

## Public Meeting Agenda

California Housing Finance Agency Board of Directors  
Thursday, October 21, 2021  
10:00 a.m.

Click on the link to register:

<https://attendee.gotowebinar.com/register/2236751215781620747>

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1. Roll Call
2. Approval of the minutes of the September 23, 2021 Board of Directors meeting ..... 1
3. Chairperson/Executive Director comments
4. Board Governance Training (Mandy Merchant, *CliftonLarsonAllen*)
5. Legislative update (Francesc Martí) ..... 5
6. Discussion, recommendation, and possible action regarding final loan commitment for the following project: (Kate Ferguson) ..... 11

<u>NUMBER</u>	<u>DEVELOPMENT</u>	<u>LOCALITY</u>	<u>UNITS</u>
21-017-A/X/N	College Creek Apartments	Santa Rosa/Sonoma	164

**Resolution 21-18** ..... **44**

7. Discussion, recommendation, and possible action regarding final loan commitment for the following project: (Kate Ferguson) ..... 47

<u>NUMBER</u>	<u>DEVELOPMENT</u>	<u>LOCALITY</u>	<u>UNIT</u>
21-011-A/X/N	Elm Lane Apartments	Oakley/Contra Costa	170

**Resolution 21-19** ..... **79**

8. Informational reports:

A. Multifamily Loan Production report ..... 82

B. Single Family Loan Production report.....	92
9. Discussion of other Board matters	
10. Public comment: opportunity for members of the public to address the Board on matters within the Board's authority	
11. Adjournment	

## **MINUTES**

### **California Housing Finance Agency (CalHFA) Board of Directors Meeting September 23, 2021**

Meeting noticed on September 13, 2021

#### **1. ROLL CALL**

The California Housing Finance Agency Board of Directors Meeting was called to order at 10:03 a.m. by Acting Chair Gunning. A quorum of members was present.

MEMBERS PRESENT: Avila Farias, Gallagher, Grant (for Castro Ramírez), Gunn (for Imbasciani), Gunning, Hunter, Johnson Hall, Miller (for Bosler), Morgan, Prince, Russell, Sotelo, Starr (for Ma), Velasquez, White

MEMBERS ARRIVING AFTER ROLL CALL: None

MEMBERS ABSENT: None

STAFF PRESENT: Claire Tauriainen, Melissa Flores, Don Cavier, Tim Hsu, Kate Ferguson, Rebecca Franklin

#### **2. Approval of the Minutes – July 22, 2021**

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

#### **3. Chairperson/Executive Director comments**

Chairperson comments:

- Chair Gunning welcomed Johnson Hall to her new role as the Executive Director. Board members Avila Farias, Grant, and Miller also welcomed Johnson Hall. Gunning mentioned that while several key housing bills have been signed by the Governor, he expects more to come.

Executive Director comments:

- Executive Director Johnson Hall thanked the Board for their support during the appointment process and for taking time to meet recently with her individually. She plans on sharing the collective response and any actions taken once she has met with everyone.
- She announced that Samuel Assefa, the newly appointed Director of Office of Planning and Research, will be joining the Board as a non-voting member and thanked Scott Morgan and Helen Campbell for filling the role during the interim.
- She participated in a panel discussion with other HFA directors about fair housing and equity homeownership at the National Association of Security Professionals conference earlier in the month.
- She co-authored an opinion piece that was published in Affordable Housing Finance urging Congress to include a provision in the infrastructure budget reconciliation package to reduce the 50% private activity bond requirement for 4% tax credit projects and within a few days, it was included in the next draft of the bill.
- She thanked Secretary Castro Ramírez for publishing an article that highlights the importance of coordination and collaboration between California's various housing agencies.
- She updated the Board on Fiscal Year 2021 numbers by sharing that CalHFA helped 7,600 families access more than 2.4 billion in first mortgages and provided over 138 million in down payment and closing cost assistance. She also reported that CalHFA financed the creation and preservation of more than 5,000 affordable units.
- She introduced two new employees at CalHFA; Erwin Tam, Director of Financing and Ellen Martin, Director of Business Development and Stakeholder Relations.
- She ended her remarks by sharing that the National Mortgage Settlement Housing Counseling Program, through the end of June 2021, has helped over 11,000 families across the state.

**4. Final Loan Commitment for Kiku Crossing, No. 21-007-A/X/N, for 225 units located in San Mateo/San Mateo – Resolution No. 21-15**

*Presented by Kate Ferguson*

On a motion by Hunter, the Board approved **Resolution 21-15**. The votes were as follows:

AYES: Gallagher, Gunn (for Imbasciani), Gunning, Hunter, Starr (for Ma), Velasquez, Grant (for Castro Ramírez), Sotelo, White

NOES: Avila Farias, Prince, Russell

ABSTENTIONS: None

ABSENT: None

**5. Discussion, recommendation and possible action to approve the 2021-22 Allocation Plan for AB 101 low-and moderate-income funds - Resolution No. 21-16**

*Presented by Tim Hsu*

On a motion by Russell, the Board approved **Resolution No. 21-16**. The votes were as follows:

AYES: Avila Farias, Gallagher, Gunn (for Imbasciani), Gunning, Hunter, Starr (for Ma), Velasquez, Grant (for Castro Ramírez), Russell, Sotelo, White

NOES: Prince

ABSTENTIONS: None

ABSENT: None

**6. Discussion, recommendation and possible action to authorize the use of American Rescue Plan Act of 2021 (ARPA) funds for an accessory dwelling unit (ADU) grant program – Resolution 21-17**

*Presented by Tim Hsu*

On a motion by Avila Farias, the Board approved **Resolution No. 21-17**. The votes were as follows:

AYES: Avila Farias, Gallagher, Gunn (for Imbasciani), Gunning, Grant (for Castro Ramírez), Hunter, Prince, Starr (for Ma), Russell, Sotelo, Velasquez, White

NOES: None

ABSTENTIONS: None

ABSENT: None

## **7. California Mortgage Relief update**

*Presented by Rebecca Franklin*

Franklin briefed the Board on the California Mortgage Relief program. The proposed plan has been submitted to the U.S. Treasury and is awaiting final approval. As proposed, the program will provide up to an \$80k grant to qualified households and is expected to serve between 20-40k Californians. She stated that CalHFA is aggressively negotiating service level agreements with loan servicing companies that will help speed the processing time for applications.

## **8. Informational Reports**

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

## **9. Discussion of other Board matters**

Chair Gunning asked if there were other Board matters to be discussed. On an unrelated topic to the CalHFA Board, Russell thanked White, Gunning, and Prince for informative discussions they had regarding naturally occurring affordable housing.

## **10. Public comment**

Chair Gunning asked if there were any comments from the public. There were none.

## **11. Adjournment**

As there was no further business to be conducted, Chair Gunning adjourned the meeting at 12:10 p.m.

# MEMORANDUM

**To:** CalHFA Board of Directors

**Date:** October 13, 2021

**From:** Francesc Martí, Director of Legislation and Policy  
**CALIFORNIA HOUSING FINANCE AGENCY**

**Subject:** STATE LEGISLATIVE UPDATE

On October 10<sup>th</sup> the 2021 state legislative calendar came full circle with the Governor signing or vetoing all bills on his desk. With the results now fully in, we can say that 2021 has been a milestone year for housing in California. SB 9 by President Pro Tempore Toni Atkins was the most prominent piece of legislation signed by the Governor, and marks one of the most prominent shifts in our State's land use history. This bill eliminates single family zoning throughout the State and instead allows for up to four units to be built in most existing single family parcels. California is the second state after Oregon to ban single family zoning.

Other prominent bills include SB 10 by Senator Wiener which fast tracks the rezoning process for areas of up to 10 units, SB 478 also by Senator Wiener, which eliminates Floor Area Ratio (FAR) requirements for small buildings, and AB 1095 by Cooley, which requires the Strategic Growth Council to include owner-occupied affordable housing as part of the Affordable Housing Sustainable Communities (AHSC) program.

Below is a non-exhaustive list of some bills of interest that were signed by the Governor this year.

**AB 68 (Quirk- Silva) State Housing Plan Annual Reports**

Revised and modernizes the quadrennial Statewide Housing Plan and expands the requirements of the annual report from HCD.

**Status:** 9/28/21 – Chapter 341, Statutes of 2021

**AB 215 (Chiu) Enforcement of State Housing Law**

Builds on the efforts of AB 72, to help ensure every region is making progress toward meeting their housing goals by expanding the authority of HCD and Attorney General to enforce state housing laws.

**Status:** 9/28/21 – Chapter 342, Statutes of 2021

**AB 345 (Quirk-Silva) ADU separate conveyance**

Makes it easier for qualified non-profits to sell ADUs to low- and moderate-income households by requiring cities to allow such sales and by adding language that would increase the clarity and efficacy of the legal agreements between the homeowners. **Status:** 9/28/21 – Chapter 343, Statutes of 2021

**AB 447 (Grayson) TCAC preservation definition change.**

Changes made to preservation definition at TCAC and amongst other things allow some adaptive reuse.

**Status:** 9/28/21 – Chapter 344, Statutes of 2021

**AB 491 (Ward) Poor door prohibition**

Disallows part market rate, part affordable buildings from having two separate entrances for each component.

**Status:** 9/28/21 – Chapter 345, Statutes of 2021

**AB 602 (Grayson) Development fees nexus study**

Requires local jurisdictions to adopt a capital improvement plan as part of a nexus study for development impact fees.

**Status:** 9/28/21 – Chapter 347, Statutes of 2021

**AB 634 (Carrillo) Density Bonus Law affordability restrictions**

Allows a local government to require an affordability period longer than 55 years for units that qualify a developer for a density bonus, if the local government has an inclusionary housing ordinance that requires a percentage of residential units affordable to lower income households for longer than 55 years. Excludes developments funded using Low Income Housing Tax Credits (LIHTC)

**Status:** 9/28/21 – Chapter 348, Statutes of 2021

**AB 680 (Burke) AHSC Prevailing Wage Exemption**

Exempts 100% affordable developments from new prevailing wage and PLA requirements for the Affordable Housing and Sustainable Communities Program

**Status:** 10/9/21 – Chapter 746, Statutes of 2021

**AB 721 (Bloom) Restrictive Covenant Removal**

Removes existing restrictive covenants on property that would prohibit affordable housing development.

**Status:** 9/28/21 – Chapter 349, Statutes of 2021

**AB 787 (Gabriel) Converted affordable housing units**

Would allow moderate income and above moderate income units to count towards RHNA if they are 10% below market and is restricted for 55 years.

**Status:** 9/28/21 – Chapter 350, Statutes of 2021



**AB 803 (Boerner Horvath) Starter Home Revitalization Act of 2021**

Removes the ability for local agencies to require setback requirement between the units beyond that required by the State Building Code, establish a minimum home size, or require enclosed or covered parking beyond that allowed by state density bonus law.

**Status:** 8/31/21 – Signed, Chapter 154, Statutes of 2021

**AB 816 (Chiu) Homelessness: Housing Trust Fund: housing projects**

Requires HCD to allocate National Housing Trust Fund monies to homelessness.

**Status:** 9/29/21 – Chapter 396, Statutes of 2021

**AB 838 (Friedman) State Housing Law: enforcement response to complaints**

Requires local governments to respond to lead hazard and substandard building complaints from tenants and specified other parties and to provide free copies of inspection reports and citations to the requestor and others who may be impacted.

**Status:** 9/28/21 – Chapter 351, Statutes of 2021

**AB 948 (Holden) Preventing discrimination in housing appraisals**

Makes various reforms to safeguard against discrimination during the appraisal process; requires the collection of information in order to provide data in regard to demographics and other relevant evidence to analyze the appraiser's practices.

**Status:** 9/28/21 – Chapter 352, Statutes of 2021

**AB 1029 (Mullin) Prohousing local policies**

Adds preservation of affordable housing units as a pro-housing, local policy that the Department of Housing and Community Development (HCD) can consider in developing a pro-housing designation

**Status:** 9/28/21 – Chapter 353, Statutes of 2021

**AB 1043 (Bryan) Acutely low income**

This bill adds “acutely low income households”, 15% AMI, to the list of income categories for purposes of defining affordable rents. Does not require existing programs to serve this income level.

**Status:** 9/28/21 – Chapter 354, Statutes of 2021.

**AB 1095 (Cooley) Homeownership in AHSC**

Homeownership in AHSC. Requires the Strategic Growth Council (SGC) to adopt guidelines or selection criteria for Affordable Housing Sustainable Communities (AHSC) funding that include both affordable housing rental units and owner-occupied affordable housing units.

**Status:** 9/28/21 – Chapter 355, Statutes of 2021

**AB 1297 (Holden) IBank housing projects**

Expands the financing authority of the IBank to include housing projects, when that housing is necessary for the operation of the financed project. This new authority would apply to economic

development facilities and public development facilities financed through any of the IBank's financing program or authorities, as defined.

**Status:** 9/28/21 – Chapter 356, Statutes of 2021

**AB 1304 (Santiago) AFFH and Housing Element**

Requires that sites included in a local government's housing element affirmatively further fair housing.

**Status:** 9/28/21 – Chapter 357, Statutes 2021

**AB 1398 (Bloom) Expedited rezoning**

Requires expedited rezoning for local jurisdictions that fail to adopt a legally compliant element within 120 days of the statutory deadline.

**Status:** 9/28/21 – Chapter 358, Statutes of 2021

**AB 1466 (McCarty) Removal of unlawfully restrictive covenants**

Requires a title insurance company involved in any transfer of real property and that provides a deed or other documents to identify whether any of the documents contain unlawfully restrictive covenants and, if found, record a specified modification document with the county recorder.

**Status:** 9/28/21 – Chapter 359, Statutes of 2021

**AB 1584 (Committee on Housing and Community Development) – Housing omnibus**

Makes void and unenforceable any covenant, restriction, or condition contained in any deed, contract, security instrument, or other instrument affecting the transfer or sale of any interest in real property that either prohibits or unreasonably restricts the construction or use of an ADU on a lot zoned for SF residential use that meets minimum standards for those lots, but would permit reasonable restrictions that do not unreasonably increase the cost to construct or prohibit the construction of an ADU.

**Status:** 9/28/21 – Chapter 360, Statutes of 2021

**SB 7 (Skinner) Environmental Leadership Act of 2021**

Expands an existing CEQA exemption to include infill projects that are at least \$15 million in cost and utilize a union labor force, among other requirements.

**Status:** 5/20/21 – Chapter 19, Statutes of 2021

**SB 8 (Skinner) Housing Crisis Act of 2019 extension**

Extends the provisions of the Housing Crisis Act of 2019 until 2030 and streamlines the creation of more housing throughout the state.

**Status:** 9/16/21 – Chapter 161, Statutes of 2021

**SB 9 (Skinner) Duplexes and Split Parcels in SF zones**

Allows duplexes and split parcels in single family zoned lots across California.

**Status:** 9/16/21 – Chapter 162, Statutes of 2021

**SB 10 (Wiener) Housing development density**

Authorizes a local government to adopt an ordinance to zone any parcel for up to 10 units of residential density per parcel, at a height specified in the ordinance, if the parcel is located in a transit-rich area or an urban infill site.

**Status:** 9/16/21 – Chapter 163, Statutes of 2021

**SB 263 (Rubio) Implicit bias training for real estate licensees**

Updates training requirements for Department of Real Estate licensees by including implicit bias within the real estate practice course and revises the legal aspects of the real estate course to include a component on state and federal fair housing laws. The bill also requires a two-hour implicit bias course with the 45 hours continuing education (CE) for license renewal.

**Status:** Chapter 361, Statutes of 2021

**SB 290 (Skinner) Density Bonus Law changes**

Makes various changes to Density Bonus Law, including providing additional benefits to projects that include low income rental and for-sale housing units, and moderate-income for-sale housing units.

**Status:** 9/28/21 – Chapter 340, Statutes of 2021

**SB 381 (Portantino) Caltrans owned home sales in South Pasadena**

Makes changes to the Roberti Act to encourage the sale of homes owned by Caltrans for low- and moderate-income housing in the State Route 710 corridor in South Pasadena.

**Status:** 9/28/21 – Chapter 362, Statutes of 2021

**SB 478 (Wiener) Local Floor Area Ratio prohibition**

Prohibits local Floor Area Ratio requirement on buildings 3-10 units.

**Status:** 9/28/21 – Chapter 363, Statutes of 2021

**SB 591 (Becker) Intergenerational housing developments**

Authorizes the establishment of an intergenerational housing development for senior citizens, caregivers, or transition age youths, as provided.

**Status:** 9/28/21 – Chapter 364, Statutes of 2021

**SB 728 (Hertzberg) Nonprofits and Density Bonus Unit purchase**

Authorizes a qualified nonprofit housing organization to purchase a for-sale unit under density bonus law, as specified.

**Status:** 9/28/21 – Chapter 365, Statutes of 2021

**SB 791 (Cortese) Surplus Land Unit**

Creates the Surplus Land Unit within HCD and makes a number of changes to local surplus land disposition.

**Status:** 9/28/21 – Chapter 366, Statutes of 2021

**SJR 6 (Wiener) Affordable Housing Credit Improvement Act**

Joint resolution asking Congress to enact the Affordable Housing Credit Improvement Act, including lowering 50% test.

**Status:** 8/26/21 – Signed, Chapter 130, Statutes of 2021

**CalHFA MULTIFAMILY PROGRAMS DIVISION**  
**Final Commitment Staff Report & Request for Loan Approval of Permanent Take-Out Loan for Tax Exempt Financing with Mixed Income Program Subsidy Financing**  
**Senior Loan Committee "Approval": 10/04/2021 for Board Meeting on 10/21/2021**

Project Name, County:	College Creek Apartments, Sonoma County	
Address:	2150 West College Avenue, Santa Rosa, 95401	
CalHFA Project Number:	21-017-A/X/N	Total Units: 164
Requested Financing by Loan Program:	\$33,100,000	Tax Exempt Bond – Conduit Issuance Amount
	\$28,140,000	Tax Exempt Permanent Loan HUD Risk Sharing
	\$4,000,000	Subsidy GAP Loan funded by MIP funds

**DEVELOPMENT/PROJECT TEAM**

Developer:	USA Multi-Family Development, Inc.	Borrower:	Santa Rosa 669, LP
Permanent Lender:	CalHFA	Construction Lender:	Bank of America, N.A.
Equity Investor:	Bank of America, N.A.	Management Company:	USA Multifamily Management, Inc.
Contractor:	USA Construction Management, Inc. (USACM)	Architect	LPAS Architecture & Design
Loan Officer:	N/A	Loan Specialist:	Kevin Brown
Asset Manager:	Jessica Doan	Loan Administration:	Natalie Cooper
Legal (Internal):	Torin Heenan	Legal (External):	N/A
Concept Meeting Date:	4/7/2021	Approval Expiration Date:	180 days from Approval

**LOAN TERMS**

1.		CONDUIT ISSUANCE/ Bank of America CONSTRUCTION LOAN	PERMANENT LOAN	MIP (GAP) LOAN
	<b>Total Loan Amount</b>	\$33,100,000 (T/E) \$12,000,000 (Tax)	\$28,140,000	\$4,000,000
	<b>Loan Term &amp; Lien Position</b>	36 months - interest only; 1 <sup>st</sup> Lien Position during construction; one 6-month extension at 0.25%	40 year partially - amortizing due in Year 17; 1st Lien Position at permanent loan closing	17 year - Residual Receipts; 2nd Lien Position during permanent loan closing
	<b>Interest Rate</b> (subject to change and locked 30 days prior to loan closing)	BSBY Daily Floating + 2.00%  Underwritten at 3.30% variable (T/E) and 3.25% variable (Tax)	MMD15 + 2.55%  Underwritten at 3.95% that includes a .25% cushion	Greater of 1% Simple Interest or the Applicable Federal Rate at time of MIP closing (Underwritten at 2.00%)

			Estimated rate based on a 36-month forward commitment.	
	<b>Loan to Value (LTV)</b>	LTV is estimated to be 55% of investment value	80% of restricted value	N/A
	<b>Loan to Cost</b>	LTC is estimated to be 78% of investment value	41%	N/A

### PROJECT SUMMARY

2.	Legislative Districts	Congress:	#5 Mike Thompson	Assembly:	#10 Marc Levine	State Senate:	#2 Mike McGuire
	<b>Brief Project Description</b>	<p><b>College Creek Apartments</b> (the “Project”) is a family, new mixed-income Project, consisting of two three-story buildings and one four-story elevator building containing 164 units. The project consists of 64 1 bedrooms (596 s.f.), 57 2 bedrooms (840 s.f.), 42 3 bedrooms (1,125 s.f.) and 1 2-bedroom Manager’s unit. The site consists of former Sonoma County Water Agency Administrative buildings that are currently in disrepair and vacant. The structures will be demolished during the construction period. The project is not in a disaster area and not part of the locality’s disaster recovery strategy/plan.</p> <p><b>Financing Structure:</b> The Project’s financing structure includes tax-exempt bonds, 4% tax credits, Agency’s Tax-Exempt Loan Program with HUD Risk Share and Mixed-Income Program, and Sonoma County CDC Seller Carryback Loan (“Seller Carryback”). The project will be income averaged, pursuant to TCAC regulations.</p> <p><b>Tax Credits and/or CDLAC Status:</b> The developer received an allocation of tax-exempt bonds and 4% tax credits on 8/11/2021.</p> <p><b>Ground Lease:</b> N/A</p> <p><b>Project Amenities:</b> The Project includes a community room, swimming pool, fitness room, computer room, playground, basketball court, and central laundry rooms and bike storage in each building. Unit amenities will include central heating, central air, washer/dryer hookups, dishwasher, garbage disposal, and patio/balconies.</p> <p><b>Local Resources and Services:</b> The Project is located in a Low Resource Area per TCAC’s Opportunity Area Map. The Project is in close proximity to the following local amenities and services:</p> <ul style="list-style-type: none"> <li>• Grocery stores – 0.45 mile</li> <li>• Schools – 0.34 to 1.31 miles</li> <li>• Public Library – 1.65 miles</li> <li>• Public transit - 0.27 mile</li> <li>• Retail – 0.87 mile</li> <li>• Park and recreation – 0.28 mile</li> <li>• Hospitals – 2.98 miles</li> <li>• Post Office – 1.64 miles</li> </ul> <p><b>Non-displacement and No Net Loss:</b> To the extent feasible, it is the Agency’s priority to mitigate the overall effects upon affordable housing availability that may arise from multifamily developments that may result in permanent displacement of existing affordable housing residents and/or net loss of existing affordable housing units. The Project is a new construction project, with no related demolition of existing affordable housing, hence no existing affordable housing units will be lost nor will existing residential households be displaced as a result of this development.</p>					

	<b>Commercial Space:</b> The Project does not include commercial space.
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### MISSION

<b>3. CalHFA Mission/Goals</b>
This Project and financing proposal provide 163 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.

### ANTICIPATED PROJECT MILESTONES & SCHEDULE

<b>4.</b>	CDLAC/TCAC Closing Deadline:	02/07/2022	Est. Construction Loan Closing:	01/15/2022
	Estimated Construction Start:	01/15/2022	Est. Construction Completion:	09/15/2023
	Estimated Stabilization and Conversion to Perm Loan(s):	01/15/2025		

### SOURCES OF FUNDS

5.

Construction Period Financing				
SOURCE	AMOUNT	LIEN POSITION	INTEREST RATE	DEBT TYPE
Citibank - Tax Exempt	\$33,100,000	1	3.30%	Interest Only
Citibank - Taxable	\$12,000,000	2	3.25%	Interest Only
Seller Carryback	\$4,428,000	3	3.00%	Residual Receipt
Tax Credit Equity	\$4,725,784	N/A	N/A	N/A
NOI- Construction	\$625,623	N/A	N/A	N/A
Deferred Developer Fee	\$3,706,301	N/A	N/A	Payable from Cash Flow
TOTAL	\$58,585,711	\$357,230	Per Unit	
Permanent Financing				
SOURCE	AMOUNT	LIEN POSITION	INTEREST RATE	DEBT TYPE
CalHFA Permanent Loan	\$28,140,000	1	3.95%	Balloon 40/17
CalHFA MIP Loan	\$4,000,000	2	2.00%	Residual Receipt
Seller Carryback	\$4,428,000	3	3.00%	Residual Receipt
Tax Credit Equity	\$27,858,400	N/A	N/A	N/A
NOI - Construction	\$625,623	N/A	N/A	N/A
Deferred Developer Fee	\$3,706,304	N/A	3.00%	Payable from Cash Flow
TOTAL DEVELOPMENT COST:	\$68,758,327	\$419,258	Per Unit	

**Subsidy Efficiency:** \$4,000,000 (\$24,540 per MIP restricted unit)

**Tax Credit Type(s), Amount(s), Pricing(s), and per total units:**

- 4% Federal Tax Credits: \$24,057,053 assuming estimated pricing of \$0.955 (\$146,689 per total units).
- State Tax Credits: \$6,331,947 assuming estimated pricing of \$0.75 (\$38,609 total units).

**Rental Subsidies:** The Project will not be subsidized by project-based vouchers.

	<p><b>Other State Subsidies:</b> The Project will not be funded by other state funds.</p> <p><b>Other Locality Subsidies:</b> The Project will be funded by a seller carryback loan in the amount of \$4,428,000 from the Sonoma County Community Development Commission (SCCDC) as part of the purchase of the land under a Disposition Development Agreement between SCCDC and USA Properties Fund, Inc.</p> <p><b>Cost Containment Strategy:</b> The Developer, USA Multi-Family Development, Inc., strives to develop high quality affordable housing in a cost-efficient manner starting with site selection and preliminary design. As a fully vertically integrated developer, they bring in all functional disciplines (Architecture, Development, Construction, Property Management) early in the design process with their architect and other design consultants to design the project in the most cost-effective manner.</p> <p>The Developer's general contractor affiliated company, USACM, fully bids all construction trades, obtains at least three bids, and does not self-perform any trades. USACM develops a detailed critical path construction schedule to ensure the project is delivered on time and within budget, and utilizes a Stipulated Sum construction contract with a provision that cost saving go to the borrower. The Developer and USACM complete a post construction audit to evaluate and identify further process improvements.</p>
6.	Equity – Cash Out (estimate): Not Applicable

### TRANSACTION OVERVIEW

7.	<b>Proposal and Project Strengths</b>
	<ul style="list-style-type: none"> <li>The Project has been awarded 4% tax credits which generates equity representing approximately 41% of total financing sources.</li> <li>The developer/sponsor has extensive experience in developing similar affordable housing projects and has experience with CalHFA.</li> <li>The Project will serve low-income families ranging between 30% to 70% of AMI.</li> <li>Sonoma County Community Development Commission (SCCDC) has invested in the success of the Project as demonstrated by a seller carryback loan commitment of \$4,428,000 as part of the purchase of the land under a Disposition Development Agreement.</li> <li>The projected portion of the developer's fee that will be collected at or prior to permanent loan conversion is \$3,740,000 which could be available to cover cost overruns and/or unforeseen issues during construction.</li> </ul>
8.	<b>Project Weaknesses with Mitigants:</b>
	<ul style="list-style-type: none"> <li>A Phase I Environmental Site Assessment performed by Krazan and Associates, Inc., dated March 10, 2021 revealed no evidence of recognized environmental conditions, so no additional investigation was recommended. However, the report includes ASTM scope findings regarding ground water management, Asbestos Contaminant Materials (ACM) contained in the existing structures. Remediation of all environmental findings is a part of the construction plan and budget. Evidence of environmental clearance will be required as a prerequisite to closing of the CalHFA permanent and MIP loans.</li> <li>The exit analysis assumes 5.0% cap rate and 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 Agency's permanent loan but may only have the ability to repay a portion of the Agency's subsidy MIP loan in the estimated amount of \$2,144,131, leaving an estimated outstanding balance of \$2,435,894. 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's 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.</li> </ul>



<b>9.</b>	<b>Underwriting Standards or Term Sheet Variations</b>
None	
<b>10.</b>	<b>Project Specific Conditions of Approval</b>
<p>Approval is conditioned upon</p> <ul style="list-style-type: none"> <li>No site work or construction commenced prior to the issuance of a HUD Firm Approval Letter.</li> <li>CalHFA requires that MIP affordability covenants be recorded in senior position to all foreclosable debt.</li> <li>The CalHFA subsidy will be, in the Agency's sole discretion, the lesser of 1) the principal amount as state on hereto or 2) an amount as determined by the Agency in the event the financial assumptions change prior to construction loan closing and/or permanent loan closing. For instance, if the permanent loan interest rate decreased, then the subsidy may be reduced due to additional debt generated by the lower interest rate. The debt service coverage ratio ("DSCR") shall be a maximum of 1.20. An increase of the subsidy loan will not be allowed and will be subject to Agency's approval.</li> <li>Receipt of Lien Priority/Position Estoppel in form and substance acceptable by CalHFA from the county, SCCDC.</li> <li>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.</li> <li>Receipt of LPA evidencing equity investor's requirements that the residual receipt split must be modified to 100% towards the earlier of repayment of deferred developer's fee or 15 years. In addition, the owner must provide evidence of investor and SCCDC approval of the total deferred developer's fee structure and residual receipt split.</li> <li>A Groundwater Management Plan acceptable to all lenders, including, CalHFA must be provided prior to construction closing.</li> <li>Borrower shall provide an Asbestos Mitigation Plan acceptable to all lenders, including CalHFA prior to construction closing. Borrower shall also provide evidence of compliance with the plan and that hazardous materials were disposed of properly prior to permanent loan closing.</li> <li>Subject to NEPA approval prior to construction closing.</li> <li>An updated Phase I report is required prior to construction closing.</li> <li>CalHFA will require a copy of an independent review of the costs prepared for the construction lender by a 3<sup>rd</sup> Party consultant prior to construction loan closing.</li> </ul>	
<b>11.</b>	<b>Staff Conclusion/Recommendation:</b>
<p>The Multifamily Lending Division supports approval of the described financing in the amount(s) requested, subject to the above proposed terms and conditions.</p>	

### AFFORDABILITY

<b>12.</b>	<b>CalHFA Affordability &amp; Occupancy Restrictions</b>
<p>The CalHFA Permanent Financing Regulatory Agreement will restrict a minimum of 40% of the total units at or below 60% AMI with 10% of these units at or below 50% of AMI for 55 years.</p> <p>The CalHFA MIP Subsidy Regulatory Agreement requires 10% of total units (17 units) be restricted at or below 50% of AMI, 10% of total units (17 units) be restricted between 60% and 80% of AMI with a minimum average of 70% of AMI, not to exceed 80% of AMI, and 79% of the total units (129 units) be restricted at or below 120% of AMI for a term of 55 years. For underwriting purposes, the initial rents at permanent loan closing must be no less than the underwriting rent levels outlined on the "Unit Mix and Rent Summary" enclosed.</p> <p>In addition, the Project will be restricted by the following jurisdictions as described below:</p> <ul style="list-style-type: none"> <li>The County will restrict 81 units at or below 80% of AMI for a term of 55 years.</li> </ul>	

Rent Limit Summary Table							
Restrictions @ AMI	Total	Studio	1-bdrm	2-bdrm	3-bdrm	4-bdrm	% of Total
30%	17	-	6	6	5	-	10.4%
40%	0	-	-	-	-	-	
50%	43	-	16	16	11	-	26.2%
60%	42	-	16	16	10	-	25.6%
70%	61	-	26	19	16	-	37.2%
100%	0	-	-	-	-	-	
110%	0	-	-	-	-	-	
120%	0	-	-	-	-	-	
Manager's Unit	0	-	-	1	-	-	0.6%
<b>Total</b>	<b>164</b>	<b>0</b>	<b>64</b>	<b>58</b>	<b>42</b>	<b>0</b>	<b>100.0%</b>

The average affordability restriction is 57.62% of AMI based on 163 TCAC restricted units.

