Ground Lease Payments	3.50%	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500
Mixed Income Loan Fee	0.00%	65,232	63,926
Other Agency Monitoring Fee	0.00%	-	-
Real Estate Taxes	1.25%	26,762	27,097
Other Taxes & Insurance	3.50%	199,814	206,808
Required Reserve Payments	1.00%	43,272	43,705
TOTAL OPERATING EXPENSES		2,020,443	2,083,706
NET OPERATING INCOME (NOI)		2,795,489	2,852,625
DEBT SERVICE PAYMENTS			
	Lien #		
MIP	3	-	-
-	-	-	-
-	-	-	-
Conduit First Lien Loan	1	1,321,715	1,321,715
Conduit Subordinate Loan (Bonneville)	2	-	-
-	-	-	-
-	-	-	-
-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		1,321,715	1,321,715
CASH FLOW AFTER DEBT SERVICE		1,473,775	1,530,910
DEBT SERVICE COVERAGE RATIO		2.12	2.16
Date Prepared	03/16/12	Staff Date	3/19/20
		29	30
LESS: Asset Management Fee	3%	41,411	42,654
LESS: Partnership Management Fee	3%	-	-
net CF available for distribution		1,432,363	1,488,256
		12.50%	12.50%
Residual Receipts to Developer		179,045	186,032
Deferred developer fee repayment	5,200,000	-	-
		-	-
		-	-
Payments for Residual Receipt Payments		87.5%	87.5%
RESIDUAL RECEIPTS LOANS	<i>Payment %</i>	1,253,318	1,302,224
MIP	12.50%	179,045	186,032
Bonneville B Bonds	75.0%	1,074,272	1,116,192
Total Residual Receipts Payments	87.50%	1,253,318	1,302,224
Balances for Residual Receipt Payments			
RESIDUAL RECEIPTS LOANS	<i>Interest Rate</i>		
MIP---	2.75%	9,674,240	9,673,945
Bonneville B Bonds---	6.50%	39,487,428	40,979,839
Total Residual Receipts Payments---		49,161,668	50,653,783



California Housing Finance Agency

MIXED-INCOME LOAN PROGRAM

The CalHFA Mixed-Income Program ("MIP") provides competitive long-term subordinate financing for new construction multifamily housing projects restricting units (tax credit or CalHFA) between 30% and 120% of county Area Median Income ("AMI").

The MIP must be paired with CalHFA's Conduit Bond Issuance Program and a CalHFA Mixed-Income Qualified Construction Lender (defined below). Additionally, the program must be paired with CalHFA's Permanent Loan product or a sponsor must work with a CalHFA Mixed-Income Qualified Permanent Lender (defined below). The Mixed-Income resources will take the form of a subordinate loan to incentivize newly developed multifamily housing projects that serve a range of very low to moderate income renters. Eligible projects must create newly constructed regulated units that meet the income and occupancy requirements reflected below.

Qualifications

APPLICATION:

Sponsors/developers must submit a complete application package which includes all items listed on the application, the application addendum and the checklist. Incomplete application packages will not be considered. The application and checklist can be found at www.calhfa.ca.gov/multifamily/mixedincome/forms/index.htm. If the sponsor/developer is not able to meet the readiness timeline referenced below, MIP funds may be rescinded and reallocated.

AVAILABILITY:

Available to for-profit, non-profit, and public agency sponsors. Development teams must meet CalHFA experience requirements, as defined in the CalHFA Development Team Qualifications section below.

USES:

MIP Subsidy loans must be used in conjunction with CalHFA's Conduit Bond Issuance Program and a construction loan from a CalHFA Mixed-Income Qualified Construction Lender. MIP Subsidy loans must also be used in conjunction with CalHFA's permanent first-lien mortgage financing or financing from a CalHFA Mixed-Income Qualified Permanent Lender. CalHFA Mixed-Income Qualified Construction and Qualified Permanent Lenders are defined in the CalHFA Lender Qualifications section below.

FINANCING STRUCTURE:

Projects accessing the MIP Subsidy Loan funds must be structured as one of the following:

1. Tax-exempt Bond and 4% tax credit project where at least 51% of the units in each project must be tax credit financed, OR
2. Qualified mixed-income project under the California Debt Limit Allocation Committee's (CDLAC) regulations (50% or fewer units designated as tax credit or tax-exempt bond restricted) utilizing an allocation of private activity bonds to finance the project, OR
3. Qualified mixed-income project through income averaging.

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MIXED-INCOME LOAN PROGRAM

Qualifications (continued)

READINESS:

Projects must have site control and be prepared to submit for a bond and tax credit allocation and will only receive funds if bonds are issued within the issuance timeframes specified in CDLAC Regulations Section 5100.

1. **Site:** The site must be ready for construction (all potential environmental issues have been identified, mitigation plan is in place, and costs associated with the mitigation plan have been incorporated in the development budget). Environmental issues may include but not be limited to receipt of clearances for CEQA, NEPA, and applicable tribal land environmental reviews.
2. **Construction Start:** All projects must commit to begin construction 180 days from the earlier of the date of the tax-exempt bond allocation or 4% federal/state tax credit reservation. Within the 180-day period the following items must be submitted to CalHFA in their final form:
 - a. A complete updated application (inclusive of all CalHFA Addendum Items) form along with a detailed explanation of any changes from the initial application,
 - b. An executed construction contract,
 - c. Recorded deeds of trust for all construction financing (unless a project's location on tribal trust land precludes this),
 - d. Binding commitments for any other financing required to complete project construction,
 - e. Copy of a limited partnership agreement executed by the general partner/sponsor and the investor limited partner/equity provider,
 - f. Payment of all construction lender fees,
 - g. Copies of buildings permits (a grading permit does not suffice to meet this requirement except that in the event that the city or county as a rule does not issue building permits prior to the completion of grading, a grading permit shall suffice; if the project is a design build project in which the city or county does not issue building permits until designs are fully complete, the city or county shall have approved construction to begin) or the applicable tribal documents,
 - h. Copy of the notice to proceed delivered to the contractor,
 - i. If no construction lender is involved, evidence must be submitted within 180 days, as applicable, that the equity partner has been admitted to the ownership entity, and that an initial disbursement of funds has occurred.
 - j. Other documentation and information necessary to close construction financing required by CalHFA.

MIP ALLOCATION LIMITS:

1. **10% Project Cap:** No project may receive more than 10% of the total MIP allocation for the respective year.
2. **33% Sponsor Cap:** No sponsor (any individual, entity, affiliate and related entity) may receive more than 33% of MIP funds for the respective year.
3. **33% County Cap:** No one county may receive more than 33% of MIP funds for the respective year.
4. **25% Age-Restricted Cap:** No more than 25% of MIP funds for the respective year may be received by age-restricted projects.

EVIDENCE OF COST CONTAINMENT:

A Cost Containment Analysis will be completed by CalHFA at the time of the Construction Loan Closing. The developer/sponsor must certify that cost containment measures have been implemented to minimize construction costs. These measures may include but are not limited to 1) competitively bidding out all major subcontractor and self-performing trades 2) obtain 3 bids for all major trades and 3) engage value engineer/consultant during the design process.

MIXED-INCOME LOAN PROGRAM

<p>Qualifications (continued)</p>	<p>EVIDENCE OF SUBSIDY EFFICIENCY:</p> <p>A Subsidy Efficiency Analysis will be completed as part of the Application review. The analysis will be completed again prior to closing the MIP Subordinate Loan and the MIP Loan amount may be adjusted based on the final analysis. Parameters of the analysis may include but are not limited to the following:</p> <ul style="list-style-type: none"> • A maximum of 1.20 Debt Service Coverage Ratio (“DSCR”). CalHFA may allow an initial DSCR higher than 1.20 on a case by case basis, if deemed necessary; • A project cash flow that supports the residential component of the project based on the required CalHFA permanent first lien annual debt service coverage ratio; • A separate project cash flow that supports any commercial component of the project; • A cashflow after debt service that is limited to the higher of 25% of the anticipated annual must pay debt service payment or 8% of gross income, during each of the first 3 years of project operation; • Inflation factors and vacancy rates consistent with the Agency’s Underwriting Standards and Reference Manual (“USRM”); • Developer Fee requirements will match those required under the 4% federal and/or state tax credit reservation. • Capitalized reserves shall be subject to approval by Agency for reasonableness consistent with the USRM and the Investor Limited Partnership Agreement (ILPA); • Review of Excess Sources over final Uses as approved by CalHFA resulting from any of the following: <ul style="list-style-type: none"> • An increase in tax credit equity; • An increase in permanent loan debt due to a combination of permanent loan rate reduction and/or reduction to operating expense assumptions; • Construction Cost Savings as evidenced by final cost certification, funds shall be used to reduce the MIP loan prior to CalHFA MIP loan closing or if required by other subordinate lenders, funds may be split on a pro rata basis between CalHFA and other subordinate lenders.
<p>CalHFA Mixed-Income Qualified Lender Qualifications</p>	<p>A CalHFA Qualified Construction Lender is defined as a Construction Lender that has closed at least 5 construction loans using tax-exempt bonds and 4% federal and/or state tax credits in California within the last 3 years and satisfies the requirement set forth within the application.</p> <p>A CalHFA Qualified Permanent Lender is defined as a Permanent Lender that has closed at least 5 Permanent loans using tax-exempt bonds and 4% federal and/or state tax credits in California within the last 3 years and satisfies the requirement set forth within the application.</p>
<p>CalHFA Mixed-Income Development Team Qualifications</p>	<p>The Developer/Co-Developer must be registered to do business and in good standing in the state of California. A CalHFA Qualified Developer/Co-Developer must have developed at least three (3) comparable projects within the past five (5) years.</p> <p>The proposed Project Manager must have personally managed the development of at least two (2) comparable projects within the past 5 years.</p> <p>Financial Consultants hired to assist the Developer in meeting the minimum experience requirements must be able to provide details regarding at least three (3) comparably financed projects over the last five (5) years.</p>

MIXED-INCOME LOAN PROGRAM

<p>CalHFA Mixed-Income Development Team Qualifications (Continued)</p>	<p>Architects new to CalHFA must provide information for three (3) comparable projects they designed that were built and occupied within the past five (5) years.</p> <p>General Contractor (GC) must be licensed by the State of California. GCs new to CalHFA must provide information related to three (3) comparable (in design) projects built in the past five (5) years. Similar information will be required for the proposed on-site construction supervisor. The on-site construction supervisor must have overseen three (3) comparable projects built in the past five (5) years, and they must have overseen the projects from construction start to final completion.</p> <p>Management Company must have a local presence or a field office in Northern or Southern CA (depending on the location of the Project) and have experience managing at least ten (10) low to moderate income rent restricted Comparable (size and tenant types) Projects. Also required is a resume for the proposed on-site Property Manager, reflecting prior experience during the past five (5) years managing onsite project operations and compliance with rent restricted units.</p>
<p>Permanent First Lien Loan</p>	<p>Provided by CalHFA or a CalHFA Mixed-Income Qualified Permanent Lender. The permanent loan must meet an initial DSCR of at least 1.15 and must maintain a DSCR of 1.0 or higher for the term of the permanent first lien loan. CalHFA may require an initial DSCR higher than 1.15 on a case by case basis, if deemed necessary.</p>
<p>Construction First Lien Loan</p>	<p>Provided by a CalHFA Mixed-Income Qualified Construction Lender.</p>
<p>Limitations</p>	<ol style="list-style-type: none"> 1. MIP cannot be combined with the Tax Credit Allocation Committee's (TCAC) 9% program. 2. MIP cannot be combined with other state subordinate debt and/or subsidy programs (this does not include state tax credits). Inclusion of other subordinate debt and subsidy will be allowed at CalHFA's discretion. 3. Projects that have a below market rate component as a result of an inclusionary obligation or are 100% below market as a result of an inclusionary obligation must demonstrate master developer commitment through a dollar-for-dollar match of CalHFA's resources. Match can be obtained through a monetary match or equivalent in-kind contributions (e.g., land donation, land use fee concessions.) 4. At the time of MIP application to CalHFA, a project must not have already received an allocation of 4% federal and/or state tax credits from TCAC or a tax-exempt bond allocation from CDLAC. 5. Projects will not be eligible for other subsidy resources from CalHFA in addition to MIP.
<p>Mixed-Income Project Occupancy Requirements</p>	<p>FEDERAL BOND REGULATORY AGREEMENT REQUIREMENTS (ALL PROJECTS):</p> <p>Must maintain either (a) 20% of the units must be rent restricted and occupied by individuals whose incomes are 50% or less of AMI with adjustments for household size ("20% @ 50% AMI"), OR (b) 40% or more of the units must be both rent restricted and occupied by individuals whose incomes are 60% or less of AMI with adjustments for household size ("40% @ 60% AMI"): in the latter case, a minimum of 10% of the unit types must be at 50% or less of AMI ("10% @ 50% AMI").</p> <p>MIXED INCOME REGULATORY AGREEMENT REQUIREMENTS (ALL PROJECTS):</p> <p>Affordability Requirements:</p> <ol style="list-style-type: none"> 1. To qualify, a project must have at least 10% of the total units restricted as follows*: <ol style="list-style-type: none"> a. 81% to 120% of AMI with an average of 100% of AMI or greater OR if the market study does not support restrictions at these levels,

