Public Meeting Agenda

California Housing Finance Agency Board of Directors
Tuesday, November 16, 2021
10:00 a.m.

Click on the link to register:
https://attendee.gotowebinar.com/register/1584144885826036494

To listen only by telephone without public comment:
Dial: +1 (914) 614-3221
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1. Roll Call

2. Approval of the minutes of the October 21, 2021 Board of Directors meeting 1

3. Chairperson/Executive Director comments

4. Report from the Executive Evaluation Committee

5. Discussion, recommendation, and possible action regarding final loan commitment for the following project: (Kate Ferguson) 5

NUMBER	DEVELOPMENT	LOCALITY	UNITS
21-020-A/X/N	Shiloh Terrace	Windsor/Sonoma	134

Resolution No. 21-20 39

6. Discussion, recommendation, and possible action regarding final loan commitment for the following project: (Kate Ferguson) 42

NUMBER	DEVELOPMENT	LOCALITY	UNITS
21-018-A/X/N	Vista Woods	Pinole/Contra Costa	179

Resolution No. 21-21 75

7. Discussion, recommendation, and possible action regarding final loan commitment for the following project: (Kate Ferguson) 78

NUMBER	DEVELOPMENT	LOCALITY	UNITS
21-015-A/X/N	Marina Village Apartments	Suisun City/Solano	160

MINUTES

California Housing Finance Agency (CalHFA)
Board of Directors Meeting
October 21, 2021
Meeting noticed on October 11, 2021

1. ROLL CALL

The California Housing Finance Agency Board of Directors Meeting was called to order at 10:06 a.m. by Acting Chair Gunning. A quorum of members was present.

MEMBERS PRESENT:	Silber (for Assefa), Avila Farias, Castro Ramírez, Gallagher*, Gunn (for Imbasciani), Gunning, Johnson Hall, Russell, Sotelo, Starr (for Ma), Velasquez, White
MEMBERS ARRIVING AFTER ROLL CALL:	Prince
MEMBERS ABSENT:	Hunter, Bosler
STAFF PRESENT:	Claire Tauriainen, Melissa Flores, Don Cavier, Kate Ferguson, Francesc Martí
GUEST SPEAKER:	Mandy Merchant, Principal, *CliftonLarsonAllen*

*Gallagher stepped away from the meeting at approximately 10:30 am and returned at 11:02 am.

2. Approval of the Minutes – September 23, 2021

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

3. Chairperson/Executive Director comments

Chairperson comments:

- Chair Gunning welcomed everyone to the meeting.

Executive Director comments:

- Executive Director Johnson Hall began by thanking Board members for taking time out for individual meetings with her. Some of the feedback she has received is there is a collective desire of the Board to be more informed on CalHFA's ongoing programs and initiatives.

- She has also been holding "Meet and Greets" with various partners, stakeholders, legislative members, affordable housing organizations, non-profit, for-profit developer groups, CDFIs, and mortgage bankers. She is using these meetings to gain an understanding of where CalHFA's partnerships stand and where there are ways to expand and improve.

- She welcomed Ryan Silber, delegate for Sam Assefa, the new Director of the Governor's Office of Planning and Research.

- She shared that Representative Jackie Speier wrote a letter thanking the Board and CalHFA for approving financing of Kiku Crossing, an affordable 225-unit project in San Mateo, at the September 23, 2021 meeting.

- She spoke at a ribbon-cutting ceremony in Truckee celebrating 288 units from five new affordable housing properties in the Truckee/North Tahoe region.

- She attended a bill signing ceremony in Oakland where Governor Newsom signed over two dozen housing bills.

- On October 28, she will be speaking at the California Association of Local Housing Finance Agencies annual conference.

- She thanked the cities of San Francisco and San Diego, along with CalHFA staff, for working hard to create MOUs for CalHFA's Bond Recycling Program.

- She concluded her remarks by sharing that while the program is still awaiting approval from U.S. Treasury, the California Mortgage Relief Program now has a dedicated landing page, camortgagerelief.org.

4. Board Governance Traning

Presented by guest Mandy Merchant

Merchant provided the Board with a training on board governance. She detailed the role of a Board member and duties required to effectively govern, including the fiduciary duteies of care, loyalty, and obedience. She further reviewed public meeting requirements, conflict of interest policies, economic disclosure rules and the roles of the Audit and Executive Evaluation Committees at CalHFA.

Audit Committee Report

Presented by Audit Committee Chair Dalila Sotelo

After Merchant's presentation ended, Chair Gunning asked Sotelo, Audit Committee Chair, to provide a report out from the Audit Committee meeting that was conducted prior to the Board meeting earlier in the day. The Audit Committee heard a presentations on the State Leadership Accountability Act (SLAA) and CalHFA cybersecurity activities. She reported the Audit Committee is considering adding an additional committee meeting each year and amending its charter to add an additional committee member as a substitute.

5. Legislative Update

Presented by Francesc Martí

This item was moved by Chair Gunning to Item #6 on the agenda.

Francesc Martí, Director of Legislation and Policy, provided the Board with an update on state and federal legislative activity. He gave an overview of bills signed in the 2021-22 state legislative session, including SB 9 by Senator Atkins that prohibits or bans single-family zoning in California. On the federal side, negotiations in Congress continue as they work to finalize the top-level framework of the Reconciliation Bill, or the Building Back Better Act, which was initially proposed at $3.5 trillion, but has since been lowered to approximately $1.75 trillion. This bill contains provisions that CalHFA has been advocating for, specifically the lowering of the 50% test on private activity bonds. It is unknown at this time which provisions are being included in the final version of the bill. Also being negotiated is the bi-partisan infrastructure bill, which has $515 billion in new spending, but with no housing provisions in it.

6. Final Loan Commitment for College Creek Apartments, No. 21-017-A/X/N, 164 units located in Santa Rosa/Sonoma – Resolution No. 21-18

Presented by Kate Ferguson and guest, Darren Brobrowsky, USA Properties

This item was moved by Chair Gunning to Item #5 on the agenda.

On a motion by Prince, the Board approved **Resolution No. 21-18**. The votes were as follows:

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

NOES: None

ABSTENTIONS: None

ABSENT: Hunter

7. Final Loan Commitment for Elm Lane Apartments, No. 21-011-A/X/N, 170 units located in Oakley/Contra Costa – Resolution No. 21-19

Presented by Kate Ferguson

On a motion by Prince, the Board approved **Resolution No. 21-19**. The votes were as follows:

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

NOES: None

ABSTENTIONS: None

ABSENT: Hunter

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 and there were none.

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 12:00 p.m.

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": 11/1/2021 for Board Meeting on 11/16/21

Project Name, County:	Shiloh Terrace, Sonoma County	
Address:	6011 Shiloh Road & 6035-6050 Old Redwood Highway, Windsor, CA 95492	
CalHFA Project Number:	21-020-A/X/N	Total Units: 134
Requested Financing by Loan Program:	$42,808,977	**Tax Exempt Bond – Conduit Issuance Amount**
	$12,215,488	**Taxable Bond – Conduit Issuance Amount**
	$27,080,000	**Tax Exempt Permanent Loan with HUD Risk Sharing**
	$3,900,000	**Subsidy GAP Loan funded by MIP funds**

DEVELOPMENT/PROJECT TEAM

Developer:	CRP Affordable Housing and Community Development LLC	**Borrower:**	CRP Shiloh Terrace LP
Permanent Lender:	CalHFA	**Construction Lender:**	JPMorgan Chase Bank, N.A.
Equity Investor:	CREA (Federal/Solar), Monarch Private Capital (State)	**Management Company:**	Hyder Property Management Professionals, LLC
Contractor:	Highland PM, LLC	**Architect**	Hedgpeth Architects
Loan Officer:	N/A	**Loan Specialist:**	Kevin Brown
Asset Manager:	Jessica Doan	**Loan Administration:**	Mirna Ramirez
Legal (Internal):	Paul Steinke	**Legal (External):**	N/A
Concept Meeting Date:	4/21/2021	**Approval Expiration Date:**	180 days from Approval