NUMBER OF UNITS AND AMI RENTS RESTRICTED BY EACH AGENCY												
Regulatory Source	Recordation Priority if Recorded Document	Term of Agrmt (years)	Number of Units Restricted for Each AMI Category									
			30% AMI	50% AMI	60% AMI	70% AMI	70% AMI (60% to 80% Tranche)	80% AMI	<= 120% AMI	Mgrs. Unit	Total Units Regulated	% of Regulated Units
CalHFA Bond	1 <sup>st</sup>	55		17	49					1	66	40%
CalHFA MIP Subsidy	2 <sup>nd</sup>	55		17			17		129	1	163	99%
Sonoma Count CDC (SCCDC)	3 <sup>rd</sup>	55						81		1	81	49%
Tax Credits	4 <sup>th</sup>	55	17	43	42	61				1	163	99%

### 13. Geocoder Information

Central City:	Yes	Underserved:	No
Low/Mod Census Tract:	Moderate	Below Poverty line:	14.41%
Minority Census Tract:	37.33%	Rural Area:	No

### FINANCIAL ANALYSIS SUMMARY

<b>14.</b>	<b>Capitalized Reserves:</b>
	<b>Replacement Reserves (RR):</b> N/A
	<b>Operating Expense Reserve (OER):</b> \$604,194 *OER amount is size based on <u>3-months</u> operating expenses, debt service, and annual replacement reserves deposits. CalHFA will hold this reserve.
	<b>Transitional Operating Reserve (TOR):</b> N/A

<b>15.</b>	<b>Cash Flow Analysis</b>			
	<b>1<sup>st</sup> Year DSCR:</b>	1.18	<b>Project-Based Subsidy Term:</b>	N/A
	<b>End Year DSCR:</b>	1.62	<b>Annual Replacement Reserve Per Unit:</b>	\$300/unit
	<b>Residential Vacancy Rate:</b>	5%	<b>Rental Income Inflation Rate:</b>	2.50%
	<b>Subsidy Vacancy Rate:</b>	N/A	<b>Subsidy Income Inflation Rate:</b>	N/A
	<b>Non-residential Vacancy Rate:</b>	N/A	<b>Project Expenses Inflation Rate:</b>	3.50%
			<b>Property Tax Inflation Rate:</b>	1.25%
*The developer/sponsor met the threshold requirements for the proposed OER budget, which is based on 3 months of total operating expense, reserves, and debt service.				
<b>16.</b>	<b>Loan Security</b>			
The CalHFA loan(s) will be secured against the above-described Project site.				
<b>17.</b>	<b>Balloon Exit Analysis</b>		<b>Applicable:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<p>The exit analysis assumes 5.0% cap rate and 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 Agency's permanent loan but may only have the ability to repay a portion of the Agency's subsidy MIP loan in the estimated amount of \$2,144,131, leaving an estimated outstanding balance of \$2,435,894. 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's 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.</p>				

### APPRAISAL AND MARKET ANALYSIS

<b>18.</b>	<b>Appraisal Review</b>		<b>Dated: July 24, 2021</b>
<ul style="list-style-type: none"> <li>The appraisal dated September 12, 2021, prepared by Pacific Real Estate Appraisal, values the land at \$5,050,000.</li> <li>The cap rate of 5.0% and projected net operating income, which is generally aligned with the proposed Project net operating income, were used to determine the appraised value of the subject site.</li> <li>The proposed operating expense is reasonable based on the appraisal report.</li> <li>The as-restricted stabilized value is \$35,170,000 which results in the Agency's loan to value of 80%.</li> <li>The capture rate is 3.68% and the absorption rate is 20 to 27 units per month. Lease-up is expected to occur within 8 months of completion. The capture rate per the market study dated 1/25/21 was slightly higher at 5.9%, however, the estimated lease-up period is consistent between the appraisal and market study reports.</li> </ul>			
	<b>Market Study:</b>	Kinetic Valuation Group, Inc.	<b>Dated: January 25, 2021</b>
<p><b><u>Regional Market Overview</u></b></p> <ul style="list-style-type: none"> <li>The Primary Market Area is the city of Santa Rosa and the Roseland area (population of 174,000) and the Secondary Market Area ("SMA") is Sonoma County (population of 483,000)</li> <li>The general population in the PMA is anticipated to remain stable at 0.06% growth per year.</li> <li>Unemployment in the PMA is 6.1%, a substantial decrease from a peak of over 14% in March 2020 and slightly lower than the 7% unemployment rate in August 2021. The PMA has generally experienced a lower unemployment rate compared to other areas of California and is expected to return to a more normal level in 2023 when the project is in lease-up. Per the appraisal report, the unemployment for the SMA is 5.7%</li> </ul> <p><b><u>Local Market Area Analysis</u></b></p> <ul style="list-style-type: none"> <li><b>Supply:</b> <ul style="list-style-type: none"> <li>There are currently 24 LIHTC large family project(s) in the PMA and they have high occupancy rates and long wait lists.</li> </ul> </li> </ul>			

	<ul style="list-style-type: none"> <li>There are two (2) affordable family projects in the pipeline and one (1) affordable project under construction which is anticipated to complete in 2021.</li> <li><b>Demand/Absorption:</b> <ul style="list-style-type: none"> <li>The project will need to capture 5.9% of the total demand for appropriately sized renter households by unit size in the PMA. The affordable units are anticipated to lease up at a rate of 20-27 units per month and reach stabilized occupancy within 6-8 months of completion.</li> </ul> </li> </ul>
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### DEVELOPMENT SUMMARY

<b>19.</b>	<b>Site Description</b>	<b>Requires Flood Insurance:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	<ul style="list-style-type: none"> <li>The property is located on the south side of West College Avenue between Stony Point Road to the east and West Cottage Place to the west, in the City of Santa Rosa, Sonoma County.</li> <li>The site is currently vacant, with level topography at street grade, measuring 5.79 acres and is generally irregular in shape.</li> <li>The site is zoned R-3-30, with permitted multifamily residential use.</li> <li>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.</li> <li>The site consists of former Sonoma County Water Agency Administrative buildings that are currently in disrepair and vacant. The structures will be demolished; the construction budget includes over \$400K for demolition.</li> </ul>	
<b>20.</b>	<b>Form of Site Control &amp; Expiration Date</b>	
	The current owner, Sonoma County Community Development Commission (SCCDC), of the site and the Project owner, USA Properties Fund, Inc., entered into Disposition and Development Agreement dated 01/26/2021 for an amount of \$4,428,000 that will be financed by a residual receipts-based seller carryback loan from SCCDC.	
<b>21.</b>	<b>Current Ownership Entity of Record</b>	
	Title is currently vested in Sonoma County Community Development Commission as the fee owner.	
<b>22.</b>	<b>Environmental Review Findings</b>	<b>Dated: March 10, 2021</b>
	<ul style="list-style-type: none"> <li>A Phase I Environmental Site Assessment performed by Krazan and Associates, Inc., dated March 10, 2021 revealed no evidence of recognized environmental conditions, so no additional investigation was recommended. However, the report includes ASTM scope findings regarding ground water management, Asbestos Contaminant Materials (ACM) contained in the existing structures. Remediation of all environmental findings is a part of the construction plan and budget. Evidence of environmental clearance will be required as a prerequisite to closing of the CalHFA permanent and MIP loans.</li> <li>A NEPA review has been initiated and will be completed by early November 2021.</li> </ul>	
<b>23.</b>	<b>Seismic</b>	<b>Requires Earthquake Insurance:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	This new Project will be built to State and City of Santa Rosa Building Codes so no seismic review is required.	
<b>24.</b>	<b>Relocation</b>	<b>Requires Relocation:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> Not Applicable
	The Project is new construction, therefore, relocation is not applicable.	

### PROJECT DETAILS

<b>25.</b>	<b>Residential Areas:</b>			
	<b>Residential Square Footage:</b>	134,114	<b>Residential Units per Acre:</b>	28.32
	<b>Community Area Sq. Ftg:</b>	4,124	<b>Total Parking Spaces:</b>	272
	<b>Supportive Service Areas:</b>	N/A	<b>Total Building Sq. Footage:</b>	175,632

26.	<b>Mixed-Use Project:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	<b>Non-Residential Sq. Footage:</b>	N/A	<b>Number of Lease Spaces:</b>	N/A
	<b>Master Lease:</b>	N/A	<b>Number of Parking Spaces:</b>	N/A
27.	<b>Construction Type:</b>	Two three-story buildings and one four-story elevator serviced building, Type-V wood-framed residential building with surface parking spaces.		
28.	<b>Construction/Rehab Scope Requires Demolition:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
	<ul style="list-style-type: none"> <li>The subject site is new construction.</li> <li>The Contractor is an affiliate of the Borrower entity. The contract will be structured as a Guaranteed Maximum Price (GMP) contract at 14% for builder overhead, profit, and general requirements, which is consistent with the maximum percentage permitted under CTCAC regulations.</li> <li>The locality requires certain offsite improvements that include utilities, grading, asphalt, sidewalk, striping, drive entries, landscaping, outfall assembly and trail assembly totaling \$335K.</li> </ul>			
29.	<b>Construction Budget Comments:</b>			
	<ul style="list-style-type: none"> <li>CalHFA will require an independent review of the costs by a 3<sup>rd</sup> Party consultant prior to construction loan closing.</li> <li>The developer had established cost containment strategies that include: <ul style="list-style-type: none"> <li>A fully vertically integrated developer that brings all functional disciplines (Architecture, Development, Construction, Property Management) early in the design process with their architect and other design consultants to design the project in the most cost-effective manner.</li> <li>At least three bids for all construction trades.</li> <li>A detailed critical path construction schedule to ensure the project is delivered on time and within budget.</li> <li>A Stipulated Sum construction contract with a provision that cost savings go to the borrower.</li> <li>A post construction audit to evaluate and identify further process improvements.</li> </ul> </li> </ul>			

**ADDITIONAL DEVELOPMENT/ PROJECT TEAM INFORMATION**

30.	<b>Borrower Affiliated Entities</b>		
	<ul style="list-style-type: none"> <li>Managing General Partner: Riverside Charitable Corporation, a California limited liability company; 0.01% interest</li> <li>Administrative General Partner: USA Santa Rosa 669, Inc., a California Corporation; 0.09% interest <ul style="list-style-type: none"> <li>Sole Member: USA Properties Fund, Inc., a California corporation, 100% interest</li> </ul> </li> <li>Investor Limited Partner: Bank of America, N.A and/or its affiliates.; 99.99% interest</li> <li>Special Limited Partner: Affiliate of Bank of America, N.A.; 0.00% interest</li> </ul>		
31.	<b>Developer/Sponsor</b>		
	Founded in 1981 and headquartered in Roseville, CA, USA Properties Fund, Inc. (USA) is a vertically integrated, full-service real estate development, investment, and management company. USA Properties is a developer, owner, and manager of communities, from quality affordable family and senior communities to market-rate projects. USA Properties has completed 122 projects (17,010 units). In addition, the company has sixteen (16) projects (2,425 units) in the pipeline and six (6) projects under construction.		
32.	<b>Management Agent</b>		
	The Project will be managed by USA Multifamily Management, Inc. which has extensive experience in managing similar affordable housing projects in the area and manages five (5) projects in CalHFA's portfolio. They are performing as expected.		
33.	<b>Service Provider Required by TCAC or other funding source?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
	LifeSTEPS will provide supportive services for all of the tenant population through the life of the Project Ownership or a minimum of 15 years. Services will be funded through operation and conducted onsite and include adult education classes and health and wellness services and programs		

<b>34.</b>	<b>Contractor</b>	<b>Experienced with CalHFA?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
The general contractor, an affiliated company, is USA Construction Management, Inc. (USACM), which has extensive experience in constructing similar affordable housing projects in California and is familiar with CalHFA. They have completed six (6) projects in the CalHFA portfolio.		
<b>35.</b>	<b>Architect</b>	<b>Experienced with CalHFA?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
The architect is LPAS Architecture & Design, which has extensive experience in designing and managing similar affordable housing projects in California through the locality's building permit process and is familiar with CalHFA. They have designed one project in the CalHFA portfolio.		
<b>36.</b>	<b>Local Review via Locality Contribution Letter</b>	
The locality, City of Santa Rosa, returned the local contribution letter 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 21-017-A/X/N		
<b>Project Full Name</b>	College Creek	<b>Borrower Name:</b>	Santa Rosa 669, LP			
<b>Project Address</b>	2150 West College Avenue	<b>Managing GP:</b>	Riverside Charitable Corp			
<b>Project City</b>	Santa Rosa	<b>Developer Name:</b>	USA Multi-Family Development			
<b>Project County</b>	Sonoma	<b>Investor Name:</b>	Bank of America			
<b>Project Zip Code</b>	95401	<b>Prop Management:</b>	USA Multifamily Management Inc.			
<b>Project Type:</b>	Permanent Loan Only	<b>Tax Credits:</b>	4			
<b>Tenancy/Occupancy:</b>	Individuals/Families	<b>Total Land Area (acres):</b>	5.79			
<b>Total Residential Units:</b>	164	<b>Residential Square Footage:</b>	134,114			
<b>Total Number of Buildings:</b>	3	<b>Residential Units Per Acre:</b>	28.32			
<b>Number of Stories:</b>	3 & 4	<b>Covered Parking Spaces:</b>	0			
<b>Unit Style:</b>	Flat	<b>Total Parking Spaces:</b>	272			
<b>Elevators:</b>	1					
Acq/Construction/Rehab Financing		Loan Amount (\$)	Loan Fees	Loan Term (Mo.)	Amort. Period (Yr.)	Starting Interest Rate
Conduit - BOA - Tax Exempt		33,100,000	0.700%	36	--	3.300%
BOA - Taxable		12,000,000	0.700%	36	--	3.250%
Sonoma County CDC Seller Carryback Loan		4,428,000	--	660	660	3.000%
NOI- Construction		625,623	--	--	--	--
Investor Equity Contribution		4,725,784	--	--	--	--
Deferred Developer Fees		3,706,304	--	--	--	--
Permanent Financing		Loan Amount (\$)	Loan Fees	Loan Term (Yr.)	Amort. Period (Yr.)	Starting Interest Rate
Perm		28,140,000	1.000%	17	40	3.950%
MIP		4,000,000	1.000%	17	55	2.000%
Sonoma County CDC Seller Carryback Loan		4,428,000	--	55	55	3.000%
Deferred Developer Fees		3,706,304	NA	NA	NA	NA
NOI-Construction		625,623	NA	NA	NA	NA
Investor Equity Contributions		27,858,400	NA	NA	NA	NA
Appraised Values Upon Completion of Rehab/Construction						
<b>Appraisal Date:</b>	7/24/21	<b>Capitalization Rate:</b>	5.00%			
<b>Investment Value (\$)</b>	60,070,000	<b>Restricted Value (\$)</b>	35,170,000			
<b>Construct/Rehab LTC</b>	77%	<b>CalHFA Permanent Loan to Cost</b>	41%			
<b>Construct/Rehab LTV</b>	55%	<b>CalHFA 1st Permanent Loan to Value</b>	80%			
		<b>Combined CalHFA Perm Loan to Value</b>	91%			
Additional Loan Terms, Conditions & Comments						
<u>Construction/Rehab Loan</u>						
<b>Payment/Performance Bond</b>	Required					
<b>Completion Guarantee Letter of Credit</b>	N/A					
<u>Permanent Loan</u>						
<b>Operating Expense Reserve Deposit</b>	\$604,194	Cash				
<b>Initial Replacement Reserve Deposit</b>	\$0	Cash				
<b>Annual Replacement Reserve Per Unit</b>	\$300	Cash				
<b>Date Prepared:</b>	10/5/21	<b>Senior Staff Date:</b>	10/4/21			

**UNIT MIX AND RENT SUMMARY**

College Creek

**Final Commitment**

Project Number 21-017-A/X/N

PROJECT UNIT MIX					
Unit Type of Style	Number of Bedrooms	Number of Baths	Average Size (Sq. Ft.)	Number of Units	Est. No. of Tenants
Flat	1	1	596	64	96
Flat	2	2	840	58	174
Flat	3	2	1,125	42	189
-	-	-	-	-	0
-	-	-	-	-	0
-	-	-	-	-	0
				164	459

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	0	0	17	49	0	0	0
CalHFA MIP	0	0	17	0	17	0	129
Tax Credit	0	0	60	42	61	0	0
County CDC Seller Carryb	0	0	0	0	0	81	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%	-	-	\$1,750	-	-
	CTCAC	50%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	70%	-	-		-	-
	HCD	80%	-	-		-	-
	CTCAC	100%	-	-		-	-
	CTCAC	50%	16	\$1,052		\$1,148	48%
	CTCAC	120%	-	-		-	-
2 Bedrooms	CTCAC	30%	6	\$730	\$2,925	\$2,195	25%
	CTCAC	50%	16	\$1,253		\$1,672	43%
	CTCAC	60%	16	\$1,515		\$1,410	52%
	CTCAC	70%	19	\$1,777		\$1,148	61%
	HCD	80%	-	-		-	-
	CTCAC	120%	-	-		-	-
	CTCAC	-	-	-		-	-
	CTCAC	-	-	-		-	-
3 Bedrooms	CTCAC	30%	5	\$836	\$2,925	\$2,089	29%
	CTCAC	50%	11	\$1,441		\$1,484	49%
	CTCAC	60%	10	\$1,744		\$1,181	60%
	CTCAC	70%	16	\$2,046		\$879	70%
	HCD	80%	-	-		-	-
	CTCAC	100%	-	-		-	-
	CTCAC	120%	-	-		-	-
	CTCAC	-	-	-		-	-
4 Bedrooms	CTCAC	30%	-	-	-	-	-
	CTCAC	50%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	70%	-	-		-	-
	HCD	80%	-	-		-	-
	CTCAC	100%	-	-		-	-
	CTCAC	120%	-	-		-	-
	CTCAC	-	-	-		-	-
5 Bedrooms	CTCAC	30%	-	-	-	-	-
	CTCAC	50%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	70%	-	-		-	-
	HCD	80%	-	-		-	-
	CTCAC	100%	-	-		-	-
	CTCAC	120%	-	-		-	-
	CTCAC	-	-	-		-	-
Date Prepared:	10/5/21				Senior Staff Date:		10/4/21



SOURCES & USES OF FUNDS			Final Commitment		
College Creek			Project Number 21-017-A/X/N		
SOURCES OF FUNDS	CONST/REHAB \$	PERMANENT \$	TOTAL PROJECT SOURCES OF FUNDS		
			SOURCES (\$)	PER UNIT (\$)	%
Conduit - BOA - Tax Exempt	33,100,000				0.0%
-	-				0.0%
-	-				0.0%
BOA - Taxable	12,000,000				0.0%
Sonoma County CDC Seller Carryback Loan	4,428,000				0.0%
-	-				0.0%
-	-				0.0%
NOI- Construction	625,623				0.0%
-	-				0.0%
-	-				0.0%
Construct/Rehab Net Oper. Inc.	-				0.0%
Deferred Developer Fee	3,706,304				0.0%
Developer Equity Contribution	-				0.0%
Investor Equity Contribution	4,725,784				0.0%
Perm		28,140,000	28,140,000	171,585	40.9%
MIP		4,000,000	4,000,000	24,390	5.8%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
NOI- Construction		625,623	625,623	3,815	0.9%
-		-	-	-	0.0%
-		-	-	-	0.0%
Construct/Rehab Net Oper. Inc.		-	-	-	0.0%
Deferred Developer Fees		3,706,304	3,706,304	22,599	5.4%
Developer Equity Contribution		-	-	-	0.0%
Investor Equity Contributions		27,858,400	27,858,400	169,868	40.5%
<b>TOTAL SOURCES OF FUNDS</b>	<b>58,585,711</b>	<b>68,758,327</b>	<b>68,758,327</b>	<b>419,258</b>	<b>100.0%</b>

<b>ACQUISITION COSTS</b>					
Lesser of Land Cost or Appraised Value	4,428,000	-	4,428,000	27,000	6.4%
Demolition Costs	416,248	-	416,248	2,538	0.6%
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)	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
<b>TOTAL ACQUISITION COSTS</b>	<b>4,844,248</b>	<b>-</b>	<b>4,844,248</b>	<b>29,538</b>	<b>7.0%</b>
<b>CONSTRUCTION/REHAB COSTS</b>					
Offsite Improvements	335,233	-	335,233	2,044	0.5%
Environmental Remediation (Hard Costs)	-	-	-	-	0.0%
Site Work (Hard Cost)	4,296,268	-	4,296,268	26,197	6.2%
Structures (Hard Cost)	29,837,450	-	29,837,450	181,936	43.4%
General Requirements	1,700,000	-	1,700,000	10,366	2.5%
Contractor Overhead	1,669,543	-	1,669,543	10,180	2.4%
Contractor Profit	1,669,543	-	1,669,543	10,180	2.4%
Contractor Bond	-	-	-	-	0.0%
Contractor Liability Insurance	643,779	-	643,779	3,925	0.9%
Personal Property	-	-	-	-	0.0%
HVAC/Resident Damage	-	-	-	-	0.0%
<b>TOTAL CONSTRUCT/REHAB COSTS</b>	<b>40,151,815</b>	<b>-</b>	<b>40,151,815</b>	<b>244,828</b>	<b>58.4%</b>

SOURCES & USES OF FUNDS			Final Commitment		
College Creek			Project Number 21-017-A/X/N		
USES OF FUNDS	CONST/REHAB \$	PERMANENT \$	TOTAL PROJECT USES OF FUNDS		
			USES (\$)	PER UNIT (\$)	%
<b><u>RELOCATION COSTS</u></b>					
Relocation Expense	-	-	-	-	0.0%
Relocation Compliance Monitoring	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
<b>TOTAL RELOCATION COSTS</b>	-	-	-	-	<b>0.0%</b>
<b><u>ARCHITECTURAL FEES</u></b>					
Design	1,072,282	-	1,072,282	6,538	1.6%
Supervision	215,000	-	215,000	1,311	0.3%
<b>TOTAL ARCHITECTURAL FEES</b>	<b>1,287,282</b>	-	<b>1,287,282</b>	<b>7,849</b>	<b>1.9%</b>
<b><u>SURVEY &amp; ENGINEERING FEES</u></b>					
Engineering	421,951	-	421,951	2,573	0.6%
Supervision	49,500	-	49,500	302	0.1%
ALTA Land Survey	-	-	-	-	0.0%
<b>TOTAL SURVEY &amp; ENGINEERING FEES</b>	<b>471,451</b>	-	<b>471,451</b>	<b>2,875</b>	<b>0.7%</b>
<b><u>CONTINGENCY RESERVES</u></b>					
Hard Cost Contingency Reserve	2,994,321	-	2,994,321	18,258	4.4%
Soft Cost Contingency Reserve	578,055	-	578,055	3,525	0.8%
<b>TOTAL CONTINGENCY RESERVES</b>	<b>3,572,376</b>	-	<b>3,572,376</b>	<b>21,783</b>	<b>5.2%</b>
<b><u>CONSTRUCT/REHAB PERIOD COSTS</u></b>					
<b>Loan Interest Reserve</b>					
Conduit - BOA - Tax Exempt	695,199	2,636,067	3,331,266	20,313	0.048449
-	-	-	-	-	0
-	-	-	-	-	0.0%
BOA - Taxable	-	-	-	-	0.0%
Sonoma County CDC Seller Carryback Loan	-	-	-	-	0.0%
-	-	-	-	-	0.0%
<b>Loan Fees</b>					
Conduit - BOA - Tax Exempt	231,700	-	231,700	1,413	0.3%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
BOA - Taxable	84,000	-	84,000	512	0.1%
Sonoma County CDC Seller Carryback Loan	-	-	-	-	0.0%
-	-	-	-	-	0.0%
<b>Other Const/Rehab Period Costs</b>					
Deficit Const/Rehab NOI (Net Operating In	-	-	-	-	0.0%
Credit Enhancement & Application Fees	-	-	-	-	0.0%
Owner Paid Bonds/Insurance	-	-	-	-	0.0%
CalHFA Inspection Fees	18,000	-	18,000	110	0.0%
Real Estate Taxes During Rehab	16,400	-	16,400	100	0.0%
Completion Guaranty Fee	-	-	-	-	0.0%
Wage Monitoring Fee (Davis Bacon, Preva	-	-	-	-	0.0%
Insurance During Rehab	-	-	-	-	0.0%
Title & Recording Fees	37,500	-	37,500	229	0.1%
Construction Management & Testing	-	-	-	-	0.0%
Predevelopment Interest Expense	-	-	-	-	0.0%
Bond Issuer Fee	44,050	-	44,050	269	0.1%
Other (construction 3rd party/misc)	22,000	-	22,000	134	0.0%
<b>TOTAL CONST/REHAB PERIOD COSTS</b>	<b>1,148,849</b>	<b>2,636,067</b>	<b>3,784,916</b>	<b>23,079</b>	<b>5.5%</b>

SOURCES & USES OF FUNDS			Final Commitment		
College Creek			Project Number 21-017-A/X/N		
USES OF FUNDS	CONST/REHAB \$	PERMANENT \$	TOTAL PROJECT USES OF FUNDS		
			USES (\$)	PER UNIT (\$)	%
<b><u>PERMANENT LOAN COSTS</u></b>					
<b>Loan Fees</b>					
CalHFA Application Fee	-	-	-	-	0.0%
Perm	140,700	140,700	281,400	1,716	0.4%
MIP	20,000	20,000	40,000	244	0.1%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Sonoma County CDC Seller Carryback Loan	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Permanent Loan Cost of Issuance Fee	55,000	55,000	110,000	671	0.2%
Credit Enhancement & Application Fees	-	-	-	-	0.0%
Title & Recording (closing costs)	-	37,500	37,500	229	0.1%
Year 1 - Taxes & Special Assessments and Insurance	-	16,400	16,400	100	0.0%
CalHFA Fees	-	17,585	17,585	107	0.0%
Other	-	-	-	-	0.0%
Other (CDIAC fee)	-	5,000	5,000	30	0.0%
<b>TOTAL PERMANENT LOAN COSTS</b>	<b>215,700</b>	<b>292,185</b>	<b>507,885</b>	<b>3,097</b>	<b>0.7%</b>
<b><u>LEGAL FEES</u></b>					
CalHFA Construction/Rehab Loan Legal Fees	-	-	-	-	0.0%
Other Construction/Rehab Loan Legal Fees	35,000	-	35,000	213	0.1%
CalHFA Permanent Loan Legal Fees	17,500	17,500	35,000	213	0.1%
Other Permanent Loan Legal Fees	-	-	-	-	0.0%
Sponsor Legal Fees	75,000	-	75,000	457	0.1%
Organizational Legal Fees	-	-	-	-	0.0%
Syndication Legal Fees	-	-	-	-	0.0%
Borrower Legal Fee	47,505	-	47,505	290	0.1%
CalHFA Bond Counsel	62,000	-	62,000	378	0.1%
<b>TOTAL LEGAL FEES</b>	<b>237,005</b>	<b>17,500</b>	<b>254,505</b>	<b>1,552</b>	<b>0.4%</b>
<b><u>OPERATING RESERVES</u></b>					
Operating Expense Reserve Deposit	-	604,194	604,194	3,684	0.9%
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 Additional Required Reserve	-	3,388	3,388	21	0.0%
Other (Specify)	-	-	-	-	0.0%
<b>TOTAL OPERATING RESERVES</b>	<b>-</b>	<b>607,582</b>	<b>607,582</b>	<b>3,705</b>	<b>0.9%</b>
<b><u>REPORTS &amp; STUDIES</u></b>					
Appraisal Fee	9,050	-	9,050	55	0.0%
Market Study Fee	4,250	-	4,250	26	0.0%
Physical Needs Assessment Fee	-	-	-	-	0.0%
Environmental Site Assessment Reports	137,802	-	137,802	840	0.2%
HUD Risk Share Environmental / NEPA Review Fee	2,500	-	2,500	15	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	37,019	-	37,019	226	0.1%
Other	-	-	-	-	0.0%
<b>TOTAL REPORTS &amp; STUDIES</b>	<b>190,621</b>	<b>-</b>	<b>190,621</b>	<b>1,162</b>	<b>0.3%</b>