MIXED-INCOME LOAN PROGRAM

<p>Mixed-Income Project Occupancy Requirements (Continued)</p>	<ul style="list-style-type: none"> b. 60% to 80% of AMI with an average of 70% of AMI or greater, subject to the Maximum Allowable Rents outlined below. <p>*(Deviations from the average unit affordability levels of 70% AMI or 100% AMI outlined above will only be considered if market study supports such deviations.)</p> <ul style="list-style-type: none"> 2. AND either <ul style="list-style-type: none"> a. Tax credit transactions that are income-averaged must not exceed an average affordability of 60% AMI across all restricted units, OR b. Mixed income per CDLAC definitions, a Qualified Residential Rental Project having 50% or fewer of its total units designated as Restricted Rental Units (as restricted by a Bond or TCAC Regulatory Agreement at 60% AMI or lower-CDLAC Regulations Article 1, Section 5000). <p>Note: These restrictions will remain in effect for 55 years. MIP regulatory agreement will restrict 10% of the total units at or below 80% of AMI, another 10% of the total units at or below 50% of AMI (or 80% AMI if there is an exception pursuant to Health and Safety Code Section 51335), and in addition to these restrictions, a minimum of 10% of the total units between 81% up to 120% of AMI OR (subject to the requirements identified above) 10%-29% of the total units between 60% up to 80% AMI, and the remaining units restricted at or below 120% of AMI, except for the designated manager's unit(s).</p> <p>MAXIMUM ALLOWABLE RENTS:</p> <p>Rents for units restricted at 80% AMI and below must be at least 10% below market rents as evidenced by a current Market Study.</p> <p>Rents for units restricted between 81%-120% AMI must be at least 10% below market as evidenced by a current Market Study.</p>
<p>Mixed-Income Subordinate Loan</p>	<ul style="list-style-type: none"> 1. Maximum loan amount for each project shall not exceed 10% of total MIP allocation for the respective year. <ul style="list-style-type: none"> a. Maximum loan per restricted (tax credit or CalHFA) units between 50%-80% AMI shall be \$50,000. b. Maximum loan per MIP restricted units between 81%-120% AMI shall be \$100,000. c. Projects located within the Highest or High Resource areas designated on the TCAC/HCD Opportunity Area Map shall be eligible for an additional 5% of the project eligible basis per 4% federal and state tax credit program. Opportunity Map Home Page 2. Loan size based on project need but cannot be more than 50% of the permanent loan amount.
<p>Mixed-Income Subordinate Loan Rates & Terms</p>	<ul style="list-style-type: none"> 1. Interest Rate: 2.75% simple interest. 2. Loan Term: The MIP loan term shall be coterminous with the permanent first lien loan. 3. Loan Payment: Residual receipt repayment based on cash flow analysis and split 50% to Owner and 50% to CalHFA and other residual receipt lenders. Residual receipt is defined as 50% of surplus cash which is determined as net operating income minus total debt service and other Agency approved payments. Payments shall be applied to the current and/or accrued interest and then principal of the MIP loan. 4. Affordability Term: Up to 55 years. 5. Assignability: Consent will be considered. 6. Prepayment: May be prepaid at any time without penalty.

MIXED-INCOME LOAN PROGRAM

Mixed-Income Subordinate Loan Rates & Terms (Continued)	<ol style="list-style-type: none"> 7. Subordination: A subordination and/or extension of MIP maturity request in conjunction with a re-syndication, refinance, or ownership transfer (“capitalization event(s)”) will be considered. If MIP loan is outstanding at time of the capitalization event(s), the original MIP annual fee schedule will remain in place until the earlier of MIP regulatory restriction expiration, including any extensions, or repayment of the MIP loan. If the outstanding MIP loan is subordinated at the time of such event, the surplus cash split between borrower and CalHFA and other residual receipt lenders may be altered to reflect an increased percentage of residual receipts to CalHFA out of Borrower’s share until such time as the MIP loan is paid in full. The remaining residual receipts may be split between other residual receipt lenders. 8. Funded: Only at permanent loan conversion.
CalHFA Conduit Bond Program	<p>For more information on CalHFA’s Conduit Issuer Program and the fees associated with it, visit CalHFA’s website: www.calhfa.ca.gov/multifamily/programs/forms/termsheet-conduit.pdf</p>
CalHFA First Lien Permanent Rates & Terms (subject to change)	<p>For more information on CalHFA’s Permanent Loan Program and the fees associated with it, visit CalHFA’s website: www.calhfa.ca.gov/multifamily/programs/forms/termsheet-perm-tax-exempt.pdf</p>
Fees (subject to change)	<ol style="list-style-type: none"> 1. Program Application Fee: \$10,000 non-refundable, due at time of CalHFA MIP application submittal. The application fee shall be credited towards Loan Fee at time of MIP permanent loan closing. 2. Loan Fee: 1.00% of the loan amount (50% due at final commitment and 50% due at CalHFA MIP loan closing). 3. Legal Fee: \$15,000, due at loan closing (applicable if CalHFA is not providing permanent financing). 4. Ongoing Annual MIP Fee Payable in the event that CalHFA is not the Permanent Lender: 0.35% of the Permanent Loan Amount commencing at CalHFA MIP loan closing, calculated based on the principal balance of an amortization schedule with the following assumptions: i) 55 year amortization; ii) start date, interest rate and the loan amount consistent with permanent first lien loan (this fee is applicable if CalHFA is not providing permanent financing and will remain in place until the repayment of the MIP loan). 5. Annual Administrative Fee: \$7,500 per year (subject to change). <p>Conduit Bond Program Fees: Refer to CalHFA Conduit Bond Program www.calhfa.ca.gov/multifamily/programs/forms/termsheet-conduit.pdf</p> <p>CDLAC Fees: Refer to CDLAC regulations for all applicable fees.</p> <p>If CalHFA is selected as the permanent lender, please refer to CalHFA First Lien Permanent Rates & Terms for first mortgage loan fees, credit enhancements, trustee fees, legal fees, inspection fees, administrative fees. www.calhfa.ca.gov/multifamily/programs/forms/termsheet-perm-tax-exempt.pdf</p>

Last revised: 11/2019

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California Housing Finance Agency

CONDUIT ISSUER PROGRAM

MULTIFAMILY HOUSING BONDS

The CalHFA Conduit Issuer Program is designed to facilitate access to tax-exempt and taxable bonds ("Bond") by developers that seek financing for eligible projects that provide affordable multifamily rental housing for individuals, families, seniors, veterans or special needs tenants ("Project"). The conduit Bonds may be used to finance the acquisition, rehabilitation, and/or development of an existing Project, or they can be used for the construction of a new Project.

Qualifications	<ul style="list-style-type: none"> • Available to for-profit, non-profit or public agency sponsors. • Non-profit borrowers may be eligible for 501(c)(3) bonds. • If bond proceeds are utilized to pay off an existing CalHFA portfolio loan visit www.calhfa.ca.gov for the CalHFA Portfolio Loan Prepayment Policy.
Bond Amount	Bond amount is determined by the loan amount of the selected construction lender.
Fees (subject to change)	<ul style="list-style-type: none"> • Application Fee: \$5,000 non-refundable, due at time of application submittal (covers the cost of the TEFRA) and is credited towards the CalHFA Issuer Fee. • Issuer Fee: <ol style="list-style-type: none"> 1. The greater of \$15,000 or 0.20% of the Bond amount if less than \$20 million dollars 2. If more than \$20 million dollars: \$40,000 + 0.10% of the amount above \$20 million dollars • Annual Administrative Fee: \$7,500 (scattered site projects may require increased fees) due and payable in advance in annual installments commencing on Bond issuance through the term of the regulatory period. • Public Sale: additional fee of \$5,000 to \$10,000 applies when Bonds are sold to the public. • CDLAC Allocation Fee: 0.035% of the Bond amount, \$1,200 of which is due at time of CDLAC application submittal with the remaining fee due at construction loan closing, and is payable to CDLAC. • CDLAC Performance Deposit: 0.50% of the requested Bond amount, not to exceed \$100,000, due at time of CDLAC application submittal. Deposit to be refunded after the Bond closing, upon receipt of authorization letter from CDLAC. <p>The Borrower shall be responsible for all other costs of Bond issuance including fees of the underwriter, trustee, rating agencies, lender, compliance administrator, all Bond counsel legal fees, and any other parties required to complete the transaction.</p>

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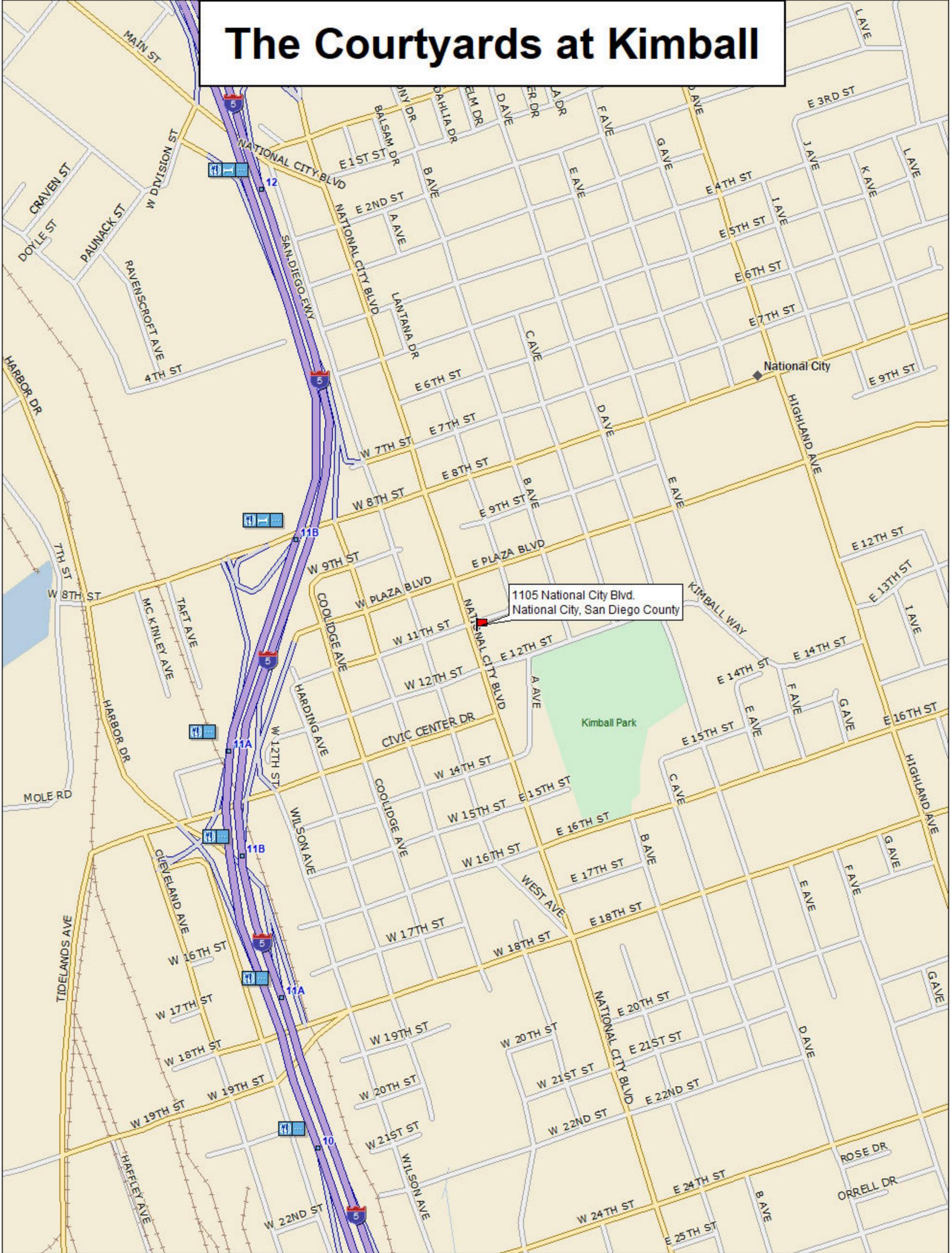
CONDUIT ISSUER PROGRAM**Occupancy Requirements**