LOAN TERMS

1.		**CONDUIT ISSUANCE JPMORGAN CHASE CONSTRUCTION LOAN**	**PERMANENT LOAN**	**MIP (GAP) LOAN**
	Total Loan Amount	$42,808,977 (t/e) $12,215,488 (taxable)	$27,080,000	$3,900,000
	Loan Term & Lien Position	25 months - interest only; 1st Lien Position during construction	40 year partially amortizing due in year 17 1st Lien Position at permanent closing	17 year - Residual Receipts; 2nd Lien Position at permanent loan closing

	Interest Rate (subject to change and locked 30 days prior to loan closing)	LIBOR + 145bps for t/e LIBOR + 200 bps for taxable Underwritten at 1.95% and 2.50% respectively that includes a .50% cushion	MMD15 + 2.60% Underwritten at 4.19% that includes a .25% cushion Estimated rate based on a 36-month forward commitment.	Greater of 1.00% Simple Interest or the Applicable Federal Rate at time of MIP closing Underwritten at 2.00%
	Loan to Value (LTV)	58%	86%	N/A
	Loan to Cost	68%	34%	N/A

PROJECT SUMMARY

2.	**Legislative Districts**	**Congress:**	#2 Jared Huffman	**Assembly:**	#2 Jim Wood	**State Senate:**	#2 Mike McGuire

	Brief Project Description	Shiloh Terrace (the "Project") is a new mixed-income Project, consisting of one three story building and one four-story building, both elevators serviced, with 134 units total. The project will consist of six two-bedroom units (721 sf) and 128 three-bedroom units (955 sf). The Project is in a disaster area and is part of locality's disaster recovery strategy/plan. There are currently two single-family residences located on the project site. The tenants will be relocated, and the structures demolished during the construction process. **Financing Structure:** The Project's financing structure includes tax-exempt bonds, taxable bonds, 4% tax credits, the Agency's Tax-Exempt Permanent Loan with Risk Sharing program and Mixed-Income Program. **Tax Credits and/or CDLAC Status:** The project was awarded bond allocation and tax credits on August 11, 2021. **Project Amenities:** The Project includes a community room, exercise facilities, computer room, gym, business center, exercise facilities, central laundry facilities, on-site management and recreation areas. Additionally, the Project will offer health and wellness classes and adult education classes. Unit amenities will include central heating, central air conditioning, dishwasher and garbage disposal. **Local Resources and Services:** The Project is located in a High Resource Area per TCAC's Opportunity Area Map. The Project is in close proximity to the following local amenities and services: • Grocery stores – 2.1 miles • Schools – 1.3 miles • Public Library – 2.5 miles • Public transit – 0.1 miles • Retail – 0.6 miles • Park and recreation – 0.1 miles • Hospitals – 2.6 of miles **Non-displacement <u>and</u> No Net Loss:** 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 as a result of this development. However, the

		project will be displacing two market rate rental single-family homes that are currently onsite. The developer has budgeted approximately $204,437 in relocation costs to cover the moving costs of the current tenants. **Commercial Space:** The Project does not include commercial space.

MISSION

3.	**CalHFA Mission/Goals**	
This Project and financing proposal provide 133 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

4.	CDLAC/TCAC Closing Deadline:	2/7/2022	Est. Construction Loan Closing:	1/2022
	Estimated Construction Start:	1/2022	Est. Construction Completion:	1/2024
	Estimated Stabilization and Conversion to Perm Loan(s):		4/2024	

SOURCES OF FUNDS

5.

Construction Period Financing				
SOURCE	**AMOUNT**	**LIEN POSITION**	**INTEREST RATE**	**DEBT TYPE**
JP Morgan Chase Construction Loan (Tax-Exempt)	$42,808,977	1st	1.95%	Interest Only
JP Morgan Chase Construction Loan (Taxable)	$12,215,488	2nd	2. 50%	Interest Only
Solar Equity	$186,027	N/A	N/A	N/A
Tax Credit Equity	$14,962,294	N/A	N/A	N/A
TOTAL	**$70,172,786**	**$523,678**	**Per Unit**	
Permanent Financing				
SOURCE	**AMOUNT**	**LIEN POSITION**	**INTEREST RATE**	**DEBT TYPE**
CalHFA Permanent Loan	$27,080,000	1st	4.19%	Balloon 40/17
CalHFA MIP	$3,900,000	2nd	2.00%	Residual Receipts
Deferred Developer Fee	$6,645,059	N/A	N/A	Cash flow
Solar Equity	$465,067	N/A	N/A	N/A
Tax Credit Equity	$41,517,566	N/A	N/A	N/A
TOTAL DEVELOPMENT COST:	**$79,607,692**	**$594,087**	**Per Unit**	

Subsidy Efficiency: $29,323 Per MIP restricted unit

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

- 4% Federal Tax Credits: $37,669,871 assuming estimated pricing of $0.88 ($281,118 per total units).
- State Tax Credits: $9,807,392 assuming estimated pricing of $0.875 ($73,189 per total units).

	• Solar Tax Credits: $522,600 assuming estimated pricing of $0.89 ($3,900 per total units). **Rental Subsidies**: The Project will not be subsidized by project-based vouchers. **Other State Subsidies:** The Project will not be funded by other state funds. **Other Locality Subsidies:** The Project will not be funded by locality funds. **Cost Containment Strategy:** All major subcontractor and self-performing trades will be bid out competitively, with a minimum of three bids for each individual trade. A value engineering consultant will also be engaged during the design stage to help control overall construction costs. The project team of Owners / Engineers / Contractors have been and will remain involved throughout the design stage, helping to control overall costs. The GC will be establishing a critical path (CMP) for the construction process to efficiently manage it in real time with the main purpose of mitigating potential delays. The project construction team has significant experience in affordable housing in general and working together in particular, and an established Request for Information ("RFI") system will also be employed on this project. The GC contract will be Guaranteed Maximum Price ("GMP") with minimal allowances for cost accuracy, and all potential savings shall be returned to owner. **High Cost Explanation:** The total development cost is $79,607,692 and the per unit is $594,087, which is lower than CDLAC's maximum allocation calculation for the Project ($85,211,000 or $635,903 Per Unit). The following are a few contributing factors to the total development cost: ○ Development Costs- Due to its location in the North Bay Area and proximity to San Francisco, development costs in Windsor are expensive relative to other regions of California. ○ Impact Fees and Land Costs- Development impact fees of $5,880,553 and land costs of $4,050,000 are generally high in Windsor. ○ Large Family Project- 95% of the units at Shiloh Terrace are large three-bedroom units with 100% of the units serviced by elevators. ○ Offsite Improvements- $2,000,000 of offsite improvements are required by the Town of Windsor entitlement conditions and include new lanes, parking, bike lanes, sidewalks, park strips, new traffic signalization and turn lanes on both Old Redwood Highway and Shiloh Road as part of the Windsor Community Plan and Design. The estimated adjusted total development cost per unit, minus the contributing factors above, is approximately $505,053.
6.	Equity – Cash Out (estimate): Not Applicable

TRANSACTION OVERVIEW

7.	**Proposal and Project Strengths**

- The Project has received 4% tax credits which is projected to generate equity representing 52% of total financing sources.
- The Project will serve low-income families ranging between 30% to 70% of AMI.
- The projected portion of the developer's fee that will be collected at or prior to permanent loan conversion is $2,795,142, which could be available to cover cost overruns and/or unforeseen issues during construction.
- The Project is receiving strong local support in the form of density bonuses and zoning waivers including reduced parking ratio, reduction in City required open space, and allowing an all-residential project in a mixed-use area

designated by the City's general plan.

8.	**Project Weaknesses with Mitigants:**

- 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 first lien loan but may only have the ability to repay a portion of the Agency's subsidy MIP loan $2,001,351 leaving an outstanding balance of $3,068,649. This is as expected by CalHFA given the requirement that the MIP loan be co-terminus with the permanent first mortgage. The primary source of repayment for both the first mortgage and the MIP subsidy loan is refinance of the project first mortgage. To the extent such a refinance is insufficient to fully repay the MIP loan, it is contemplated that any remaining balance will be paid from a general partner contribution as part of the final close out of partnership obligations to allow re-syndication.
- A Phase I report dated January 26, 2021 identified asbestos containing materials (ACM) and the potential for lead-based paint (LBP) in the 2 occupied single-family residences on the site that will be demolished during the construction period. Estimated remediation costs are included in the development budget. Evidence of environmental clearance will be required as a prerequisite to closing of the CalHFA permanent and MIP loans.
- The developer/sponsor does not have experience with CalHFA, however, they have extensive experience in developing similar affordable projects in this region. In addition, the locality is familiar with developer/sponsor and strongly supports the project.