SOURCES & USES OF FUNDS			Final Commitment		
College Creek			Project Number 21-017-A/X/N		
USES OF FUNDS	CONST/REHAB \$	PERMANENT \$	TOTAL PROJECT USES OF FUNDS		
			USES (\$)	PER UNIT (\$)	%
<b><u>OTHER COSTS</u></b>					
TCAC Application, Allocation & Monitor Fees	80,855	-	80,855	493	0.1%
CDLAC Fees	11,585	-	11,585	71	0.0%
Local Permits & Fees	382,556	-	382,556	2,333	0.6%
Local Impact Fees	4,551,293	-	4,551,293	27,752	6.6%
Other Local Fees	-	-	-	-	0.0%
Syndicator/Investor Fees & Expenses	-	-	-	-	0.0%
Furnishings	266,500	-	266,500	1,625	0.4%
Accounting & Audits	25,000	-	25,000	152	0.0%
Advertising & Marketing Expenses	273,153	-	273,153	1,666	0.4%
Financial Consulting	-	-	-	-	0.0%
Miscellaneous Administrative Fees	-	-	-	-	0.0%
HUD Risk Share Insurance (First Year Prepaid)	-	-	-	-	0.0%
Other Inspections	12,000	-	12,000	73	0.0%
Other (Development cost)	36,400	-	36,400	222	0.1%
<b>TOTAL OTHER COSTS</b>	<b>5,639,342</b>	<b>-</b>	<b>5,639,342</b>	<b>34,386</b>	<b>8.2%</b>
<b>SUBTOTAL PROJECT COSTS</b>	<b>57,758,689</b>	<b>62,139,045</b>	<b>61,312,023</b>	<b>373,854</b>	<b>89.2%</b>
<b><u>DEVELOPER FEES &amp; COSTS</u></b>					
Developer Fees, Overhead & Profit	827,022	6,619,282	7,446,304	45,404	10.8%
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%
<b>TOTAL DEVELOPER FEES &amp; COSTS</b>	<b>827,022</b>	<b>6,619,282</b>	<b>7,446,304</b>	<b>45,404</b>	<b>10.8%</b>
<b>TOTAL PROJECT COSTS</b>	<b>58,585,711</b>	<b>68,758,327</b>	<b>68,758,327</b>	<b>419,258</b>	<b>100.0%</b>

PROJECTED INITIAL ANNUAL RENTAL OPERATING BUDGET			Final Commitment
College Creek	Project Number	21-017-A/X/N	
INCOME	AMOUNT	PER UNIT	%
<b>Rental Income</b>			
Restricted Unit Rents	\$ 2,786,016	\$ 16,988	104.62%
Unrestricted Unit Rents	-	-	0.00%
Commercial Rents	-	-	0.00%
<b>Rental &amp; Operating Subsidies</b>			
Project Based Rental Subsidy	-	-	0.00%
Other Project Based Subsidy	-	-	0.00%
Income during renovations	-	-	0.00%
Other Subsidy (Specify)	-	-	0.00%
<b>Other Income</b>			
Laundry Income	17,056	104	0.64%
Parking & Storage Income	-	-	0.00%
Miscellaneous Income	-	-	0.00%
<b>GROSS POTENTIAL INCOME (GPI)</b>	<b>\$ 2,803,072</b>	<b>\$ 17,092</b>	<b>105.26%</b>
Less: Vacancy Loss	<b>\$ 140,154</b>	<b>\$ 855</b>	<b>5.26%</b>
<b>EFFECTIVE GROSS INCOME (EGI)</b>	<b>\$ 2,662,918</b>	<b>\$ 17,947</b>	<b>100.00%</b>
OPERATING EXPENSES	AMOUNT	PER UNIT	%
Social Programs & Services	21,800	133	0.82%
Utilities	226,484	1,381	8.51%
Operating & Maintenance	219,395	1,338	8.24%
Ground Lease Payments	-	-	0.00%
CalHFA Monitoring Fee	7,500	46	0.28%
Other Monitoring Fees	-	-	0.00%
Real Estate Taxes	9,840	60	0.37%
Other Taxes & Insurance	65,770	401	2.47%
Assisted Living/Board & Care	-	-	0.00%
<b>SUBTOTAL OPERATING EXPENSES</b>	<b>\$ 966,763</b>	<b>\$ 5,895</b>	<b>36.30%</b>
-	\$ -	-	0.00%
-	\$ -	-	0.00%
Sonoma County CDC Seller Carryback Loan	\$ -	-	0.00%
-	\$ -	-	0.00%
-	\$ -	-	0.00%
-	\$ -	-	0.00%
MIP Annual Fee (applicable for MIP only deals)	\$ -	-	0.00%
<b>TOTAL DEBT SERVICE &amp; OTHER PAYMENTS</b>	<b>\$ 1,400,812</b>	<b>\$ 8,542</b>	<b>52.60%</b>
<b>EXCESS AFTER DEBT SERVICE &amp; MONITORING FEES</b>	<b>\$ 246,143</b>	<b>\$ 1,501</b>	<b>9.24%</b>
<b>DEBT SERVICE COVERAGE RATIO (DSCR)</b>	<b>\$ 1 to 1</b>		
Date: 10/5/21		Senior Staff Date: 10/04/21	

PROJECTED PERMANENT LOAN CASH FLOWS										College Creek				
Final Commitment		Project Number 21-017-A/X/N												
	YEAR	1	2	3	4	5	6	7	8	9	10	11	12	
RENTAL INCOME	CPI													
	2.50%	2,786,016	2,855,666	2,927,058	3,000,235	3,075,240	3,152,121	3,230,924	3,311,698	3,394,490	3,479,352	3,566,336	3,655,494	
	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	
	2.00%	-	-	-	-	-	-	-	-	-	-	-	-	
	1.50%	-	-	-	-	-	-	-	-	-	-	-	-	
	1.50%	-	-	-	-	-	-	-	-	-	-	-	-	
	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	
	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	
	2.50%	17,056	17,482	17,919	18,367	18,827	19,297	19,780	20,274	20,781	21,301	21,833	22,379	
	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	
	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	
	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	
GROSS POTENTIAL INCOME (GPI)		2,803,972	2,873,149	2,944,978	3,018,602	3,094,067	3,171,419	3,250,704	3,331,972	3,415,271	3,500,653	3,588,169	3,677,873	
VACANCY ASSUMPTIONS	Vacancy													
	5.00%	139,301	142,783	146,353	150,012	153,762	157,606	161,546	165,585	169,724	173,968	178,317	182,775	
	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	
	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	
	5.00%	-	-	-	-	-	-	-	-	-	-	-	-	
	3.00%	-	-	-	-	-	-	-	-	-	-	-	-	
	20.00%	-	-	-	-	-	-	-	-	-	-	-	-	
	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	
	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	
	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	
	TOTAL PROJECTED VACANCY LOSS		140,154	143,657	147,249	150,930	154,703	158,571	162,535	166,599	170,764	175,033	179,408	183,894
	EFFECTIVE GROSS INCOME (EGI)		2,662,918	2,729,491	2,797,729	2,867,672	2,939,364	3,012,848	3,088,169	3,165,373	3,244,507	3,325,620	3,408,761	3,493,980
OPERATING EXPENSES	CPI/ Fee													
	3.50%	303,864	314,499	325,507	336,899	348,691	360,895	373,526	386,600	400,131	414,135	428,630	443,632	
	5.03%	133,910	137,258	140,689	144,207	147,812	151,507	155,295	159,177	163,157	167,235	171,416	175,702	
	3.50%	226,484	234,411	242,615	251,107	259,896	268,992	278,407	288,151	298,236	308,674	319,478	330,660	
	3.50%	219,395	227,074	235,021	243,247	251,761	260,572	269,692	279,132	288,901	299,013	309,478	320,310	
	3.50%	-	-	-	-	-	-	-	-	-	-	-	-	
	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	
	1.25%	9,840	9,963	10,088	10,214	10,341	10,471	10,601	10,734	10,868	11,004	11,142	11,281	
NET OPERATING INCOME (NOI)		1,646,955	1,681,022	1,715,665	1,750,887	1,786,693	1,823,087	1,860,072	1,897,653	1,935,831	1,974,611	2,013,994	2,053,982	
DEBT SERVICE PAYMENTS	Lien #													
	1	1,400,812	1,400,812	1,400,812	1,400,812	1,400,812	1,400,812	1,400,812	1,400,812	1,400,812	1,400,812	1,400,812	1,400,812	
	-	-	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	-	-	-	
	3	-	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL DEBT SERVICE & OTHER PAYMENTS		1,400,812	1,400,812	1,400,812	1,400,812	1,400,812	1,400,812	1,400,812	1,400,812	1,400,812	1,400,812	1,400,812	1,400,812	
CASH FLOW AFTER DEBT SERVICE		246,143	280,210	314,853	350,075	385,881	422,275	459,260	496,841	535,019	573,799	613,182	653,170	
DEBT SERVICE COVERAGE RATIO		1.18	1.20	1.22	1.25	1.28	1.30	1.33	1.35	1.38	1.41	1.44	1.47	
Date Prepared: 10/05/21		Senior Staff Date: 10/4/21												
LESS: LP Asset Management Fee	3%	7,500	7,725	7,957	8,195	8,441	8,695	8,955	9,224	9,501	9,786	10,079	10,382	
LESS: MGP Partnership Management Fee	2%	21,648	22,081	22,523	22,973	23,432	23,901	24,379	24,867	25,364	25,871	26,389	26,917	
net CF available for distribution		216,995	250,404	284,374	318,906	354,007	389,679	425,926	462,750	500,154	538,142	576,714	615,872	
DDF interest	3%	-	-	-	-	-	-	-	-	-	-	-	-	
Deferred developer fee repayment	3,706,304	3,706,304	3,593,988	3,443,891	3,254,303	3,023,459	2,749,535	2,430,652	2,064,868	1,650,181	1,184,528	665,778	91,736	
100%	216,995	216,995	250,404	284,374	318,906	354,007	389,679	425,926	462,750	500,154	538,142	576,714	617,36	
		3,489,309	3,343,584	3,159,518	2,935,397	2,669,451	2,359,856	2,004,726	1,602,118	1,150,027	646,386	89,064	-	
Payments for Residual Receipt Payments	0%												50%	
RESIDUAL RECEIPTS LOANS		Payment %	-	-	-	-	-	-	-	-	-	-	262,068	
MIP	47.46%	-	-	-	-	-	-	-	-	-	-	-	124,380	
0	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	
Sonoma County CDC Seller Carryback Loan	52.54%	-	-	-	-	-	-	-	-	-	-	-	137,688	
0	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	
0	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	
0	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	
0	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	
Total Residual Receipts Payments		100.00%	-	-	-	-	-	-	-	-	-	-	262,068	
Balances for Residual Receipt Payments														
RESIDUAL RECEIPTS LOANS		Interest Rate												
MIP---Simple	2.00%	4,000,000	4,080,000	4,160,000	4,240,000	4,320,000	4,400,000	4,480,000	4,560,000	4,640,000	4,720,000	4,800,000	4,880,000	
0---Simple	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	
Sonoma County CDC Seller Carryback Loan---S	3.00%	4,428,000	4,560,840	4,693,680	4,826,520	4,959,360	5,092,200	5,225,040	5,357,880	5,490,720	5,623,560	5,756,400	5,889,240	
0---Simple	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	
0---Simple	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	
0---Simple	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	
0---Simple	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	
Total Residual Receipts Payments			8,428,000	8,640,840	8,853,680	9,066,520	9,279,360	9,492,200	9,705,040	9,917,880	10,130,720	10,343,560	10,556,400	
													10,769,240	

PROJECTED PERMANENT LOAN CASH FLOWS						
Final Commitment						
	YEAR	13	14	15	16	17
<b>RENTAL INCOME</b>	<b>CPI</b>					
Restricted Unit Rents	2.50%	3,746,882	3,840,554	3,936,568	4,034,982	4,135,856
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%	22,938	23,512	24,100	24,702	25,320
Parking & Storage Income	2.50%	-	-	-	-	-
Miscellaneous Income	2.50%	-	-	-	-	-
<b>GROSS POTENTIAL INCOME (GPI)</b>		<b>3,769,820</b>	<b>3,864,066</b>	<b>3,960,667</b>	<b>4,059,684</b>	<b>4,161,176</b>
<b>VACANCY ASSUMPTIONS</b>	<b>Vacancy</b>					
Restricted Unit Rents	5.00%	187,344	192,028	196,828	201,749	206,793
Unrestricted Unit Rents	0.00%	-	-	-	-	-
Commercial Rents	50.00%	-	-	-	-	-
Project Based Rental Subsidy	5.00%	-	-	-	-	-
Other Project Based Subsidy	3.00%	-	-	-	-	-
Income during renovations	20.00%	-	-	-	-	-
Parking & Storage Income	50.00%	-	-	-	-	-
Miscellaneous Income	50.00%	-	-	-	-	-
<b>TOTAL PROJECTED VACANCY LOSS</b>		<b>188,491</b>	<b>193,203</b>	<b>198,033</b>	<b>202,984</b>	<b>208,059</b>
<b>EFFECTIVE GROSS INCOME (EGI)</b>		<b>3,581,329</b>	<b>3,670,862</b>	<b>3,762,634</b>	<b>3,856,700</b>	<b>3,953,117</b>
<b>OPERATING EXPENSES</b>	<b>CPI / Fee</b>					
Administrative Expenses	3.50%	459,159	475,230	491,863	509,078	526,896
Management Fee	5.03%	180,094	184,597	189,212	193,942	198,790
Utilities	3.50%	342,233	354,211	366,608	379,440	392,720
Operating & Maintenance	3.50%	331,521	343,124	355,133	367,563	380,428
Ground Lease Payments	3.50%	-	-	-	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500	7,500	7,500
Real Estate Taxes	1.25%	11,422	11,565	11,709	11,856	12,004
<b>NET OPERATING INCOME (NOI)</b>		<b>2,094,577</b>	<b>2,135,780</b>	<b>2,177,593</b>	<b>2,220,014</b>	<b>2,263,044</b>
<b>DEBT SERVICE PAYMENTS</b>	<b>Lien #</b>					
Perm	1	1,400,812	1,400,812	1,400,812	1,400,812	1,400,812
-	-	-	-	-	-	-
-	-	-	-	-	-	-
Sonoma County CDC Seller Carryback Loan	3	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
MIP Annual Fee (applicable for MIP only deals)	-	-	-	-	-	-
<b>TOTAL DEBT SERVICE &amp; OTHER PAYMENTS</b>		<b>1,400,812</b>	<b>1,400,812</b>	<b>1,400,812</b>	<b>1,400,812</b>	<b>1,400,812</b>
<b>CASH FLOW AFTER DEBT SERVICE</b>		<b>693,765</b>	<b>734,968</b>	<b>776,781</b>	<b>819,202</b>	<b>862,232</b>
<b>DEBT SERVICE COVERAGE RATIO</b>		<b>1.50</b>	<b>1.52</b>	<b>1.55</b>	<b>1.58</b>	<b>1.62</b>
Date Prepared: 10/05/21						
		<b>13</b>	<b>14</b>	<b>15</b>	<b>16</b>	<b>17</b>
LESS: LP Asset Management Fee	3%	10,693	11,014	11,344	11,685	12,035
LESS: MGP Partnership Management Fee	2%	27,455	28,004	28,564	29,135	29,718
<b>net CF available for distribution</b>		<b>655,617</b>	<b>695,950</b>	<b>736,872</b>	<b>778,382</b>	<b>820,479</b>
Deferred developer fee repayment	DDF interest 3,706,304	-	-	-	-	-
	100%	-	-	-	-	-
		-	-	-	-	-
<b>Payments for Residual Receipt Payments</b>						
<b>RESIDUAL RECEIPTS LOANS</b>	<b>Payment %</b>					
MIP	47.46%	155,581	165,152	174,863	184,713	194,703
0	0.00%	-	-	-	-	-
Sonoma County CDC Seller Carryback Loan	52.54%	172,228	182,823	193,573	204,478	215,536
0	0.00%	-	-	-	-	-
0	0.00%	-	-	-	-	-
0	0.00%	-	-	-	-	-
0	0.00%	-	-	-	-	-
<b>Total Residual Receipts Payments</b>	<b>100.00%</b>	<b>327,809</b>	<b>347,975</b>	<b>368,436</b>	<b>389,191</b>	<b>410,239</b>
<b>Balances for Residual Receipt Payments</b>						
<b>RESIDUAL RECEIPTS LOANS</b>	<b>Interest Rate</b>					
MIP---Simple	2.00%	4,835,620	4,760,040	4,674,888	4,580,025	4,475,312
0---Simple	0.00%	-	-	-	-	-
Sonoma County CDC Seller Carryback Loan---S	3.00%	5,884,392	5,845,004	5,795,021	5,734,287	5,662,650
0---Simple	0.00%	-	-	-	-	-
0---Simple	0.00%	-	-	-	-	-
0---	0.00%	-	-	-	-	-
0---	0.00%	-	-	-	-	-
<b>Total Residual Receipts Payments</b>		<b>10,720,012</b>	<b>10,605,044</b>	<b>10,469,908</b>	<b>10,314,312</b>	<b>10,137,961</b>



## 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").

<b>Qualifications</b>	<ul style="list-style-type: none"> <li>• Available to for-profit, non-profit, and public agency sponsors.</li> <li>• Tax-exempt bond authority must be obtained from the California Debt Limit Allocation Committee (CDLAC) or through a 501(c)(3) exemption.</li> <li>• The Tax-Exempt Permanent Loan may be used with or without 4% low income housing tax credits.</li> <li>• 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).</li> <li>• For Section 8 Projects, a final commitment is conditioned upon review and acceptance by CalHFA of the HAP or AHAP contract.</li> <li>• The Perm Loan will be credit-enhanced through CalHFA's HUD/FHA Risk Sharing Program.</li> <li>• For existing CalHFA portfolio loans, the current owner is required to pay off all outstanding CalHFA debt. Visit <a href="http://www.calhfa.ca.gov">www.calhfa.ca.gov</a> for the <a href="#">CalHFA Portfolio Loan Prepayment Policy</a>.</li> </ul>
<b>Loan Amount</b>	<ul style="list-style-type: none"> <li>• Minimum Perm Loan amount of \$5,000,000.</li> <li>• Minimum 1.15x for initial debt service coverage ratio (include any financing with amortizing debt) and minimum of 1.05x for the term of the Perm Loan.</li> <li>• 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.</li> </ul>
<b>Fees</b> (subject to change)	<ul style="list-style-type: none"> <li>• Application Fee: \$10,000 non-refundable, due at time of application submittal, and is credited toward the CalHFA Legal Fee at Perm Loan closing.</li> <li>• Perm Loan Fee: 1.00%, half due at final commitment, with balance due at Perm Loan closing.</li> <li>• Cost of Issuance Fee: \$110,000, half due at final commitment, with balance due at Perm Loan Closing.</li> <li>• Credit Enhancement Fee: included in the interest rate.</li> <li>• Annual Administrative Fee: \$7,500 annually (not to be duplicated if used in conjunction with CalHFA's Conduit Program).</li> <li>• Inspection fees should be estimated at \$500 per month for the term of the construction (reports and fees can be shared with other construction lenders)</li> <li>• Legal Fee: \$35,000, half due at final commitment, with balance due at Perm Loan closing.</li> <li>• Administrative Fee: \$1,000 at Perm Loan closing.</li> <li>• Letter of Interest Fee: \$5,000 at LOI request, and is credited toward the CalHFA Perm Loan Fee</li> </ul> <p>See CalHFA standard <a href="#">Conduit Issuer Program Term Sheet</a> for information on conduit issuance fees.</p>

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## TAX-EXEMPT PERMANENT LOAN PROGRAM

<b>Rate &amp; Terms</b> (subject to change)	<p>Interest Rate:</p> <ul style="list-style-type: none"> <li>17-Year Balloon Loans: 15-Year “AAA” Municipal Market Data (MMD) plus CalHFA spread</li> <li>30-Year Balloon and Fully Amortizing Loans: 30-Year “AAA” MMD plus CalHFA spread</li> <li>Estimated CalHFA Spread: 2.00% to 3.00%</li> <li>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.</li> </ul> <p>Amortization/Term:</p> <ul style="list-style-type: none"> <li>Amortization: Up to 40 Year Amortization</li> <li>Term: Fully Amortizing, and 17- or 30-Year Balloons available<sup>1</sup></li> <li>Perm Loan Reduction: up to 10% reduction at Perm Loan closing permitted at no cost.</li> <li>Up to two, three-month extension(s) permitted upon payment of a fee equal to 0.25% of the Perm Loan amount for each three-month extension.</li> <li>Breakage Fee (if applicable): due between construction loan closing and Perm Loan closing and calculated based on hedge termination cost.</li> </ul> <p>1. Balloon loans subject to agency approved exit strategy.</p>
<b>Loan Closing Requirements</b>	<ul style="list-style-type: none"> <li>90% stabilized rental housing occupancy for 90 days as evidenced by rent rolls.</li> <li>90% of tax credit investor equity shall have been paid into the Project.</li> <li>Project income is sufficient to pay operating expenses, required debt service, reserves and monitoring fees.</li> <li>For mixed-use Projects, 100% non-residential occupancy as evidenced by executed leases or guarantees.</li> <li>Deposit Account Control Agreement between CalHFA, the Borrower and lending institution is in form and substance acceptable to all parties and ready to be executed at Perm Loan closing.</li> </ul>
<b>Prepayment</b>	<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"> <li>5% of the principal balance after the end of year 10</li> <li>4% of the principal balance after the end of year 11</li> <li>3% of the principal balance after the end of year 12</li> <li>2% of the principal balance after the end of year 13</li> <li>1% of the principal balance after the end of year 14</li> </ul> <p>All prepayments require a prior written 120-day notice to CalHFA.</p>
<b>Subordinate Financing</b>	<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. A Lien Priority/Position Estoppel in form and substance acceptable to CalHFA will be required prior to construction financing closing, if applicable.</p>

## TAX-EXEMPT PERMANENT LOAN PROGRAM

<b>Occupancy Requirements</b>	<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 comparable share of the available unit sizes (by bedroom count and square feet) and be disbursed throughout the project.</p>
<b>Due Diligence</b>	<p>The following due diligence is required to be provided at the Owner/Borrower's expense (refer to the program's document checklist for a full list):</p> <ul style="list-style-type: none"> <li>• Appraisal* (a construction lender's appraisal may be acceptable).</li> <li>• HUD-2530 previous participation clearance.</li> <li>• Construction Costs Review for new construction loans (other construction lender's review is acceptable).</li> <li>• 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).</li> <li>• Phase I and Phase II (if applicable) Environmental Site Assessment* including, but not limited to, impact reviews that meet federal environmental requirements (such as historic preservation and noise remediation).</li> <li>• Market Study* satisfactory to CalHFA.</li> <li>• NEPA Review.</li> <li>• Termite/Dry Rot reports* by licensed company.</li> <li>• Seismic review* and other studies may be required at CalHFA's discretion.</li> </ul> <p>*Note: Third party reports shall be within 180 days prior to the CalHFA's final commitment approval and may be subject to a new or updated report if the report(s) was completed more than 180 days prior to construction loan closing, in CalHFA's sole discretion.</p>
<b>Required Impounds and Reserves</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Operating Expense Reserve ("OER"): 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 by CalHFA. In the event OER funds are drawn down during the term of CalHFA Perm Loan, it must be replenished over a period of 12 months to the original level.</li> <li>• 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.</li> <li>• Transition Operating Reserve (TOR): required for Projects with state or locally administered rental subsidy contracts with contract terms that are less than 20 years or the CalHFA Perm Loan term.</li> <li>• Other reserves as required (at CalHFA's discretion).</li> </ul>

Last revised: 4/2021

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 California Housing Finance Agency ("CalHFA" or "Agency") 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. The MIP resources will take the form of a subordinate loan to incentivize newly developed multifamily housing projects that serve a range of extremely 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/](http://www.calhfa.ca.gov/multifamily/mixedincome/). If the sponsor/developer is not able to meet the readiness timeline referenced below, MIP funds may be rescinded and reallocated. 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, nonprofit, 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. CalHFA Mixed-Income Qualified Construction Lender is 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 the project must be tax credit financed, OR
2. Qualified mixed-income project through income averaging pursuant to Internal Revenue Code Section 42 (g)(1)(C).

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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 the California Debt Limit Allocation Committee's (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. Pursuant to HUD-Risk Sharing requirements, sponsor is expected to start the NEPA process shortly after CalHFA verifies application completeness and determines that the project is ready to move forward with an initial commitment ("notification date"). The NEPA clearance and HUD's firm approval letter will be required prior to construction loan closing.
2. **General Contractor and/or Third Party Construction Services Engagement:** At the time of application, Applicant must provide evidence that the applicant or developer has engaged a general contractor or third-party construction services company to provide construction services including, but not limited to, value engineering, bid/budget services, and constructability review of plans and designs. In addition, the proposed construction budget is based on the general contractor's or third-party construction services company's preliminary bid estimates pursuant to the current plans and designs.
3. **Disposition and Development Agreement:** Applicant must provide a copy of the disposition and development agreement, if applicable.
4. **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, unless an extension has been approved by California Tax Credit Allocation Committee (CTCAC), CDLAC, and CalHFA, as applicable. Within the 180-day period, the following items must be submitted to CalHFA in their final form:
  - a. A complete updated application 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 required by CalHFA to close construction financing.

## MIXED-INCOME LOAN PROGRAM

### Qualifications (continued)

#### MIP ALLOCATION LIMITS:

(Exceptions may be considered by Agency in its sole discretion)

1. **Project Cap:** No project may receive more than the lesser of \$8 million or the aggregate MIP loan amount calculated based on up to \$50,000 per MIP regulated units or up to \$60,000 per MIP regulated units for a Project located within the Highest or High Resource areas designated on the CTCAC/HCD Opportunity Area Map.
2. **Sponsor Cap:** No sponsor (any individual, entity, affiliate and related entity) may receive more than the lesser of funding of 2 projects or 20% of total MIP allocation for the respective year.
3. **County Cap:** No one county may receive more than 33% of total MIP allocations for the respective year.
4. **Age-Restricted Cap:** No more than 25% of total MIP funds for the respective year may be received by age-restricted projects (units that are restricted to residents who are 62 years of age or older under the applicable provisions of California Civil Code Section 51.3 and the federal Fair Housing Act), unless a waiver of the minimum age requirement has been granted by U.S. Department of Housing and Urban Development ("HUD").

#### EVIDENCE OF COST CONTAINMENT:

A Cost Containment Certification must be provided at the time of Construction Loan Closing in a form acceptable to CalHFA in its sole discretion. The certification acceptable to CalHFA may be found at [www.calhfa.ca.gov/multifamily/mixedincome/forms/closing-cost-containment-certification.pdf](http://www.calhfa.ca.gov/multifamily/mixedincome/forms/closing-cost-containment-certification.pdf).