- Either (A) 20% of the units must be rent restricted and occupied by individuals whose incomes are 50% or less of the area median income as determined by HUD ("AMI") with adjustments for household size ("20% @ 50% AMI"), or (B) 40% or more of the units must be both rent restricted and occupied by individuals whose income is 60% or less of the AMI, with adjustments for household size ("40% @ 60% AMI"); however in the latter case, a minimum of 10% of the units must be at 50% or less of AMI.
- Borrower will be required to enter into a Regulatory Agreement which will be recorded against the Project for the Qualified Project Period (as defined in the CalHFA Regulatory Agreement). This includes the latter of the federally-required qualified project period, repayment of the Bond funded loan, redemption of the Bonds or the full term of the CDLAC Resolution requirements.

Last revised: 03/2019

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The Courtyards at Kimball



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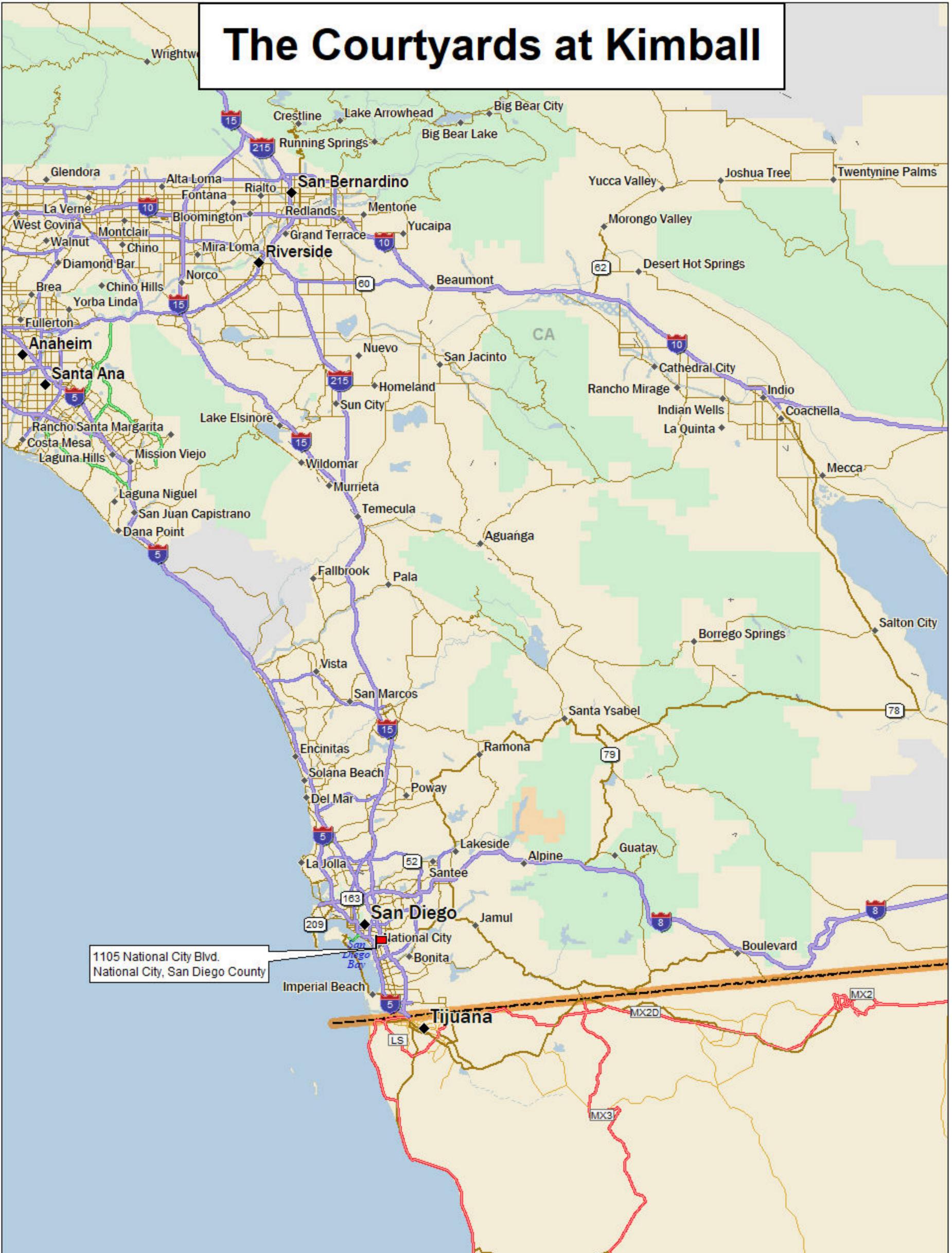
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The Courtyards at Kimball



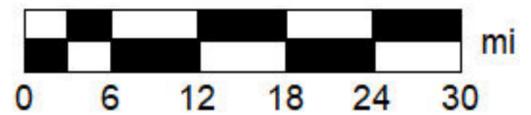
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M E M O R A N D U M**To:** Board of Directors

Date: April 27, 2020

From: Kate Ferguson, Director of Multifamily
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.

The Strategic Business Plan and Operating Budget for FY 19-20 estimated \$320.7 million.

Actual conduit issuance amount for FY 19-20 is \$667 million. The breakdown between tax-exempt and taxable bond issuance is as follows:

- Tax-Exempt Conduit Issuance: \$628 Million
- Taxable Conduit Issuance: \$38.9 Million

FY 2019-20 Pipeline as of April 27, 2020

Conduit Program - FY 19-20:								
	Project Name	Underwriting Type	City	Project Type	Units	Closing Date	Tax Exempt Loan Amount	Taxable Loan Amount
Conduit Pool Securitization Program								
1	2019-1 Class A & X Certificates	Conduit - Citi	Various	Various	1,771	8/7/2019	\$171,632,062	-
2	2019-2 Class A & B Certificates	Conduit - Citi	Various	Various	5,426	12/19/2019	\$464,582,495	-
					1,771		<u>\$636,214,557</u>	-
Multifamily Conduit Transactions								
<i>(Closed)</i>								
3	Walnut Windmere	Conduit - Reg Only	Davis	Family	136	10/15/2019	\$17,750,000	\$1,000,000.00
4	Blackstone McKinley TOD	Conduit - PTO	Fresno	Family	88	11/6/2019	\$29,050,000	\$1,760,000.00
5	Noble Tower Apts	Conduit - Reg Only	Oakland	Family	195	11/15/2019	\$74,000,000	-
6	Market St - Supplemental	Conduit - PTO	Redding	Family	-	11/21/2019	\$5,505,227	-
7	Arena Senior Apts	Conduit - MIP	Sacramento	Senior	240	12/17/2019	\$35,770,000	-
8	Bermuda Gardens	Conduit - Reg Only	San Leandro	Family	80	12/19/2019	\$22,500,000	\$1,121,311.00
9	Villa Valley Apartments	Conduit - Reg Only	Los Angeles	Senior	146	12/23/2019	\$41,605,000	-
10	Bernal Dwellings	Conduit - PTO	San Francisco	Family	160	12/24/2019	\$58,425,000	-
11	Woodlake Terrace	Conduit - PTO	Woodlake	Family	31	1/16/2020	\$8,600,000	-
12	Golden West Tower	Conduit - Reg Only	Torrance	Senior	180	1/23/2020	\$71,000,000	-
13	Longshore Cove Apts	Conduit - Reg Only	Vallejo	Family/Senior	236	1/23/2020	\$44,000,000	-
14	Stone Pine Meadow	Conduit - PTO	Tracy	Family	72	1/23/2020	\$13,842,000	-
15	Glen Loma Ranch	Conduit - MIP	Gilroy	Individuals/Families	158	04/08/2020	\$60,000,000	\$15,000,000
16	Village at Burlingame	Conduit - MIP	Burlingame	Family/Senior	132	04/14/2020	\$92,000,000	\$20,000,000
17	Santa Ana Towers	Conduit - Reg Only	Santa Ana	Senior	199	04/16/2020	\$54,000,000	-
					2,053		<u>\$ 628,047,227</u>	<u>\$ 38,881,311</u>
<i>(In Process to Close)</i>								
18	Coldstream Commons	Conduit - Reg Only	Truckee	Individuals/Families	48	04/28/2020	\$18,000,000	-
19	Courtyards at Kimball	Conduit - MIP	National City	Individuals/Families	131	05/01/2020	\$48,000,000	-
20	Granite Pointe Apts	Conduit - Reg Only	Oakland	Individuals/Families	99	05/13/2020	\$21,092,000	-
21	Hayes Valley South	Conduit - PTO	San Francisco	Family	110	06/01/2020	\$50,085,000	-
22	Sepulveda Apartments	Conduit - MIP	Los Angeles	Individuals/Families	352	06/01/2020	\$90,000,000	\$15,000,000
23	CCBA Senior Garden Apts	Conduit - Reg Only	San Diego	Senior	45	06/04/2020	\$10,000,000	-
24	Doragon at Chinatown	Conduit - PTO	Fresno	Family	57	06/10/2020	\$20,156,880	-
25	The Redwood Apartments	Conduit - MIP & PTO	Santa Rosa	Individuals/Families	96	06/15/2020	\$24,000,000	\$12,000,000
26	AJ Apartments (fka Revolve)	Conduit - Reg Only	Sacramento	Individuals/Families	332	06/19/2020	\$85,000,000	-
27	Heritage Common Phase III	Conduit - Reg Only	Dixon	Individuals/Families	44	06/20/2020	\$7,000,000	-
28	Antioch Senior & Family Apts	Conduit - MIP	Antioch	Family/Senior	394	06/25/2020	\$83,468,371	\$43,357,367
29	Valencia Point	Conduit - MIP	San Diego	Individuals/Families	96	06/30/2020	\$25,439,115	-
					1,804		<u>\$ 482,241,366</u>	<u>\$ 70,357,367</u>