9.	**Underwriting Standards or Term Sheet Variations**

For purposes of MIP subsidy efficiency analysis, the underwriting of the permanent first lien loan is typically required to be sized based on the maximum TCAC income and rent limits. The developer is requesting an exception to this requirement and instead has requested that project rents for 43 of the units be limited to 34% below TCAC regulated maximum rents. This is a condition required by the investor to ensure that the income average of the property overall is approximately 55% of AMI (60% is the maximum), which mitigates the Project's risk of losing tax credits during the compliance period pursuant to income averaging requirements. The income for these 43 units average 47% below market rents for similar units vs. average of 18% below market rents if TCAC maximum rents are used. This request does not include the 10% of total units (14 units) restricted between 60% and 80% AMI as required by the MIP term sheet. To facilitate project feasibility, staff is recommending an exception to the MIP subsidy efficiency requirement to allow the project's permanent first lien loan underwriting to align with the investor's requirements.

10.	**Project Specific Conditions of Approval**

Approval is conditioned upon:

- No site work or construction commenced prior to the issuance of a HUD Firm Approval Letter.
- Evidence of local approval from the Town of Windsor of final relocation plan and budget acceptable to Agency are required prior to construction loan closing.
- 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 approval of the total deferred developer's fee structure and residual receipt split.
- Evidence from JPMorgan Chase and investors that funding will be structured such that the JPMorgan Chase 80% loan to investment value ratio is satisfied.
- The City is requiring the Borrower to encumber the Property by recording a Density Bonus Agreement. Prior to construction loan closing and closing of the CalHFA loans, the Density Bonus Agreement is subject to CalHFA review and approval in accordance with Agency underwriting standards.
- CalHFA requires that MIP affordability covenants be recorded in first position senior to all foreclosable debt.
- Completion of NEPA review prior to construction loan closing.
- Per findings in Phase I Environmental Site Assessment, the developer will need to provide a detailed remediation plan for onsite contaminants prior to construction loan closing.
- Receipt of CUAC report that supports the proposed utility rates for the project.
- The total deferred developer's fee of $6,645,059 will not be fully repaid by year 15 per project cashflow, therefore the owner must provide evidence of investor approval of the total deferred developer's fee structure. The

outstanding balance of approximately $92,328 is anticipated to be contributed by to the developer to the Project. Funds from the CalHFA permanent loan and/or the subsidy loan shall not be used to fund or offset any portion of the offsite improvement costs not attributable to the Town of Windsor entitlement conditions and Community Plan.

- Receipt of a locality contribution letter stating the municipality's support for the project.
- 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.
- Subject to an updated Phase I report prior to construction loan closing.
- Funds from the CalHFA permanent loan and/or the subsidy loan shall not be used to fund or offset any portion of the offsite improvement costs required by the Town of Windsor entitlement conditions, except to the extent such costs are attributable to the improvements for the exclusive use by the tenants of the project.

11. Staff Conclusion/Recommendation:

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

AFFORDABILITY

12. CalHFA Affordability & Occupancy Restrictions

The CalHFA Permanent Financing Regulatory Agreement will restrict a minimum of 30% of the total units (41 units) at or below 60% AMI and 10% of the total units (14 units) at or below 50% AMI for 55 years.

The CalHFA MIP Subsidy Regulatory Agreement requires 10% of total units (14 units) at or below 50% of AMI and 10% of total units (14 units) between 60% and 80% of AMI with a minimum average of 70% of AMI and 79% of the total units (105 units) 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 Town of Windsor Density Bonus Agreement will restrict a total of 21 units at or below 50% of AMI for a total of 55 years. The TCAC Regulatory Agreement will also restrict a total of 133 units between 30% and 70% AMI for a 55-years term.

Rent Limit Summary Table

Restrictions @ AMI	Total	Studio	1-bdrm	2-bdrm	3-bdrm	4-bdrm	% of Total
30%	14	-	-	1	13	-	10.4%
50%	14	-	-	1	13	-	10.4%
60%	49	-	-	-	49	-	36.6%
70%	53	-	-	4	52	-	41.8%
Manager's Unit	1	-	-	-	1	-	0.7%
Total	134	0	0	6	128	0	100%

The average affordability restriction is 60% of AMI. The current underwriting rents average 55% of AMI per investor requirements.

NUMBER OF UNITS AND AMI RENTS RESTRICTED BY EACH AGENCY										
			Number of Units Restricted for Each AMI Category							
Regulatory Source	Recordation Priority of Recorded Document	Term of Agrmt (years)	30% AMI	50% AMI	60% AMI	70% AMI *(60% to 80% Tranche)	<= 120% AMI	Mgrs. Unit	Total Units Regulated	% of Regulated Units
CalHFA MIP	1st	**55**		14		14	105		133	99.25%
CalHFA Bond	2nd	**55**		14	41				55	40.30%
Town of Windsor Density Bonus Agreement	3rd	**55**		21					21	15.67%
Tax Credits	4th	**55**	14	14	49	56			133	99.25%

13. Geocoder Information

Central City:	No	Underserved:	No
Low/Mod Census Tract:	Upper	Below Poverty line:	4.53%
Minority Census Tract:	38.83%	Rural Area:	No

FINANCIAL ANALYSIS SUMMARY

14. Capitalized Reserves:

Replacement Reserves (RR):	N/A
Operating Expense Reserve (OER):	$1,147,492 OER amount is size based on 6 months operating expenses, debt service, and annual replacement reserves deposits. CalHFA will hold this reserve for the term of the CalHFA permanent first lien loan and in the event the OER is drawn down during the term of the loan, the OER must be replenished over a 12 month period to the original level.
Transitional Operating Reserve (TOR):	N/A.

15. Cash Flow Analysis

1st Year DSCR:	1.16	**Project-Based Subsidy Term:**	N/A
End Year DSCR:	1.61	**Annual Replacement Reserve Per Unit:**	$250/unit
Residential Vacancy Rate: **Subsidy Vacancy Rate:**	5% N/A	**Rental Income Inflation Rate:** **Subsidy Income Inflation Rate:**	2.50% N/A
Non-residential Vacancy Rate:	N/A	**Project Expenses Inflation Rate:** **Property Tax Inflation Rate:**	3.50% 1.25%

The Project is proposing to use a lower Utility Allowance ("UA") than HUD's allowance due to the anticipated implementation of a more energy efficient system as supported by the third-party energy report and California Utility Allowance Calculator ("CUAC") which has been approved by TCAC and the investor.

16.	Loan Security
The CalHFA loan(s) will be secured against the above-described Project site.	
17.	Balloon Exit Analysis Applicable: ☒ Yes ☐ No
The exit analysis assumes a 7% 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 first lien loan but may only have the ability to repay a portion of the Agency's subsidy MIP loan in the estimated amount of $2,001,351 leaving an outstanding balance of $3,068,649. This is as expected by CalHFA given the requirement that the MIP loan be co-terminus with the permanent first mortgage. The primary source of repayment for both the first mortgage and the MIP subsidy loan is refinance of the project first mortgage. To the extent such a refinance is insufficient to fully repay the MIP loan, it is contemplated that any remaining balance will be paid from a general partner contribution as part of the final close out of partnership obligations to allow re-syndication.	

APPRAISAL AND MARKET ANALYSIS

18. Appraisal Review — **Dated: 9/7/21**

- The Appraisal dated September 7, 2021, prepared by Pacific Real Estate Appraisal values the land at $4,450,000.
- The cap rate of 5% 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.
- The proposed operating expenses are consistent and reasonable based on the appraisal report.
- The as-restricted stabilized value is $31,630,000, which results in the Agency's permanent first lien loan to value of 86%.
- The capture rate and absorption rate are 3.68% and 8 months (16 units per month), respectively. The capture rates and absorption rates differ from those of the market study due to the wider range of projects surveyed by the appraisal. The Project is expected to achieve 3-months of stabilization required to close the CalHFA permanent loan within the 36-month rate lock period.