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

#### EVIDENCE OF SUBSIDY EFFICIENCY:

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 reduced based on the final analysis. Parameters of the analysis may include but are not limited to the following:

- 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 a mixed-use project,
- A cash flow 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,
- Developer Fee requirements matching those required under the 4% federal and/or state tax credit reservation,
- Capitalized reserves subject to approval by Agency for reasonableness consistent with the Agency's Underwriting Standards and the Investor Limited Partnership Agreement (ILPA),

## MIXED-INCOME LOAN PROGRAM

<b>Qualifications (continued)</b>	<ul style="list-style-type: none"> <li>Review of Excess Sources over final Uses as approved by CalHFA resulting from any of the following:             <ul style="list-style-type: none"> <li>An increase in tax credit equity,</li> <li>An increase in permanent loan debt due to a combination of permanent loan rate reduction and/or reduction to operating expense assumptions;</li> </ul> </li> <li>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.</li> <li>State tax credit request is expected to be within a range of \$50,000 to \$75,000 per unit. The projects that evidence the most efficient use of state tax credits and MIP per adjusted unit shall be prioritized for MIP funding considerations. The state tax credits and MIP per adjusted unit calculation shall be consistent with CDLAC Regulation Section 5231(g)(1) and 5231(g)(2). MIP final commitment shall be subject to the project's receipt of CDLAC's preliminary tax-exempt bond allocations and CTCAC's tax credits reservations,</li> <li>Acquisition cost shall be the lesser of 1) the purchase price pursuant to a current purchase and sales agreement between unrelated parties, 2) the purchase price of an arm's length transaction executed within the past 10 years plus reasonable carrying costs, or 3) the appraised "as-is" value based on an Appraisal acceptable to CalHFA in its sole discretion. The appraised value of the real estate may be considered if the arm's length transaction exceeds 10 years.</li> </ul>
<b>CalHFA Mixed-Income Qualified Construction Lender</b>	<p>A CalHFA Qualified Construction Lender is defined as a Construction Lender that has closed at least five (5) construction loans using tax-exempt bonds and 4% federal and/or state tax credits in California within the last three (3) years and satisfies the requirement set forth within the application.</p>
<b>CalHFA Mixed-Income Development Team Qualifications</b>	<p>The <b>Developer/Co-Developer/General Partner</b> must be registered to do business and in good standing in the state of California. A CalHFA Qualified Developer/Co-Developer/General Partner must have developed at least three (3) comparable projects within the past five (5) years or meet the requirements to receive a minimum of 7 points under the CDLAC General Partner Experience category pursuant to CDLAC Regulations Section 5230(f).</p> <p>The proposed <b>Project Manager</b> must have personally managed the development of at least two (2) comparable projects within the past five (5) years</p> <p><b>Financial Consultants</b> 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> <p><b>Architects</b> new to CalHFA must provide information for three (3) comparable projects they designed that were built and occupied within the past five (5) years in the State of California.</p> <p><b>General Contractor (GC)</b> 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>

## MIXED-INCOME LOAN PROGRAM

<b>CalHFA Mixed-Income Development Team Qualifications (Continued)</b>	<p><b>Management Company</b> 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 or meet the requirements to receive a minimum of 3 points under the CDLAC Management Company Experience category pursuant to CDLAC Regulations Section 5230(f).</p>
<b>Permanent First Lien Loan</b>	<p>Must be provided by CalHFA. The permanent loan must meet an initial minimum 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.</p>
<b>Construction First Lien Loan</b>	<p>Provided by a CalHFA Mixed-Income Qualified Construction Lender. All parties shall permit the Agency to, in its sole and absolute discretion, recycle all or a portion of any Bond volume cap related to a paydown of the Bond financed loans, at the conversion of the construction financing to permanent financing and payoff of the Construction Loan, pursuant to the authority provided in Section 146(i)(6) of the Internal Revenue Code of 1986 and CDLAC Regulation Section 5060 (the "Bond Recycling"). The Bond documents, loan documents and any other documents related to the financing of the Development shall contain any necessary approvals and permit all actions necessary to accomplish a Bond Recycling.</p>
<b>Limitations</b>	<ol style="list-style-type: none"> <li>1. MIP cannot be combined with the CTCAC 9% program.</li> <li>2. MIP cannot be combined with other state subordinate debt and/or subsidy programs (this does not include state tax credits) with the exception of the Infill Infrastructure Grant, contingent upon restrictions that are compatible with the MIP program requirements. Inclusion of other subordinate debt and subsidy will be allowed at CalHFA's discretion so long as any restrictions of subordinate debt or subsidy are compatible with MIP program requirements outlined herein.</li> <li>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.)</li> <li>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 CTCAC or a tax-exempt bond allocation from CDLAC.</li> <li>5. Projects will not be eligible for other subsidy resources from CalHFA in addition to MIP.</li> </ol>
<b>Mixed-Income Project Occupancy Requirements</b>	<p><b>BOND REGULATORY AGREEMENT REQUIREMENTS (ALL PROJECTS):</b></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, CDLAC requires a minimum of 10% of the unit types must be at 50% or less of AMI ("10% @ 50% AMI").</p>

## MIXED-INCOME LOAN PROGRAM

<b>Mixed-Income Project Occupancy Requirements (Continued)</b>	<p><b>MIXED INCOME REGULATORY AGREEMENT REQUIREMENTS (ALL PROJECTS):</b></p> <p><b>Affordability Requirements:</b></p> <ol style="list-style-type: none"> <li>To qualify, a project must meet the following affordability restrictions, based on the HUD or locality (as applicable) income and rent limits which are current at the time of MIP application, for a term of 55 years:               <ol style="list-style-type: none"> <li>10% of total units at or below 50% of AMI,</li> <li>10% of total units between 60% to 80% of AMI with an average of 70% of AMI or greater, subject to the Maximum Allowable Rents outlined below, and</li> <li>Remaining 80% of total units at or below 120% of AMI with the exception of the non-restricted manager's unit(s) OR at the affordability restrictions consistent with CTCAC requirements.</li> </ol> <p>(Deviations from the average unit affordability levels of 70% AMI will only be considered if Market Study supports such deviations.)</p> </li> <li>Projects must be tax credit transactions that are income-averaged and must not exceed an average affordability of 60% of AMI across all restricted units.</li> </ol>
<b>Mixed-Income Project Occupancy Requirements (Continued)</b>	<p><b>MAXIMUM ALLOWABLE RENTS:</b></p> <p>Rents for all restricted units must be at least 10% below market rents as evidenced by a current Market Study or an Appraisal. This threshold will be analyzed at time of application and again at CalHFA's final commitment approval. The report shall be current within 180 days of Agency's final commitment and may be subject to required updating if the report expires prior to construction loan closing. Any proposed rent adjustments above 5% of the approved rents subsequent to construction loan closing may be considered if supported by a recent or updated Market Study or Appraisal that is dated within 180 days from MIP loan closing, at CalHFA's sole discretion.</p>
<b>Mixed-Income Subordinate Loan</b>	<ol style="list-style-type: none"> <li>Maximum loan amount for each project shall not exceed the lesser of \$8 million or the aggregate MIP loan amount calculated based on up to \$50,000 per MIP regulated units, unless an exception is approved by Agency in its sole discretion.               <ol style="list-style-type: none"> <li>Maximum loan per restricted (tax credit or CalHFA) units between 30%-120% AMI shall be up to \$50,000.</li> <li>Projects located within the Highest or High Resource areas designated on the CTCAC/HCD Opportunity Area Map shall be eligible for an additional amount up to \$10,000 per MIP regulated unit. Opportunity Map Home Page: <a href="http://www.treasurer.ca.gov/ctcac/opportunity.asp">www.treasurer.ca.gov/ctcac/opportunity.asp</a></li> </ol> </li> <li>Loan size based on project need but cannot be more than 50% of the permanent loan amount.</li> </ol>



## MIXED-INCOME LOAN PROGRAM

<b>Mixed-Income Subordinate Loan Rates &amp; Terms</b>	<ol style="list-style-type: none"> <li><b>Interest Rate:</b> Greater of 1% simple interest or the applicable federal rate (AFR) at time of MIP closing.</li> <li><b>Loan Term:</b> The MIP loan term shall be coterminous with the CalHFA permanent first lien loan.</li> <li><b>Loan Payment:</b> 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. Deviation from the net cash flow split may be granted 1) to meet equity investor's deferred developer's fee requirement as evidence by the limited partnership agreement, and 2) is subject to approval(s) by other residual receipt lender(s), as applicable.</li> <li><b>Affordability Term:</b> 55 years.</li> <li><b>Prepayment:</b> May be prepaid at any time without penalty.</li> <li><b>Subordination:</b> 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) and requires subordination 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.</li> <li><b>Funded:</b> Only at permanent loan conversion.</li> </ol>
<b>CalHFA Conduit Bond Program</b>	<p>For more information on CalHFA's Conduit Issuer Program and the fees associated with it, visit CalHFA's website: <a href="http://www.calhfa.ca.gov/multifamily/programs/forms/termsheet-conduit.pdf">www.calhfa.ca.gov/multifamily/programs/forms/termsheet-conduit.pdf</a></p>
<b>CalHFA First Lien Permanent Rates &amp; Terms</b> (subject to change)	<p>For more information on CalHFA's Permanent Loan Program and the fees associated with it, visit CalHFA's website: <a href="http://www.calhfa.ca.gov/multifamily/programs/forms/termsheet-perm-tax-exempt.pdf">www.calhfa.ca.gov/multifamily/programs/forms/termsheet-perm-tax-exempt.pdf</a></p>
<b>Fees</b> (subject to change)	<p><b>Loan Fee:</b> 1.00% of the loan amount (50% due at final commitment and 50% due at CalHFA MIP loan closing).</p> <p><b>Conduit Bond Program Fees:</b> Refer to CalHFA Conduit Bond Program <a href="http://www.calhfa.ca.gov/multifamily/programs/forms/termsheet-conduit.pdf">www.calhfa.ca.gov/multifamily/programs/forms/termsheet-conduit.pdf</a></p> <p><b>CDLAC Fees:</b> Refer to CDLAC regulations for all applicable fees.</p> <p>CalHFA First Lien Permanent Rates &amp; Terms for first mortgage loan fees, credit enhancements, trustee fees, legal fees, inspection fees, administrative fees. <a href="http://www.calhfa.ca.gov/multifamily/programs/forms/termsheet-perm-tax-exempt.pdf">www.calhfa.ca.gov/multifamily/programs/forms/termsheet-perm-tax-exempt.pdf</a></p>

Last revised: 01/2021

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## CONDUIT ISSUER PROGRAM

### MULTIFAMILY HOUSING BONDS

Term sheet effective for applications submitted after May 1, 2020

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.

<b>Qualifications</b>	<ul style="list-style-type: none"> <li>Available to for-profit, nonprofit or public agency sponsors.</li> <li>Nonprofit borrowers may be eligible for 501(c)(3) bonds.</li> <li>If bond proceeds are utilized to pay off an existing CalHFA portfolio loan visit <a href="http://www.calhfa.ca.gov">www.calhfa.ca.gov</a> for the <a href="#">CalHFA Portfolio Loan Prepayment Policy</a>.</li> </ul>
<b>Bond Amount</b>	Bond amount is determined by the loan amount of the selected construction lender.
<b>Fees</b> (subject to change)	<ul style="list-style-type: none"> <li>Application Fee: \$5,000 non-refundable, due at time of application submittal (covers the cost of the TEFRA required for tax-exempt issuances) and is credited toward the CalHFA Issuer Fee.</li> <li>Issuer Fee: <ol style="list-style-type: none"> <li>The greater of \$15,000 or 18.75 basis points of the Bond amount if lesser than or equal to \$20 million.</li> <li>If more than \$20 million: \$37,500 + 5 basis points for the amount above \$20 million.</li> </ol> </li> <li>Annual Administrative Fee: 5 bps of the tax-exempt bond issuance amount due at construction loan closing and due annually thereafter until permanent loan conversion. After permanent loan conversion, billed annually in advance, 5 bps of unpaid principal balance amount of tax-exempt bond financed loan(s) until bonds are fully redeemed. Minimum Annual Administrative Fee shall be \$4,000 through both the Qualified Project Period and the CDLAC compliance period.</li> </ul> <p>For taxable only issuances, annual administrative fees above will be charged based on the taxable bond financed loan(s) for the term of the CalHFA affordability restrictions.</p> <p>If used in conjunction with a CalHFA permanent loan product, the annual administrative fee will not be duplicated. Please refer to the applicable permanent loan term sheet for the annual administrative fee.</p> <ul style="list-style-type: none"> <li>Public Sale: Additional fee of \$5,000 to \$10,000 applies when Bonds are sold to the public.</li> <li>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 payable to CDLAC.</li> <li>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.</li> </ul> <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  
500 Capitol Mall, Suite 1400, MS-990  
Sacramento, CA 95814  
916.326.8808  
kbrown@calhfa.ca.gov

## CONDUIT ISSUER PROGRAM

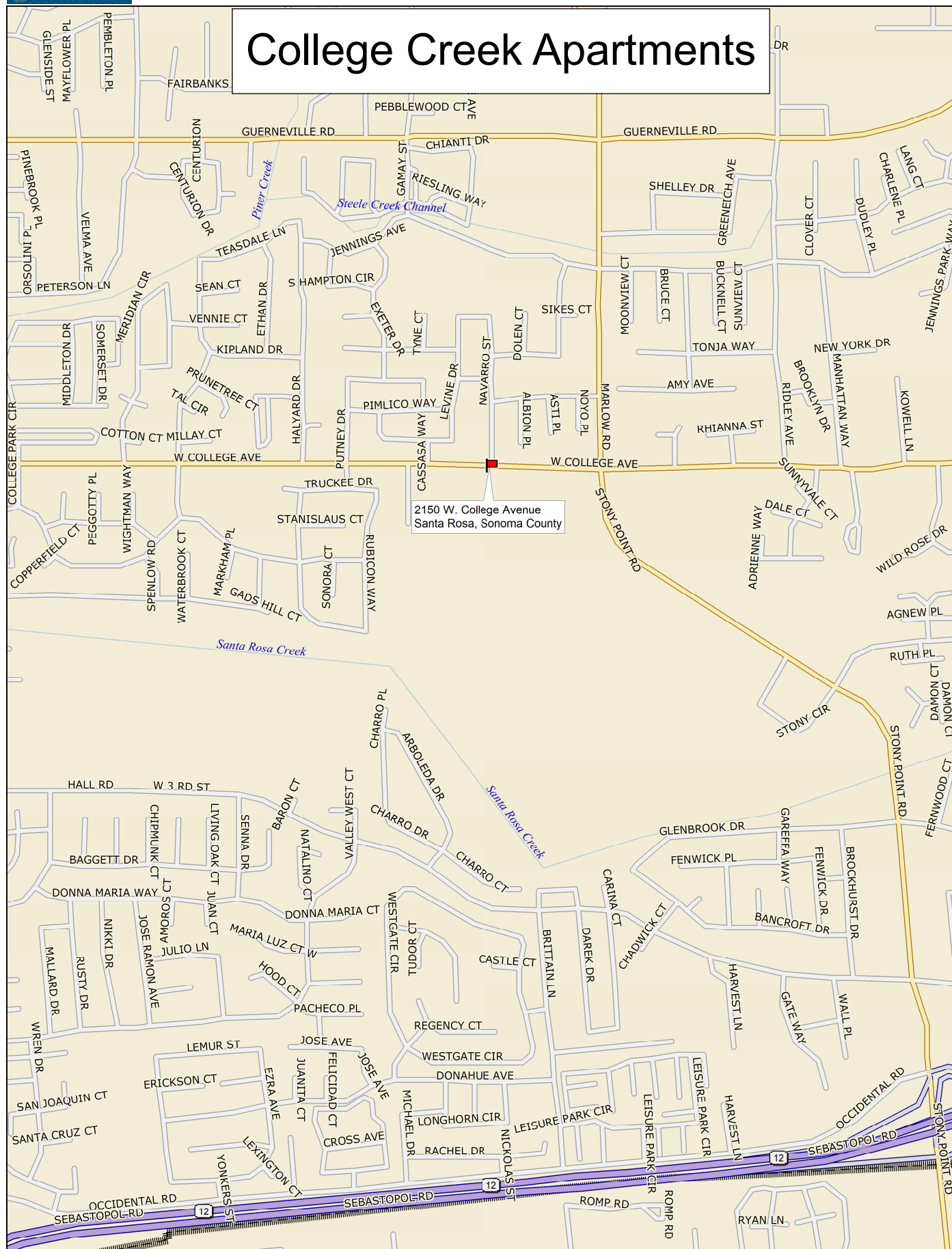
### Occupancy Requirements

- 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 rent restricted and occupied by individuals whose income is 60% or less of 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: 08/2020

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# College Creek Apartments



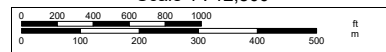
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Scale 1 : 12,800

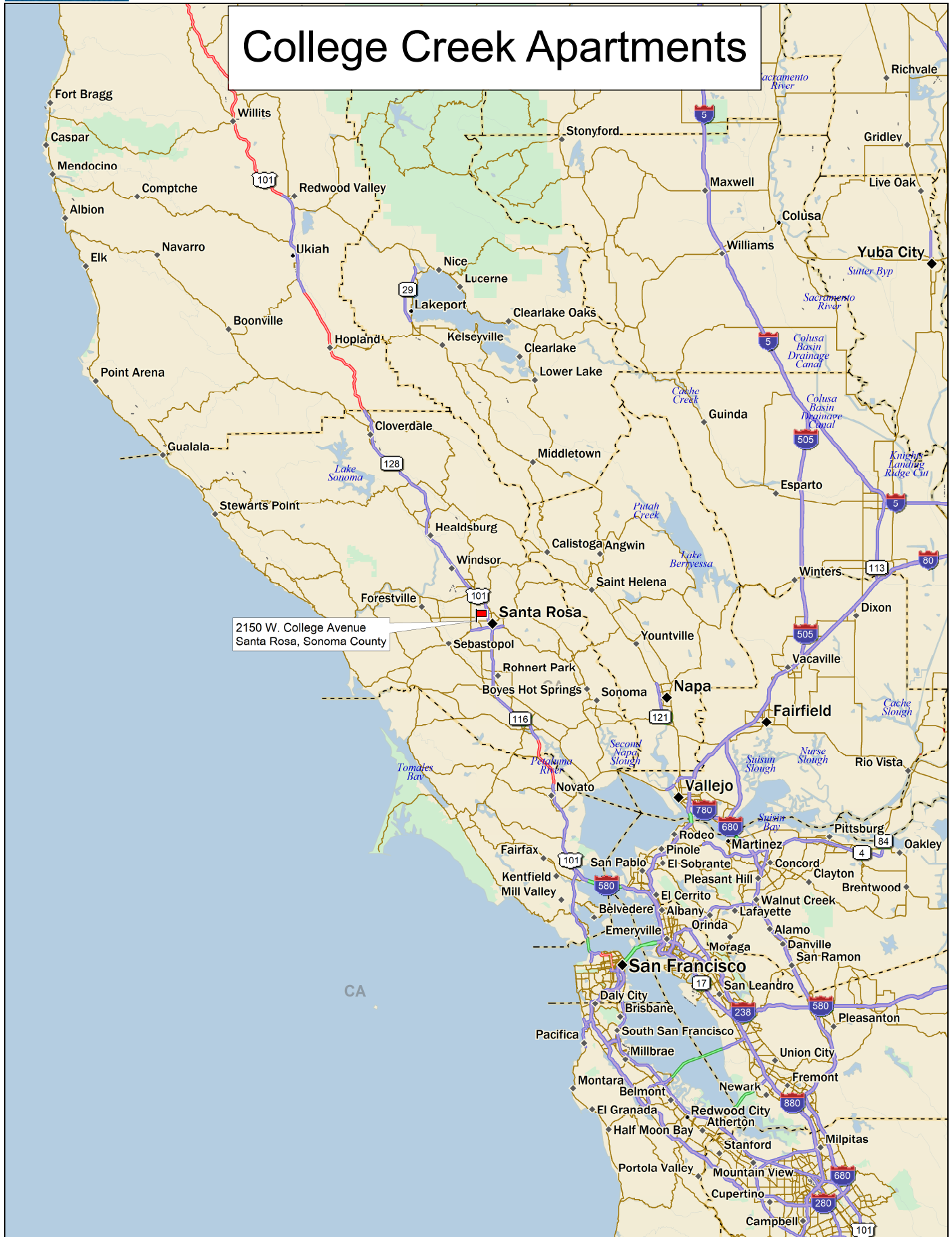


1" = 1,066.7 ft

Data Zoom 14-0

# College Creek Apartments

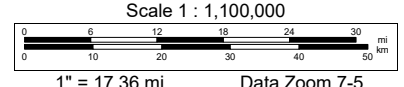
2150 W. College Avenue  
Santa Rosa, Sonoma County



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1 BOARD OF DIRECTORS  
2 OF THE CALIFORNIA HOUSING FINANCE AGENCY  
3  
4

5 RESOLUTION NO. 21-18  
6

7 RESOLUTION AUTHORIZING A FINAL LOAN COMMITMENT  
8

9 WHEREAS, the California Housing Finance Agency (the "Agency") has received a  
10 loan application on behalf of Santa Rosa 669, L.P., a California limited partnership (the  
11 "Borrower"), seeking a loan commitment, the proceeds of which are to be used to provide  
12 financing for a multifamily housing development located in the City of Santa Rosa, County of  
13 Sonoma, California, to be known as College Creek Apartments (the "Development"); and  
14

15 WHEREAS, the loan application has been reviewed by Agency staff which prepared a  
16 report presented to the Board on the meeting date recited below (the "Staff Report"),  
17 recommending Board approval subject to certain recommended terms and conditions; and  
18

19 WHEREAS, Agency staff has determined or expects to determine prior to making a  
20 binding commitment to fund the loan for which the application has been made, that (i) the  
21 Agency can effectively and prudently raise capital to fund the loan for which the application has  
22 been made, by direct access to the capital markets, by private placement, or other means and (ii)  
23 any financial mechanisms needed to insure prudent and reasonable financing of loans can be  
24 achieved; and  
25

26 WHEREAS, pursuant to the Executive Director's authority to issue Conduit Bonds,  
27 under Resolution 21-04 the Agency has filed an application with the California Debt Limit  
28 Allocation Committee ("CDLAC") for an allocation of California Qualified Private Activity  
29 Bonds for the Development; and  
30

31 WHEREAS, the Development has received a TEFRA Resolution as required by the  
32 Tax Equity and Fiscal Responsibility Act of 1983, and under 26 U.S.C. section 147(f); and  
33

34 WHEREAS, Section 1.150-2 of the Treasury Regulations requires the Agency, as the  
35 issuer of tax-exempt bonds, to declare its reasonable official intent to reimburse prior  
36 expenditures for the Development with proceeds of a subsequent borrowing; and  
37

38 WHEREAS, on April 29, 2021, the Executive Director exercised the authority  
39 delegated to her under Resolution 15-16 to declare the official intent of the Agency to reimburse  
40 such prior expenditures for the Development; and  
41

42 WHEREAS, the Agency has conditionally approved a subsidy loan pursuant to  
43 CalHFA's Mixed-Income Program ("*MIP*") pursuant to its authority under Resolutions 19-02  
44 and 19-14; and  
45  
46

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

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

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

<u>PROJECT NUMBER</u>	<u>DEVELOPMENT NAME/ LOCALITY</u>	<u>MORTGAGE AMOUNT</u>	
21-017-A/X/N	COLLEGE CREEK APARTMENTS Santa Rosa, Sonoma County, California	\$28,140,000.00	Permanent Tax-Exempt HUD-Risk Share 1 <sup>st</sup> Mortgage
		\$ 4,000.000.00	Permanent Mixed-Income Program Subsidy 2 <sup>nd</sup> Mortgage

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

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

## 1 SECRETARY'S CERTIFICATE

2  
3 I, Claire Tauriainen, the undersigned, do hereby certify that I am the duly authorized  
4 Secretary of the Board of Directors of the California Housing Finance Agency, and hereby  
5 further certify that the foregoing is a full, true, and correct copy of Resolution No. 21-18 duly  
6 adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency  
7 duly called and held on the 21<sup>st</sup> day of October 2021, at which meeting all said directors had due  
8 notice, a quorum was present and that at said meeting said resolution was adopted by the  
9 following vote:

10  
11 AYES:

12  
13 NOES:

14  
15 ABSTENTIONS:

16  
17 ABSENT:

18  
19 IN WITNESS WHEREOF, I have executed this certificate hereto this 21st day of  
20 October 2021.

21  
22  
23 ATTEST:

24 \_\_\_\_\_  
25 CLAIRE TAURIAINEN

26 Secretary of the Board of Directors of the  
27 California Housing Finance Agency  
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**CalHFA MULTIFAMILY PROGRAMS DIVISION**  
**Final Commitment Staff Report & Request for Loan Approval of Permanent Take-Out Loan for Tax**  
**Exempt financing with Mixed Income Program Subsidy Financing**  
**Senior Loan Committee "Approval": October 4, 2021 for Board Meeting on October 21, 2021**

Project Name, County:	Elm Lane Apartments, Contra Costa County	
Address:	5301 Elm Lane, Oakley, CA 94561	
Type of Project:	New Construction	
CalHFA Project Number:	21-011-A/X/N	Total Units: 170
Requested Financing by Loan Program:	\$33,900,000	Tax Exempt Bond – Conduit Issuance Amount
	\$12,000,000	Taxable Bond -Conduit Issuance Amount
	\$35,350,000	CalHFA Permanent Tax-Exempt Loan with HUD Risk Share
	\$6,000,000	CalHFA Subsidy GAP Loan funded by MIP funds

**DEVELOPMENT/PROJECT TEAM**

Developer:	Anton DevCo, Inc.	Borrower:	Elm Lane Oakley L.P.
Permanent Lender:	CalHFA	Construction Lender:	Citibank, N.A.
Equity Investor:	Raymond James Tax Credit Funds, Inc.	Management Company:	Anton Residential, Inc.
Contractor:	Anton Building Company	Architect	Architecture Design Collaborative
Loan Officer:	Ruth Vakili	Loan Specialist:	N/A
Asset Manager:	Jessica Doan	Loan Administration:	Jennifer Beardwood
Legal (Internal):	Torin Heenan	Legal (External):	N/A
Concept Meeting Date:	4/7/2021	Approval Expiration Date:	180 days from Approval

**LOAN TERMS**

1.		<b>CONDUIT ISSUANCE/ Citibank, N.A. CONSTRUCTION LOAN</b>	<b>PERMANENT LOAN</b>	<b>MIP (GAP) LOAN</b>
	<b>Total Loan Amount</b>	\$33,900,000 (T/E) \$12,000,000 (Taxable)	\$35,350,000	\$6,000,000
	<b>Loan Term &amp; Lien Position</b>	36 months- interest only, with a 6-month extension; 1 <sup>st</sup> Lien Position during construction	35 year partially amortizing due in year 17; 1 <sup>st</sup> Lien Position at permanent conversion	17 year - Residual Receipts; 2 <sup>nd</sup> Lien Position during permanent loan conversion
	<b>Interest Rate</b> (subject to change and locked 30 days prior to loan closing)	Underwritten at 3.00% (T/E) and 3.50% (Taxable) Fixed Rate	15-year MMD+2.54%. Underwritten at 3.95%, which includes a .25% cushion. Estimated rate	Interest rate will be the greater of 1% Simple or Applicable Federal Rate at time of MIP closing (2%

			based on a 36-month forward commitment.	Simple used for underwriting).
	<b>Loan(s) to Value (LTV)</b>	63%	74%	N/A
	<b>Loan(s) to Cost</b>	75%	50%	N/A

### PROJECT SUMMARY

<b>2.</b>	<b>Legislative Districts</b>	<b>Congress:</b>	#9 Jerry McNerney	<b>Assembly:</b>	#11 Jim Frazier	<b>State Senate:</b>	#7 Steven M. Glazer
	<b>Brief Project Description</b>	<p><b>Elm Lane Apartments</b> (the “Project”) is a family, new/mixed income Project, consisting of 6 3-story, walk up residential buildings and one community building. There will be 170 total units, 168 of which will be restricted between 30% and 70% of the Contra Costa County Area Median Income (AMI). Units include 84 1-bedrooms (595 s.f.), 42 2-bedrooms (816s.f.), and 44 3-bedrooms (1,075 s.f.). Two 2-bedroom non-restricted units will be reserved for onsite managers. The Project involves demolition of two market rate residential structures. The seller will manage and pay for relocation of the existing residents prior to construction loan closing.</p> <p><b>Financing Structure:</b> The Project’s financing structure includes tax-exempt bonds, a taxable tail, federal 4% tax credits, state tax credits, a CalHFA first lien permanent loan with HUD Risk Share, and a MIP loan. The project qualifies as Mixed-Income pursuant to CDLAC regulations.</p> <p><b>Tax Credits and/or CDLAC Status:</b> The developer was awarded 4% tax credits on August 11, 2021.</p> <p><b>Ground Lease:</b> N/A</p> <p><b>Project Amenities:</b> The Project includes a computer lab, clubhouse/community room, courtyard, exercise facility, central laundry facilities, on-site management, a picnic area, playground, swimming pool, and Wi-Fi in common areas. Unit amenities will include balconies/patios, blinds, carpet and vinyl flooring, central air conditioning, coat closets, and exterior storage. Appliances will include a range/oven, refrigerator, dishwasher, and garbage disposal.</p> <p><b>Local Resources and Services:</b> The Project is located in a Low Resource area per TCAC’s Opportunity Area Map. The Project is in close proximity to the following local amenities and services:</p> <ul style="list-style-type: none"> <li>• Grocery store – 1 mile</li> <li>• Elementary School – 0.4 miles</li> <li>• Middle/High Schools – 2.5-3 miles</li> <li>• Public Library – 3 miles</li> <li>• Public transit – 0.2 miles</li> <li>• Pharmacy – 1.3 miles</li> <li>• Park and recreation – 0.4 miles</li> <li>• Hospitals – 3.1 miles</li> <li>• Post Office – 2.5 miles</li> <li>• Fire Department – 2.2 miles</li> <li>• Police Station 1.9 miles</li> </ul>					

		<p><b>Non-displacement and No Net Loss:</b> To the extent feasible, it is the Agency's priority to mitigate the overall effects upon affordable housing availability that may arise from multifamily developments that may result in permanent displacement of existing affordable housing residents and/or net loss of existing affordable housing units. The Project involves demolition of two market rate residential structures. Per the terms of the Purchase and Sale Agreement, the seller will relocate the existing tenants and pay for the cost of relocation. The buildings will be vacant by construction loan closing. Therefore, there is no displacement of existing affordable housing residents or net loss of existing affordable housing units.</p> <p><b>Commercial Space:</b> The Project does not include commercial space.</p>
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### MISSION

<b>3.</b>	<b>CalHFA Mission/Goals</b>	
This Project and financing proposal provides 168 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.		