Upcoming Closings as of April 27, 2020

Conduit Program - FY19-20:								
Q4 - 04/01/2020 - 06/30/2020								
	Project Name	Underwriting Type	City	Project Type	Units	Closing Date	Tax Exempt Loan Amount	Taxable Loan Amount
	Coldstream Commons	Conduit - Reg Only	Truckee	Individuals/Families	48	04/28/2020	\$18,000,000	-
	Courtyards at Kimball	Conduit - MIP	National City	Individuals/Families	131	05/01/2020	\$48,000,000	-
	Granite Pointe Apts	Conduit - Reg Only	Oakland	Individuals/Families	99	05/13/2020	\$21,092,000	-
	Hayes Valley South	Conduit - PTO	San Francisco	Family	110	06/01/2020	\$50,085,000	-
	Sepulveda Apartments	Conduit - MIP	Los Angeles	Individuals/Families	352	06/01/2020	\$90,000,000	\$15,000,000
	CCBA Senior Garden Apts	Conduit - Reg Only	San Diego	Senior	45	06/04/2020	\$10,000,000	-
	Doragon at Chinatown	Conduit - PTO	Fresno	Family	57	06/10/2020	\$20,156,880	-
	The Redwood Apartments	Conduit - MIP & PTO	Santa Rosa	Individuals/Families	96	06/15/2020	\$24,000,000	\$12,000,000
	AJ Apartments (fka Revolve)	Conduit - Reg Only	Sacramento	Individuals/Families	332	06/19/2020	\$85,000,000	-
	Heritage Common Phase III	Conduit - Reg Only	Dixon	Individuals/Families	44	06/20/2020	\$7,000,000	-
	Antioch Senior & Family Apts	Conduit - MIP	Antioch	Family/Senior	394	06/25/2020	\$83,468,371	\$43,357,367
	Valencia Point	Conduit - MIP	San Diego	Individuals/Families	96	06/30/2020	\$25,439,115	-
					1,804		\$ 482,241,366	\$ 70,357,367
Conduit Program - FY20-21:								
Q1 - 07/01/2020 - 09/30/2020								
	Project Name	Underwriting Type	City	Project Type	Units	Closing Date	Tax Exempt Loan Amount	Taxable Loan Amount
	Hope on Avalon	Conduit - Reg Only	Los Angeles	Individuals/Families	88	07/01/2020	\$27,926,322	-
	Courtyards at Cottonwood	Conduit - Reg Only	Moreno Valley	Individuals/Families	81	07/01/2020	\$18,000,000	\$4,665,434
	Meadow View Place	Conduit - Reg Only	Truckee	Individuals/Families	56	07/01/2020	\$18,000,000	-
	Lakehouse Commons Affordable A	Conduit - PTO	Oakland	Family	91	07/15/2020	\$36,400,000	\$7,007,037
	The Parkway Apartments	Conduit - MIP & PTO	Folsom	Individuals/Families	72	07/15/2020	\$16,800,000	\$2,200,000
	Hayward Mission Apts	Conduit - MIP	Hayward	Family/Senior	140	07/15/2020	\$40,700,000	\$15,800,000
	Light Tree Two	Conduit - Reg Only	East Palo Alto	Individuals/Families	71	07/16/2020	\$55,785,000	\$28,212,853
	Light Tree Three	Conduit - Reg Only	East Palo Alto	Individuals/Families	57	07/16/2020	\$24,642,500	\$4,622,741
	1717 S Street	Conduit - MIP	Sacramento	Individuals/Families	159	07/17/2020	\$39,140,517	\$15,389,362
	Fancher Creek Senior Apartments	Conduit - MIP & PTO	Fresno	Senior	180	07/17/2020	\$22,023,703	-
	Twin Oaks Senior Apts	Conduit - MIP	Oakley	Senior	130	07/30/2020	\$37,836,000	-
	Frishman Hollow II	Conduit - MIP & PTO	Truckee	Individuals/Families	68	07/30/2020	\$17,000,000	\$7,000,000
	Santa Rosa Avenue Apartments	Conduit - MIP & PTO	Sana Rosa	Individuals/Families	154	08/14/2020	\$39,700,000	\$16,750,000
	833 Bryant Street Apartments	Conduit - Reg Only	San Francisco	Individuals/Families	146	08/15/2020	\$38,930,000	-
	Vintage at Woodman	Conduit - MIP	Los Angeles	Senior	213	08/20/2020	\$45,000,000	-
	The Atchison	Conduit - MIP & PTO	Pittsburg	Individuals/Families	202	08/21/2020	\$47,100,000	\$22,700,000
	Kawana Springs Apartments	Conduit - MIP & PTO	Santa Rosa	Individuals/Families	151	08/28/2020	\$38,250,000	\$15,250,000
	1322 O Street	Conduit - Reg Only	Sacramento	Family/Senior	45	08/31/2020	\$8,699,564	\$721,895
	Douglas Park Apts	Conduit - Reg Only	Compton	Individuals/Families	72	08/31/2020	\$19,400,000	\$3,600,000
	Ridgeview Commons	Conduit - Reg Only	Pleasanton	Individuals/Families	200	08/31/2020	\$44,333,758	-
	Front & Beech Apts	Conduit - MIP	San Diego	Individuals/Families	78	09/01/2020	\$20,709,856	-
					2,454		\$ 656,377,220	\$ 143,919,322
Q2 - 10/01/2020 - 12/31/2020								
	Project Name	Underwriting Type	City	Project Type	Units	Closing Date	Tax Exempt Loan Amount	Taxable Loan Amount
	Arden Way Apartments	Conduit - MIP & PTO	Sacramento	Individuals/Families	120	10/01/2020	\$26,466,000	\$12,493,230
	Beacon Villa	Conduit - MIP & PTO	Pittsburg	Individuals/Families	54	10/01/2020	\$19,000,000	\$8,000,000
	One Lake Family Apartments	Conduit - MIP & PTO	Fairfield	Individuals/Families	190	10/01/2020	\$45,500,000	\$17,400,000
	921 Howard Street Apts	Conduit - MIP & PTO	San Francisco	Individuals/Families	203	11/01/2020	\$88,577,500	-
	Gateway Apartments	Conduit - PTO	Menlo Park	Individuals/Families	140	12/01/2020	\$61,915,000	\$29,632,957
					707		\$ 241,458,500	\$ 67,526,187
Q3 - 01/01/2021 - 3/31/2021								
	Project Name	Underwriting Type	City	Project Type	Units	Closing Date	Tax Exempt Loan Amount	Taxable Loan Amount
	Baylands North	Conduit - Reg Only	San Francisco	Individuals/Families	67	01/11/2021	\$28,000,000	-
					67		\$ 28,000,000	\$ -

MEMORANDUM**To:** Board of Directors**Date:** May 14, 2020**From:** Francesc Martí, Director of Legislation
CALIFORNIA HOUSING FINANCE AGENCY**Subject:** CALHFA AND LOS ANGELES HOUSING AND COMMUNITY INVESTMENT
DEPARTMENT MOU UPDATE

Recognizing that many local housing entities have a preference or have adopted local policies requiring it be the bond issuer, CalHFA entered a partnership with the City of Los Angeles. The City identified a significant backlog of projects for which they needed to issue conduit bonds and had adopted a policy that required it to be the conduit issuer for housing developments within its jurisdiction. As such, an MOU was finalized between CalHFA and the City that provides the City with a process for CalHFA to serve as the conduit bond issuer without the City having to seek approval from their City Council for an “outside issuer” waiver for each project.

Although the MOU was not necessary for CalHFA, because the city’s local rules do not restrict CalHFA’s authority under state law to issue bonds statewide, the MOU enables the City to satisfy its local requirements for the approval of bond issuances within the City.

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (the “MOU”) is dated as of _____, 2019 and is entered into by and between the City of Los Angeles, a charter city and municipal corporation, acting by and through its Housing and Community Investment Department (“City” or “HCIDLA”) and the California Housing Finance Agency, a public instrumentality and political subdivision of the State of California (“CalHFA”) with regard to CALHFA’s issuance of conduit housing bonds in the City of Los Angeles.

RECITALS

WHEREAS, HCIDLA and CalHFA are both agencies committed to providing and/or facilitating low-cost acquisition, construction, rehabilitation and permanent financing for multifamily housing for low-income and very low-income individuals and families, including seniors, in the City and State, respectively; and

WHEREAS, the City has a Conduit Bond issuance program whereby HCIDLA issues tax-exempt and taxable housing bonds for projects located or to be located in the City of Los Angeles, in accordance with the City’s Multifamily Bond Policies and Procedures (“City’s Bond Policies”), which currently provide for certain approval requirements for outside issuers such as CalHFA to issue private activity bonds in the City of Los Angeles; and

WHEREAS, CalHFA has statewide authority to approve the issuance of private activity bonds in compliance with the Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”) and issues tax-exempt and taxable mortgage revenue bonds for projects located or to be located in California through its Conduit Issuer Program (“CalHFA Conduit Issuer Program”) attached and incorporated herein as Exhibit A; and

WHEREAS, due to the expansion of the City’s affordable housing programs to provide services and resources for homeless individuals and families, the shortage of housing for low income and special needs individuals and families, and the staffing needed to fund a loan program for permanent supportive housing (Proposition HHH Permanent Supportive Housing Program), the City and CalHFA desire to enter into this MOU in order to establish a bond issuance program (“CalHFA/LA Bond Program”) that will approve CalHFA as a conduit issuer of tax-exempt mortgage revenue bonds (“Conduit Bonds”) in the City of Los Angeles to finance the acquisition, construction and/or rehabilitation of affordable rental housing; and

WHEREAS, pursuant to the CalHFA/LA Bond Program, CalHFA will issue multifamily Conduit Bonds on projects (hereinafter “Projects” are those projects subject to this MOU) in accordance with the terms and provisions outlined in this MOU and as approved by City Council in Council File No. _____.

NOW THEREFORE, in consideration of the mutual terms and conditions contained here, HCIDLA and CalHFA hereby agree as follows:

AGREEMENT

1. PROGRAM DESCRIPTION.

A. HCIDLA shall make a request to CalHFA to issue the Conduit Bonds for specific Projects within the City of Los Angeles.

B. Conduit Bonds that are issued subject to this MOU shall only be for projects that receive both (1) an allocation of private activity bond authority from the California Debt Limit Allocation Committee (“CDLAC”) and (2) HCIDLA’s approval in writing, prior to the earlier of the application to CDLAC or the TEFRA hearing, for CalHFA to issue the Conduit Bonds.

i. Unless otherwise approved by HCIDLA, the CDLAC allocation and any amendments thereto, for each Project, shall in the aggregate total less than Fifteen Million Dollars (\$15,000,000). Any supplemental request or amendment of the CDLAC allocation to an aggregate amount of Fifteen Million Dollars (\$15,000,000) or greater for each Project shall require the prior written approval from HCIDLA in its sole discretion, unless the supplemental allocation is less than a 15% increase.

C. CalHFA shall include in each Conduit Bond Regulatory Agreement issued pursuant to this MOU, the requirements that HCIDLA deems necessary for monitoring compliance with the City’s Accessibility Covenants as described in Exhibit B attached hereto.

D. HCIDLA will have the option to conduct the annually required property inspection for a fee to be negotiated at that time, payable by CalHFA from and not exceeding one-half of the Annual Administrative Fee collected from the Borrower. HCIDLA will enter into a contractual agreement with CalHFA and adhere to CalHFA’s inspection criteria.

2. RESPONSIBILITIES OF THE PARTIES.

A. HCIDLA agrees to:

i. Forward applications approved in writing by HCIDLA for the issuance of Conduit Bonds by CalHFA subject to this MOU; and

ii. Monitor the initial production and ongoing occupancy of the Accessible Housing Units and the Accessible Housing Developments, as defined in the Accessibility Covenants attached as Exhibit B, to ensure the owners’ full compliance with the Accessibility Standards and policies.

B. CalHFA agrees to:

i. Provide the City with such information, with respect to the Projects or the related Conduit Bonds, as the City shall, from time to time, reasonably request;

ii. If the Project has an existing City loan, then the CalHFA notice of receipt of an application to HCIDLA shall indicate this fact. CalHFA shall require all project sponsor to provide a CASp report to both CalHFA and HCIDLA prior to the CDLAC application submission. Notwithstanding the notice requirements of Section 8 of this MOU, notices under this subsection may be made to email addresses provided by HCIDLA in writing, as may be amended, to CalHFA;

iii. Submit all applications to CDLAC listing CalHFA as the issuer, and be responsible for compliance with all CDLAC rules and regulations, including securing the CDLAC performance deposit;. CalHFA shall notify HCIDLA of CDLAC's award or denial of CalHFA's application.

iv. Issue Conduit Bonds subject to CalHFA's approval as outlined in the CalHFA Conduit Issuer Program guidelines attached as Exhibit A for Projects;

v. Monitor and ensure compliance with the affordability, condition of the development, and other local, State (including CDLAC) and federal requirements, consistent with its obligations as a Conduit Bond issuer, by encumbering each property with a Conduit Bond Regulatory Agreement (the "Conduit Bond Regulatory Agreement");

vi. HCIDLA shall be included as a noticed party within the Conduit Bond Regulatory Agreement and CalHFA shall notify HCIDLA of any defaults to the Conduit Bond Regulatory Agreement or defaults on the Conduit Bonds; and

vii. Inform HCIDLA in writing, within 5 business days of its request for CalHFA to issue Conduit Bonds for a specific project pursuant to this MOU, if CalHFA accepts or rejects such request. Notwithstanding the notice requirements of Section 8 of this MOU, notices under this subsection may be made to email addresses provided by HCIDLA in writing, as may be amended, to CalHFA.