	Market Study:	Prepared by Novogradac Consulting LLP	Dated: 5/7/21

Regional Market Overview

- The Primary Market Area ("PMA") consists of the Town of Windsor and surrounding areas, including the communities of Mark West, Larkfield-Wikiup, and Fulton, and the northwestern portion of Santa Rosa (population of 87,421 and the Secondary Market Area ("SMA") is Santa Rosa – Petaluma County MSA (population of 494,864).
- The general population in the PMA is anticipated to increase by 0.1% per year.
- Unemployment in the SMA is 5.5%, which evidences a strong employment area. The study did not include the unemployment rate for the PMA.
- Median home value in the PMA is $687,353. The median home value in the SMA is $664,600. Median home values in the PMA are about 3% higher than in the SMA.

Local Market Area Analysis

- **Supply:**
  - There are currently 27 family project(s) in the PMA, and all have occupancy percentages greater than 90% with long wait lists.
  - There are eight affordable projects in the pipeline and one under construction which is anticipated to complete in 2021.
- **Demand/Absorption:**

The project will need to capture 12.4% of the total demand for family units in the PMA. The affordable units are anticipated to lease up at a rate of 30 units per month and reach stabilized occupancy within 4 to 5 months of opening.

DEVELOPMENT SUMMARY

19. Site Description **Requires Flood Insurance:** ☐ Yes ☒ No

- The property is located on the north side of Shiloh Road with frontage on the southwest side of Old Redwood Highway, in the Town of Windsor, Sonoma County.
- The site is generally level and is mostly vacant; however, the southeastern portion of the site is partially improved with several occupied single-family homes in fair condition which will be demolished to allow for construction of the Project. The site measures approximately 4.39 acres and is generally irregular in shape.
- A relocation plan has been included for the project and $204,437 has been provided in the budget for relocation expenses.
- The site consists of three contiguous parcels that will be merged prior to start of construction.
- The site parcels are zoned Boulevard Mixed Use ("BMU") and Medium Density Residential ("MDR") respectively, which permits multifamily residential use.
- The subject is located in Flood Zone X (area of minimum flood hazard). Zone X is the area determined to be outside the 500-year flood and protected by levee from 100-year flood, therefore the Project will not be subject to flood insurance.

20. Form of Site Control & Expiration Date

The developer, CRP Affordable Housing and Community Development, LLC, entered into two separate purchase and sale agreements for the three parcels that make up the site. CRP Affordable Housing and Community Development, LLC, and the owner of parcel one, Merner Land Company, Carl J. Merner, Trust, entered into a Purchase and Sale Agreement dated 11/04/2020 for an amount of $3,400,000. CRP Affordable Housing and Community Development, LLC and the owner of parcels two and three, Chartrand Family Living Trust, also entered into a Purchase and Sale Agreement dated 11/16/2020 for an amount of $650,000. The combined purchase price totaled $4,050,000.

21. Current Ownership Entity of Record

Parcel one (6011 Old Redwood Highway) Title is currently vested in Merner Land Company as the fee owner.

Parcels two and three (6035-6050 Old Redwood Highway) Title is currently vested in The Chartland Family Living Trust as the fee owner.

22. Environmental Review Findings **Dated: 1/26/21**

- A Phase I Environmental Site Assessment performed by CBRE Inc., dated January 26, 2021 revealed no evidence of recognized environmental conditions. The study did identify the possible presence of asbestos containing material and lead-based paint due to the age of the single-family homes on the site. Based on the findings, no further investigation was recommended.
- A pre-demolition survey will be conducted to assess the possible contaminants on site and a remediation plan will also be provided for the Project.
- A NEPA review has been initiated and will be completed prior to closing which is projected to be February 1, 2022.

23. Seismic **Requires Earthquake Insurance:** ☐ Yes ☒ No

This new Project will be built to State and Town of Windsor Building Codes so no seismic review is required.

24. Relocation **Requires Relocation:** ☒ Yes ☐ Not Applicable

The Project contains two existing single-family residential rental dwellings which will be demolished during construction. The current site occupants will be permanently relocated to facilitate the proposed Project. The developer has prepared a project relocation plan that details the needs and characteristics of the current site occupants who will be displaced, primarily covering the lodging. The developer has budgeted $204,437 ($1,526 per unit) for relocation purposes during construction. The final relocation plan is subject to Town of Windsor's approval.

PROJECT DETAILS

25.	**Residential Areas:**				
		Residential Square Footage:	126,566	**Residential Units per Acre:**	30.5
		Community Area Sq. Ftg:	41,161	**Total Parking Spaces:**	145
		Supportive Service Areas:	N/A	**Total Building Sq. Footage:**	167,727
26.	**Mixed-Use Project:** ☐ **Yes** ☒ **No**				
		Non-Residential Sq. Footage:	N/A	**Number of Lease Spaces:**	N/A
		Master Lease:	☐ **Yes** ☒ **No**	**Number of Parking Spaces:**	145
27.	**Construction Type:**	One three story building and one four story building, constructed of steel and wood framing, with surface parking spaces.			
28.	**Construction/Rehab Scope**	**Requires Demolition:** ☒ **Yes** ☐ **No**			

- The subject site is new construction.
- The locality requires certain offsite improvements that includes traffic control measures, utility improvements, street and sidewalk upgrades and erosion control mechanisms. Based on engineer estimates, the costs for the offsite improvements are $1,500,000, with a 33% contingency included of $500,000, for a total of $2,000,000 which will be paid by tax credit equity.
- Environmental remediation of contaminants outlined on section 22 above is included in the development budget in the estimated amount of $25,000.

29. Construction Budget Comments:

- CalHFA will require an independent review of the costs by a 3rd Party consultant prior to construction loan closing.
- The developer has established cost containment strategies, which are outlined in section 5 above.
- During construction, the cost of the offsite improvements required by the Town of Windsor entitlement conditions will be paid by tax credit equity during construction and permanent as follows:

Costs	Construction	Permanent
Offsite improvements:	$2,000,000	$2,000,000
Total Costs	**$2,000,000**	**$2,000,000**
Sources	**Construction**	**Permanent**
Tax Credit Equity	$2,000,000	$2,000,000
Total Sources	**$2,000,000**	**$2,000,000**

ADDITIONAL DEVELOPMENT/ PROJECT TEAM INFORMATION

30. Borrower Affiliated Entities

- Managing General Partner: Central Valley Coalition for Affordable Housing, a California limited liability company; 0.0049% interest
- Administrative General Partner: CRP Shiloh Terrace AGP, LLC, a California limited liability company; 0.0051% interest
  - Sole Member: CRP Affordable Housing and Community Development LLC, 100% interest
- Investor Limited Partner: CREA Shiloh Terrace (Federal & Solar Tax Credits); 99.99% interest
- Investor Limited Partner: Monarch Private Capital (State Tax Credits); 00.00% interest (certificated tax credits)

31. Developer/Sponsor

The Managing General Partner's managing member is Central Valley Coalition for Affordable Housing or "The Coalition", a California based entity established in 1989, by the Housing Authority of the County of Merced. The Coalition has worked closely with the neighboring cities of Merced and Turlock, having received funding for 20+ fiscal years to construct affordable multifamily projects. The Coalition is the managing general partner in partnerships that own and operate 269 properties, totaling over 17,000 units throughout California. They do not have any properties in the CalHFA portfolio, and this is their first experience with CalHFA.

The Administrative General Partner's managing member and developer for the project is CRP Affordable Housing and Community Development LLC. CRP Affordable Housing and Community Development LLC is a subsidiary of Castellan Real Estate Partners LLC which owns and operates over 2,000 units including many affordable, rent-restricted units. CRP Affordable Housing and Community Development has 12 affordable developments, totaling 1,028 units, all in the state of California. The developer does not currently have any projects in the CalHFA portfolio, however they have one MIP project in the CalHFA pipeline that is under construction and expects to close on CalHFA MIP loan by January 2022.

32. Management Agent

The Project will be managed by Hyder Property Management Professionals, which has extensive experience in managing similar affordable housing projects in the area. The management agent currently manages 19 projects in the CalHFA portfolio, and all are performing as expected.