### ANTICIPATED PROJECT MILESTONES & SCHEDULE

<b>4.</b>	CDLAC/TCAC Closing Deadline:	2/7/2022	Est. Construction Loan Closing:	12/2021
	Estimated Construction Start:	12/2021	Est. Construction Completion:	7/2023
	Estimated Stabilization and Conversion to Perm Loan(s):	7/2024		

### SOURCES OF FUNDS

<b>5.</b>	<b>Construction Period Financing</b>				
	<b>SOURCE</b>	<b>AMOUNT</b>	<b>LIEN POSITION</b>	<b>INTEREST RATE</b>	<b>DEBT TYPE</b>
	Citibank- T/E Construction Loan	\$33,900,000	1 <sup>st</sup>	3.00%	Interest Only
	Citibank- Taxable Construction Loan	\$12,000,000	1 <sup>st</sup>	3.50%	Interest Only
	Tax Credit Equity	\$14,614,888	N/A	N/A	N/A
	Net Cash Flow During Construction	\$936,790	N/A	N/A	
	<b>TOTAL</b>	<b>\$61,451,678</b>		<b>Per Unit</b>	<b>\$361,269</b>
	<b>Permanent Financing</b>				
	<b>SOURCE</b>	<b>AMOUNT</b>	<b>LIEN POSITION</b>	<b>INTEREST RATE</b>	<b>DEBT TYPE</b>
	CalHFA Senior Mortgage Loan	\$35,350,000	1 <sup>st</sup>	3.95%	Balloon 35/17
	CalHFA MIP Subordinate Loan	\$6,000,000	2 <sup>nd</sup>	2.00%	Residual Receipt
	Tax Credit Equity	\$23,763,049	N/A	N/A	N/A
	Net Cash Flow During Lease Up	\$936,790	N/A	N/A	N/A
	Deferred Developer Fee	\$4,312,318	N/A	N/A	Funds via Cash Flow
	<b>TOTAL DEVELOPMENT COST:</b>	<b>\$70,362,157</b>		<b>Per Unit</b>	<b>\$413,895</b>
	<b>Subsidy Efficiency:</b> \$35,714 per MIP restricted unit.				
	<b>Tax Credit Type(s), Amount(s), Pricing(s), and per total units:</b>				

	<ul style="list-style-type: none"> <li>4% Federal Tax Credits: \$25,100,040 assuming estimated pricing of \$0.9025 (\$137,514 per restricted unit).</li> <li>State Tax Credits: \$1,444,841 assuming estimated pricing of \$0.77 (\$6,622 per restricted unit).</li> </ul> <p><b>Rental Subsidies:</b> The Project will not be subsidized by project-based vouchers.</p> <p><b>Other State Subsidies:</b> The Project will not be funded by other state funds.</p> <p><b>Other Locality Subsidies:</b> The Project will not be funded by locality funds.</p> <p><b>Cost Containment Strategy:</b> The developer is using its affiliated company, Anton Building Company, as its General Contractor. The developer had established cost containment strategies that include: 1) engaging the General Contractor to provide pre-construction services including: conceptual design review, estimating, value engineering, and a critical path schedule, 2) reviewing the GMP contract for any exclusions or exceptions to mitigate project cost increases, and 3) requiring that the General Contractor provide a minimum of 3 bids for each major trade and all other trades, if available.</p> <p><b>High-Cost Explanation:</b> Not Applicable.</p>
6.	Equity – Cash Out (estimate): Not Applicable

### TRANSACTION OVERVIEW

7.	<b>Proposal and Project Strengths</b>
	<ul style="list-style-type: none"> <li>The Project anticipates receiving 4% federal and state tax credits which are projected to generate equity representing 34% of total financing sources.</li> <li>The developer/sponsor has extensive experience in developing similar affordable housing projects.</li> <li>The Project will serve low-income families ranging between 30% to 70% of AMI.</li> <li>The Loan-to-Value will be 74%, which meets the Agency's minimum requirements, providing less risk to the Agency.</li> <li>The projected portion of the developer's fee that will be collected at or prior to permanent loan conversion is \$3,780,986, which could be available to cover cost overruns and/or unforeseen issues during construction.</li> <li>The exit analysis assumes 2% increase in the current cap rate and 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 Agency's permanent and subsidy loans.</li> </ul>
8.	<b>Project Weaknesses with Mitigants:</b>
	<ul style="list-style-type: none"> <li>The developer does not have experience with CalHFA. However, they have extensive experience in developing similar affordable projects in this region.</li> <li>A Pre-Demolition Asbestos &amp; Lead-Based Paint Survey Report performed by Partner Engineering and Science, Inc., on June 11, 2021 confirmed the presence of Asbestos Containing Materials ("ACM") and Lead Based Paint ("LBP"), which will be remediated during demolition of the existing buildings. The development budget includes the cost of demolition and remediation of the ACM and LBP.</li> </ul>
9.	<b>Underwriting Standards or Term Sheet Variations</b>
	The Project's operating expenses are 9% below TCAC minimums. The developer has submitted operating budgets of three comparable properties substantiating the operating expenses and the appraisal's estimated operating budget matches the developers. The investor has issued a letter of interest with the approved reduction of the operating expenses and a TCAC waiver was approved on August 11, 2021.
10.	<b>Project Specific Conditions of Approval</b>
	<p>Approval is conditioned upon:</p> <ul style="list-style-type: none"> <li>No site work or construction commenced prior to the issuance of a HUD Firm Approval Letter.</li> </ul>

- CalHFA requires that MIP affordability covenants be recorded in senior position to all foreclosable debt.
- Receipt of LPA evidencing equity investor's requirements that the residual receipt split must be modified to 100% towards the earlier of repayment of DDF or 15 years. In addition, the owner must provide evidence of investor approval of the total deferred developer's fee structure and residual receipt split.
- 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.
- Receipt of completed NEPA study (expected by end of October).
- Receipt of documentation showing the PSA is assigned to the borrowing entity prior to construction loan closing.
- Evidence of environmental clearance must be provided and approved by CalHFA prior to permanent loan closing.
- Subject to a seismic evaluation and approval by CalHFA prior to construction loan closing. See Section 23 for more detail.

**11. 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.

### AFFORDABILITY

**12. CalHFA Affordability & Occupancy Restrictions**

The CalHFA Permanent Financing Regulatory Agreement will restrict a minimum of 40% of the total units (68 units) at or below 60% AMI with 10% of these units (17 units) at or below 50% of AMI for 55 years.

\*The CalHFA MIP Subsidy Regulatory Agreement requires 10% of total units (17 units) be restricted at or below 50% of AMI, 10% of total units (17 units) be restricted between 60% and 80% of AMI with a minimum average of 70% of AMI, and the remaining 134 restricted units will be restricted at or below 120% of AMI for a term of 55 years. The rents for the 60% to 80% tranche will be determined by the minimum income limit of 70% of AMI, not to exceed 80% of AMI. For underwriting purposes, the initial rents at permanent loan conversion must be no less than the underwriting rent levels outlined on the "Unit Mix and Rent Summary" enclosed.

In addition, the TCAC Regulatory Agreement will restrict a total of 168 units between 30% and 80% AMI for a 55-years term.

Rent Limit Summary Table							
AMI	Total	Studio	1-bdrm	2-bdrm	3-bdrm	4-bdrm	% of Total
30%	17	-	9	4	4	-	10.0%
40%	0	-	-	-	-	-	0.0%
50%	17	-	8	4	5	-	10.0%
60%	91	-	46	23	22	-	53.5%
70%	43	-	21	11	11	-	25.3%
80%	0	-	-	-	-	-	0.0%
100%	0	-	-	-	-	-	0.0%
120%	0	-	-	-	-	-	0.0%
Manager's Unit	2	-	-	-	2	-	1.2%
<b>Total</b>	<b>170</b>	<b>0</b>	<b>84</b>	<b>42</b>	<b>44</b>	<b>0</b>	<b>100.0%</b>

The average affordability restriction is 59% of AMI.

NUMBER OF UNITS AND AMI RENTS RESTRICTED BY EACH AGENCY											
Regulatory Source	Recordation Priority if Recorded Document	Term of Agrmt (years)	Number of Units Restricted For Each AMI Category								
			30% AMI	50% AMI	60% AMI	70% AMI *(60% to 80% Tranche)	80% AMI	<= 120% AMI	Mgrs Unit	Total Units Regulated	% of Regulated Units
City of Oakley	1 <sup>st</sup>	55			16					16	9.4%
CalHFA Bond	2 <sup>nd</sup>	55		17	51					68	40.0%
*CalHFA MIP	3 <sup>rd</sup>	55		17		17		134		168	98.8%
Tax Credits	4 <sup>th</sup>	55	17	17	91		43			168	98.8%
<b>13.</b>	<b>Geocoder Information</b>										
	Central City:	No		Underserved:	No						
	Low/Mod Census Tract:	Moderate		Below Poverty line:	10.22%						
	Minority Census Tract:	48.12%		Rural Area:	No						

### FINANCIAL ANALYSIS SUMMARY

14.	Capitalized Reserves:			
	Replacement Reserves (RR):	N/A		
	Operating Expense Reserve (OER):	\$735,331 *OER amount is size based on 3 months operating expenses, debt service, and annual replacement reserves deposits. CalHFA will hold this reserve.		
	Transitional Operating Reserve (TOR):	N/A		
15.	Cash Flow Analysis			
	1 <sup>st</sup> Year DSCR:	1.15	Project-Based Subsidy Term:	N/A
	End Year DSCR:	1.60	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%
*The developer/sponsor met the threshold requirements for the proposed OER budget, which is based on 3 months of total operating expense, reserves, and debt service.				
16.	Loan Security			
The CalHFA loan(s) will be secured against the above-described Project site.				
17.	Balloon Exit Analysis			

### APPRAISAL AND MARKET ANALYSIS

<b>18.</b>	<b>Appraisal Review</b>	<b>Dated: 9/1/2021</b>
	<ul style="list-style-type: none"> <li>The Appraisal dated 9/1/2021, prepared by Burger Valuation Consultants, Inc., values the land at \$4,220,000.</li> <li>The cap rate of 4.5% and projected \$2,137,554 of net operating income, which is aligned with the proposed Project net operating income, were used to determine the appraised value of the subject site.</li> <li>The proposed operating expense is consistent with and is reasonable based on the appraisal report.</li> <li>The as-restricted completion and stabilized value is \$47,500,000, which results in the Agency's loan to value of 74%.</li> <li>The capture rate and absorption rate are 0.8% and 15 units/month, respectively. The market study was issued in January and the estimates differ from the appraisal. However, the appraisal's absorption rate conforms with the anticipated construction and lease-up schedule in the underwriting.</li> </ul>	
	<b>Market Study:</b> Prepared by Novogradac Consulting LLP	<b>Dated:</b> January 23, 2021
	<p><b><u>Regional Market Overview</u></b></p> <ul style="list-style-type: none"> <li>The Primary Market Area is an area that includes parts of Oakley, Antioch, Bridgehead, Sand Hill, and Brentwood (population of 152,919) and the Secondary Market Area ("SMA") is the San Francisco-Oakland-Hayward MSA (population of 4,652,348).</li> <li>The general population in the PMA is anticipated to increase by 0.9% per year through 2025.</li> <li>Unemployment data for the PSA was not available, however the unemployment rate in the Oakland-Hayward-Berkeley MD (7.7%) in December 2020 was lower than the overall rate for California (8.8%).</li> <li>As of 2020, the median income in the PMA was below the surrounding MSA, and between 2000 and 2020 the median household income growth in the PMA has generally trailed the MSA. However, both the PMA and SMA have seen higher income growth rates than the overall nation during this time.</li> </ul> <p><b><u>Local Market Area Analysis</u></b></p> <ul style="list-style-type: none"> <li><b>Supply:</b> <ul style="list-style-type: none"> <li>There are currently 18 family project(s) in Oakley and they are 99.9% occupied with long wait lists.</li> <li>In the PMA, there is 1 project recently completed, 2 projects that have received LIHTC allocations (in past 3 years), and 1 project in the predevelopment stage.</li> </ul> </li> <li><b>Demand/Absorption:</b> <ul style="list-style-type: none"> <li>The project will need to capture 7.9% of the total demand for family units in the PMA. The affordable units are anticipated to lease up at a rate of 28-33 units per month and reach stabilized occupancy within 5-6 months of construction completion.</li> </ul> </li> </ul>	

### DEVELOPMENT SUMMARY

<b>19.</b>	<b>Site Description</b>	<b>Requires Flood Insurance:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	<ul style="list-style-type: none"> <li>The property is located on the west side of Elm Lane, in the City of Oakley, Contra Costa County.</li> <li>The site contains two existing single-story duplex buildings which are occupied. Per the terms of the PSA, the buildings will be vacated and the cost of relocation paid by the current owner prior to construction loan closing. The buildings will be demolished at the beginning of construction. The site has level topography at street grade, measuring approximately 6.43 acres and is generally irregular in shape.</li> <li>The site is zoned C-3 Commercial with permitted multifamily residential use.</li> <li>The subject is located in Flood Zone X, which is an 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.</li> </ul>	
<b>20.</b>	<b>Form of Site Control &amp; Expiration Date</b>	
	<ul style="list-style-type: none"> <li>The current owner, a group of individuals (Martin T. Gonsalves, Denise Gonsalves, Douglas Valdez, Karen Valdez, John Shanner, Patricia A. Gonsalves-Shanner, Daniel Gonsalves, and Lisa Gonsalves) and the The Gonsalves Real Estate Investment Partnership (collectively, the "Seller"), and American Real Estate Ventures entered into a Purchase and Sale Agreement dated July 22, 2019 for an amount of \$2,450,000. In a reinstatement agreement dated March 11, 2020 American Real Estate Ventures assigned all interest to Anton DevCo, Inc. (the "Buyer"), the developer.</li> </ul>	

<ul style="list-style-type: none"> <li>The PSA has been amended several times to push back the due diligence period. Per the sixth amendment dated March 4, 2021 the parties have agreed on a closing date of September 15, 2021. The developer provided CalHFA with letter submitted to the current owner notifying them that the closing date would be extended to December 31<sup>st</sup>, 2021.</li> <li>The PSA will be assigned to the Borrowing entity prior to construction loan closing.</li> </ul>	
<b>21.</b>	<b>Current Ownership Entity of Record</b>
Title is currently vested in The Gonsalves Real Estate Investment Partnership, Martin T. Gonsalves, Denise Gonsalves, Douglas Valdez, Karen Valdez, John Shanner, Patricia A. Gonsalves-Shanner, Daniel Gonsalves, and Lisa Gonsalves as the fee owners.	
<b>22.</b>	<b>Environmental Review Findings</b> <span style="float: right;"><b>Dated: March 12, 2021</b></span>
<ul style="list-style-type: none"> <li>A Phase I Environmental Site Assessment performed by Partner Engineering and Science, Inc., dated March 12, 2021 revealed no evidence of recognized environmental conditions. It did, however, identify environmental issues and made the following recommendations:           <ul style="list-style-type: none"> <li>The potable well should be properly decommissioned per applicable regulations prior to planned site redevelopment.</li> <li>The septic system should be properly closed/removed per applicable regulations prior to planned site redevelopment.</li> <li>The abandoned vehicle and discarded household trash should be removed, and property disposed.</li> <li>Pre-demolition asbestos and lead-based paint surveys should be conducted by licensed professionals per applicable regulations. Any identified and/or suspect ACMs and LBP should be properly disposed at an offsite facility per applicable regulations as a part of the planned building demolition activities.               <ul style="list-style-type: none"> <li>A Pre-Demolition Asbestos &amp; Lead-Based Paint Survey Report performed by Partner Engineering and Science, Inc., on June 11, 2021 did confirm the presence of ACM and LBP.</li> </ul> </li> </ul> </li> <li>A NEPA review has been initiated and a final report is expected by the end of October.</li> </ul>	
<b>23.</b>	<b>Seismic</b> <span style="float: right;"><b>Requires Earthquake Insurance:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span>
The appraisal reports that this site is known to be within a Liquefaction Zone. Therefore, a seismic evaluation is required and is subject to review and acceptance by CalHFA prior to construction loan closing.	
<b>24.</b>	<b>Relocation</b> <span style="float: right;"><b>Requires Relocation:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> Not Applicable</span>
The site contains two existing single-story duplex buildings which are occupied. Per the terms of the PSA, the buildings will be vacated and the cost of relocation paid by the current owner prior to construction loan closing.	

### PROJECT DETAILS

<b>25.</b>	<b>Residential Areas:</b>			
	<b>Residential Square Footage:</b>	131,552	<b>Residential Units per Acre:</b>	26.4
	<b>Community Area Sq. Ftg:</b>	4,089	<b>Total Parking Spaces:</b>	260
	<b>Supportive Service Areas:</b>	N/A	<b>Total Building Sq. Footage:</b>	135,641
<b>26.</b>	<b>Mixed-Use Project:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	<b>Non-Residential Sq. Footage:</b>	N/A	<b>Number of Lease Spaces:</b>	N/A
	<b>Master Lease:</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<b>Number of Parking Spaces:</b>	260
<b>27.</b>	<b>Construction Type:</b>	The subject will consist of six three-story, low-rise residential buildings.		
<b>28.</b>	<b>Construction/Rehab Scope</b>	<b>Requires Demolition:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
<ul style="list-style-type: none"> <li>The subject site is new construction.</li> </ul>				



- The Contractor is an affiliate of the Borrower entity. The contract will be structured as a Guaranteed Maximum Price (GMP) contract, and in the current budget the builder overhead, profit, and general requirements costs are 14% of construction costs which is the maximum allowable pursuant to TCAC regulations.
- The cost of remediation of contaminants outlined on section 22 above is included in the development budget.

**29. Construction Budget Comments:**

- CalHFA will require an independent review of the costs by a 3<sup>rd</sup> Party consultant prior to construction loan closing.
- The Developer is currently looking for cost saving design options to reduce construction costs and minimize the amount of deferred developer fee. Refer to section 5 for more details of the developer's cost containment strategies.

**ADDITIONAL DEVELOPMENT/ PROJECT TEAM INFORMATION**

**30. Borrower Affiliated Entities**

- Managing General Partner: PacH Anton South Holdings, LLC; 0.0050% interest
  - Sole Member: Pacific Housing, Inc., a California nonprofit public benefit corporation
- Administrative General Partner: Anton-AMREV Oakley, LLC, a California limited liability company and an affiliate of CIC; 0.0050% interest
  - Member: Anton DevCo, Inc., a California limited liability company, 100% interest
- Investor Limited Partner: Raymond James Tax Credit Fund, Inc.

**31. Developer/Sponsor**

The Developer, Anton DevCo, Inc. currently has 5 projects with a total of 1,305 units in their pipeline. There are currently 5 projects with a total of 953 units that are under construction. Anton DevCo, Inc. has completed 50 projects (17 affordable) with 9,000 total units (2,541 affordable). The Developer does not have any projects currently in the CalHFA portfolio.

**32. Management Agent**

The Project will be managed by Anton Residential, Inc., which has extensive experience in managing similar affordable housing projects in the area but has no direct experience with CalHFA. The locality is familiar with this management company and staff received positive feedback regarding the firm's current and prior performance from background and reference checks which implies that the management company will have the capacity and ability to successfully manage the Project.

**33. Service Provider** **Required by TCAC or other funding source?** ☒ Yes ☐ No

Pacific Housing, Inc. will provide supportive services all tenants including: adult education, health, skill building, and after school programs.

**34. Contractor** **Experienced with CalHFA?** ☐ Yes ☒ No

The general contractor is Anton Building Company, which has extensive experience in constructing similar affordable housing projects in California, however, CalHFA is not familiar with the general contractor. There are currently 5 projects with a total of 953 units that are under construction, and the GC has completed 50 projects (9,000 total units) in California. The locality is familiar with this general contractor and staff received positive feedback regarding the firm's current and prior performance from background and reference checks which implies that the general contractor will have the capacity and ability to complete the development within budget and on time.

**35. Architect** **Experienced with CalHFA?** ☐ Yes ☒ No

The architect is Architecture Design Collaborative, which currently has 6 projects (752 total units) that are under construction and 13 completed projects (8 affordable) with 1,578 units (591 affordable) in California. The architect does not have experience with CalHFA.

**36. Local Review via Locality Contribution Letter**

The locality, City of Oakley, returned the local contribution letter 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	21-011-A/X/N	
<b>Project Full Name</b>	Elm Lane Apartments	<b>Borrower Name:</b>	Elm Lane Oakley L.P.			
<b>Project Address</b>	5301 Elm Lane	<b>Managing GP:</b>	PacH Anton South Holdings, LLC			
<b>Project City</b>	Oakley	<b>Developer Name:</b>	Anton DevCo. Inc.			
<b>Project County</b>	Contra Costa	<b>Investor Name:</b>	Raymond James			
<b>Project Zip Code</b>	94561	<b>Prop Management:</b>	Anton Residential, Inc.			
		<b>Tax Credits:</b>	4			
<b>Project Type:</b>	Permanent Loan Only	<b>Total Land Area (acres):</b>	6.44			
<b>Tenancy/Occupancy:</b>	Individuals/Families	<b>Residential Square Footage:</b>	131,552			
<b>Total Residential Units:</b>	170	<b>Residential Units Per Acre:</b>	26.40			
<b>Total Number of Buildings:</b>	7					
<b>Number of Stories:</b>	3	<b>Covered Parking Spaces:</b>	0			
<b>Unit Style:</b>	Flat	<b>Total Parking Spaces:</b>	260			
<b>Elevators:</b>	--					
<b>Acq/Construction/Rehab Financing</b>		<b>Loan Amount (\$)</b>	<b>Loan Fees</b>	<b>Loan Term (Mo.)</b>	<b>Amort. Period (Yr.)</b>	<b>Starting Interest Rate</b>
Citibank-T/E Construction Loan		33,900,000	0.850%	36	--	3.000%
Citibank-Tax Construction Loan		12,000,000	0.850%	36	--	3.500%
NOI During Lease-Up		936,790	NA	NA	NA	NA
Investor Equity Contribution		14,614,888	NA	NA	NA	NA
<b>Total:</b>		<b>61,451,678</b>				
<b>Permanent Financing</b>		<b>Loan Amount (\$)</b>	<b>Loan Fees</b>	<b>Loan Term (Yr.)</b>	<b>Amort. Period (Yr.)</b>	<b>Starting Interest Rate</b>
Perm		35,350,000	1.000%	17	35	3.950%
MIP		6,000,000	1.000%	17	--	2.000%
NOI During Lease-Up		936,790	--	--	--	--
Deferred Developer Fees		4,312,318	NA	NA	NA	NA
--		--	NA	NA	NA	NA
Investor Equity Contributions		23,763,049	NA	NA	NA	NA
<b>Total:</b>		<b>70,362,157</b>				
<b>Appraised Values Upon Completion of Rehab/Construction</b>						
<b>Appraisal Date:</b>	9/1/21	<b>Capitalization Rate:</b>	4.50%			
<b>Investment Value (\$)</b>	72,670,000	<b>Restricted Value (\$)</b>	47,500,000			
<b>Construct/Rehab LTC</b>	75%	<b>CalHFA Permanent Loan to Cost</b>	50%			
<b>Construct/Rehab LTV</b>	63%	<b>CalHFA 1st Permanent Loan to Value</b>	74%			
		<b>Combined CalHFA Perm Loan to Value</b>	87%			
<b>Additional Loan Terms, Conditions &amp; Comments</b>						
<b>Construction/Rehab Loan</b>						
<b>Payment/Performance Bond</b>			0			
<b>Completion Guarantee Letter of Credit</b>			0.00%			
<b>Permanent Loan</b>						
<b>Operating Expense Reserve Deposit</b>	\$735,331	Cash				
<b>Initial Replacement Reserve Deposit</b>	\$0	Cash				
<b>Annual Replacement Reserve Per Unit</b>	\$250	Cash				
<b>Date Prepared:</b>	9/20/21	<b>Senior Staff Date:</b>	10/4/21			

**UNIT MIX AND RENT SUMMARY**

Elm Lane Apartments

Final Commitment

Project Number 21-011-A/X/N

PROJECT UNIT MIX					
Unit Type of Style	Number of Bedrooms	Number of Baths	Average Size (Sq. Ft.)	Number of Units	Est. No. of Tenants
Flat	1	1	595	84	126
Flat	2	2	816	42	126
Flat	3	2	1,075	44	198
-	-	-	-	-	0
-	-	-	-	-	0
-	-	-	-	-	0
				170	450

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%
	0	0	17	51	0	0	0
	0	0	17	0	17	0	134
	17	0	17	91	43	0	0
/ Bonus Agreement	0	0	0	16	0	0	0
-	0	0	0	0	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	50%	-	-	-	-	-
	CTCAC	60%	-	-	-	-	-
	CTCAC	70%	-	-	-	-	-
	CTCAC	80%	-	-	-	-	-
	HCD	100%	-	-	-	-	-
1 Bedroom	CTCAC	120%	-	-	-	-	-
	CTCAC	30%	9	\$715	\$2,300	\$1,585	31%
	CTCAC	50%	8	\$1,229	-	\$1,071	53%
	CTCAC	60%	46	\$1,486	-	\$814	65%
	CTCAC	70%	21	\$1,743	-	\$557	76%
	CTCAC	80%	-	-	-	-	-
2 Bedrooms	HCD	100%	-	-	-	-	-
	HCD	120%	-	-	-	-	-
	CTCAC	30%	4	\$855	\$2,600	\$1,745	33%
	CTCAC	50%	4	\$1,472	-	\$1,128	57%
	CTCAC	60%	23	\$1,780	-	\$820	68%
	CTCAC	70%	11	\$2,089	-	\$511	80%
3 Bedrooms	CTCAC	80%	-	-	-	-	-
	HCD	100%	-	-	-	-	-
	HCD	120%	-	-	-	-	-
	CTCAC	30%	4	\$984	\$2,900	\$1,916	34%
	CTCAC	50%	5	\$1,697	-	\$1,203	59%
	CTCAC	60%	22	\$2,053	-	\$847	71%
4 Bedrooms	CTCAC	70%	11	\$2,409	-	\$491	83%
	CTCAC	80%	-	-	-	-	-
	HCD	100%	-	-	-	-	-
	HCD	120%	-	-	-	-	-
	CTCAC	30%	-	-	-	-	-
	CTCAC	50%	-	-	-	-	-
5 Bedrooms	CTCAC	60%	-	-	-	-	-
	CTCAC	70%	-	-	-	-	-
	CTCAC	80%	-	-	-	-	-
	HCD	100%	-	-	-	-	-
	HCD	120%	-	-	-	-	-
	CTCAC	30%	-	-	-	-	-

Date Prepared: 9/20/21

Senior Staff Date: 10/4/21

SOURCES & USES OF FUNDS			Final Commitment		
Elm Lane Apartments			Project Number 21-011-A/X/N		
SOURCES OF FUNDS	CONST/REHAB \$	PERMANENT \$	TOTAL PROJECT SOURCES OF FUNDS		
			SOURCES (\$)	PER UNIT (\$)	%
Citibank-T/E Construction Loan	33,900,000				0.0%
Citibank-Tax Construction Loan	12,000,000				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
NOI During Lease-Up	936,790				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	14,614,888				0.0%
Perm		35,350,000	35,350,000	207,941	50.2%
MIP		6,000,000	6,000,000	35,294	8.5%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
NOI During Lease-Up		936,790	936,790	5,511	1.3%
-		-	-	-	0.0%
-		-	-	-	0.0%
Construct/Rehab Net Oper. Inc.		-	-	-	0.0%
Deferred Developer Fees		4,312,318	4,312,318	25,367	6.1%
Developer Equity Contribution		-	-	-	0.0%
Investor Equity Contributions		23,763,049	23,763,049	139,783	33.8%
<b>TOTAL SOURCES OF FUNDS</b>	<b>61,451,678</b>	<b>70,362,157</b>	<b>70,362,157</b>	<b>413,895</b>	<b>100.0%</b>
<b>TOTAL USES OF FUNDS (BELOW)</b>	<b>61,451,678</b>	<b>70,362,157</b>	<b>70,362,157</b>	<b>413,895</b>	<b>100.0%</b>
<b>FUNDING SURPLUS (DEFICIT)</b>	<b>-</b>	<b>(0)</b>	<b>(0)</b>		

USES OF FUNDS	CONST/REHAB \$	PERMANENT \$	TOTAL PROJECT USES OF FUNDS		
			USES (\$)	PER UNIT (\$)	%
<b>CONSTRUCTION/REHAB SOURCES OF FUNDS</b>		<b>61,451,678</b>			
<b>ACQUISITION COSTS</b>					
Lesser of Land Cost or Appraised Value	2,450,000	-	2,450,000	14,412	3.5%
Demolition Costs	-	-	-	-	0.0%
Legal & Other Closing Costs	-	-	-	-	0.0%
Escrow & other closing costs	80,000	-	80,000	471	0.1%
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%
<b>TOTAL ACQUISITION COSTS</b>	<b>2,530,000</b>	<b>-</b>	<b>2,530,000</b>	<b>14,882</b>	<b>3.6%</b>
<b>CONSTRUCTION/REHAB COSTS</b>					
Offsite Improvements	-	-	-	-	0.0%
Environmental Remediation (Hard Costs)	-	-	-	-	0.0%
Site Work (Hard Cost)	5,332,000	-	5,332,000	31,365	7.6%
Structures (Hard Cost)	28,594,000	-	28,594,000	168,200	40.6%
General Requirements	2,530,000	-	2,530,000	14,882	3.6%
Contractor Overhead	-	-	-	-	0.0%
Contractor Profit	2,384,222	-	2,384,222	14,025	3.4%
Contractor Bond	-	-	-	-	0.0%
Contractor Liability Insurance	543,030	-	543,030	3,194	0.8%
Personal Property	-	-	-	-	0.0%
HVAC/Resident Damage	-	-	-	-	0.0%
<b>TOTAL CONSTRUCT/REHAB COSTS</b>	<b>39,383,252</b>	<b>-</b>	<b>39,383,252</b>	<b>231,666</b>	<b>56.0%</b>

SOURCES & USES OF FUNDS			Final Commitment		
Elm Lane Apartments			Project Number 21-011-A/X/N		
USES OF FUNDS	CONST/REHAB \$	PERMANENT \$	TOTAL PROJECT USES OF FUNDS		
			USES (\$)	PER UNIT (\$)	%
<b><u>RELOCATION COSTS</u></b>					
Relocation Expense	-	-	-	-	0.0%
Relocation Compliance Monitoring	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
<b>TOTAL RELOCATION COSTS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b><u>ARCHITECTURAL FEES</u></b>					
Design	290,500	-	290,500	1,709	0.4%
Supervision	385,000	-	385,000	2,265	0.5%
<b>TOTAL ARCHITECTURAL FEES</b>	<b>675,500</b>	<b>-</b>	<b>675,500</b>	<b>3,974</b>	<b>1.0%</b>
<b><u>SURVEY &amp; ENGINEERING FEES</u></b>					
Engineering	623,326	-	623,326	3,667	0.9%
Supervision	623,327	-	623,327	3,667	0.9%
ALTA Land Survey	30,500	-	30,500	179	0.0%
<b>TOTAL SURVEY &amp; ENGINEERING FEES</b>	<b>1,277,153</b>	<b>-</b>	<b>1,277,153</b>	<b>7,513</b>	<b>1.8%</b>
<b><u>CONTINGENCY RESERVES</u></b>					
Hard Cost Contingency Reserve	2,913,017	-	2,913,017	17,135	4.1%
Soft Cost Contingency Reserve	415,000	-	415,000	2,441	0.6%
<b>TOTAL CONTINGENCY RESERVES</b>	<b>3,328,017</b>	<b>-</b>	<b>3,328,017</b>	<b>19,577</b>	<b>4.7%</b>
<b><u>CONSTRUCT/REHAB PERIOD COSTS</u></b>					
<b>Loan Interest Reserve</b>					
Citibank-T/E Construction Loan	2,820,061	-	2,820,061	16,589	0.0400792
Citibank-Tax Construction Loan	-	-	-	-	0
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
<b>Loan Fees</b>					
Citibank-T/E Construction Loan	288,150	-	288,150	1,695	0.4%
Citibank-Tax Construction Loan	102,000	-	102,000	600	0.1%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
<b>Other Const/Rehab Period Costs</b>					
Deficit Const/Rehab NOI (Net Operating Inc	-	-	-	-	0.0%
Credit Enhancement & Application Fees	7,500	-	7,500	44	0.0%
Owner Paid Bonds/Insurance	-	-	-	-	0.0%
CalHFA Inspection Fees	11,000	-	11,000	65	0.0%
Real Estate Taxes During Rehab	-	-	-	-	0.0%
Completion Guaranty Fee	-	-	-	-	0.0%
Wage Monitoring Fee (Davis Bacon, Prevail	-	-	-	-	0.0%
Insurance During Rehab	443,166	-	443,166	2,607	0.6%
Title & Recording Fees	20,000	-	20,000	118	0.0%
Construction Management & Testing	-	-	-	-	0.0%
Predevelopment Interest Expense	120,000	-	120,000	706	0.2%
Bond Issuer Fee	50,450	-	50,450	297	0.1%
Misc. Cost of Issuance	-	-	-	-	0.0%
<b>TOTAL CONST/REHAB PERIOD COSTS</b>	<b>3,862,327</b>	<b>-</b>	<b>3,862,327</b>	<b>22,720</b>	<b>5.5%</b>