3. ACCESSIBILITY COVENANTS.

CalHFA agrees that it shall attach the City's Accessibility Covenants in the form attached hereto as Exhibit B to each Conduit Bond Regulatory Agreement for Conduit Bond issuances subject to this MOU. CalHFA further agrees that there shall be no modifications or amendments to the Accessibility Covenants (except to add the owner information) unless it receives the prior written approval of HCIDLA in the form of a written instrument executed among the City and the parties to the Bond Regulatory Agreement or their successors in title and duly recorded in the real property records of the County of Los Angeles, California.

4. TERM OF THE AGREEMENT.

The term of the MOU shall commence on the date the MOU is fully executed by both parties (the "Effective Date") and shall remain in full force and effect until three (3) years from

the Effective Date (the “Termination Date”), provided, however, that the term may be extended for up to an additional three (3) year term subject to the approval of City Council and provided further that the Accessibility Covenants shall remain in effect for the period specified in any Conduit Bond Regulatory Agreement executed prior to the Termination Date.

5. INDEMNIFICATION

Pursuant to the provisions of Section 895.4 of the California Government Code, each party agrees to indemnify and hold the other harmless from all liability for damage, actual or alleged, to persons or property arising out of or resulting from the indemnifying party’s (“Indemnitor”) acts or omissions in its performance of this MOU without requirement that such liability be paid first by the indemnified party (“Indemnitee”). In the event of third-party loss caused by negligence, wrongful act or omission of both parties, each party shall bear financial responsibility in proportion to its percentage of fault as may be mutually agreed or judicially determined. The provisions of California Civil Code Section 2778 regarding interpretation of indemnity agreements are hereby incorporated.

6. AMENDMENT.

Unless otherwise stated, this MOU, along with its attachments, may only be amended in writing upon mutual consent of both parties.

7. TERMINATION AND REMEDIES FOR BREACH:

A. If a party fails to perform any of the provisions of this MOU, the other party may provide written notice of such default with a thirty (30) day period to cure the default. If such default is not cured or a plan provided to cure such default, which is acceptable to the noticing party, within thirty (30) days after receipt of notice, the noticing party may terminate this MOU.

B. Either party shall have the right to terminate this MOU, by delivering written notice of such termination to the other party at least thirty (30) days in advance of the termination date.

C. No termination of this MOU shall extend to or affect either party’s obligations hereunder with respect to Conduit Bonds previously issued or in the process of being issued in accordance with this MOU, without the approval of the City and CalHFA.

D. The rights and remedies of the parties provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this MOU.

8. NOTICES.

Any notices to be given pursuant to this MOU shall be in writing and all such notices and any other document to be delivered shall be delivered by personal service or by deposit in the United States mail, certified or registered, return receipt requested, postage prepaid, and addressed to the party for whom intended as follows:

To HCIDLA:

Los Angeles Housing and Community Investment Department
1200 W. 7th St
Los Angeles, CA 90017
Attention: Assistant General Manager Housing Bureau

With a copy to:

Los Angeles Housing and Community Investment Department
P.O. Box 532729
Los Angeles, CA 90053-2729
Attention: Director of Finance and Development

To CalHFA:

California Housing Finance Agency
500 Capital Mall, Suite 1400
Sacramento, Ca 95814
Attention: Kevin Brown

With a copy to:

California Housing Finance Agency
500 Capital Mall, Suite 1400
Sacramento, Ca 95814
Attention: Office of General Counsel

9. ASSIGNMENTS.

This MOU is personal to CalHFA and HCIDLA, and neither party shall have the right or ability to transfer or assign any rights or obligations stated herein. In the event that CalHFA or HCIDLA shall attempt to assign or transfer the same in whole or in part, all rights of the respective party hereunder shall immediately terminate.

10. WAIVERS.

No waiver of any provision of this MOU shall be deemed, or constitute, a waiver of any other provision, whether or not similar, nor shall any such waiver constitute a continuing or subsequent waiver of the same provision. No waiver shall be binding unless executed in writing by the party making the waiver.

11. CONFLICTS

HCIDLA and CalHFA each agree that in the event of any conflict and to the extent that there is any inconsistency or ambiguity between the provisions of this MOU and the provisions of CalHFA Conduit Issuer Program, the provisions of this MOU will be deemed to be controlling, and any such ambiguity or inconsistency will be resolved in favor of, and pursuant to the terms of the MOU.

12. MISCELLANEOUS.

A. The parties acknowledge and agree that this MOU is solely intended to memorialize the general understandings of the parties and, notwithstanding anything to the contrary, is not a commitment by HCIDLA or CalHFA to issue Conduit Bonds, make a loan(s) or otherwise be required to participate in any rental housing program. This MOU is intended to be an indication of the good faith intent of the parties hereto to work together with respect to the matters set forth herein.

B. Each party hereto shall bear its own costs and expenses in connection with this MOU and in connection with any eventual Conduit Bond and/or loan originated hereunder except as may be otherwise stated herein or agreed to in writing between the parties.

C. This MOU and any undertakings by HCIDLA pursuant hereto are not binding upon any officers, agents, employees, attorneys, trustees of or participants in HCIDLA personally; any undertakings by HCIDLA pursuant hereto bind only, and may only be enforced against HCIDLA.

D. This MOU and any undertakings by CalHFA pursuant hereto are not binding upon any of the employees, officers, board members, agents or trustees of or participants in CalHFA personally; any undertakings by CalHFA pursuant hereto bind only, and may only be enforced against CalHFA.

E. The parties acknowledge and agree that the CalHFA Conduit Issuer Program is solely the approved program of CalHFA and not of HCIDLA. CalHFA has the sole and absolute discretion in determining fees, structure, underwriting, and other related terms of its Conduit Issuer Program (except for City's Accessibility Requirements),

F. CalHFA shall require that the borrower shall be in compliance with all applicable statutes, rules, regulations and order of the United States, the State of California ("State"), and City, including any amendments or revisions thereto.

G. Upon request by a borrower for a refinancing or sale of a Project, financed pursuant to this MOU, HCIDLA shall have first opportunity to be the bond issuer for the new transaction if CalHFA is not already a direct permanent lender for the project. CalHFA shall provide HCIDLA with written notice of any such request within five (5) business days of receipt of the request.

H. HCIDLA acknowledges that CalHFA is entering into this MOU solely for the interest of CalHFA and within the expectations and parameters of the CalHFA Conduit Issuer Program to the extent not inconsistent with the terms and provisions of this MOU.

I. HCIDLA acknowledges that CalHFA has statewide authority to approve and issue tax exempt private activity bonds, including Conduit Bonds, and CalHFA reserves the right to approve and issue private activity bonds, including Conduit Bonds, throughout the State of California for any project, under this statewide authority.

IN WITNESS WHEREOF, the parties have caused this MOU to be executed by their duly authorized representatives.

CITY OF LOS ANGELES
Los Angeles Housing and Community Investment Department

By: _____
SEAN L. SPEAR
Assistant General Manager

APPROVED AS TO FORM:

CITY ATTORNEY, Michael N. Feuer

By: _____
Deputy/Assistant City Attorney

CALIFORNIA HOUSING FINANCE AGENCY, a
Public instrumentality and political subdivision of the
State of California

By: _____

Name:
Title:

EXHIBIT A
MOU - CalHFA Conduit Issuer Program
[Attached]



CONDUIT ISSUER PROGRAM

MULTIFAMILY HOUSING BONDS

The CalHFA Conduit Issuer Program is designed to facilitate access to tax-exempt and taxable bonds (“Bond”) by developers that seek financing for eligible projects that provide affordable multifamily rental housing for individuals, families, seniors, veterans or special needs tenants (“Project”). The conduit Bonds may be used to finance the acquisition, rehabilitation, and/or development of an existing Project, or they can be used for the construction of a new Project.

Qualifications	<ul style="list-style-type: none"> Available to for-profit, non-profit or public agency sponsors. Non-profit borrowers may be eligible for 501(c)(3) bonds. If bond proceeds are utilized to pay off an existing CalHFA portfolio loan visit www.calhfa.ca.gov for the CalHFA Portfolio Loan Prepayment Policy.
Bond Amount	Bond amount is determined by the loan amount of the selected construction lender.
Fees (subject to change)	<ul style="list-style-type: none"> Application Fee: \$5,000 non-refundable, due at time of application submittal (covers the cost of the TEFRA) and is credited towards the CalHFA Issuer Fee. Issuer Fee: <ol style="list-style-type: none"> 1. The greater of \$15,000 or 0.20% of the Bond amount if less than \$20 million dollars 2. If more than \$20 million dollars: \$40,000 + 0.10% of the amount above \$20 million dollars Annual Administrative Fee: \$7,500 (scattered site projects may require increased fees) due and payable in advance in annual installments commencing on Bond issuance through the term of the regulatory period. Public Sale: additional fee of \$5,000 to \$10,000 applies when Bonds are sold to the public. CDLAC Allocation Fee: 0.035% of the Bond amount, \$1,200 of which is due at time of CDLAC application submittal with the remaining fee due at construction loan closing, and is payable to CDLAC. CDLAC Performance Deposit: 0.50% of the requested Bond amount, not to exceed \$100,000, due at time of CDLAC application submittal. Deposit to be refunded after the Bond closing, upon receipt of authorization letter from CDLAC. <p>The Borrower shall be responsible for all other costs of Bond issuance including fees of the underwriter, trustee, rating agencies, lender, compliance administrator, all Bond counsel legal fees, and any other parties required to complete the transaction.</p>

Kevin Brown, Housing Finance Specialist
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 Sacramento, CA 95814
 916.326.8808
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CONDUIT ISSUER PROGRAM**Occupancy Requirements**

- Either (A) 20% of the units must be rent restricted and occupied by individuals whose incomes are 50% or less of the area median income as determined by HUD ("AMI") with adjustments for household size ("20% @ 50% AMI"), or (B) 40% or more of the units must be both rent restricted and occupied by individuals whose income is 60% or less of the AMI, with adjustments for household size ("40% @ 60% AMI"); however in the latter case, a minimum of 10% of the units must be at 50% or less of AMI.
- Borrower will be required to enter into a Regulatory Agreement which will be recorded against the Project for the Qualified Project Period (as defined in the CalHFA Regulatory Agreement). This includes the latter of the federally-required qualified project period, repayment of the Bond funded loan, redemption of the Bonds or the full term of the CDLAC Resolution requirements.

Last revised: 03/2019

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. Not printed at taxpayer expense.

EXHIBIT B
MOU - ACCESSIBILITY COVENANTS
[Attached]

ACCESSIBILITY COVENANTS

The Accessibility Covenants (the “Covenants”) herein are attached to the Regulatory Agreement as an exhibit and the Borrower [OWNER] hereby agrees to comply with each of the requirements of the City [HCIDLA] set forth as follows:

Section 1. Definitions. Terms not otherwise defined herein shall have the meanings assigned thereto in the Regulatory Agreement as applicable. The following terms shall have the respective meanings assigned to them in this Section unless the context in which they are used clearly requires otherwise:

“Accessible,” when used with respect to a Housing Unit or a Housing Development, means and refers to full compliance with the requirements of the Accessibility Standards.

“Accessible Housing Development” means a Housing Development that is Accessible, including Accessible public and common use areas, as well as the number and type of Accessible Housing Units that are required to be Accessible by the Covenants.