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

Resident services will be provided by Central Valley Coalition for Affordable Housing ("CVCAH") who has extensive experience providing resident services for LIHTC projects. Services will include adult education, health and wellness, skill building classes, and individualized health and wellness services and programs. Services will be provided on-site in the community room and there will be private offices dedicated for individual services. Per the MOU between CVCAH and the developer and borrower dated May 14, 20241, a minimum of 84 hours of services will be provided for $26,600 annually. The services budget is structured as a cost after mandatory debt service.

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

The general contractor is Highland PM, LLC which has extensive experience in constructing similar affordable housing projects in California, however, CalHFA does not currently have any experience with the general contractor. The general contractor does have one MIP project currently under construction that is progressing as expected. 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 Hedgpeth Architects, which has extensive experience in designing and managing similar affordable housing projects in California through the locality's building permit process. The architect was involved in completing one project in CalHFA's portfolio and is currently involved in one CalHFA MIP project that is under construction.

36. Local Review via Locality Contribution Letter

Staff sent a local contribution letter to the Town of Windsor on April 21, 2021 and have continuously followed up however a response has yet to be received. Staff will continue to follow up with the locality. Hence, the receipt of local support prior to construction loan closing has been added as a condition of approval.

EXHIBITS: Detailed Financial Analysis and applicable Term Sheets

PROJECT SUMMARY — Final Commitment

Acquisition, Rehab, Construction & Permanent Loans — **Project Number 21-020-A/X/N**

Project Full Name	Shiloh Terrace (fka Windsor Residences)
Project Address	6011 Shiloh Road & 6035-6050 Old Windsor
Project City	
Project County	Sonoma
Project Zip Code	95492

Borrower Name:	CRP Shiloh Terrace LP
Managing GP:	Central Valley Coalition for Affordable Housing
Developer Name:	CRP Afforable Housing and Community Development LLC
Investor Name:	Monarch Private Capital & CREA
Prop Management:	Hyder Property Management Professionals, LLC
Tax Credits:	4

Project Type:	Permanent Loan Only
Tenancy/Occupancy:	Individuals/Families
Total Residential Units:	134
Total Number of Buildings:	2
Number of Stories:	3 and 4
Unit Style:	Flat
Elevators:	2

Total Land Area (acres):	4.39
Residential Square Footage:	126,566
Residential Units Per Acre:	30.52
Covered Parking Spaces:	0
Total Parking Spaces:	145

Acq/Construction/Rehab Financing	Loan Amount ($)	Loan Fees	Loan Term (Mo.)	Amort. Period (Yr.)	Starting Interest Rate
JP Morgan Chase T/E Conduit	42,808,977	0.500%	25	--	1.950%
JP Morgan Chase- Taxable Conduit	12,215,488	0.500%	25	--	2.500%
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--	--	--	--	--	--
Solar Equity	186,027	--	--	--	--
Investor Equity Contribution	14,962,294	--	--	--	--

Permanent Financing	Loan Amount ($)	Loan Fees	Loan Term (Yr.)	Amort. Period (Yr.)	Starting Interest Rate
Perm	27,080,000	1.000%	17	40	4.190%
MIP	3,900,000	1.000%	17	17	2.000%
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--	--	--	--	--	--
Deferred Developer Fees	6,645,059	NA	NA	NA	NA
Solar Equity	465,067	NA	NA	NA	NA
Investor Equity Contributions	41,517,566	NA	NA	NA	NA

Appraised Values Upon Completion of Rehab/Construction

Appraisal Date:	9/7/21	**Capitalization Rate:**	5.00%
Investment Value ($)	73,790,000	**Restricted Value ($)**	31,630,000
Construct/Rehab LTC	N/A	**CalHFA Permanent Loan to Cost**	34%
Construct/Rehab LTV	N/A	**CalHFA 1st Permanent Loan to Value**	86%
		Combined CalHFA Perm Loan to Value	98%

Additional Loan Terms, Conditions & Comments

Construction/Rehab Loan

Payment/Performance Bond	Required
Completion Guarantee Letter of Credit	N/A

Permanent Loan

Operating Expense Reserve Deposit	$1,135,542	Cash
Initial Replacement Reserve Deposit	$0	Cash
Annual Replacement Reserve Per Unit	$250	Cash

Date Prepared: 10/12/21 — Senior Staff Date: 10/28/21

UNIT MIX AND RENT SUMMARY — **Final Commitment**

Shiloh Terrace (fka Windsor Residences) — **Project Number 21-020-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	2	1	721	6	18
Flat	3	2	955	128	576
-	-	-	-	-	0
-	-	-	-	-	0
-	-	-	-	-	0
-	-	-	-	-	0
				134	594

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%	120%	200%
CalHFA Bond/HUD-RS	0	0	14	41	0	0	0
CalHFA MIP	0	0	14	0	14	105	0
TCAC	14	0	14	49	56	0	0
f Windsor Density Bonus Agr	0	0	21	0	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: Number of Units	Average Restricted Rents: Unit Rent	Average Market Rents	Average Monthly Savings	% of Market Rents
Studios	CTCAC	30%	-	-	-	-	-
	CTCAC	50%	-	-		-	-
	CTCAC	50%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	70%	-	-		-	-
	CTCAC	70%	-	-		-	-
	CTCAC	70%	-	-		-	-
1 Bedroom	CTCAC	30%	-	-	$0	-	-
	CTCAC	50%	-	-		-	-
	CTCAC	50%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	70%	-	-		-	-
	CTCAC	70%	-	-		-	-
	CTCAC	70%	-	-		-	-
2 Bedrooms	CTCAC	30%	1	$764	$2,228	$1,464	34%
	CTCAC	50%	1	$764		$1,464	34%
	CTCAC	50%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	70%	3	$764		$1,464	34%
	CTCAC	70%	-	-		-	-
	CTCAC	70%	1	$1,811		$417	81%
3 Bedrooms	CTCAC	30%	13	$885	$2,645	$1,760	33%
	CTCAC	50%	-	-		-	-
	CTCAC	50%	13	$1,490		$1,155	56%
	CTCAC	60%	49	$1,793		$852	68%
	CTCAC	70%	1	$1,339		$1,306	51%
	CTCAC	70%	12	$1,490		$1,155	56%
	CTCAC	70%	13	$2,095		$550	79%
4 Bedrooms	CTCAC	30%	-	-	-	-	-
	CTCAC	50%	-	-		-	-
	CTCAC	50%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	70%	-	-		-	-
	CTCAC	70%	26	$1,793		$852	68%
	CTCAC	70%	-	-		-	-
5 Bedrooms	CTCAC	30%	-	-	-	-	-
	CTCAC	50%	-	-		-	-
	CTCAC	50%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	70%	-	-		-	-
	CTCAC	70%	-	-		-	-
	CTCAC	70%	-	-		-	-
Date Prepared:	10/12/21					Senior Staff Date:	10/28/21

SOURCES & USES OF FUNDS — **Final Commitment**

Shiloh Terrace (fka Windsor Residences) — **Project Number 21-020-A/X/N**

SOURCES OF FUNDS	CONST/REHAB	PERMANENT	TOTAL PROJECT SOURCES OF FUNDS		
	$	$	SOURCES ($)	PER UNIT ($)	%
JP Morgan Chase T/E Conduit	42,808,977				0.0%
JP Morgan Chase- Taxable Conduit	12,215,488				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
Solar Equity	186,027				0.0%
Construct/Rehab Net Oper. Inc.	-				0.0%
Deferred Developer Fee	-				0.0%
Developer Equity Contribution	-				0.0%
Investor Equity Contribution	14,962,294				0.0%
Perm		27,080,000	27,080,000	202,090	34.0%
MIP		3,900,000	3,900,000	29,104	4.9%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
Solar Equity		465,067	465,067	3,471	0.6%
-		-	-	-	0.0%
-		-	-	-	0.0%
Construct/Rehab Net Oper. Inc.		-	-	-	0.0%
Deferred Developer Fees		6,645,059	6,645,059	49,590	8.3%
Developer Equity Contribution		-	-	-	0.0%
Investor Equity Contributions		41,517,566	41,517,566	309,833	52.2%
TOTAL SOURCES OF FUNDS	**70,172,786**	**79,607,692**	**79,607,692**	**594,087**	**100.0%**
TOTAL USES OF FUNDS (BELOW)	**70,172,786**	**79,607,692**	**79,607,692**	**594,087**	**100.0%**
FUNDING SURPLUS (DEFICIT)	**0**	**-**	**0**		