SOURCES & USES OF FUNDS			Final Commitment		
Elm Lane Apartments			Project Number 21-011-A/X/N		
USES OF FUNDS	CONST/REHAB \$	PERMANENT \$	TOTAL PROJECT USES OF FUNDS		
			USES (\$)	PER UNIT (\$)	%
<b><u>PERMANENT LOAN COSTS</u></b>					
<b>Loan Fees</b>					
CalHFA Application Fee	-	-	-	-	0.0%
Perm	176,750	176,750	353,500	2,079	0.5%
MIP	30,000	30,000	60,000	353	0.1%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Permanent Loan Cost of Issuance Fee	55,000	55,000	110,000	647	0.2%
Credit Enhancement & Application Fees	-	-	-	-	0.0%
Title & Recording (closing costs)	-	15,000	15,000	88	0.0%
Year 1 - Taxes & Special Assessments and Insurance	-	47,770	47,770	281	0.1%
CalHFA Fees	-	10,085	10,085	59	0.0%
Tax Exempt Bond Allocation Fee	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
<b>TOTAL PERMANENT LOAN COSTS</b>	<b>261,750</b>	<b>334,605</b>	<b>596,355</b>	<b>3,508</b>	<b>0.8%</b>
<b><u>LEGAL FEES</u></b>					
CalHFA Construction/Rehab Loan Legal Fees	-	-	-	-	0.0%
Other Construction/Rehab Loan Legal Fees	47,500	-	47,500	279	0.1%
CalHFA Permanent Loan Legal Fees	17,500	17,500	35,000	206	0.0%
Other Permanent Loan Legal Fees	-	-	-	-	0.0%
Sponsor Legal Fees	26,500	-	26,500	156	0.0%
Organizational Legal Fees	-	-	-	-	0.0%
Syndication Legal Fees	-	-	-	-	0.0%
Borrower Legal Fee	290,000	-	290,000	1,706	0.4%
CalHFA Bond Counsel	62,000	-	62,000	365	0.1%
<b>TOTAL LEGAL FEES</b>	<b>443,500</b>	<b>17,500</b>	<b>461,000</b>	<b>2,712</b>	<b>0.7%</b>
<b><u>OPERATING RESERVES</u></b>					
Operating Expense Reserve Deposit	-	735,331	735,331	4,325	1.0%
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	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
<b>TOTAL OPERATING RESERVES</b>	<b>-</b>	<b>735,331</b>	<b>735,331</b>	<b>4,325</b>	<b>1.0%</b>
<b><u>REPORTS &amp; STUDIES</u></b>					
Appraisal Fee	8,500	-	8,500	50	0.0%
Market Study Fee	12,100	-	12,100	71	0.0%
Physical Needs Assessment Fee	-	-	-	-	0.0%
Environmental Site Assessment Reports	27,950	-	27,950	164	0.0%
HUD Risk Share Environmental / NEPA Review Fee	-	-	-	-	0.0%
CalHFA Earthquake Waiver Review Fee	-	-	-	-	0.0%
Relocation Consultant	-	-	-	-	0.0%
Soils Reports	30,000	-	30,000	176	0.0%
Acoustical Reports	45,500	-	45,500	268	0.1%
Termite/Dry Rot	-	-	-	-	0.0%
Consultant/Processing Agent (Pre-Construction)	74,000	-	74,000	435	0.1%
Other (Third Party Reports/Surveys)	94,783	-	94,783	558	0.1%
<b>TOTAL REPORTS &amp; STUDIES</b>	<b>292,833</b>	<b>-</b>	<b>292,833</b>	<b>1,723</b>	<b>0.4%</b>

SOURCES & USES OF FUNDS			Final Commitment		
Elm Lane Apartments			Project Number 21-011-A/X/N		
USES OF FUNDS	CONST/REHAB \$	PERMANENT \$	TOTAL PROJECT USES OF FUNDS		
			USES (\$)	PER UNIT (\$)	%
<b><u>OTHER COSTS</u></b>					
TCAC Application, Allocation & Monitor Fees	126,625	-	126,625	745	0.2%
CDLAC Fees	16,065	-	16,065	95	0.0%
Local Permits & Fees	499,420	-	499,420	2,938	0.7%
Local Impact Fees	7,915,580	-	7,915,580	46,562	11.2%
Other Local Fees	-	-	-	-	0.0%
Syndicator/Investor Fees & Expenses	-	-	-	-	0.0%
Furnishings	412,010	-	412,010	2,424	0.6%
Accounting & Audits	25,500	-	25,500	150	0.0%
Advertising & Marketing Expenses	120,000	-	120,000	706	0.2%
Financial Consulting	-	-	-	-	0.0%
Miscellaneous Administrative Fees	-	-	-	-	0.0%
HUD Risk Share Insurance (First Year Prepaid)	-	-	-	-	0.0%
Other (CDIAC & Misc. Bond Costs)	11,885	-	11,885	70	0.0%
Other (Specify)	-	-	-	-	0.0%
<b>TOTAL OTHER COSTS</b>	<b>9,127,085</b>	<b>-</b>	<b>9,127,085</b>	<b>53,689</b>	<b>13.0%</b>
<b>SUBTOTAL PROJECT COSTS</b>	<b>61,181,417</b>	<b>62,539,114</b>	<b>62,268,853</b>	<b>366,287</b>	<b>88.5%</b>
<b><u>DEVELOPER FEES &amp; COSTS</u></b>					
Developer Fees, Overhead & Profit	270,261	7,823,043	8,093,304	47,608	11.5%
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	-	-	-	-	0.0%
CASH EQUITY OUT TO DEVELOPER	-	-	-	-	0.0%
<b>TOTAL DEVELOPER FEES &amp; COSTS</b>	<b>270,261</b>	<b>7,823,043</b>	<b>8,093,304</b>	<b>47,608</b>	<b>11.5%</b>
<b>TOTAL PROJECT COSTS</b>	<b>61,451,678</b>	<b>70,362,157</b>	<b>70,362,157</b>	<b>413,895</b>	<b>100.0%</b>

PROJECTED INITIAL ANNUAL RENTAL OPERATING BUDGET			Final Commitment
Elm Lane Apartments	Project Number	21-011-A/X/N	
INCOME	AMOUNT	PER UNIT	%
Rental Income			
Restricted Unit Rents	\$ 3,342,468	\$ 19,662	104.06%
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	27,370	161	0.85%
Parking & Storage Income	-	-	0.00%
Miscellaneous Income	11,220	66	0.35%
GROSS POTENTIAL INCOME (GPI)	\$ 3,381,058	\$ 19,889	105.26%
Less: Vacancy Loss	\$ 169,052	\$ 994	5.26%
EFFECTIVE GROSS INCOME (EGI)	\$ 3,212,006	\$ 20,883	100.00%
OPERATING EXPENSES	AMOUNT	PER UNIT	%
Administrative Expenses	\$ 203,650	\$ 1,198	\$ 0
Management Fee	128,480	756	4.00%
Social Programs & Services	20,016	118	0.62%
Utilities	232,524	1,368	7.24%
Operating & Maintenance	267,386	1,573	8.32%
Ground Lease Payments	-	-	0.00%
CalHFA Monitoring Fee	7,500	44	0.23%
Other Monitoring Fees	-	-	0.00%
Real Estate Taxes	50,830	299	1.58%
Other Taxes & Insurance	122,890	723	3.83%
Assisted Living/Board & Care	-	-	0.00%
SUBTOTAL OPERATING EXPENSES	\$ 1,033,276	\$ 6,078	32.17%
Replacement Reserve	\$ 42,500	\$ 250	1.32%
TOTAL OPERATING EXPENSES	\$ 1,075,776	\$ 6,328	33.49%
NET OPERATING INCOME (NOI)	\$ 2,136,230	\$ 12,566	66.51%
DEBT SERVICE PAYMENTS	AMOUNT	PER UNIT	%
Perm	\$ 1,865,549	\$ 10,974	58.08%
-	\$ -	-	0.00%
-	\$ -	-	0.00%
-	\$ -	-	0.00%
-	\$ -	-	0.00%
-	\$ -	-	0.00%
-	\$ -	-	0.00%
MIP Annual Fee (applicable for MIP only deals)	\$ -	-	0.00%
TOTAL DEBT SERVICE & OTHER PAYMENTS	\$ 1,865,549	\$ 10,974	58.08%
EXCESS AFTER DEBT SERVICE & MONITORING FEES	\$ 270,680	\$ 1,592	8.43%
DEBT SERVICE COVERAGE RATIO (DSCR)	\$ 1 to 1		
Date: 9/20/21		Senior Staff Date: 10/04/21	



PROJECTED PERMANENT LOAN CASH FLOWS										Elm Lane Apartments			
Final Commitment		Project Number 21-011-A/X/N											
	YEAR	1	2	3	4	5	6	7	8	9	10	11	12
RENTAL INCOME	CPI												
	2.50%	3,342,468	3,426,030	3,511,680	3,599,472	3,689,459	3,781,696	3,876,238	3,973,144	4,072,473	4,174,285	4,278,642	4,385,608
	2.50%	-	-	-	-	-	-	-	-	-	-	-	-
	2.00%	-	-	-	-	-	-	-	-	-	-	-	-
	1.50%	-	-	-	-	-	-	-	-	-	-	-	-
	1.50%	-	-	-	-	-	-	-	-	-	-	-	-
	0.00%	-	-	-	-	-	-	-	-	-	-	-	-
	0.00%	-	-	-	-	-	-	-	-	-	-	-	-
	2.50%	27,370	28,054	28,756	29,474	30,211	30,967	31,741	32,534	33,348	34,181	35,036	35,912
	2.50%	-	-	-	-	-	-	-	-	-	-	-	-
	2.50%	11,220	11,501	11,788	12,083	12,385	12,694	13,012	13,337	13,670	14,012	14,363	14,722
GROSS POTENTIAL INCOME (GPI)		3,381,058	3,465,584	3,552,224	3,641,030	3,732,055	3,825,357	3,920,991	4,019,015	4,119,491	4,222,478	4,328,040	4,436,241
VACANCY ASSUMPTIONS	Vacancy												
	5.00%	167,123	171,301	175,584	179,974	184,473	189,085	193,812	198,657	203,624	208,714	213,932	219,280
	7.00%	-	-	-	-	-	-	-	-	-	-	-	-
	50.00%	-	-	-	-	-	-	-	-	-	-	-	-
	5.00%	-	-	-	-	-	-	-	-	-	-	-	-
	3.00%	-	-	-	-	-	-	-	-	-	-	-	-
	20.00%	-	-	-	-	-	-	-	-	-	-	-	-
	0.00%	-	-	-	-	-	-	-	-	-	-	-	-
	5.00%	1,368	1,403	1,438	1,474	1,511	1,548	1,587	1,627	1,667	1,709	1,752	1,796
	50.00%	-	-	-	-	-	-	-	-	-	-	-	-
	5.00%	561	575	589	604	619	635	651	667	684	701	718	736
TOTAL PROJECTED VACANCY LOSS		169,053	173,279	177,611	182,051	186,603	191,268	196,050	200,951	205,975	211,124	216,402	221,812
EFFECTIVE GROSS INCOME (EGI)		3,212,005	3,292,305	3,374,613	3,458,978	3,545,453	3,634,089	3,724,941	3,818,065	3,913,516	4,011,354	4,111,638	4,214,429
OPERATING EXPENSES	CPI / Fee												
	3.50%	223,666	231,494	239,597	247,982	256,662	265,645	274,943	284,566	294,525	304,834	315,503	326,546
	4.00%	128,480	131,692	134,985	138,359	141,818	145,364	148,998	152,723	156,541	160,454	164,466	168,577
	3.50%	232,524	240,662	249,086	257,804	266,827	276,166	285,831	295,835	306,190	316,906	327,998	339,478
	3.50%	267,386	276,745	286,431	296,456	306,832	317,571	328,686	340,190	352,096	364,420	377,174	390,375
	3.50%	-	-	-	-	-	-	-	-	-	-	-	-
	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
	0.00%	-	-	-	-	-	-	-	-	-	-	-	-
	1.25%	50,830	51,465	52,109	52,760	53,420	54,087	54,763	55,448	56,141	56,843	57,553	58,273
	3.50%	122,890	127,191	131,643	136,250	141,019	145,955	151,063	156,350	161,823	167,486	173,348	179,416
	1.00%	42,500	42,925	43,354	43,788	44,226	44,668	45,115	45,566	46,021	46,482	46,946	47,416
TOTAL OPERATING EXPENSES		1,075,776	1,109,675	1,144,703	1,180,899	1,218,303	1,256,955	1,296,898	1,338,177	1,380,837	1,424,925	1,470,489	1,517,581
NET OPERATING INCOME (NOI)		2,136,229	2,182,630	2,229,910	2,278,079	2,327,150	2,377,134	2,428,043	2,479,887	2,532,679	2,586,429	2,641,149	2,696,848
DEBT SERVICE PAYMENTS	Lien #												
	1	1,865,549	1,865,549	1,865,549	1,865,549	1,865,549	1,865,549	1,865,549	1,865,549	1,865,549	1,865,549	1,865,549	1,865,549
TOTAL DEBT SERVICE & OTHER PAYMENTS		1,865,549	1,865,549	1,865,549	1,865,549	1,865,549	1,865,549	1,865,549	1,865,549	1,865,549	1,865,549	1,865,549	1,865,549
CASH FLOW AFTER DEBT SERVICE		270,679	317,081	364,360	412,530	461,601	511,585	562,493	614,338	667,130	720,880	775,599	831,299
DEBT SERVICE COVERAGE RATIO		1.15	1.17	1.20	1.22	1.25	1.27	1.30	1.33	1.36	1.39	1.42	1.45
Date Prepared: 09/20/21		Senior Staff Date: 10/4/21											
		1	2	3	4	5	6	7	8	9	10	11	12
LESS: Asset Management Fee	3%	20,000	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335	26,095	26,878	27,685
LESS: Partnership Management Fee	3%	19,504	20,089	20,692	21,313	21,952	22,611	23,289	23,988	24,707	25,449	26,212	26,998
net CF available for distribution		231,175	276,391	322,450	369,362	417,138	465,788	515,323	565,753	617,087	669,336	722,509	776,616
												50%	
Developer Residual Receipt Payment	100%	231,175	276,391	322,450	369,362	417,138	465,788	515,323	565,753	617,087	669,336	361,254	776,616
Deferred developer fee repayment	4,312,318	4,312,318	4,081,143	3,804,751	3,482,301	3,112,939	2,695,801	2,230,012	1,714,689	1,148,937	531,850	-	-
		231,175	276,391	322,450	369,362	417,138	465,788	515,323	565,753	617,087	531,850	-	-
		4,081,143	3,804,751	3,482,301	3,112,939	2,695,801	2,230,012	1,714,689	1,148,937	531,850	-	-	-
Payments for Residual Receipt Payments		0%										50%	
RESIDUAL RECEIPTS LOANS	Payment %	-	-	-	-	-	-	-	-	-	68,743	361,254	388,308
MIP	100.00%	-	-	-	-	-	-	-	-	-	68,743	361,254	388,308
0	0.00%	-	-	-	-	-	-	-	-	-	-	-	-
Total Residual Receipts Payments		100.00%	-	-	-	-	-	-	-	-	68,743	361,254	388,308
Balances for Residual Receipt Payments													
RESIDUAL RECEIPTS LOANS	Interest Rate												
MIP---Simple	2.00%	6,000,000	6,120,000	6,240,000	6,360,000	6,480,000	6,600,000	6,720,000	6,840,000	6,960,000	7,080,000	7,131,257	6,890,003
0---Compounding	0.00%	-	-	-	-	-	-	-	-	-	-	-	-
0---Compounding	0.00%	-	-	-	-	-	-	-	-	-	-	-	-
0---Simple	0.00%	-	-	-	-	-	-	-	-	-	-	-	-
0---Compounding	0.00%	-	-	-	-	-	-	-	-	-	-	-	-
0---	0.00%	-	-	-	-	-	-	-	-	-	-	-	-
0---	0.00%	-	-	-	-	-	-	-	-	-	-	-	-
Total Residual Receipts Payments		6,000,000	6,120,000	6,240,000	6,360,000	6,480,000	6,600,000	6,720,000	6,840,000	6,960,000	7,080,000	7,131,257	6,890,003

PROJECTED PERMANENT LOAN CASH FLOWS						
Final Commitment						
	YEAR	13	14	15	16	17
<b>RENTAL INCOME</b>	<b>CPI</b>					
Restricted Unit Rents	2.50%	4,495,248	4,607,629	4,722,820	4,840,890	4,961,913
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%	36,810	37,730	38,673	39,640	40,631
Parking & Storage Income	2.50%	-	-	-	-	-
Miscellaneous Income	2.50%	15,090	15,467	15,854	16,250	16,656
<b>GROSS POTENTIAL INCOME (GPI)</b>		<b>4,547,147</b>	<b>4,660,826</b>	<b>4,777,346</b>	<b>4,896,780</b>	<b>5,019,200</b>
<b>VACANCY ASSUMPTIONS</b>	<b>Vacancy</b>					
Restricted Unit Rents	5.00%	224,762	230,381	236,141	242,045	248,096
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%	1,840	1,886	1,934	1,982	2,032
Parking & Storage Income	50.00%	-	-	-	-	-
Miscellaneous Income	5.00%	754	773	793	812	833
<b>TOTAL PROJECTED VACANCY LOSS</b>		<b>227,357</b>	<b>233,041</b>	<b>238,867</b>	<b>244,839</b>	<b>250,960</b>
<b>EFFECTIVE GROSS INCOME (EGI)</b>		<b>4,319,790</b>	<b>4,427,784</b>	<b>4,538,479</b>	<b>4,651,941</b>	<b>4,768,240</b>
<b>OPERATING EXPENSES</b>	<b>CPI / Fee</b>					
Administrative Expenses	3.50%	337,975	349,804	362,047	374,719	387,834
Management Fee	4.00%	172,792	177,111	181,539	186,078	190,730
Utilities	3.50%	351,360	363,657	376,385	389,559	403,193
Operating & Maintenance	3.50%	404,039	418,180	432,816	447,965	463,644
Ground Lease Payments	3.50%	-	-	-	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500	7,500	7,500
Other Agency Monitoring Fee	0.00%	-	-	-	-	-
Real Estate Taxes	1.25%	59,001	59,739	60,485	61,241	62,007
Other Taxes & Insurance	3.50%	185,695	192,195	198,921	205,884	213,090
Required Reserve Payments	1.00%	47,890	48,369	48,853	49,341	49,835
<b>TOTAL OPERATING EXPENSES</b>		<b>1,566,251</b>	<b>1,616,555</b>	<b>1,668,547</b>	<b>1,722,286</b>	<b>1,777,831</b>
<b>NET OPERATING INCOME (NOI)</b>		<b>2,753,539</b>	<b>2,811,230</b>	<b>2,869,932</b>	<b>2,929,655</b>	<b>2,990,408</b>
<b>DEBT SERVICE PAYMENTS</b>	<b>Lien #</b>					
Perm	1	1,865,549	1,865,549	1,865,549	1,865,549	1,865,549
<b>TOTAL DEBT SERVICE &amp; OTHER PAYMENTS</b>		<b>1,865,549</b>	<b>1,865,549</b>	<b>1,865,549</b>	<b>1,865,549</b>	<b>1,865,549</b>
<b>CASH FLOW AFTER DEBT SERVICE</b>		<b>887,989</b>	<b>945,680</b>	<b>1,004,382</b>	<b>1,064,105</b>	<b>1,124,859</b>
<b>DEBT SERVICE COVERAGE RATIO</b>		<b>1.48</b>	<b>1.51</b>	<b>1.54</b>	<b>1.57</b>	<b>1.60</b>
Date Prepared: 09/20/21						
		<b>13</b>	<b>14</b>	<b>15</b>	<b>16</b>	<b>17</b>
LESS: Asset Management Fee	3%	28,515	29,371	30,252	31,159	32,094
LESS: Partnership Management Fee	3%	27,808	28,643	29,502	30,387	31,299
<b>net CF available for distribution</b>		<b>831,666</b>	<b>887,667</b>	<b>944,629</b>	<b>1,002,559</b>	<b>1,061,466</b>
<b>Developer Residual Receipt Payment</b>	<b>100%</b>	<b>831,666</b>	<b>887,667</b>	<b>944,629</b>	<b>1,002,559</b>	<b>1,061,466</b>
Deferred developer fee repayment	4,312,318	-	-	-	-	-
		-	-	-	-	-
<b>Payments for Residual Receipt Payments</b>						
<b>RESIDUAL RECEIPTS LOANS</b>	<b>Payment %</b>	415,833	443,833	472,314	501,280	530,733
MIP	100.00%	415,833	443,833	472,314	501,280	530,733
0	0.00%	-	-	-	-	-
<b>Total Residual Receipts Payments</b>	<b>100.00%</b>	<b>415,833</b>	<b>443,833</b>	<b>472,314</b>	<b>501,280</b>	<b>530,733</b>
<b>Balances for Residual Receipt Payments</b>						
<b>RESIDUAL RECEIPTS LOANS</b>	<b>Interest Rate</b>					
MIP---Simple	2.00%	6,621,695	6,325,862	6,002,029	5,649,714	5,261,429
0---Compounding	0.00%	-	-	-	-	-
0---Compounding	0.00%	-	-	-	-	-
0---Simple	0.00%	-	-	-	-	-
0---Compounding	0.00%	-	-	-	-	-
0---	0.00%	-	-	-	-	-
0---	0.00%	-	-	-	-	-
<b>Total Residual Receipts Payments</b>		<b>6,621,695</b>	<b>6,325,862</b>	<b>6,002,029</b>	<b>5,649,714</b>	<b>5,261,429</b>



## 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").

<b>Qualifications</b>	<ul style="list-style-type: none"> <li>• Available to for-profit, non-profit, and public agency sponsors.</li> <li>• Tax-exempt bond authority must be obtained from the California Debt Limit Allocation Committee (CDLAC) or through a 501(c)(3) exemption.</li> <li>• The Tax-Exempt Permanent Loan may be used with or without 4% low income housing tax credits.</li> <li>• 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).</li> <li>• For Section 8 Projects, a final commitment is conditioned upon review and acceptance by CalHFA of the HAP or AHAP contract.</li> <li>• The Perm Loan will be credit-enhanced through CalHFA's HUD/FHA Risk Sharing Program.</li> <li>• For existing CalHFA portfolio loans, the current owner is required to pay off all outstanding CalHFA debt. Visit <a href="http://www.calhfa.ca.gov">www.calhfa.ca.gov</a> for the <a href="#">CalHFA Portfolio Loan Prepayment Policy</a>.</li> </ul>
<b>Loan Amount</b>	<ul style="list-style-type: none"> <li>• Minimum Perm Loan amount of \$5,000,000.</li> <li>• Minimum 1.15x for initial debt service coverage ratio (include any financing with amortizing debt) and minimum of 1.05x for the term of the Perm Loan.</li> <li>• 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.</li> </ul>
<b>Fees</b> (subject to change)	<ul style="list-style-type: none"> <li>• Application Fee: \$10,000 non-refundable, due at time of application submittal, and is credited toward the CalHFA Legal Fee at Perm Loan closing.</li> <li>• Perm Loan Fee: 1.00%, half due at final commitment, with balance due at Perm Loan closing.</li> <li>• Cost of Issuance Fee: \$110,000, half due at final commitment, with balance due at Perm Loan Closing.</li> <li>• Credit Enhancement Fee: included in the interest rate.</li> <li>• Annual Administrative Fee: \$7,500 annually (not to be duplicated if used in conjunction with CalHFA's Conduit Program).</li> <li>• Inspection fees should be estimated at \$500 per month for the term of the construction (reports and fees can be shared with other construction lenders)</li> <li>• Legal Fee: \$35,000, half due at final commitment, with balance due at Perm Loan closing.</li> <li>• Administrative Fee: \$1,000 at Perm Loan closing.</li> <li>• Letter of Interest Fee: \$5,000 at LOI request, and is credited toward the CalHFA Perm Loan Fee</li> </ul> <p>See CalHFA standard <a href="#">Conduit Issuer Program Term Sheet</a> for information on conduit issuance fees.</p>

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## TAX-EXEMPT PERMANENT LOAN PROGRAM

<b>Rate &amp; Terms</b> (subject to change)	<p>Interest Rate:</p> <ul style="list-style-type: none"> <li>• 17-Year Balloon Loans: 15-Year “AAA” Municipal Market Data (MMD) plus CalHFA spread</li> <li>• 30-Year Balloon and Fully Amortizing Loans: 30-Year “AAA” MMD plus CalHFA spread</li> <li>• Estimated CalHFA Spread: 2.00% to 3.00%</li> <li>• 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.</li> </ul> <p>Amortization/Term:</p> <ul style="list-style-type: none"> <li>• Amortization: Up to 40 Year Amortization</li> <li>• Term: Fully Amortizing, and 17- or 30-Year Balloons available<sup>1</sup></li> <li>• Perm Loan Reduction: up to 10% reduction at Perm Loan closing permitted at no cost.</li> <li>• Up to two, three-month extension(s) permitted upon payment of a fee equal to 0.25% of the Perm Loan amount for each three-month extension.</li> <li>• Breakage Fee (if applicable): due between construction loan closing and Perm Loan closing and calculated based on hedge termination cost.</li> </ul> <p>1. Balloon loans subject to agency approved exit strategy.</p>
<b>Loan Closing Requirements</b>	<ul style="list-style-type: none"> <li>• 90% stabilized rental housing occupancy for 90 days as evidenced by rent rolls.</li> <li>• 90% of tax credit investor equity shall have been paid into the Project.</li> <li>• Project income is sufficient to pay operating expenses, required debt service, reserves and monitoring fees.</li> <li>• For mixed-use Projects, 100% non-residential occupancy as evidenced by executed leases or guarantees.</li> <li>• Deposit Account Control Agreement between CalHFA, the Borrower and lending institution is in form and substance acceptable to all parties and ready to be executed at Perm Loan closing.</li> </ul>
<b>Prepayment</b>	<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"> <li>• 5% of the principal balance after the end of year 10</li> <li>• 4% of the principal balance after the end of year 11</li> <li>• 3% of the principal balance after the end of year 12</li> <li>• 2% of the principal balance after the end of year 13</li> <li>• 1% of the principal balance after the end of year 14</li> </ul> <p>All prepayments require a prior written 120-day notice to CalHFA.</p>
<b>Subordinate Financing</b>	<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. A Lien Priority/Position Estoppel in form and substance acceptable to CalHFA will be required prior to construction financing closing, if applicable.</p>

## TAX-EXEMPT PERMANENT LOAN PROGRAM

<b>Occupancy Requirements</b>	<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 comparable share of the available unit sizes (by bedroom count and square feet) and be disbursed throughout the project.</p>
<b>Due Diligence</b>	<p>The following due diligence is required to be provided at the Owner/Borrower's expense (refer to the program's document checklist for a full list):</p> <ul style="list-style-type: none"> <li>• Appraisal* (a construction lender's appraisal may be acceptable).</li> <li>• HUD-2530 previous participation clearance.</li> <li>• Construction Costs Review for new construction loans (other construction lender's review is acceptable).</li> <li>• 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).</li> <li>• Phase I and Phase II (if applicable) Environmental Site Assessment* including, but not limited to, impact reviews that meet federal environmental requirements (such as historic preservation and noise remediation).</li> <li>• Market Study* satisfactory to CalHFA.</li> <li>• NEPA Review.</li> <li>• Termite/Dry Rot reports* by licensed company.</li> <li>• Seismic review* and other studies may be required at CalHFA's discretion.</li> </ul> <p>*Note: Third party reports shall be within 180 days prior to the CalHFA's final commitment approval and may be subject to a new or updated report if the report(s) was completed more than 180 days prior to construction loan closing, in CalHFA's sole discretion.</p>
<b>Required Impounds and Reserves</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Operating Expense Reserve ("OER"): 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 by CalHFA. In the event OER funds are drawn down during the term of CalHFA Perm Loan, it must be replenished over a period of 12 months to the original level.</li> <li>• 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.</li> <li>• Transition Operating Reserve (TOR): required for Projects with state or locally administered rental subsidy contracts with contract terms that are less than 20 years or the CalHFA Perm Loan term.</li> <li>• Other reserves as required (at CalHFA's discretion).</li> </ul>

Last revised: 4/2021

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 California Housing Finance Agency ("CalHFA" or "Agency") 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. The MIP resources will take the form of a subordinate loan to incentivize newly developed multifamily housing projects that serve a range of extremely low to moderate income renters. Eligible projects must create newly constructed regulated units that meet the income and occupancy requirements reflected below.