“Accessible Housing Units” or “Accessible Unit” refers collectively to Housing Units with Mobility Features and Housing Units with Hearing/Vision Features that are Accessible, on an accessible route, and in an Accessible Housing Development.

“Accessibility Laws” means Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794 et seq.; the Americans with Disabilities Act (“ADA”), 42 U.S.C. § 12131, et seq.; California Government Code Section 11135 et seq.; the federal Fair Housing Act of 1968, as amended (“FHA”), 42 U.S.C. §§ 3601-3620; implementing regulations and design standards for each of the preceding statutes; and the California Building Code.

“Accessibility Standards” means the following compliance standards:

For purposes of Section 504 and the ADA:

- a. For Housing Developments constructed or substantially altered before March 15, 2012:
 1. The new construction requirements of 24 C.F.R. pt. 8, including 24 C.F.R. §§ 8.4(d), 8.22, 8.26, and 8.32 as well as the new construction requirements of UFAS, or their successor standards.
- b. For Housing Developments constructed or substantially altered on or after March 15, 2012:
 1. The Alternative Accessibility Standard; or
 2. Any future accessibility standard and other regulatory requirements applicable to newly constructed facilities in federally-assisted

programs that may be adopted in a final rule issued by the U.S. Department of Housing and Urban Development (“HUD”) pursuant to notice and comment rulemaking under Section 504 so long as such accessibility standard and regulatory requirements do not provide for less accessibility for persons with disabilities than either a or b.

For purposes of the Fair Housing Act:

- a. Compliance with the standards set forth in 24 C.F.R. § 100.205, including: the requirements in ANSI A117.1-1986 and the Fair Housing Accessibility Guidelines, March 6, 1991, in conjunction with the Supplement to Notice of Fair Housing Accessibility Guidelines: Questions and Answers About the Guidelines, June 28, 1994.

For purposes of state law:

- a. The accessibility provisions of the California Building Code Chapters 11A and 11B, or any future accessibility standard and other regulatory requirements applicable to newly constructed facilities adopted as part of the California Building Code; and
- b. All applicable building codes in effect for the City of Los Angeles Building and Safety Department.

“Alternative Accessibility Standard” means and refers to the alternative accessibility standard for new construction set out in HUD’s notice at 79 Fed. Reg. 29,671 (May 23, 2014), when used in conjunction with the new construction requirements of HUD’s regulations at 24 C.F.R. pt. 8, 24 C.F.R. § 8.22, and the new construction requirements of 28 C.F.R. pt. 35, including the 2010 Standards for Accessible Design as defined in 28 C.F.R. § 35.104 and as applied to public entities (excluding any elevator exceptions).

“Fair Housing Policy Related to Disability” means the documents containing the policies of the City, as amended periodically, that ensure all Housing Developments be constructed and operated in accordance with all applicable Accessibility Laws, including federal accessibility requirements. The current policies can be accessed on the City’s Accessible Housing Program Website.

“Housing Development” or “Development” means the whole of one or more residential structures and appurtenant structures, that (1) received or will receive any Federal financial assistance from or through the City and/or (2) were, are, or will be designed, constructed, altered, operated, administered, or financed in connection with a program administered by the City or by its subrecipients.

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“Housing Unit” means a single unit of residence in the Housing Development that provides spaces for living, bathing, and sleeping, provided such definition shall not be construed to exclude Single Room Occupancy Units.

“Housing Unit with Hearing/Vision Features” means a Housing Unit that complies with 24 C.F.R. §§ 8.22 and 8.23 and all applicable provisions of UFAS, or the comparable provisions of the Alternative Accessibility Standard including but not limited to § 809 and specifically subsection § 809.5 of the 2010 ADA Standards for Accessible Design, and with the California Building Code Chapters 11A & 11B. Hearing/Vision Features include but are not limited to visual alarms (UFAS §§ 4.34.10, 4.28.3), auxiliary alarms (UFAS §§ 4.34.10, 4.28.4), telephone volume controls and hearing aid compatibility (UFAS § 4.31.5), protections against protruding objects (UFAS § 4.4), stairway requirements (UFAS §§ 4.9, 4.26.4), protections against exposed pipes and surfaces (UFAS §§ 4.19.4, 4.24.6, 4.34.6.5(8)), audible alarms (UFAS § 4.28.2), signage (UFAS § 4.30), push button controls for telephones (UFAS § 4.31.6), consumer information (UFAS § 4.34.4), and range, cooktop, and oven controls (UFAS §§ 4.34.6.6, 4.34.6.7).

“Housing Unit with Mobility Features” means a Housing Unit that is located on an accessible route and complies with 24 C.F.R. §§ 8.22 and 8.23 and all applicable provisions of UFAS, or the comparable provisions of the Alternative Accessibility Standard including but not limited to § 809 and specifically subsections §§ 809.2 through 809.4 of the 2010 ADA Standards, and with the California Building Code Chapter 11 B. A Housing Unit with Mobility Features can be approached, entered and used by persons with mobility disabilities, including people who use wheelchairs.

“UFAS” means the Uniform Federal Accessibility Standards and refers to a set of scoping requirements and standards for the design and construction of buildings and facilities to ensure that they are readily accessible to and usable by persons with disabilities. See Appendix A to 24 C.F.R. subpart 40 for residential structures and Appendix A to 41 C.F.R. subpart 101-19.6 for general-type buildings (UFAS is also available on-line at <http://www.access-board.gov>).

Section 2. Owner Obligations. The Owner represents, warrants, covenants and agrees as follows:

- a. A State of California Certified Access Specialist (“CASp”) who is a licensed architect or engineer must be identified as part of the development team. A list of CASps can be found at the following link: https://www.apps.dgs.ca.gov/casp/casp_certified_list.aspx. The CASp cannot be the architect of record for the project. The cost of CASp activities and certifications should be included in the application’s project budget.
- b. The Housing Development shall be constructed in accordance with the Accessibility Standards in Section 1 above to ensure accessibility for persons with disabilities. Owner must work with their CASp to ensure that the Housing Development complies with those Accessibility Standards.

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- c. An accessibility report by a CASp inspector certifying that the Housing Development is in compliance with all applicable Accessibility Standards, as defined in Section 1, above, must be submitted to and approved by HCIDLA at the following phases of the project development:
1. Accessibility Design Review Report and a pdf copy of the plans are due for review by HCIDLA when construction documents have been developed, and prior to the submission of plans to Los Angeles Building and Safety Department;
 2. The Accessibility Design Review Report must be approved by HCIDLA before building permits can be issued;
 3. Accessibility Progress Inspection Reports conducted after all rough inspections have been signed off by the Los Angeles Building and Safety Department and prior to closing of walls; and
 4. The Final Accessibility Report at completion of construction must be approved by HCIDLA before any retention payment, certificate of occupancy, and final building permit can be issued by the Los Angeles Building and Safety Department.
- d. If applicable, applicants/developers/owners must list all applicable accessibility standards on title page of plans and include the following note: *“This is a publicly funded housing project and must comply with California Building Code Chapters 11A & 11B”*.
- e. If the Development is to be rehabilitated, accessibility retrofit of the Housing Development shall take place concurrently with any project rehabilitation in compliance with the Accessibility Standards.
- f. The Accessible Units shall be prioritized for persons with disabilities who have a disability-related need for the accessibility features of the Accessible Unit.
- g. At least ten percent (10%) of the total Housing Units in the Housing Development shall be constructed and maintained by the Owner as Housing Units with Mobility Features.
- h. At least four percent (4%) of the total Housing Units in the Housing Development shall be constructed and maintained by the Owner as Housing Units with Hearing/Vision Features.

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- i. The 4% and 10% calculations shall each be based on the total number of Housing Units in the Housing Development. In determining the number of Accessible Units required, any fractions of units shall be rounded up to the next whole number. Required Accessible Units shall, to the maximum extent feasible and subject to reasonable health and safety requirements, be distributed throughout projects and sites, and shall be available in a sufficient range of sizes and amenities so that a qualified individual with a disability has a choice of living arrangements that is, as a whole, comparable to that of other persons eligible for housing assistance under the same program.
- j. The Accessible Units shall be affordable for households with incomes at 30%, 50%, and 80% of area median income.
- k. The project shall comply with the City's Accessibility Regulations Matrix & Overview, Accessible Design/Construction Compliance Requirements, and the Accessibility Report Requirements, which may be amended from time-to-time.
- l. Owners shall adopt and comply with the City's Fair Housing Policy Related to Disability, as amended.
- m. Owners and property managers (including resident managers and on-site managers) of the Housing Development shall attend the City's Fair Housing for People with Disabilities workshops.
- n. Following reasonable notice to Owner, Owner shall allow the City to conduct periodic on-site inspections of the Housing Development in order to verify compliance with the Accessibility Standards and the City's Fair Housing Policy Related to Disability.
- o. The Housing Development as a whole and all Housing Units shall meet the requirements of the Accessibility Standards as defined in Section 1, above, and any requirements of the City.
- p. Owner shall provide a list to the City of all Accessible Units with unit number, bedroom size and type of Accessible Unit ("Housing Unit with Hearing/Vision Features" or "Housing Unit with Mobility Features").

Section 3. Occupancy of Accessible Housing Units. Owner shall follow the requirements of Section 504 and its implementing regulations at 24 C.F.R. Part 8, as well as the City's Fair Housing Policy Related to Disability to assure that information regarding the availability of Accessible Units reaches eligible individuals with disabilities. Owner will take reasonable, nondiscriminatory steps to maximize the utilization of such units by eligible individuals who require the accessibility features of the particular unit. To this end, Owner will take the following steps when an Accessible Unit becomes vacant:

- a. First, Owner will offer the Accessible Unit to a current occupant of the Housing Development who has requested and needs the features of an Accessible Unit;
- b. Second, Owner will offer the Accessible Unit to a current occupant of a Housing Development under common control who has requested and needs the features of an Accessible Unit;
- c. Third, Owner will offer the Accessible Unit to an eligible, qualified applicant on the waiting list for Accessible Housing Units who needs the features of an Accessible Unit;
- d. Fourth, Owner will make reasonable efforts to advertise the Accessible Unit to qualified individuals who need the accessible features, including listing it as available to individuals who need the accessible features at [http://www/Housing.LACity.org](http://www.Housing.LACity.org), distributing the information about the accessible vacancy in accord with the Owner's City approved Property Management Plan, distributing it to the most recent list from the City of organizations that serve people with disabilities, and sending an e-blast to parties on the Housing.LACity.org website Outreach List. All such communications shall take appropriate steps to ensure effective communication with individuals with disabilities by utilizing appropriate auxiliary aids and services, such as the use of accessible websites and emails. Outreach efforts to the disability community shall include, but not be limited to, notices and other communications describing the availability of such Accessible Units, specific information regarding the features of Accessible Units, eligibility criteria, and application procedures. These, and additional procedures, are incorporated into the City's Fair Housing Policy Related to Disability.

In the event more than one household has requested an Accessible Unit, Owners shall offer the Accessible Unit to households in order on the appropriate waiting list within each category.

If, after using the process identified above, there are no households who need the features of that Accessible Unit, then Owner may offer the Accessible Unit to the next household on the conventional waiting list. Should that household choose not to occupy the Accessible Unit, they will remain at the same position on the conventional waiting list. If the household chooses to occupy the Accessible Unit, the tenant must sign a lease addendum in the form approved by the City. The lease addendum requires the household to move to the next available, comparable, conventional unit, when given appropriate notice by the Housing Development that there is an eligible applicant or existing resident with a disability who requires the accessibility features of that Accessible Unit.

For individuals who are required to vacate an Accessible Unit because it is needed by an individual with a disability, Owners will pay the costs of the transfer to a comparable conventional unit, including new utility deposit(s), if required, and reasonable moving expenses.

Section 4. Rental Policies. The Owner shall adopt rental policies that meet the requirements of Section 504, the ADA, the Fair Housing Act, FEHA, and other federal and state laws and regulations as applicable, and of the Fair Housing Policy Related to Disability of the City, as amended. Owner shall develop and utilize a Property Management Plan (“PMP”), approved by the City, which describes affirmative marketing, tenanting, and other procedures to ensure that the Housing Development meets all of the civil rights requirements for individuals with disabilities. Within 90 days of bond issuance, the Housing Development must have an approved PMP.