USES OF FUNDS	CONST/REHAB	PERMANENT	TOTAL PROJECT USES OF FUNDS		
	$	$	USES ($)	PER UNIT ($)	%
CONSTRUCTION/REHAB SOURCES OF FUNDS		**70,172,786**			
ACQUISITION COSTS					
Lesser of Land Cost or Appraised Value	4,050,000	-	4,050,000	30,224	5.1%
Demolition Costs	-	-	-	-	0.0%
Legal & Other Closing Costs	-	-	-	-	0.0%
Escrow & other closing costs	-	-	-	-	0.0%
Verifiable Carrying Costs	-	-	-	-	0.0%
Existing Improvements Value	-	-	-	-	0.0%
Delinquent Taxes Paid @ Closing	-	-	-	-	0.0%
CalHFA Yield Maintenance Paid @ Closing	-	-	-	-	0.0%
Existing Replacement Reserve	-	-	-	-	0.0%
Broker Fees Paid to Related Party	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL ACQUISITION COSTS	**4,050,000**	**-**	**4,050,000**	**30,224**	**5.1%**
CONSTRUCTION/REHAB COSTS					
Offsite Improvements	1,500,000	-	1,500,000	11,194	1.9%
Environmental Remediation (Hard Costs)	25,000	-	25,000	187	0.0%
Site Work (Hard Cost)	3,048,000	-	3,048,000	22,746	3.8%
Structures (Hard Cost)	36,394,035	-	36,394,035	271,597	45.7%
General Requirements	1,658,681	-	1,658,681	12,378	2.1%
Contractor Overhead	2,488,022	-	2,488,022	18,567	3.1%
Contractor Profit	1,658,681	-	1,658,681	12,378	2.1%
Contractor Bond	945,448	-	945,448	7,056	1.2%
Contractor Liability Insurance	709,086	-	709,086	5,292	0.9%
Personal Property	-	-	-	-	0.0%
HVAC/Resident Damage	-	-	-	-	0.0%
TOTAL CONSTRUCT/REHAB COSTS	**48,426,953**	**-**	**48,426,953**	**361,395**	**60.8%**

SOURCES & USES OF FUNDS					Final Commitment
Shiloh Terrace (fka Windsor Residences)			Project Number	21-020-A/X/N	
USES OF FUNDS	CONST/REHAB $	PERMANENT $	TOTAL PROJECT USES OF FUNDS USES ($)	PER UNIT ($)	%
RELOCATION COSTS					
Relocation Expense	204,437	-	204,437	1,526	0.3%
Relocation Compliance Monitoring	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL RELOCATION COSTS	**204,437**	**-**	**204,437**	**1,526**	**0.3%**
ARCHITECTURAL FEES					
Design	1,043,000	-	1,043,000	7,784	1.3%
Landscape Arch & Energy Consultant	117,000	-	117,000	873	0.1%
TOTAL ARCHITECTURAL FEES	**1,160,000**	**-**	**1,160,000**	**8,657**	**1.5%**
SURVEY & ENGINEERING FEES					
Engineering	670,300	-	670,300	5,002	0.8%
Supervision	-	-	-	-	0.0%
ALTA Land Survey	-	-	-	-	0.0%
TOTAL SURVEY & ENGINEERING FEES	670,300	-	670,300	5,002	0.8%
CONTINGENCY RESERVES					
Hard Cost Contingency Reserve	2,946,348	-	2,946,348	21,988	3.7%
Soft Cost Contingency Reserve	219,615	-	219,615	1,639	0.3%
TOTAL CONTINGENCY RESERVES	3,165,963	-	3,165,963	23,627	4.0%
CONSTRUCT/REHAB PERIOD COSTS					
Loan Interest Reserve					
JP Morgan Chase T/E Conduit	2,472,777	-	2,472,777	18,454	0.031062
JP Morgan Chase- Taxable Conduit	-	-	-	-	0
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Loan Fees					
JP Morgan Chase T/E Conduit	214,045	-	214,045	1,597	0.3%
JP Morgan Chase- Taxable Conduit	61,077	-	61,077	456	0.1%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Other Const/Rehab Period Costs					
Deficit Const/Rehab NOI (Net Operating In	-	-	-	-	0.0%
Credit Enhancement & Application Fees	-	-	-	-	0.0%
Owner Paid Bonds/Insurance	-	-	-	-	0.0%
CalHFA Inspection Fees	12,500	-	12,500	93	0.0%
Real Estate Taxes During Rehab	25,714	-	25,714	192	0.0%
Completion Guaranty Fee	-	-	-	-	0.0%
Wage Monitoring Fee (Davis Bacon, Preva	-	-	-	-	0.0%
Insurance During Rehab	587,123	-	587,123	4,382	0.7%
Title & Recording Fees	60,000	-	60,000	448	0.1%
Construction Management & Testing	240,000	-	240,000	1,791	0.3%
Predevelopment Interest Expense	175,000	-	175,000	1,306	0.2%
Bond Issuer Fee	55,012	-	55,012	411	0.1%
Other: Lender Insp Fees, Acct Admin, Misc	40,000	-	40,000	299	0.1%
TOTAL CONST/REHAB PERIOD COSTS	**3,943,248**	**-**	**3,943,248**	**29,427**	**5.0%**

SOURCES & USES OF FUNDS					Final Commitment
Shiloh Terrace (fka Windsor Residences)			Project Number	21-020-A/X/N	
USES OF FUNDS	CONST/REHAB $	PERMANENT $	TOTAL PROJECT USES OF FUNDS USES ($)	PER UNIT ($)	%
PERMANENT LOAN COSTS					
Loan Fees					
CalHFA Application Fee	5,000	-	5,000	37	0.0%
Perm	135,400	135,400	270,800	2,021	0.3%
MIP	19,500	19,500	39,000	291	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Permanent Loan Cost of Issuance Fee	55,000	55,000	110,000	821	0.1%
Credit Enhancement & Application Fees	-	-	-	-	0.0%
Title & Recording (closing costs)	-	10,000	10,000	75	0.0%
Year 1 - Taxes & Special Assessments and Insura	-	-	-	-	0.0%
CalHFA Fees	-	10,085	10,085	75	0.0%
Tax Exempt Bond Allocation Fee	-	-	-	-	0.0%
Other (Specify): Bond Issuer Fees	21,405	-	21,405	160	0.0%
TOTAL PERMANENT LOAN COSTS	**236,305**	**229,985**	**466,290**	**3,480**	**0.6%**
LEGAL FEES					
CalHFA Construction/Rehab Loan Legal Fees	-	-	-	-	0.0%
Other Construction/Rehab Loan Legal Fees	50,000	-	50,000	373	0.1%
CalHFA Permanent Loan Legal Fees	17,500	17,500	35,000	261	0.0%
Other Permanent Loan Legal Fees	-	-	-	-	0.0%
Sponsor Legal Fees	75,000	-	75,000	560	0.1%
Organizational Legal Fees	-	-	-	-	0.0%
Syndication Legal Fees	50,000	-	50,000	373	0.1%
Borrower Legal Fee	25,000	-	25,000	187	0.0%
CalHFA Bond Counsel	62,000	-	62,000	463	0.1%
TOTAL LEGAL FEES	**279,500**	**17,500**	**297,000**	**2,216**	**0.4%**
OPERATING RESERVES					
Operating Expense Reserve Deposit	-	1,135,542	1,135,542	8,474	1.4%
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	-	11,950	11,950	89	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL OPERATING RESERVES	**-**	**1,147,492**	**1,147,492**	**8,563**	**1.4%**
REPORTS & STUDIES					
Appraisal Fee	20,000	-	20,000	149	0.0%
Market Study Fee	10,000	-	10,000	75	0.0%
Physical Needs Assessment Fee	-	-	-	-	0.0%
Environmental Site Assessment Reports	55,000	-	55,000	410	0.1%
HUD Risk Share Environmental / NEPA Review F	-	-	-	-	0.0%
CalHFA Earthquake Waiver Review Fee	10,000	-	10,000	75	0.0%
Relocation Consultant	-	-	-	-	0.0%
Soils Reports	-	-	-	-	0.0%
Acoustical Reports	-	-	-	-	0.0%
Termite/Dry Rot	-	-	-	-	0.0%
Consultant/Processing Agent	-	-	-	-	0.0%
Other (Specify); other reports	48,831	-	48,831	364	0.1%
TOTAL REPORTS & STUDIES	**143,831**	**-**	**143,831**	**1,073**	**0.2%**