<b>Qualifications</b>	<p><b>APPLICATION:</b></p> <p>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 <a href="http://www.calhfa.ca.gov/multifamily/mixedincome/">www.calhfa.ca.gov/multifamily/mixedincome/</a>. If the sponsor/developer is not able to meet the readiness timeline referenced below, MIP funds may be rescinded and reallocated. If the sponsor/developer is not able to meet the readiness timeline referenced below, MIP funds may be rescinded and reallocated.</p> <p><b>AVAILABILITY:</b></p> <p>Available to for-profit, nonprofit, and public agency sponsors. Development teams must meet CalHFA experience requirements, as defined in the CalHFA Development Team Qualifications section below.</p> <p><b>USES:</b></p> <p>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. CalHFA Mixed-Income Qualified Construction Lender is defined in the CalHFA Lender Qualifications section below.</p> <p><b>FINANCING STRUCTURE:</b></p> <p><b>Projects accessing the MIP Subsidy loan funds must be structured as one of the following:</b></p> <ol style="list-style-type: none"><li>1. Tax-exempt Bond and 4% tax credit project where at least 51% of the units in the project must be tax credit financed, OR</li><li>2. Qualified mixed-income project through income averaging pursuant to Internal Revenue Code Section 42 (g)(1)(C).</li></ol>
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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 the California Debt Limit Allocation Committee's (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. Pursuant to HUD-Risk Sharing requirements, sponsor is expected to start the NEPA process shortly after CalHFA verifies application completeness and determines that the project is ready to move forward with an initial commitment ("notification date"). The NEPA clearance and HUD's firm approval letter will be required prior to construction loan closing.
2. **General Contractor and/or Third Party Construction Services Engagement:** At the time of application, Applicant must provide evidence that the applicant or developer has engaged a general contractor or third-party construction services company to provide construction services including, but not limited to, value engineering, bid/budget services, and constructability review of plans and designs. In addition, the proposed construction budget is based on the general contractor's or third-party construction services company's preliminary bid estimates pursuant to the current plans and designs.
3. **Disposition and Development Agreement:** Applicant must provide a copy of the disposition and development agreement, if applicable.
4. **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, unless an extension has been approved by California Tax Credit Allocation Committee (CTCAC), CDLAC, and CalHFA, as applicable. Within the 180-day period, the following items must be submitted to CalHFA in their final form:
  - a. A complete updated application 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 required by CalHFA to close construction financing.

## MIXED-INCOME LOAN PROGRAM

### Qualifications (continued)

#### MIP ALLOCATION LIMITS:

(Exceptions may be considered by Agency in its sole discretion)

1. **Project Cap:** No project may receive more than the lesser of \$8 million or the aggregate MIP loan amount calculated based on up to \$50,000 per MIP regulated units or up to \$60,000 per MIP regulated units for a Project located within the Highest or High Resource areas designated on the CTCAC/HCD Opportunity Area Map.
2. **Sponsor Cap:** No sponsor (any individual, entity, affiliate and related entity) may receive more than the lesser of funding of 2 projects or 20% of total MIP allocation for the respective year.
3. **County Cap:** No one county may receive more than 33% of total MIP allocations for the respective year.
4. **Age-Restricted Cap:** No more than 25% of total MIP funds for the respective year may be received by age-restricted projects (units that are restricted to residents who are 62 years of age or older under the applicable provisions of California Civil Code Section 51.3 and the federal Fair Housing Act), unless a waiver of the minimum age requirement has been granted by U.S. Department of Housing and Urban Development ("HUD").

#### EVIDENCE OF COST CONTAINMENT:

A Cost Containment Certification must be provided at the time of Construction Loan Closing in a form acceptable to CalHFA in its sole discretion. The certification acceptable to CalHFA may be found at [www.calhfa.ca.gov/multifamily/mixedincome/forms/closing-cost-containment-certification.pdf](http://www.calhfa.ca.gov/multifamily/mixedincome/forms/closing-cost-containment-certification.pdf).

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

#### EVIDENCE OF SUBSIDY EFFICIENCY:

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 reduced based on the final analysis. Parameters of the analysis may include but are not limited to the following:

- 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 a mixed-use project,
- A cash flow 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,
- Developer Fee requirements matching those required under the 4% federal and/or state tax credit reservation,
- Capitalized reserves subject to approval by Agency for reasonableness consistent with the Agency's Underwriting Standards and the Investor Limited Partnership Agreement (ILPA),



## MIXED-INCOME LOAN PROGRAM

<b>Qualifications</b> (continued)	<ul style="list-style-type: none"> <li>Review of Excess Sources over final Uses as approved by CalHFA resulting from any of the following:             <ul style="list-style-type: none"> <li>An increase in tax credit equity,</li> <li>An increase in permanent loan debt due to a combination of permanent loan rate reduction and/or reduction to operating expense assumptions;</li> </ul> </li> <li>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.</li> <li>State tax credit request is expected to be within a range of \$50,000 to \$75,000 per unit. The projects that evidence the most efficient use of state tax credits and MIP per adjusted unit shall be prioritized for MIP funding considerations. The state tax credits and MIP per adjusted unit calculation shall be consistent with CDLAC Regulation Section 5231(g)(1) and 5231(g)(2). MIP final commitment shall be subject to the project's receipt of CDLAC's preliminary tax-exempt bond allocations and CTCAC's tax credits reservations,</li> <li>Acquisition cost shall be the lesser of 1) the purchase price pursuant to a current purchase and sales agreement between unrelated parties, 2) the purchase price of an arm's length transaction executed within the past 10 years plus reasonable carrying costs, or 3) the appraised "as-is" value based on an Appraisal acceptable to CalHFA in its sole discretion. The appraised value of the real estate may be considered if the arm's length transaction exceeds 10 years.</li> </ul>
<b>CalHFA Mixed-Income Qualified Construction Lender</b>	<p>A CalHFA Qualified Construction Lender is defined as a Construction Lender that has closed at least five (5) construction loans using tax-exempt bonds and 4% federal and/or state tax credits in California within the last three (3) years and satisfies the requirement set forth within the application.</p>
<b>CalHFA Mixed-Income Development Team Qualifications</b>	<p>The <b>Developer/Co-Developer/General Partner</b> must be registered to do business and in good standing in the state of California. A CalHFA Qualified Developer/Co-Developer/General Partner must have developed at least three (3) comparable projects within the past five (5) years or meet the requirements to receive a minimum of 7 points under the CDLAC General Partner Experience category pursuant to CDLAC Regulations Section 5230(f).</p> <p>The proposed <b>Project Manager</b> must have personally managed the development of at least two (2) comparable projects within the past five (5) years</p> <p><b>Financial Consultants</b> 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> <p><b>Architects</b> new to CalHFA must provide information for three (3) comparable projects they designed that were built and occupied within the past five (5) years in the State of California.</p> <p><b>General Contractor (GC)</b> 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>

## MIXED-INCOME LOAN PROGRAM

<b>CalHFA Mixed-Income Development Team Qualifications (Continued)</b>	<p><b>Management Company</b> 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 or meet the requirements to receive a minimum of 3 points under the CDLAC Management Company Experience category pursuant to CDLAC Regulations Section 5230(f).</p>
<b>Permanent First Lien Loan</b>	<p>Must be provided by CalHFA. The permanent loan must meet an initial minimum 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.</p>
<b>Construction First Lien Loan</b>	<p>Provided by a CalHFA Mixed-Income Qualified Construction Lender. All parties shall permit the Agency to, in its sole and absolute discretion, recycle all or a portion of any Bond volume cap related to a paydown of the Bond financed loans, at the conversion of the construction financing to permanent financing and payoff of the Construction Loan, pursuant to the authority provided in Section 146(i)(6) of the Internal Revenue Code of 1986 and CDLAC Regulation Section 5060 (the "Bond Recycling"). The Bond documents, loan documents and any other documents related to the financing of the Development shall contain any necessary approvals and permit all actions necessary to accomplish a Bond Recycling.</p>
<b>Limitations</b>	<ol style="list-style-type: none"> <li>1. MIP cannot be combined with the CTCAC 9% program.</li> <li>2. MIP cannot be combined with other state subordinate debt and/or subsidy programs (this does not include state tax credits) with the exception of the Infill Infrastructure Grant, contingent upon restrictions that are compatible with the MIP program requirements. Inclusion of other subordinate debt and subsidy will be allowed at CalHFA's discretion so long as any restrictions of subordinate debt or subsidy are compatible with MIP program requirements outlined herein.</li> <li>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.)</li> <li>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 CTCAC or a tax-exempt bond allocation from CDLAC.</li> <li>5. Projects will not be eligible for other subsidy resources from CalHFA in addition to MIP.</li> </ol>
<b>Mixed-Income Project Occupancy Requirements</b>	<p><b>BOND REGULATORY AGREEMENT REQUIREMENTS (ALL PROJECTS):</b></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, CDLAC requires a minimum of 10% of the unit types must be at 50% or less of AMI ("10% @ 50% AMI").</p>

## MIXED-INCOME LOAN PROGRAM

<b>Mixed-Income Project Occupancy Requirements (Continued)</b>	<p><b>MIXED INCOME REGULATORY AGREEMENT REQUIREMENTS (ALL PROJECTS):</b></p> <p><b>Affordability Requirements:</b></p> <ol style="list-style-type: none"> <li>To qualify, a project must meet the following affordability restrictions, based on the HUD or locality (as applicable) income and rent limits which are current at the time of MIP application, for a term of 55 years:               <ol style="list-style-type: none"> <li>10% of total units at or below 50% of AMI,</li> <li>10% of total units between 60% to 80% of AMI with an average of 70% of AMI or greater, subject to the Maximum Allowable Rents outlined below, and</li> <li>Remaining 80% of total units at or below 120% of AMI with the exception of the non-restricted manager's unit(s) OR at the affordability restrictions consistent with CTCAC requirements.</li> </ol> <p>(Deviations from the average unit affordability levels of 70% AMI will only be considered if Market Study supports such deviations.)</p> </li> <li>Projects must be tax credit transactions that are income-averaged and must not exceed an average affordability of 60% of AMI across all restricted units.</li> </ol>
<b>Mixed-Income Project Occupancy Requirements (Continued)</b>	<p><b>MAXIMUM ALLOWABLE RENTS:</b></p> <p>Rents for all restricted units must be at least 10% below market rents as evidenced by a current Market Study or an Appraisal. This threshold will be analyzed at time of application and again at CalHFA's final commitment approval. The report shall be current within 180 days of Agency's final commitment and may be subject to required updating if the report expires prior to construction loan closing. Any proposed rent adjustments above 5% of the approved rents subsequent to construction loan closing may be considered if supported by a recent or updated Market Study or Appraisal that is dated within 180 days from MIP loan closing, at CalHFA's sole discretion.</p>
<b>Mixed-Income Subordinate Loan</b>	<ol style="list-style-type: none"> <li>Maximum loan amount for each project shall not exceed the lesser of \$8 million or the aggregate MIP loan amount calculated based on up to \$50,000 per MIP regulated units, unless an exception is approved by Agency in its sole discretion.               <ol style="list-style-type: none"> <li>Maximum loan per restricted (tax credit or CalHFA) units between 30%-120% AMI shall be up to \$50,000.</li> <li>Projects located within the Highest or High Resource areas designated on the CTCAC/HCD Opportunity Area Map shall be eligible for an additional amount up to \$10,000 per MIP regulated unit. Opportunity Map Home Page: <a href="http://www.treasurer.ca.gov/ctcac/opportunity.asp">www.treasurer.ca.gov/ctcac/opportunity.asp</a></li> </ol> </li> <li>Loan size based on project need but cannot be more than 50% of the permanent loan amount.</li> </ol>

## MIXED-INCOME LOAN PROGRAM

<b>Mixed-Income Subordinate Loan Rates &amp; Terms</b>	<ol style="list-style-type: none"> <li><b>Interest Rate:</b> Greater of 1% simple interest or the applicable federal rate (AFR) at time of MIP closing.</li> <li><b>Loan Term:</b> The MIP loan term shall be coterminous with the CalHFA permanent first lien loan.</li> <li><b>Loan Payment:</b> 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. Deviation from the net cash flow split may be granted 1) to meet equity investor's deferred developer's fee requirement as evidence by the limited partnership agreement, and 2) is subject to approval(s) by other residual receipt lender(s), as applicable.</li> <li><b>Affordability Term:</b> 55 years.</li> <li><b>Prepayment:</b> May be prepaid at any time without penalty.</li> <li><b>Subordination:</b> 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) and requires subordination 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.</li> <li><b>Funded:</b> Only at permanent loan conversion.</li> </ol>
<b>CalHFA Conduit Bond Program</b>	<p>For more information on CalHFA's Conduit Issuer Program and the fees associated with it, visit CalHFA's website: <a href="http://www.calhfa.ca.gov/multifamily/programs/forms/termsheet-conduit.pdf">www.calhfa.ca.gov/multifamily/programs/forms/termsheet-conduit.pdf</a></p>
<b>CalHFA First Lien Permanent Rates &amp; Terms</b> (subject to change)	<p>For more information on CalHFA's Permanent Loan Program and the fees associated with it, visit CalHFA's website: <a href="http://www.calhfa.ca.gov/multifamily/programs/forms/termsheet-perm-tax-exempt.pdf">www.calhfa.ca.gov/multifamily/programs/forms/termsheet-perm-tax-exempt.pdf</a></p>
<b>Fees</b> (subject to change)	<p><b>Loan Fee:</b> 1.00% of the loan amount (50% due at final commitment and 50% due at CalHFA MIP loan closing).</p> <p><b>Conduit Bond Program Fees:</b> Refer to CalHFA Conduit Bond Program <a href="http://www.calhfa.ca.gov/multifamily/programs/forms/termsheet-conduit.pdf">www.calhfa.ca.gov/multifamily/programs/forms/termsheet-conduit.pdf</a></p> <p><b>CDLAC Fees:</b> Refer to CDLAC regulations for all applicable fees.</p> <p>CalHFA First Lien Permanent Rates &amp; Terms for first mortgage loan fees, credit enhancements, trustee fees, legal fees, inspection fees, administrative fees. <a href="http://www.calhfa.ca.gov/multifamily/programs/forms/termsheet-perm-tax-exempt.pdf">www.calhfa.ca.gov/multifamily/programs/forms/termsheet-perm-tax-exempt.pdf</a></p>

Last revised: 01/2021

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## CONDUIT ISSUER PROGRAM

### MULTIFAMILY HOUSING BONDS

Term sheet effective for applications submitted after May 1, 2020

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.

<b>Qualifications</b>	<ul style="list-style-type: none"> <li>Available to for-profit, nonprofit or public agency sponsors.</li> <li>Nonprofit borrowers may be eligible for 501(c)(3) bonds.</li> <li>If bond proceeds are utilized to pay off an existing CalHFA portfolio loan visit <a href="http://www.calhfa.ca.gov">www.calhfa.ca.gov</a> for the <a href="#">CalHFA Portfolio Loan Prepayment Policy</a>.</li> </ul>
<b>Bond Amount</b>	Bond amount is determined by the loan amount of the selected construction lender.
<b>Fees</b> (subject to change)	<ul style="list-style-type: none"> <li>Application Fee: \$5,000 non-refundable, due at time of application submittal (covers the cost of the TEFRA required for tax-exempt issuances) and is credited toward the CalHFA Issuer Fee.</li> <li>Issuer Fee:             <ol style="list-style-type: none"> <li>The greater of \$15,000 or 18.75 basis points of the Bond amount if lesser than or equal to \$20 million.</li> <li>If more than \$20 million: \$37,500 + 5 basis points for the amount above \$20 million.</li> </ol> </li> <li>Annual Administrative Fee: 5 bps of the tax-exempt bond issuance amount due at construction loan closing and due annually thereafter until permanent loan conversion. After permanent loan conversion, billed annually in advance, 5 bps of unpaid principal balance amount of tax-exempt bond financed loan(s) until bonds are fully redeemed. Minimum Annual Administrative Fee shall be \$4,000 through both the Qualified Project Period and the CDLAC compliance period.</li> </ul> <p>For taxable only issuances, annual administrative fees above will be charged based on the taxable bond financed loan(s) for the term of the CalHFA affordability restrictions.</p> <p>If used in conjunction with a CalHFA permanent loan product, the annual administrative fee will not be duplicated. Please refer to the applicable permanent loan term sheet for the annual administrative fee.</p> <ul style="list-style-type: none"> <li>Public Sale: Additional fee of \$5,000 to \$10,000 applies when Bonds are sold to the public.</li> <li>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 payable to CDLAC.</li> <li>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.</li> </ul> <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

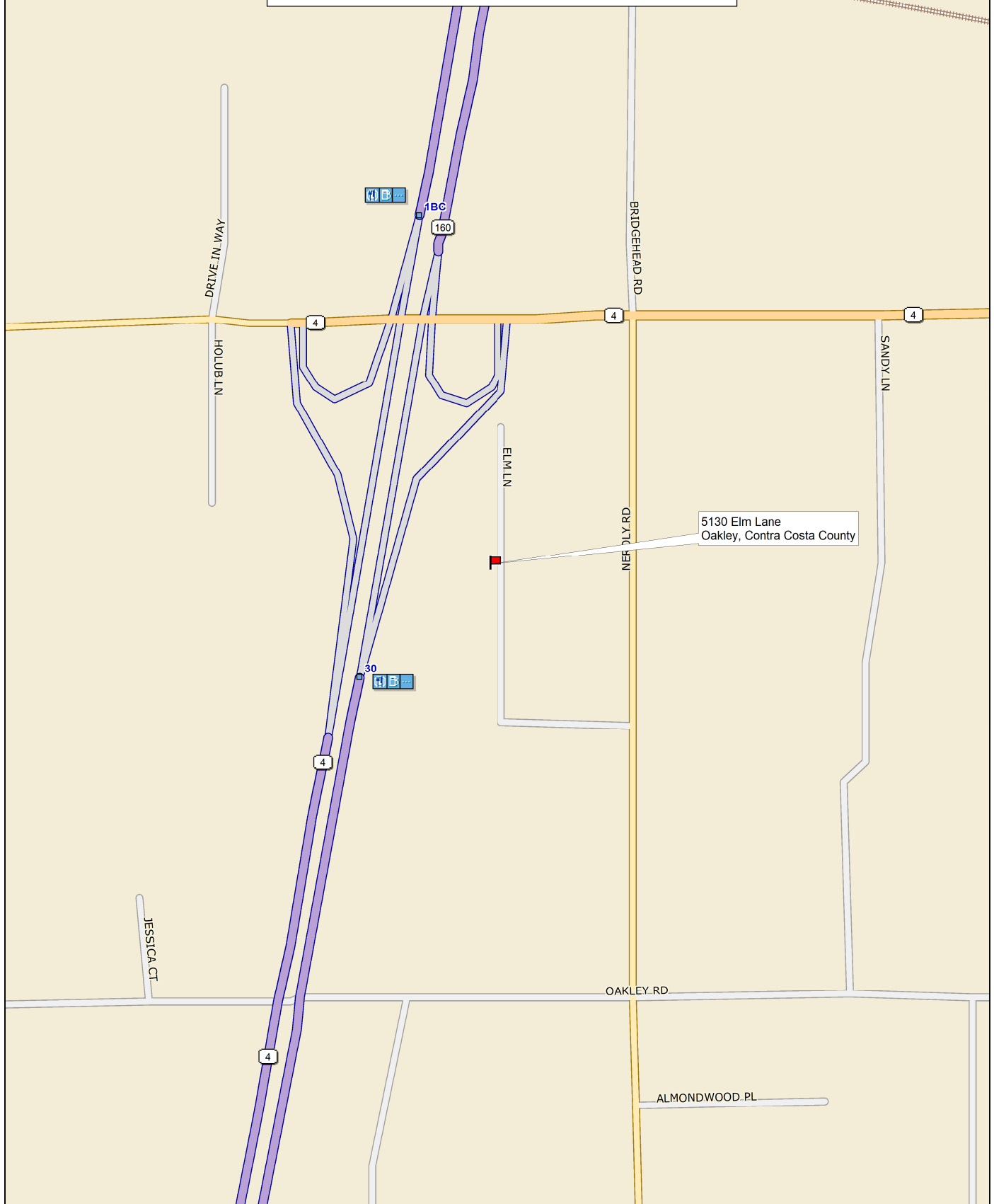
### Occupancy Requirements

- 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 rent restricted and occupied by individuals whose income is 60% or less of 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: 08/2020

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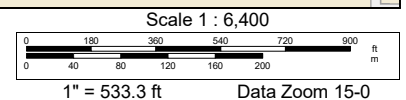
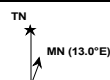
# Elm Lane Apartments



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1 BOARD OF DIRECTORS  
2 OF THE CALIFORNIA HOUSING FINANCE AGENCY  
3  
4

5 RESOLUTION NO. 21-19  
6

7 RESOLUTION AUTHORIZING A FINAL LOAN COMMITMENT  
8

9 WHEREAS, the California Housing Finance Agency (the "Agency") has received a  
10 loan application on behalf of Elm Lane Oakley L.P., a California limited partnership (the  
11 "Borrower"), seeking a loan commitment, the proceeds of which are to be used to provide  
12 financing for a multifamily housing development located in the City of Oakley, County of  
13 Contra Costa, California, to be known as Elm Lane Apartments (the "Development"); and  
14

15 WHEREAS, the loan application has been reviewed by Agency staff which prepared a  
16 report presented to the Board on the meeting date recited below (the "Staff Report"),  
17 recommending Board approval subject to certain recommended terms and conditions; and  
18

19 WHEREAS, Agency staff has determined or expects to determine prior to making a  
20 binding commitment to fund the loan for which the application has been made, that (i) the  
21 Agency can effectively and prudently raise capital to fund the loan for which the application has  
22 been made, by direct access to the capital markets, by private placement, or other means and (ii)  
23 any financial mechanisms needed to insure prudent and reasonable financing of loans can be  
24 achieved; and  
25

26 WHEREAS, pursuant to the Executive Director's authority to issue Conduit Bonds,  
27 under Resolution 21-04 the Agency has filed an application with the California Debt Limit  
28 Allocation Committee ("CDLAC") for an allocation of California Qualified Private Activity  
29 Bonds for the Development; and  
30

31 WHEREAS, the Development has received a TEFRA Resolution as required by the  
32 Tax Equity and Fiscal Responsibility Act of 1983, and under 26 U.S.C. section 147(f); and  
33

34 WHEREAS, Section 1.150-2 of the Treasury Regulations requires the Agency, as the  
35 issuer of tax-exempt bonds, to declare its reasonable official intent to reimburse prior  
36 expenditures for the Development with proceeds of a subsequent borrowing; and  
37

38 WHEREAS, on March 15, 2021, the Executive Director exercised the authority  
39 delegated to her under Resolution 15-16 to declare the official intent of the Agency to reimburse  
40 such prior expenditures for the Development; and  
41

42 WHEREAS, the Agency has conditionally approved a subsidy loan pursuant to  
43 CalHFA's Mixed-Income Program ("*MIP*") pursuant to its authority under Resolutions 19-02  
44 and 19-14; and  
45  
46

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

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

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

<u>PROJECT NUMBER</u>	<u>DEVELOPMENT NAME/ LOCALITY</u>	<u>MORTGAGE AMOUNT</u>	
21-011-A/X/N	ELM LANE APARTMENTS Oakley, Contra Costa County, California	\$35,350,000.00	Permanent Tax-Exempt HUD-Risk Share 1 <sup>st</sup> Mortgage
		\$ 6,000,000.00	Permanent Mixed-Income Program Subsidy 2 <sup>nd</sup> Mortgage

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

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

## 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. 21-19 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 21st day of October 2021, 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 21st day of October 2021.

ATTEST:

\_\_\_\_\_  
CLAIRE TAURIAINEN

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

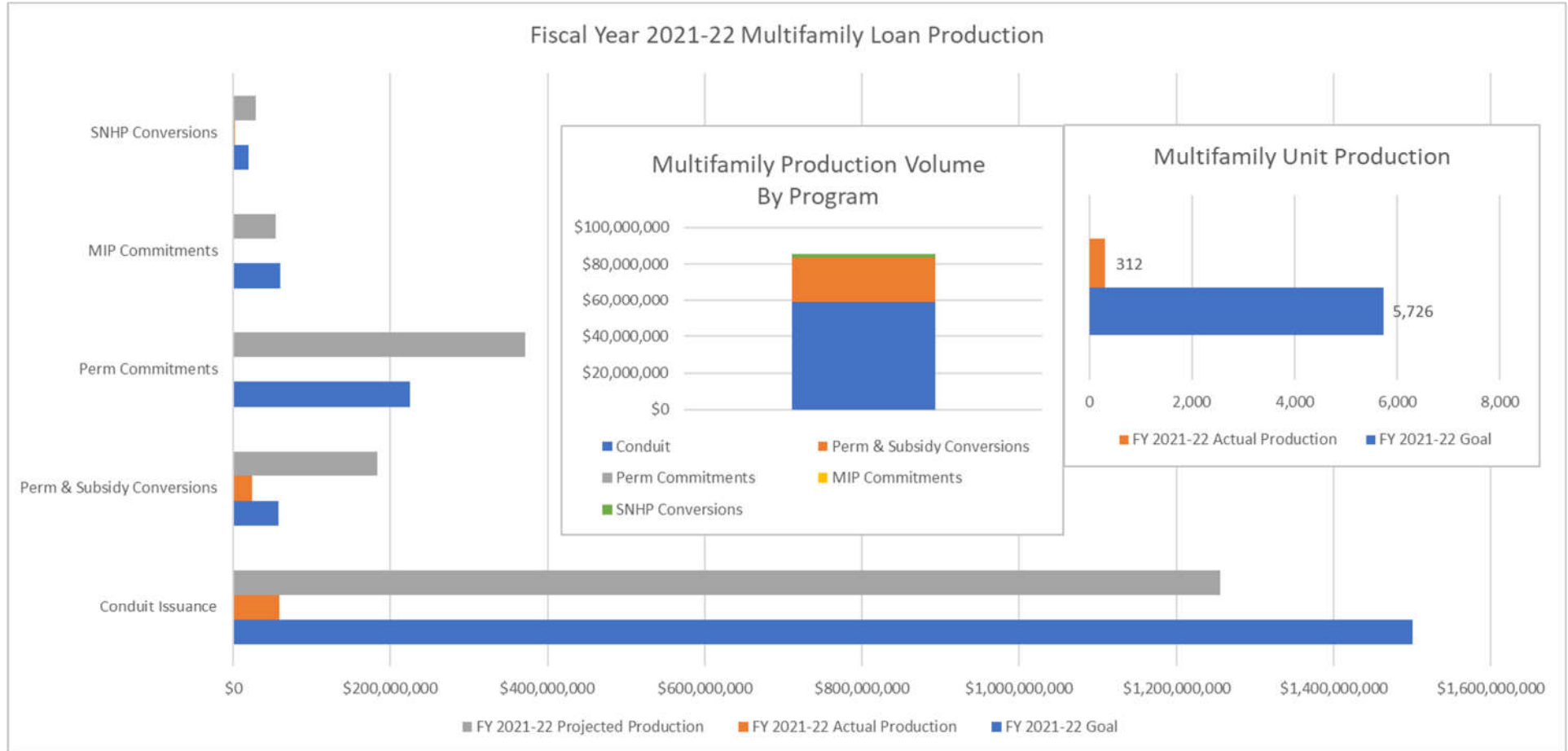
**M E M O R A N D U M****To:** Board of Directors

Date: October 21, 2021

**From:** Kate Ferguson, Director of Multifamily  
**CALIFORNIA HOUSING FINANCE AGENCY****Subject:** UPDATE ON MULTIFAMILY LOAN PRODUCTION

CalHFA offers a variety of loan programs with competitive rates and long-term financing to advance the creation and preservation of affordable housing for people who truly need it. CalHFA's Taxable, Tax-Exempt, and/or CalHFA funded Permanent Loan programs provide competitive long-term financing for affordable multifamily rental housing projects. The CalHFA Mixed-Income Program provides competitive long-term subordinate financing for new construction multifamily housing projects restricting units between 30% and 120% of county Area Median Income. The CalHFA Conduit Issuer 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 programs 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.