Rental applications will include a section to be filled out by applicants to identify whether they are requesting an accommodation or modification. Applicants will not be required to disclose a disability under any circumstances, and Owner shall seek information to be disclosed limited to only what is necessary to establish the disability-related need for the requested accommodation or modification.

Section 5. Residential Rental Property. The Owner hereby represents, covenants, warrants and agrees as follows:

- a. All of the Housing Units in the Housing Development will be similarly constructed units, and each income restricted unit in the project will contain complete separate and distinct facilities for living, sleeping, eating, cooking and sanitation for a single person or a family, including a sleeping area, bathing and sanitation facilities and cooking facilities, equipped with a cooking range and oven, a sink and a refrigerator. Each of the Accessible Units shall also comply with these requirements. Notwithstanding the foregoing, a unit shall not fail to be treated as a residential unit merely because such unit is a single room occupancy unit within the meaning of Section 42(i)(3)(B)(iv) of the Code even though such housing may provide eating, cooking and sanitation facilities on a shared basis.
- b. All of the Housing Units (which shall not include any manager units) will be available for rental on a continuous basis to members of the general public, and the Owner will not give preference to any particular class or group in renting the housing units in the project, except to the extent that: (1) Accessible Housing Units shall be made available on a priority basis to persons who need the accessible features, as described in Section 3 above; (2) any Housing Units are required to be leased or rented to low income tenants or persons [62] years of age and older, (3) the requirements of any regulatory agreement executed between the Owner and HUD or between the Owner and a subordinate lender (including the City), (4) the requirements of any Section 8 Housing Assistance Payments Contract with respect to the project, and (5) any preference Owner may legally provide pursuant to applicable federal and state law.

Section 6. Monitoring Requirements. The City will monitor the initial production and ongoing occupancy of the Accessible Units and the Housing Development to ensure full compliance with the Accessibility Standards, the Fair Housing Policy Related to Disability and the

policies in Sections 1 - 4, above. In order to determine compliance with the Accessibility Standards, Owner shall submit and the City shall review and approve a CASp Inspection Report of the housing development that identifies the necessary and required design elements to make the Housing Units and site accessible for individuals with disabilities. The City shall inspect the construction and/or rehabilitation to verify that the correct number of Accessible Units have been produced and that the necessary and required design elements have been constructed to make the Housing Units and site accessible for individuals with disabilities and supported by an independent CASp consultant’s report.

The City will utilize the Housing Development’s City approved PMP and Fair Housing Policy Related to Disability to monitor ongoing occupancy compliance of the Accessible Units and nondiscrimination of individuals with disabilities. Compliance with the policies shall include, but not be limited to, target marketing, establishing and monitoring a waiting list specific to the Accessibility Units, appropriately responding to reasonable accommodation and modification requests, implementation of the assistance animal policies, implementation of the policies for re-leasing vacant Accessible Units, and all elements contained in the Fair Housing Policy Related to Disability.

Section 7. Maintenance of Records. The owner agrees to keep and maintain books, accounts, reports, files, records, and other documents in accordance with the Fair Housing Policy Related to Disability. Owner shall maintain all records until August 1, 2026 or for 5 years, whichever is later.

Section 8. Notices, Demands, Payments and Communication. Formal notices, demands, payments and communications between the City and the Owner shall be sufficiently given and shall not be given unless dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally to the principal office of the City as follows:

CITY:
City of Los Angeles
Housing and Community Investment Department
P.O. Box #532729
Los Angeles, CA 90053-2729
Attention: Portfolio Management and Accessible Housing Program

OWNER: (CalHFA to fill in)

W/copy to:

Section 9. Term of the Accessibility Covenants. The covenants contained in the Covenants shall become effective upon the issuance of the Bond and shall terminate no earlier than at the end of the CDLAC Conditions set forth in the California Debt Limit Allocation Committee Resolution for the project, it being expressly agreed and understood that the provisions hereof are intended to survive the retirement of the Bond.

Section 10. Covenant to Run with the Land. The Owner hereby subjects the project to the covenants, reservations, and restrictions set forth in the Covenants. The City and the Owner hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Owner's successors in title to the project. Each and every contract, deed, or other instrument hereafter executed covering or conveying the project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations, and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments.

Section 11. Default; Enforcement. As part of ensuring compliance with the Accessibility Covenants, the Accessibility Standards, and the Fair Housing Policy Related to Disability, the City or its agent, will conduct periodic on-site visits inspecting the Housing Development, which inspections may include inspecting the Housing Units and common areas, tenant files, logs and other records. Should the Owner fail to comply, the City will first issue an Order to Comply ("Order") stating the element of the Housing Development that is out of compliance, and providing a date by which the Owner must comply. The Order shall give the Owner not more than 30 days to correct the violation, or such additional time as the City may grant if the Owner is taking steps to correct the violation ("Compliance Date"), and diligently pursues such action until the default is corrected, which extension is in the City's sole discretion. The City shall re-inspect the Housing Development within 10 days of the Compliance Date specified in the Order of any extension, however failure to inspect or re-inspect within the time frame does not remove the obligation of the Owner to comply with the Order.

If the Order is issued and the violation continues to exist after the Compliance Date, then the City shall declare an "Event of Default" and may take any one or more of the following steps:

- a. **Inspection Fee for Non-Compliance.** In the event the Owner fails to comply with the Order within the Compliance Date, the Owner shall be liable for subsequent inspection fees in the amount approved by Council until compliance has been achieved. Failure to pay the assessed inspection fee within 30 days of the date of invoice, will result in a late charge equal to or two times the fees and a collection fee equal to 50 percent of the original fee shall be imposed if any fee imposed is not paid within 30 days of service of notice of the imposition of the fee.

The late fee may be imposed without a hearing but may be appealed to the General Manager of HCID. The appeal shall be made in writing, and shall specify the grounds for the appeal. The appeal shall be filed with HCID

within ten calendar days of the issuance of the imposition of the late fees and costs. The General Manager or his designee shall issue a decision within ten calendar days of the filing of the appeal. A copy of the decision shall be served on the person or entity subject to the Order or fee by first class United States mail, postage prepaid, or in person. The City shall have the right to bring legal action in any court to enforce the Order and collect the amount of outstanding fees and penalties. City may waive the penalty imposed pursuant to this section if City determines that good causes exist for the Owner's failure to pay in a timely manner.

- b. By mandamus or other suit, action or proceeding at law or in equity, including injunctive relief, require the Owner to perform its obligations and covenants hereunder or enjoin any acts or things which may be unlawful or in violation of the rights of the City hereunder;
- c. Filing of a complaint or referral to HUD or other appropriate agencies for further enforcement actions;
- d. Have access to and inspect, examine and make copies of all or a portion of the books and records of the Owner pertaining to the project, in order to ensure compliance with all provisions of the Covenants, including records relating to the accessibility of the Accessible Units; and
- e. Take such other action at law or in equity as may appear necessary or desirable to enforce the obligations, covenants and agreements of the Owner hereunder.

Section 12. Compliance with Accessibility Requirements. The Owner hereby certifies that it and its property manager and any agent, contractor and subcontractor will comply with the Accessibility Standards as defined, and the policies described in Sections 2-5. The Owner and any contractor and subcontractor will provide reasonable accommodations and modifications to allow qualified individuals with disabilities to have access to and to participate in its programs, services, and activities in accordance with each of the applicable requirements of the ADA, the 2010 ADA Standards for Accessible Design, the ADAAG, Section 504, UFAS, the Fair Housing Act, the Fair Housing Act Design and Construction Requirements, federal regulations implementing the ADA, Section 504, and the Fair Housing Act, California Government Code 11135 *et seq.*, the California Building Code Chapters 11A and 11B, and all subsequent amendments to those laws. The Owner and any contractor and subcontractor will not discriminate against persons with disabilities or against persons due to their relationship or association with a person with a disability. Any contract and subcontract entered into by the Owner, relating to the Covenants and the Project, to the extent allowed hereunder, shall be subject to the provisions of this paragraph.

Section 13. Governing Law. The Covenants shall be governed by the laws of the State of California.

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Section 14. Parties Bound. The provisions of the Covenants shall be binding upon and inure to the benefit of the City and Owner and their respective successors and assigns.

Section 15. Severability. Every provision of the Covenants is intended to be severable. If any provision of the Covenants shall be held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired.

Section 16. Waiver. Any waiver by the City of any obligation in the Covenants shall be in writing. No waiver will be implied from any delay or failure by the City to take action on any breach or default of Owner or to pursue any remedy allowed under the Covenants or applicable law. Any extension of time granted to Owner to perform any obligation under the Covenants shall not operate as a waiver or release from any of its obligations under the Covenants. Consent by the City to any act or omission by Owner shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for the City's written consent to future waivers.

Section 17. Modifications. There shall be no amendment or modification of the Covenants without the prior written approval of the City. Any amendment or modification of the Covenants shall be by a written instrument executed by the City and the parties to the Covenants and the Regulatory Agreement or their successors in title, and duly recorded in the real property records of the County of Los Angeles, California. Modifications or amendments to the Covenants may occur by operation of law or other agreements binding the City and the parties to the Covenants and the Regulatory Agreement.

Section 18. Conflicts. If the provisions of the Covenants are inconsistent with the provisions of the Regulatory Agreement, the provisions of the Covenants shall be controlling.

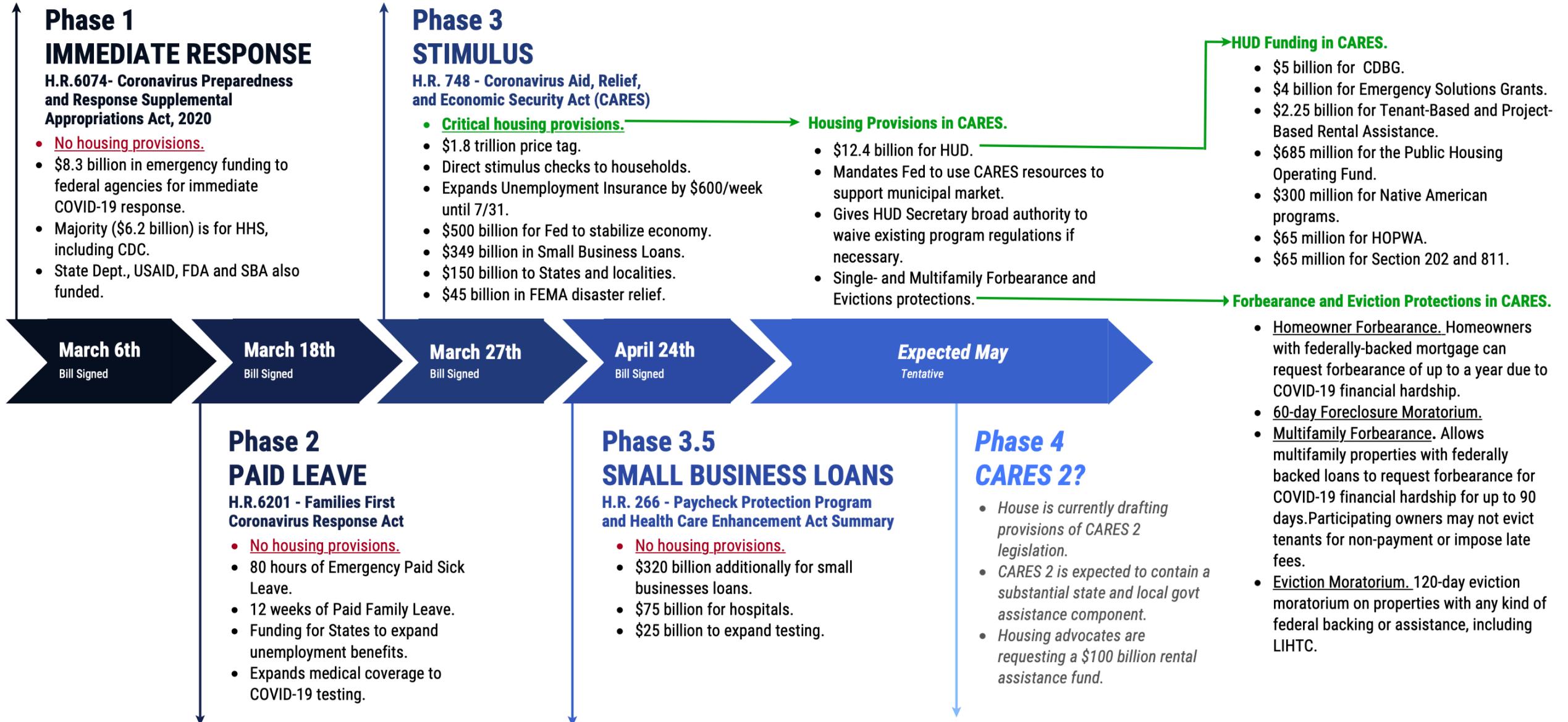
Section 19. Third Party Beneficiary. The City is intended to be and is a third party beneficiary of the Covenants, and the City shall have the right (but not the obligation) to enforce the provisions of the Covenants and to pursue an action for specific performance of such provisions or other available remedy at law or in equity.