SOURCES & USES OF FUNDS					Final Commitment
Shiloh Terrace (fka Windsor Residences)			Project Number	21-020-A/X/N	
USES OF FUNDS	CONST/REHAB	PERMANENT	TOTAL PROJECT USES OF FUNDS		
	$	$	USES ($)	PER UNIT ($)	%
OTHER COSTS					
TCAC Application, Allocation & Monitor Fees	94,165	-	94,165	703	0.1%
CDLAC Fees	19,259	-	19,259	144	0.0%
Local Permits & Fees	335,000	-	335,000	2,500	0.4%
Local Impact Fees	5,880,553	-	5,880,553	43,885	7.4%
Other Local Fees	-	-	-	-	0.0%
Syndicator/Investor Fees & Expenses	-	-	-	-	0.0%
Furnishings	25,000	-	25,000	187	0.0%
Accounting & Audits	-	15,000	15,000	112	0.0%
Advertising & Marketing Expenses	30,000	8,000	38,000	284	0.0%
Financial Consulting	60,000	-	60,000	448	0.1%
Miscellaneous Administrative Fees	-	-	-	-	0.0%
HUD Risk Share Insurance (First Year Prepaid)	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
Other (Specify): MGP Services Fee	25,000	-	25,000	187	0.0%
TOTAL OTHER COSTS	**6,468,977**	**23,000**	**6,491,977**	**48,448**	**8.2%**
SUBTOTAL PROJECT COSTS	**68,749,514**	**71,590,763**	**70,167,491**	**523,638**	**88.1%**
DEVELOPER FEES & COSTS					
Developer Fees, Overhead & Profit	1,423,272	8,016,929	9,440,201	70,449	11.9%
Consultant Processing Agent	-	-	-	-	0.0%
Project Administration	-	-	-	-	0.0%
Syndicator Consultant Fees	-	-	-	-	0.0%
Guarantee Fees	-	-	-	-	0.0%
Construction Oversight & Management	-	-	-	-	0.0%
Other Adminstration Fees	-	-	-	-	0.0%
Other (Specify) correction to balance	-	-	-	-	0.0%
CASH EQUITY OUT TO DEVELOPER	-	-	-	-	0.0%
TOTAL DEVELOPER FEES & COSTS	**1,423,272**	**8,016,929**	**9,440,201**	**70,449**	**11.9%**
TOTAL PROJECT COSTS	**70,172,786**	**79,607,692**	**79,607,692**	**594,087**	**100.0%**

PROJECTED INITIAL ANNUAL RENTAL OPERATING BUDGET			Final Commitment
Shiloh Terrace (fka Windsor Residences)	Project Number		21-020-A/X/N
INCOME	**AMOUNT**	**PER UNIT**	**%**
Rental Income			
Restricted Unit Rents	$ 2,609,709	$ 19,475	104.49%
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	19,294	144	0.77%
Parking & Storage Income	-	-	0.00%
Miscellaneous Income	-	-	0.00%
GROSS POTENTIAL INCOME (GPI)	**$ 2,629,004**	**$ 19,619**	**105.26%**
Less: Vacancy Loss	**$ 131,450**	**$ 981**	**5.26%**
EFFECTIVE GROSS INCOME (EGI)	**$ 2,497,554**	**$ 20,600**	**100.00%**
OPERATING EXPENSES	**AMOUNT**	**PER UNIT**	**%**
Administrative Expenses	$ 97,320	$ 726	$ 0
Management Fee	96,481	720	3.86%
Social Programs & Services	2,700	20	0.11%
Utilities	203,000	1,515	8.13%
Operating & Maintenance	292,250	2,181	11.70%
Ground Lease Payments	-	-	0.00%
CalHFA Monitoring Fee	7,500	56	0.30%
Other Monitoring Fees	-	-	0.00%
Real Estate Taxes	21,486	160	0.86%
Other Taxes & Insurance	120,064	896	4.81%
Assisted Living/Board & Care	-	-	0.00%
SUBTOTAL OPERATING EXPENSES	**$ 840,801**	**$ 6,275**	**33.66%**
Replacement Reserve	$ 33,500	$ 250	1.34%
TOTAL OPERATING EXPENSES	**$ 874,301**	**$ 6,525**	**35.01%**
NET OPERATING INCOME (NOI)	**$ 1,623,253**	**$ 12,114**	**64.99%**
DEBT SERVICE PAYMENTS	**AMOUNT**	**PER UNIT**	**%**
Perm	$ 1,396,784	$ 10,424	55.93%
-	$ -	-	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	**$ 1,396,784**	**$ 10,424**	**55.93%**
EXCESS AFTER DEBT SERVICE & MONITORING FEES	**$ 226,469**	**$ 1,690**	**9.07%**
DEBT SERVICE COVERAGE RATIO (DSCR)	**$**	**1 to 1**	
Date: 10/12/21		Senior Staff Date:	10/28/21