## Multifamily Loan Volume as of September 30, 2021



	Conduit Issuance	Perm & Subsidy Conversions	Perm Commitments	MIP Commitments	SNHP Conversions	Total All Programs
FY 2021-22 Goal	\$1,500,000,000	\$57,400,000	\$225,000,000	\$60,000,000	\$20,000,000	\$1,862,400,000
FY 2021-22 Actual Production	\$59,202,186	\$24,045,691	-	-	\$2,362,215	\$85,610,092
FY 2021-22 Projected Production	\$1,256,017,752	\$183,151,758	\$371,916,068	\$54,337,674	\$29,448,162	\$1,894,871,414
Percent of Goal Complete	4%	42%	-	-	12%	5%

## FY 2021-22 Conduit Issuance as of September 30, 2021

Multifamily Conduit Transactions										
(Closed)										
	Project Name	Underwriting Type	City	Project Type	Closing Date	Units	Tax Exempt Loan	Taxable Loan	Recycled Bonds	Total
1	Cedar Village Apartments	Conduit - Reg Only	Chico	Individuals/Families	7/23/2021	116	-	-	\$ 20,142,000.00	\$ 20,142,000.00
2	Calms at Burgess Point	Conduit - Reg Only	Benecia	Family/Senior	8/24/2021	56	\$ 10,585,186.00	-	-	\$ 10,585,186.00
3	Shermanair Apartments	Conduit - Reg Only	Los Angeles	Individuals/Families	9/13/2021	82	-	\$ 1,940,000.00	\$ 26,535,000.00	\$ 28,475,000.00
						254	\$ 10,585,186.00	\$ 1,940,000.00	\$ 46,677,000.00	\$ 59,202,186.00

**Total Conduit Issuance Closed: \$59,202,186**

## Upcoming FY 2021-22 Conduit Issuance:

Multifamily Conduit (Projected Closings) - FY 21-22										
Q2 - 10/01/2021 - 12/31/2021										
	Project Name	Underwriting Type	City	Project Type	Closing Date	Units	Tax Exempt Loan	Taxable Loan	Recycled Bonds	Total
	Residency at the Mayer Hollywood	Conduit - Reg Only	Los Angeles	Senior	10/5/2021	79	\$ 29,500,000.00	-	-	\$ 29,500,000.00
	Fair Oaks Senior Apartments	Conduit - Reg Only	Fair Oaks	Senior	10/13/2021	109	\$ 14,919,817.00	\$ 4,005,876.00	\$ 2,500,000.00	\$ 21,425,693.00
	Redwood Gardens Apartments	Conduit - Reg Only	Berkeley	Senior	10/19/2021	169	-	-	\$ 40,000,000.00	\$ 40,000,000.00
	Elm Lane Apartments	Conduit - MIP & Perm	Oakley	Individuals/Families	12/1/2021	0	\$ 33,900,000.00	\$ 11,000,000.00	-	\$ 44,900,000.00
	Worthington Del Sol	Conduit - Reg Only	Imperial	Individuals/Families	12/8/2021	48	\$ 10,272,768.00	\$ 4,250,000.00	\$ 1,500,000.00	\$ 16,022,768.00
						405	\$ 88,592,585.00	\$ 19,255,876.00	\$ 44,000,000.00	\$ 151,848,461.00

**Note:** Projects with '0' as the unit count had their units included with another CalHFA program's unit total.

## Upcoming FY 2021-22 Conduit Issuance:

<b>Multifamily Conduit (Projected Closings) - FY 21-22</b>									
<b>Q3 - 01/01/2022 - 03/31/2022</b>									
Project Name	Underwriting Type	City	Project Type	Closing Date	Units	Tax Exempt Loan	Taxable Loan	Recycled Bonds	Total
Anton Power Inn Apartments	Conduit - Reg Only	Sacramento	Individuals/Families	1/12/2022	194	\$ 29,049,499.00	-	\$ 5,000,000.00	\$ 34,049,499.00
College Creek Apartments	Conduit - MIP & Perm	Santa Rosa	Individuals/Families	1/12/2022	0	\$ 33,100,000.00	-	-	\$ 33,100,000.00
Kiku Crossing	Conduit - MIP & Perm	San Mateo	Individuals/Families	1/14/2022	0	\$ 85,000,000.00	\$ 34,765,000.00	-	\$ 119,765,000.00
Vista Woods	Conduit - MIP & Perm	Pinole	Senior	1/14/2022	0	\$ 39,800,000.00	\$ 21,431,340.00	-	\$ 61,231,340.00
The Ivy	Conduit - Reg Only	Escondido	Individuals/Families	2/1/2022	126	\$ 19,355,263.00	\$ 9,618,941.00	\$ 5,054,908.00	\$ 34,029,112.00
Heritage Park	Conduit - MIP & Perm	Windsor	Individuals/Families	2/1/2022	0	\$ 10,192,000.00	\$ 5,808,000.00	-	\$ 16,000,000.00
Marina Village	Conduit - MIP & Perm	Suisun City	Individuals/Families	2/1/2022	0	\$ 35,449,239.00	\$ 12,482,006.00	\$ 2,500,000.00	\$ 50,431,245.00
Building 209	Conduit - Reg Only	Los Angeles	Individuals/Families	2/1/2022	55	\$ 10,000,000.00	-	-	\$ 10,000,000.00
Residency at the Entrepreneur	Conduit - Reg Only	Los Angeles	Senior	2/1/2022	200	\$ 45,000,000.00	\$ 20,577,371.00	\$ 7,200,000.00	\$ 72,777,371.00
Sendero Family Apartments	Conduit - Reg Only	San Diego	Individuals/Families	2/1/2022	100	\$ 16,277,989.00	\$ 8,340,439.00	\$ 4,163,695.00	\$ 28,782,123.00
West Carson	Conduit - Reg Only	Torrance	Individuals/Families	2/1/2022	230	\$ 57,850,000.00	\$ 21,000,000.00	\$ 10,800,000.00	\$ 89,650,000.00
Crest on Imperial	Conduit - Reg Only	San Diego	Individuals/Families	2/7/2022	100	\$ 18,251,721.00	\$ 7,269,523.00	\$ 4,700,714.00	\$ 30,221,958.00
Shiloh Terrace	Conduit - MIP & Perm	Windsor	Individuals/Families	2/7/2022	0	\$ 42,808,977.00	\$ 22,800,000.00	-	\$ 65,608,977.00
Alamo Street Apartments	Conduit - MIP & Perm	Simi Valley	Individuals/Families	2/7/2022	0	\$ 74,000,000.00	\$ 32,590,934.00	\$ 8,000,000.00	\$ 114,590,934.00
					1005	\$ 516,134,688.00	\$ 196,683,554.00	\$ 47,419,317.00	\$ 760,237,559.00
<b>Multifamily Conduit (Projected Closings) - FY 21-22</b>									
<b>Q4 - 04/01/2022 - 06/30/2022</b>									
Project Name	Underwriting Type	City	Project Type	Closing Date	Units	Tax Exempt Loan	Taxable Loan	Recycled Bonds	Total
Monroe Street Apartments	Conduit - MIP & Perm	Santa Clara	Individuals/Families	4/1/2022	0	\$ 22,000,000.00	\$ 7,609,035.00	-	\$ 29,609,035.00
Marina Dunes BMR Site 1 and 2	Conduit - MIP & Perm	Marina	Individuals/Families	4/14/2022	0	\$ 34,000,000.00	-	-	\$ 34,000,000.00
Lakehouse Commons Affordable	Conduit - Perm	Oakland	Family	5/3/2022	0	\$ 41,880,000.00	\$ 11,861,054.00	-	\$ 53,741,054.00
Shirley Chisholm Village	Conduit - MIP & Perm	San Francisco	Individuals/Families	6/1/2022	0	\$ 54,461,160.00	\$ 716,106.00	-	\$ 55,177,266.00
Kelsey Ayer Station	Conduit - MIP & Perm	San Jose	Individuals/Families	6/1/2022	0	\$ 33,500,000.00	-	-	\$ 33,500,000.00
Aloe Palm Canyon Apartments	Conduit - Reg Only	Palm Springs	Senior	6/2/2022	72	\$ 19,700,000.00	-	-	\$ 19,700,000.00
Kimball Highland	Conduit - MIP & Perm	National City	Individuals/Families	6/15/2022	0	\$ 41,450,000.00	\$ 17,552,191.00	-	\$ 59,002,191.00
					72	\$ 246,991,160.00	\$ 37,738,386.00	\$ -	\$ 284,729,546.00

**Note:** Projects with '0' as the unit count had their units included with another CalHFA program's unit total.

## FY 2021-22 Permanent & Subsidy Loan Conversions as of September 30, 2021

<i>Multifamily Permanent &amp; Subsidy Transactions</i>								
<i>(Closed)</i>								
Project Name	Underwriting Type	City	Project Type	Closing Date	Units	Permanent Loan Amount	Subsidy Loan Amount	Total
1 Summer Park Apartments	Conduit - PTO	Fresno	Family	8/11/2021	248	\$ 3,026,000.00	\$ 5,000,000.00	\$ 8,026,000.00
2 Market Center Apartments	Conduit - PTO	Redding	Individuals/Family	8/16/2021	82	\$ 3,133,691.00	\$ 1,620,000.00	\$ 4,753,691.00
3 Creekside Apartments	Conduit - Perm	Davis	Family	8/26/2021	90	\$ 2,730,000.00	\$ 2,840,000.00	\$ 5,570,000.00
4 Stone Pine Meadow	Conduit - Perm	Tracy	Family	8/27/2021	72	\$ 3,306,000.00	\$ 2,390,000.00	\$ 5,696,000.00
					492	\$ 12,195,691.00	\$ 11,850,000.00	\$ 24,045,691.00

**Note:** Units associated with Perm & Subsidy Conversion projects that have closed were counted in previous fiscal years, unless otherwise noted.

**Total Permanent & Subsidy Loan Conversions Closed: \$24,045,691**

## Upcoming FY 2021-22 Permanent & Subsidy Loan Conversions:

<i>Multifamily Permanent &amp; Subsidy (Projected Closings) - FY 21-22</i>								
<i>Q2 - 10/01/2021 - 12/31/2021</i>								
Project Name	Underwriting Type	City	Project Type	Closing Date	Units	Permanent Loan Amount	Subsidy Loan Amount	Total
Metamorphosis on Foothill	Conduit - Perm	Los Angeles	Family	10/13/2021	48	\$ 2,925,000.00	-	\$ 2,925,000.00
Flower Park Plaza	Perm-Refi	Santa Ana	Senior	10/14/2021	199	\$ 28,281,000.00	-	\$ 28,281,000.00
Chataeu Lafayette	Perm-Refi	Lafayette	Senior	10/15/2021	67	\$ 12,750,000.00	-	\$ 12,750,000.00
Woodlake Terrace	Conduit - Perm	Woodlake	Family	11/15/2021	31	\$ 1,600,000.00	\$ 494,121.00	\$ 2,094,121.00
Leigh Avenue Senior	Conduit - Perm	San Jose	Senior	12/1/2021	64	\$ 8,967,000.00	-	\$ 8,967,000.00
Blackstone McKinley TOD	Conduit - Perm	Fresno	Individuals/Families	12/1/2021	88	\$ 3,305,000.00	\$ 1,760,000.00	\$ 5,065,000.00
					497	\$ 57,828,000.00	\$ 2,254,121.00	\$ 60,082,121.00
<i>Multifamily Permanent &amp; Subsidy (Projected Closings) - FY 21-22</i>								
<i>Q3 - 01/01/2022 - 03/31/2022</i>								
Project Name	Underwriting Type	City	Project Type	Closing Date	Units	Permanent Loan Amount	Subsidy Loan Amount	Total
Winter Creek Village	Perm-Refi	Windsor	Individuals/Families	1/12/2022	41	\$ 1,632,000.00	-	\$ 1,632,000.00
Timothy Commons	Perm-Refi	Santa Rosa	Individuals/Families	1/12/2022	32	\$ 1,179,000.00	-	\$ 1,179,000.00
Carrillo Place	Perm-Refi	Santa Rosa	Individuals/Families	1/12/2022	68	\$ 3,734,000.00	-	\$ 3,734,000.00
West Oaks Apartments	Perm-Refi	Santa Rosa	Individuals/Families	2/25/2022	53	\$ 4,750,000.00	-	\$ 4,750,000.00
Fitch Mountain Terrace II	Perm-Refi	Healdsburg	Senior	3/1/2022	20	\$ 1,150,000.00	-	\$ 1,150,000.00
Springs Village	Perm-Refi	Sonoma	Individuals/Families	3/1/2022	80	\$ 3,900,000.00	-	\$ 3,900,000.00
West Avenue	Perm-Refi	Santa Rosa	Individuals/Families	3/1/2022	40	\$ 1,980,000.00	-	\$ 1,980,000.00
North San Pedro Apartments	Conduit - Perm	San Jose	Family	3/1/2022	135	\$ 16,500,000.00	-	\$ 16,500,000.00
					469	\$ 34,825,000.00	\$ -	\$ 34,825,000.00



## Upcoming FY 2021-22 Permanent & Subsidy Loan Conversions:

<i>Multifamily Permanent &amp; Subsidy (Projected Closings) - FY 21-22</i>								
<i>Q4 - 04/01/2022 - 06/30/2022</i>								
Project Name	Underwriting Type	City	Project Type	Closing Date	Units	Permanent Loan Amount	Subsidy Loan Amount	Total
Linnaea Villas	Perm	Kingsburg	Senior	4/1/2022	47	\$ 1,500,000.00	\$ 676,617.00	\$ 2,176,617.00
Bernal Dwellings	Conduit - Perm	San Francisco	Individuals/Families	6/1/2022	160	\$ 22,937,000.00	\$ 3,500,000.00	\$ 26,437,000.00
Frishman Hollow II	Conduit - MIP & Perm	Truckee	Individuals/Families	6/1/2022	68	\$ 6,610,000.00	-	\$ 6,610,000.00
Hayes Valley South	Conduit - Perm	San Francisco	Individuals/Families	6/25/2022	110	\$ 25,475,329.00	\$ 3,500,000.00	\$ 28,975,329.00
					385	\$ 56,522,329.00	\$ 7,676,617.00	\$ 64,198,946.00

## FY 2021-22 Permanent & Subsidy Loan Commitments as of September 30, 2021

**Note:** No FY 2021-22 Perm & Subsidy Commitment projects have closed their construction financing as of 9/30/2021.

**Total Permanent & Subsidy Loan Commitments Closed: \$0**

## Upcoming FY 2021-22 Permanent & Subsidy Loan Commitments:

<i>Multifamily Permanent &amp; Subsidy (Commitments) - FY 21-22</i>								
<i>Q2 - 10/01/2021 - 12/31/2021</i>								
Project Name	Underwriting Type	City	Project Type	Closing Date	Units	Permanent Loan Amount	Subsidy Loan Amount	Total
Elm Lane Apartments	Conduit - MIP & Perm	Oakley	Individuals/Family	12/1/2021	0	\$ 35,300,000.00	-	\$ 35,300,000.00
					0	\$ 35,300,000.00	\$ -	\$ 35,300,000.00
<i>Multifamily Permanent &amp; Subsidy (Commitments) - FY 21-22</i>								
<i>Q3 - 01/01/2022 - 03/31/2022</i>								
Project Name	Underwriting Type	City	Project Type	Closing Date	Units	Permanent Loan Amount	Subsidy Loan Amount	Total
College Creek Apartments	Conduit - MIP & Perm	Santa Rosa	Individuals/Family	1/12/2022	0	\$ 27,390,000.00	-	\$ 27,390,000.00
Kiku Crossing	Conduit - MIP & Perm	San Mateo	Individuals/Family	1/14/2022	0	\$ 72,048,000.00	-	\$ 72,048,000.00
Vista Woods	Conduit - MIP & Perm	Pinole	Senior	1/14/2022	0	\$ 34,000,000.00	-	\$ 34,000,000.00
Heritage Park	Conduit - MIP & Perm	Windsor	Individuals/Family	2/1/2022	0	\$ 8,900,000.00	-	\$ 8,900,000.00
Marina Village	Conduit - MIP & Perm	Suisun City	Individuals/Family	2/1/2022	0	\$ 24,210,000.00	-	\$ 24,210,000.00
Shiloh Terrace	Conduit - MIP & Perm	Windsor	Individuals/Family	2/7/2022	0	\$ 28,262,068.00	-	\$ 28,262,068.00
Alamo Street Apartments	Conduit - MIP & Perm	Simi Valley	Individuals/Families	2/7/2022	0	\$ 48,000,000.00	-	\$ 48,000,000.00
					0	\$ 242,810,068.00	\$ -	\$ 242,810,068.00

**Note:** Projects with '0' as the unit count had their units included with another CalHFA program's unit total.

## Upcoming FY 2021-22 Permanent & Subsidy Loan Commitments:

<i>Multifamily Permanent &amp; Subsidy (Commitments) - FY 21-22</i>								
<i>Q4 - 04/01/2022 - 06/30/2022</i>								
Project Name	Underwriting Type	City	Project Type	Closing Date	Units	Permanent Loan Amount	Subsidy Loan Amount	Total
Monroe Street Apartments	Conduit - MIP & Perm	Santa Clara	Individuals/Family	4/1/2022	0	\$ 11,580,000.00	-	\$ 11,580,000.00
Marina Dunes BMR Site 1 and 2	Conduit - MIP & Perm	Marina	Individuals/Family	4/14/2022	0	\$ 18,000,000.00	-	\$ 18,000,000.00
Lakehouse Commons Affordable	Conduit - Perm	Oakland	Family	5/3/2022	91	\$ 6,370,000.00	\$ 3,250,000.00	\$ 9,620,000.00
Shirley Chisholm Village	Conduit - MIP & Perm	San Francisco	Individuals/Families	6/1/2022	0	\$ 18,526,000.00	-	\$ 18,526,000.00
Kelsey Ayer Station	Conduit - MIP & Perm	San Jose	Individuals/Family	6/1/2022	0	\$ 13,300,000.00	-	\$ 13,300,000.00
Kimball Highland	Conduit - MIP & Perm	National City	Individuals/Families	6/15/2022	0	\$ 22,780,000.00	-	\$ 22,780,000.00
					91	\$ 90,556,000.00	\$ 3,250,000.00	\$ 93,806,000.00

**Note:** Projects with '0' as the unit count had their units included with another CalHFA program's unit total.

## FY 2021-22 Mixed Income Program Loan Commitments as of September 30, 2021

**Note:** No FY 2021-22 Mixed Income Program Commitment projects have closed their construction financing as of 9/30/2021.

**Total Mixed Income Loan Commitments Closed: \$0**

## Upcoming FY 2021-22 Mixed Income Program Loan Commitments:

<b>Mixed Income Program (Commitments) - FY 21-22:</b>							
<b>Q2 - 10/01/2021 - 12/31/2021</b>							
	<b>Project Name</b>	<b>Underwriting Type</b>	<b>City</b>	<b>Project Type</b>	<b>Closing Date</b>	<b>Units</b>	<b>MIP Loan</b>
	Elm Lane Apartments	Conduit - MIP & Perm	Oakley	Individuals/Families	12/1/2021	170	\$ 6,000,000.00
						170	\$ 6,000,000.00
<b>Mixed Income Program (Commitments) - FY 21-22:</b>							
<b>Q3 - 01/01/2022 - 03/31/2022</b>							
	<b>Project Name</b>	<b>Underwriting Type</b>	<b>City</b>	<b>Project Type</b>	<b>Closing Date</b>	<b>Units</b>	<b>MIP Loan</b>
	College Creek Apartments	Conduit - MIP & Perm	Santa Rosa	Individuals/Families	1/12/2022	164	\$ 4,000,000.00
	Kiku Crossing	Conduit - MIP & Perm	San Mateo	Individuals/Families	1/14/2022	225	\$ 2,000,000.00
	Vista Woods	Conduit - MIP & Perm	Pinole	Senior	1/14/2022	178	\$ 6,212,000.00
	Heritage Park	Conduit - MIP & Perm	Windsor	Individuals/Families	2/1/2022	33	\$ 1,400,000.00
	Marina Village	Conduit - MIP & Perm	Suisun City	Individuals/Families	2/1/2022	160	\$ 3,175,000.00
	Shiloh Terrace	Conduit - MIP & Perm	Windsor	Individuals/Families	2/7/2022	134	\$ 3,900,000.00
	Alamo Street Apartments	Conduit - MIP & Perm	Simi Valley	Individuals/Families	2/7/2022	271	\$ 7,000,000.00
						1165	\$ 27,687,000.00
<b>Mixed Income Program (Commitments) - FY 21-22:</b>							
<b>Q4 - 04/01/2022 - 06/30/2022</b>							
	<b>Project Name</b>	<b>Underwriting Type</b>	<b>City</b>	<b>Project Type</b>	<b>Closing Date</b>	<b>Units</b>	<b>MIP Loan</b>
	Monroe Street Apartments	Conduit - MIP & Perm	Santa Clara	Individuals/Families	4/1/2022	65	\$ 2,655,674.00
	Marina Dunes BMR Site 1 and 2	Conduit - MIP & Perm	Marina	Individuals/Families	4/14/2022	142	\$ 2,800,000.00
	Shirley Chisholm Village	Conduit - MIP & Perm	San Francisco	Individuals/Families	6/1/2022	135	\$ 4,500,000.00
	Kelsey Ayer Station	Conduit - MIP & Perm	San Jose	Individuals/Families	6/1/2022	115	\$ 4,600,000.00
	Kimball Highland	Conduit - MIP & Perm	National City	Individuals/Families	6/15/2022	145	\$ 6,095,000.00
						602	\$ 20,650,674.00

## FY 2021-22 Special Needs Housing Program Loan Conversions as of September 30, 2021

<i>Multifamily Special Needs Housing Program Transactions</i>							
<i>(Closed)</i>							
	Project Name	Underwriting Type	City	Project Type	Closing Date	Units	SNHP Loan
1	Santa Ana Arts Collective	SNHP/MHSA	Santa Ana	Family	8/19/2021	58	\$ 2,362,215.00
						58	\$ 2,362,215.00

**Total Special Needs Housing Program Loan Conversions Closed: \$2,362,215**

## Upcoming FY 2021-22 Special Needs Housing Program Loan Conversions:

<i>Multifamily Special Needs Housing Program (Projected Closings) FY 21-22</i>							
<i>Q2 - 10/01/2021 - 12/31/2021</i>							
	Project Name	Underwriting Type	City	Project Type	Closing Date	Units	SNHP Loan
	Lorena Plaza	SNHP/MHSA	Los Angeles	Family	11/18/2021	49	\$ 1,200,000.00
	Desert Haven	SNHP/MHSA	Victorville	Individuals/Family	12/1/2021	32	\$ 2,173,669.00
	Mountain View	SNHP/MHSA	Lake Forest	Individuals/Family	12/13/2021	71	\$ 1,259,848.00
						152	\$ 4,633,517.00
<i>Multifamily Special Needs Housing Program (Projected Closings) FY 21-22</i>							
<i>Q3 - 01/01/2022 - 03/31/2022</i>							
	Project Name	Underwriting Type	City	Project Type	Closing Date	Units	SNHP Loan
	McCadden Plaza Youth Housing	SNHP/MHSA	Los Angeles	TAY	1/3/2022	26	\$ 560,000.00
	McCadden Campus Senior Housing	SNHP/MHSA	Los Angeles	Senior	1/3/2022	98	\$ 1,000,000.00
	Westminster Crossing	SNHP/MHSA	Westminster	Family	1/6/2022	65	\$ 2,912,000.00
	Cedar and Kettner	SNHP/MHSA	San Diego	Individuals/Families	3/1/2022	64	\$ 757,120.00
	Liberty Lane	SNHP/MHSA	Redlands	Individuals/Families	3/15/2022	80	\$ 1,050,000.00
						333	\$ 6,279,120.00

## Upcoming FY 2021-22 Special Needs Housing Program Loan Conversions:

<i>Multifamily Special Needs Housing Program (Projected Closings) FY 21-22</i>							
<i>Q4 - 04/01/2022 - 06/30/2022</i>							
	<b>Project Name</b>	<b>Underwriting Type</b>	<b>City</b>	<b>Project Type</b>	<b>Closing Date</b>	<b>Units</b>	<b>SNHP Loan</b>
	Lincoln Avenue Apartments	SNHP/MHSA	Buena Park	Individuals/Families	4/4/2022	55	\$ 1,574,810.00
	FX Residence	SNHP/MHSA	Santa Ana	Individuals/Families	4/15/2022	17	\$ 2,047,253.00
	Cartwright Family Apartments	SNHP/MHSA	Irvine	Individuals/Families	4/15/2022	60	\$ 1,574,810.00
	Orchard View Gardens	SNHP/MHSA	Buena Park	Senior	4/15/2022	66	\$ 1,259,848.00
	Post 310	SNHP/MHSA	San Diego	Individuals/Families	5/1/2022	43	\$ 1,500,000.00
	Santa Angelina Senior Community	SNHP/MHSA	Placentia	Senior	5/16/2022	65	\$ 2,519,696.00
	Villa St. Joseph	SNHP/MHSA	Orange	Senior	6/1/2022	50	\$ 3,696,893.00
	Huntington Square	SNHP/MHSA	Huntington Park	TAY/Fam	6/30/2022	54	\$ 2,000,000.00
						<b>410</b>	<b>\$ 16,173,310.00</b>

State of California

## MEMORANDUM

**To:** Board of Directors

**Date:** October 1, 2021



**From:** Timothy Hsu, Director of Single Family Programs  
**CALIFORNIA HOUSING FINANCE AGENCY**

**Subject:** Single Family Loan Production Report (August 2021)

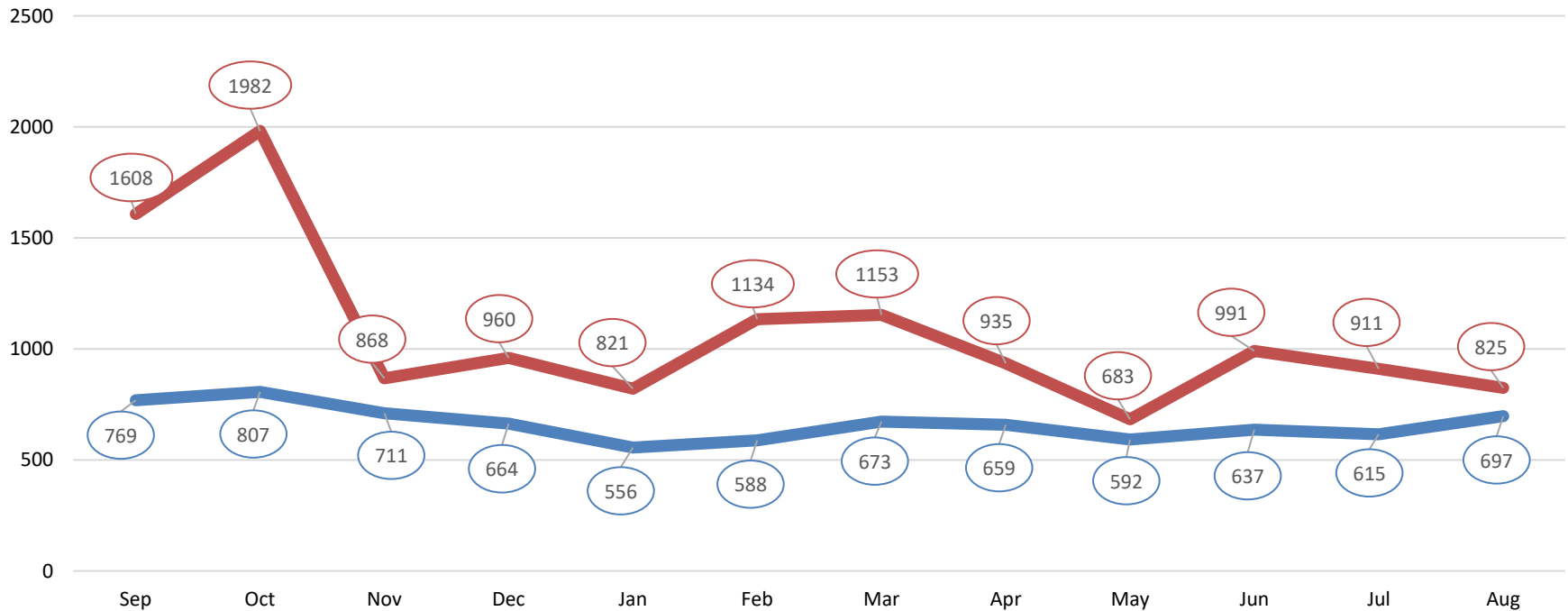
Highlights:

- Reservations Fiscal Year 2021-22: 1200+
- Securitization Fiscal Year 2021-22: 1000+ (\$359Mn)
- About 1/3 of our production are from 3 counties:
  - San Bernardino
  - Sacramento
  - Kern

## Reservations down from last year

### TOTAL RESERVATIONS

September 2019 - August 2020  
September 2020 - August 2021



#### FY 2021/22 Totals:

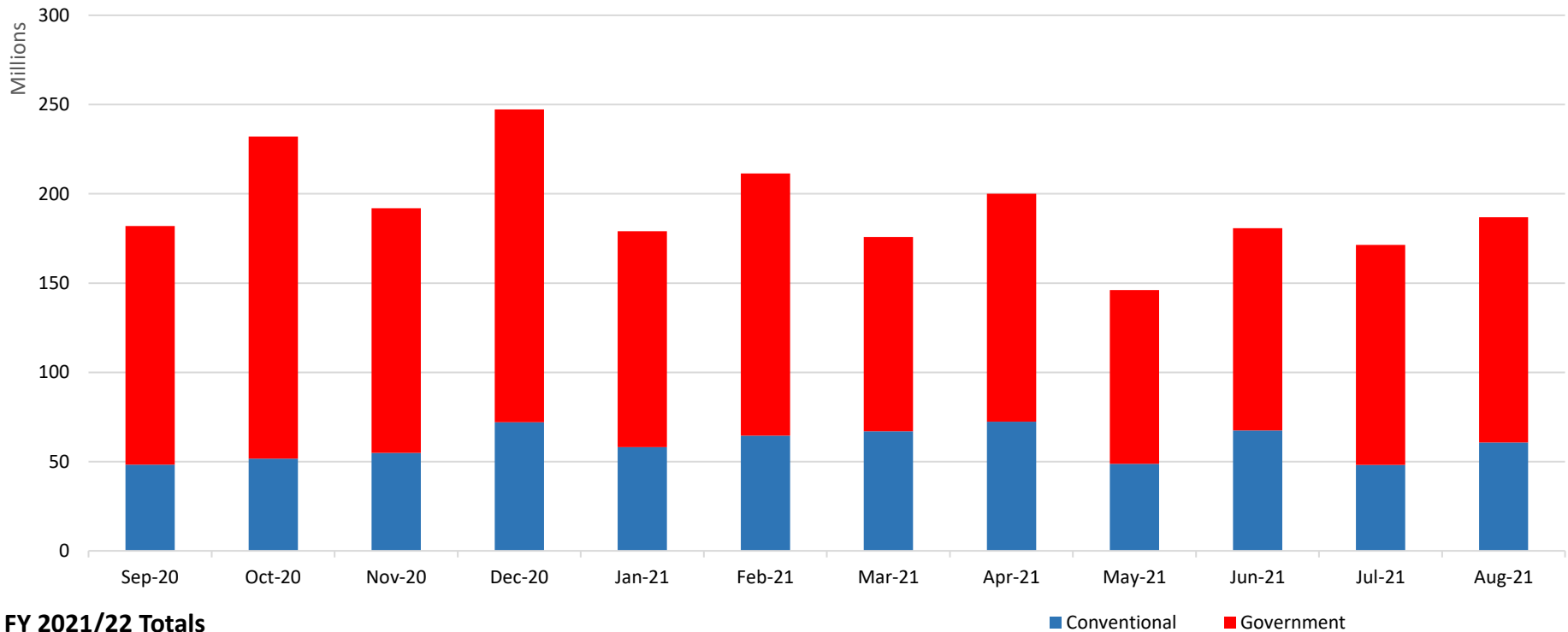
Conventional	418	32%
FHA	879	68%
	<b>1297</b>	

#### Totals:

September 2019 - August 2020 = 12871  
September 2020 - August 2021 = 7968

— 1st Mtg. Reservations September 2019 - August 2020  
— 1st Mtg. Reservations September 2020 - August 2021

September-2020 - August-2021 Securitized



**FY 2021/22 Totals**

FHA with ZIP	689	234,515,686	70%
FHA no ZIP	44	13,563,391	
VA	3	1,259,545	
USDA	5	1,686,847	29%
Conventional with ZIP	231	86,206,547	
Conventional no ZIP	14	5,602,536	
LI/VLI Conventional with ZIP	49	13,941,050	
LI/VLI Conventional no ZIP	10	3,145,059	
<b>TOTAL</b>	<b>1045</b>	<b>359,920,661</b>	



## Where are our borrowers?