Section 20. Recording and Filing. The Covenants shall be recorded and filed in the real property records of the County of Los Angeles and in such other places as the City may reasonably request.



COVID-19 Congressional Legislation

As of April 28, 2020



State of California

MEMORANDUM

To: Board of Directors

Date: April 22, 2020

From: Andre Massey, Deputy Director of Multifamily Programs
CALIFORNIA HOUSING FINANCE AGENCY

Subject: ASSET MANAGEMENT QUARTERLY PORTFOLIO REPORT

The CalHFA Asset Management Portfolio is comprised of 734 projects with a balance of \$1.178 billion in financing as of March 31, 2020. The CalHFA portfolio consists of 17,358 affordable home units throughout the State of California.

The portfolio is broken down by type of program as follows:

64	Section 8 Housing Program
93	Risk Share
221	80/20 financing loans - CalHFA Financed Program
180	Mental Health Services Act/Special Needs Housing Program
47	Conduit
14	Section 811 Housing
115	<u>School Facility Fee Reimbursement Program</u>
734	Total

The portfolio has a low delinquency rate of 0.36% which includes four projects. There are five projects on the Watch List for various issues such as timely submission of annual reports, lack of compliance with the regulatory agreement, or pending completion of physical improvements recommended at time of inspection.

Preservation Strategy

There are 61 Loans scheduled to mature within the next five years. The Multifamily Program has initiated a preservation strategy of the existing portfolio in an effort to extend affordability of the CalHFA financed projects.

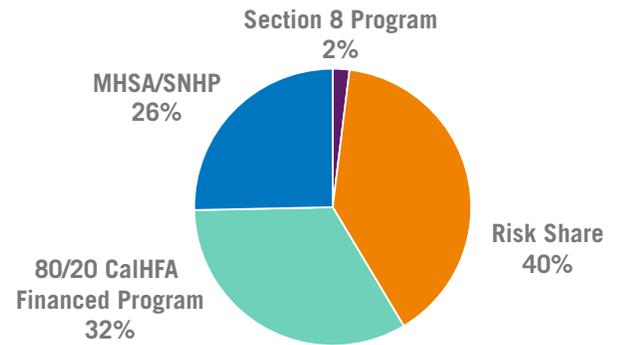
The goals of the Multifamily Asset Management Program are to increase and preserve the supply of affordable housing, assure the maintenance of a quality living environment, assure the projects are financially sound and sustainable, and to cooperate with local jurisdictions to advance affordable housing throughout the State.

As of March 31, 2020

PROGRAMS

Type	# Projects	UPB	%
Section 8 Program	64	\$ 19,475,938	2%
Risk Share	93	\$468,636,451	40%
80/20 CalHFA Financed Program	221	\$385,260,659	32%
MHSA/SNHP	180	\$304,810,082	26%
Conduit	47	-	0.0%
Section 811	14	-	0.0%
School Facility Fee Reimbursement Program	115	-	0.0%
TOTAL*	734	\$1,178,183,130	

UNPAID PRINCIPAL BALANCE (UPB) BY PROJECT TYPE



* The unpaid principal balance is based on 479 existing projects with loan balances. The portfolio continues to maintain projects without loan balances for purposes of affordability requirements and compliance. 255 projects are being reviewed and maintained for compliance purposes only.

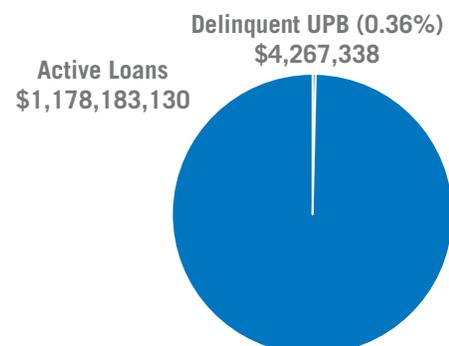
PRESERVATION RISK INDICATORS

Type	# Projects	UPB	%
Projects to be Transferred to AM	76	\$640,316,982	
Regulatory Agreement Expires <= 5 yrs.	63	\$64,595,809	5.48%
Loans Mature <= 5 yrs.	61	\$60,000,843	5.09%
Yield Maintenance Requests (last quarter)	6	\$10,658,127	0.90%

FINANCIAL RISK INDICATORS

Type	# Projects	UPB	%
Projects w/ DSCR < 1.0	14	\$11,243,189	0.95%
Watch List	5	\$4,538,916	0.39%
Delinquencies	4	\$4,267,338	0.36%

DELINQUENCIES

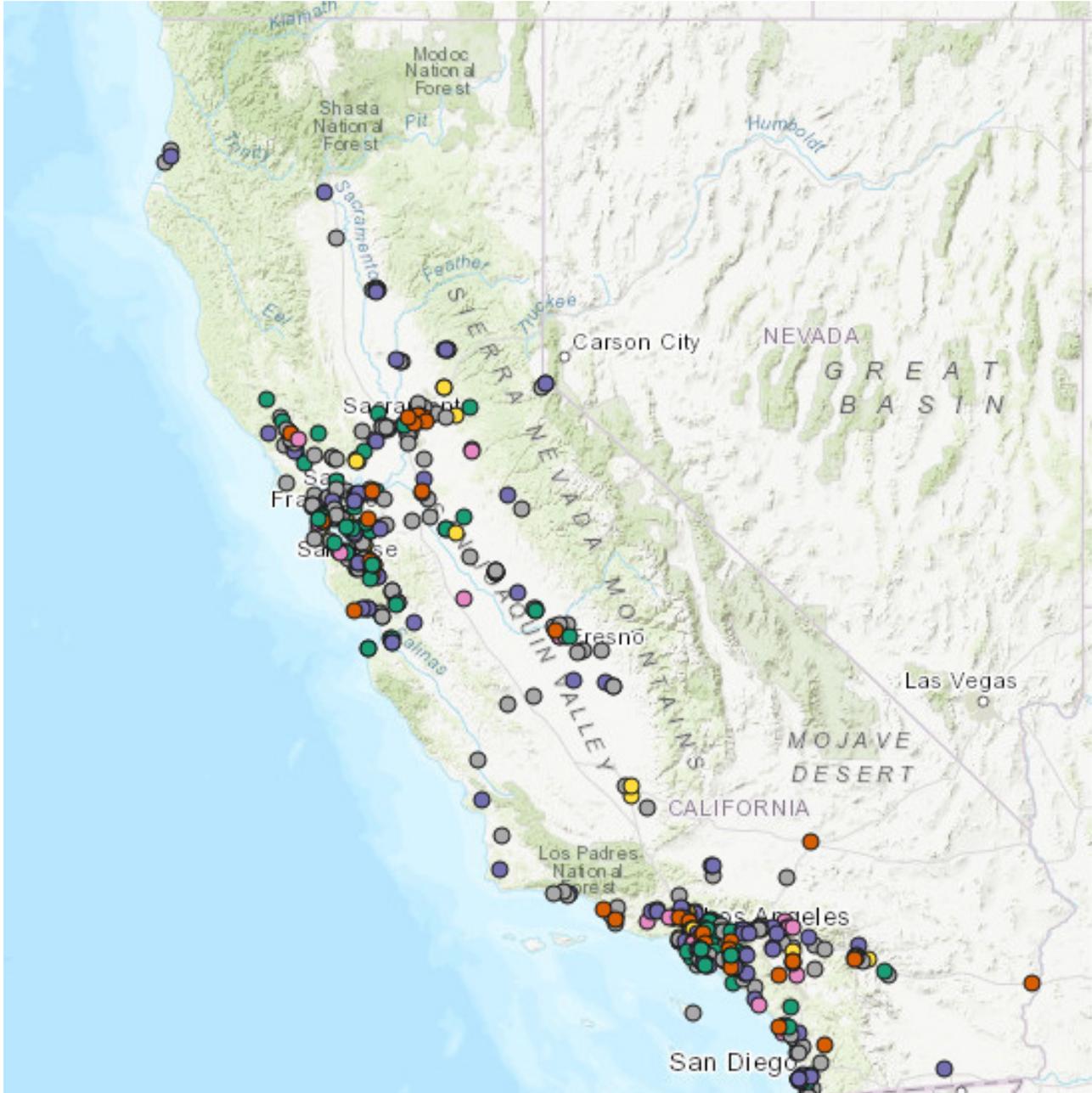




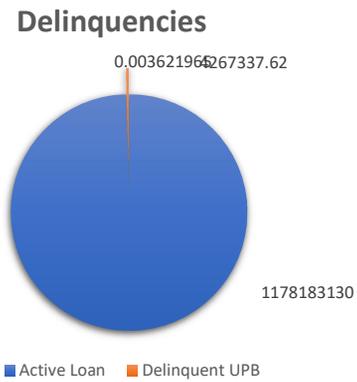
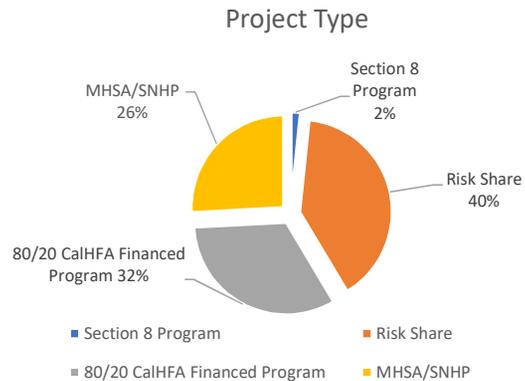
ASSET MANAGEMENT QUARTERLY PORTFOLIO REPORT

As of March 31, 2020

MAP OF CALHFA MULTIFAMILY PROJECTS IN CALIFORNIA



QUARTERLY ASSET MANAGEMENT PORTFOLIO REPORT as of March 31, 2020				
Type	# of Projects	UPB		
Section 8 Program	64	\$19,475,938	2%	
Risk Share	93	\$468,636,451	40%	
80/20 CalHFA Financed Program	221	\$385,260,659	32%	
MHSA/SNHP	180	\$304,810,082	26%	
Conduit	47	-	0%	
Section 811	14	-	0%	
School Facility Fee Reimbursement Program	115	-	0%	
TOTAL*	734	\$1,178,183,130		
Preservation Risk Indicators				
Projects to be Transferred to AM	76	\$640,316,982		
Regulatory Agreement Expires <= 5 yrs.	63	\$64,595,809	5.48%	
Loans Mature <= 5 yrs.	61	\$60,000,843	5.09%	
Yield Maintenance Requests (last quarter)	6	\$10,658,127	0.90%	
Financial Risk Indicators				
Projects w/ DCR < 1.0	14	\$11,243,189	0.95%	
Watch List	5	\$4,538,916	0.39%	
Delinquencies	4	\$4,267,338	0.36%	



* The unpaid principal balance is based on 479 existing projects with loan balances. The portfolio continues to maintain projects without loan balances for purposes of affordability requirements and compliance. 255 projects are being reviewed and maintained for compliance purposes only.