PROJECTED PERMANENT LOAN CASH FL0WS										Shiloh Terrace (fka Windsor Residences)		
Final Commitment										Project Number	21-020-A/X/N	
	YEAR	1	2	3	4	5	6	7	8	9	10	11
RENTAL INCOME	CPI											
Restricted Unit Rents	2.50%	2,609,709	2,674,952	2,741,826	2,810,372	2,880,631	2,952,647	3,026,463	3,102,124	3,179,678	3,259,170	3,340,649
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%	19,294	19,777	20,271	20,778	21,297	21,830	22,376	22,935	23,508	24,096	24,698
Parking & Storage Income	2.50%	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	2.50%	-	-	-	-	-	-	-	-	-	-	-
GROSS POTENTIAL INCOME (GPI)		**2,629,004**	**2,694,729**	**2,762,097**	**2,831,150**	**2,901,928**	**2,974,477**	**3,048,838**	**3,125,059**	**3,203,186**	**3,283,266**	**3,365,347**
VACANCY ASSUMPTIONS	Vacancy											
Restricted Unit Rents	5.00%	130,485	133,748	137,091	140,519	144,032	147,632	151,323	155,106	158,984	162,958	167,032
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%	965	989	1,014	1,039	1,065	1,091	1,119	1,147	1,175	1,205	1,235
Parking & Storage Income	50.00%	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	50.00%	-	-	-	-	-	-	-	-	-	-	-
TOTAL PROJECTED VACANCY LOSS		**131,450**	**134,736**	**138,105**	**141,557**	**145,096**	**148,724**	**152,442**	**156,253**	**160,159**	**164,163**	**168,267**
EFFECTIVE GROSS INCOME (EGI)		**2,497,554**	**2,559,993**	**2,623,992**	**2,689,592**	**2,756,832**	**2,825,753**	**2,896,397**	**2,968,806**	**3,043,027**	**3,119,102**	**3,197,080**
OPERATING EXPENSES	CPI / Fee											
Administrative Expenses	3.50%	100,020	103,521	107,144	110,894	114,775	118,792	122,950	127,253	131,707	136,317	141,088
Management Fee	3.86%	96,480	98,893	101,365	103,899	106,496	109,159	111,888	114,685	117,552	120,491	123,503
Utilities	3.50%	203,000	210,105	217,459	225,070	232,947	241,100	249,539	258,273	267,312	276,668	286,352
Operating & Maintenance	3.50%	292,250	302,479	313,066	324,023	335,364	347,101	359,250	371,824	384,837	398,307	412,247
Ground Lease Payments	3.50%	-	-	-	-	-	-	-	-	-	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Other Agency Monitoring Fee	0.00%	-	-	-	-	-	-	-	-	-	-	-
Real Estate Taxes	1.25%	21,486	21,755	22,027	22,302	22,581	22,863	23,149	23,438	23,731	24,028	24,328
Other Taxes & Insurance	3.50%	120,064	124,266	128,616	133,117	137,776	142,598	147,589	152,755	158,101	163,635	169,362
Required Reserve Payments	1.00%	33,500	33,835	34,173	34,515	34,860	35,209	35,561	35,917	36,276	36,638	37,005
TOTAL OPERATING EXPENSES		**874,300**	**902,353**	**931,348**	**961,319**	**992,299**	**1,024,323**	**1,057,426**	**1,091,644**	**1,127,017**	**1,163,584**	**1,201,385**
NET OPERATING INCOME (NOI)		**1,623,253**	**1,657,640**	**1,692,644**	**1,728,273**	**1,764,532**	**1,801,430**	**1,838,971**	**1,877,162**	**1,916,010**	**1,955,518**	**1,995,695**
DEBT SERVICE PAYMENTS	Lien #											
Perm	1	1,396,784	1,396,784	1,396,784	1,396,784	1,396,784	1,396,784	1,396,784	1,396,784	1,396,784	1,396,784	1,396,784
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
MIP Annual Fee (applicable for MIP only deals)	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		**1,396,784**	**1,396,784**	**1,396,784**	**1,396,784**	**1,396,784**	**1,396,784**	**1,396,784**	**1,396,784**	**1,396,784**	**1,396,784**	**1,396,784**
CASH FLOW AFTER DEBT SERVICE		**226,470**	**260,856**	**295,860**	**331,489**	**367,749**	**404,646**	**442,187**	**480,379**	**519,226**	**558,735**	**598,911**
DEBT SERVICE COVERAGE RATIO		**1.16**	**1.19**	**1.21**	**1.24**	**1.26**	**1.29**	**1.32**	**1.34**	**1.37**	**1.40**	**1.43**
Date Prepared:	10/12/21									Senior Staff Date:	10/28/21	
		1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**
Less Supportive services Costs	0%	26,600	26,600	26,600	26,600	26,600	26,600	26,600	26,600	26,600	26,600	26,600
LESS: Asset Management Fee	3.5%	5,000	5,175	5,356	5,544	5,738	5,938	6,146	6,361	6,584	6,814	7,053
LESS: Partnership Management Fee	3.0%	13,400	13,802	14,216	14,643	15,082	15,534	16,000	16,480	16,975	17,484	18,008
net CF available for distribution		**181,470**	**215,279**	**249,688**	**284,703**	**320,329**	**356,574**	**393,441**	**430,937**	**469,067**	**507,836**	**547,250**
Deferred developer fee repayment	6,645,059	6,645,059	6,463,589	6,248,310	5,998,622	5,713,919	5,393,590	5,037,016	4,643,575	4,212,638	3,743,571	3,235,735
	100%	181,470	215,279	249,688	284,703	320,329	356,574	393,441	430,937	469,067	507,836	547,250
		6,463,589	6,248,310	5,998,622	5,713,919	5,393,590	5,037,016	4,643,575	4,212,638	3,743,571	3,235,735	2,688,485
Payments for Residual Receipt Payments		*0%*										
RESIDUAL RECEIPTS LOANS	*Payment %*	-	-	-	-	-	-	-	-	-	-	-
MIP	*100.00%*	-	-	-	-	-	-	-	-	-	-	-
Total Residual Receipts Payments	**100.00%**	**-**	-	-	-	-	-	-	-	-	-	-
Balances for Residual Receipt Payments												
RESIDUAL RECEIPTS LOANS	*Interest Rate*											
MIP---Simple	*2.00%*	3,900,000	3,978,000	4,056,000	4,134,000	4,212,000	4,290,000	4,368,000	4,446,000	4,524,000	4,602,000	4,680,000
Total Residual Receipts Payments		**3,900,000**	3,978,000	4,056,000	4,134,000	4,212,000	4,290,000	4,368,000	4,446,000	4,524,000	4,602,000	4,680,000

PROJECTED PERMANENT LOAN CASH FL0WS							
Final Commitment							
	YEAR	**12**	**13**	**14**	**15**	**16**	**17**
RENTAL INCOME	**CPI**						
Restricted Unit Rents	2.50%	3,424,165	3,509,769	3,597,513	3,687,451	3,779,637	3,874,128
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%	25,316	25,949	26,598	27,262	27,944	28,643
Parking & Storage Income	2.50%	-	-	-	-	-	-
Miscellaneous Income	2.50%	-	-	-	-	-	-
GROSS POTENTIAL INCOME (GPI)		**3,449,481**	**3,535,718**	**3,624,111**	**3,714,714**	**3,807,581**	**3,902,771**
VACANCY ASSUMPTIONS	**Vacancy**						
Restricted Unit Rents	5.00%	171,208	175,488	179,876	184,373	188,982	193,706
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%	1,266	1,297	1,330	1,363	1,397	1,432
Parking & Storage Income	50.00%	-	-	-	-	-	-
Miscellaneous Income	50.00%	-	-	-	-	-	-
TOTAL PROJECTED VACANCY LOSS		**172,474**	**176,786**	**181,206**	**185,736**	**190,379**	**195,139**
EFFECTIVE GROSS INCOME (EGI)		**3,277,007**	**3,358,932**	**3,442,905**	**3,528,978**	**3,617,202**	**3,707,632**
OPERATING EXPENSES	**CPI / Fee**						
Administrative Expenses	3.50%	146,026	151,137	156,427	161,902	167,568	173,433
Management Fee	3.86%	126,591	129,756	132,999	136,324	139,733	143,226
Utilities	3.50%	296,374	306,747	317,483	328,595	340,096	351,999
Operating & Maintenance	3.50%	426,676	441,610	457,066	473,063	489,621	506,757
Ground Lease Payments	3.50%	-	-	-	-	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500	7,500	7,500	7,500
Other Agency Monitoring Fee	0.00%	-	-	-	-	-	-
Real Estate Taxes	1.25%	24,632	24,940	25,252	25,567	25,887	26,211
Other Taxes & Insurance	3.50%	175,290	181,425	187,775	194,347	201,149	208,189
Required Reserve Payments	1.00%	37,375	37,749	38,126	38,507	38,892	39,281
TOTAL OPERATING EXPENSES		**1,240,464**	**1,280,863**	**1,322,628**	**1,365,806**	**1,410,446**	**1,456,597**
NET OPERATING INCOME (NOI)		**2,036,543**	**2,078,069**	**2,120,277**	**2,163,172**	**2,206,756**	**2,251,036**
DEBT SERVICE PAYMENTS	**Lien #**						
Perm	1	1,396,784	1,396,784	1,396,784	1,396,784	1,396,784	1,396,784
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
MIP Annual Fee (applicable for MIP only deals)	-	-	-	-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		**1,396,784**	**1,396,784**	**1,396,784**	**1,396,784**	**1,396,784**	**1,396,784**
CASH FLOW AFTER DEBT SERVICE		**639,760**	**681,285**	**723,494**	**766,388**	**809,973**	**854,252**
DEBT SERVICE COVERAGE RATIO		**1.46**	**1.49**	**1.52**	**1.55**	**1.58**	**1.61**
Date Prepared:	10/12/21						
		12	**13**	**14**	**15**	**16**	**17**
Less Supportive services Costs	0%	26,600	26,600	26,600	26,600	26,600	26,600
LESS: Asset Management Fee	3.5%	7,300	7,555	7,820	8,093	8,377	8,670
LESS: Partnership Management Fee	3.0%	18,549	19,105	19,678	20,269	20,877	21,503
net CF available for distribution		**587,311**	**628,025**	**669,395**	**711,426**	**754,119**	**797,479**
Deferred developer fee repayment	6,645,059	2,688,485	2,101,174	1,473,149	803,754	-	-
	100%	587,311	628,025	669,395	711,426	-	-
		2,101,174	1,473,149	803,754	92,328	-	-
Payments for Residual Receipt Payments						*50%*	
RESIDUAL RECEIPTS LOANS	*Payment %*	-	-	-	-	377,060	398,739
MIP	*100.00%*	-	-	-	-	377,060	398,739
Total Residual Receipts Payments	**100.00%**	-	-	-	-	**377,060**	**398,739**
Balances for Residual Receipt Payments							
RESIDUAL RECEIPTS LOANS	*Interest Rate*						
MIP---Simple	*2.00%*	4,758,000	4,836,000	4,914,000	4,992,000	5,070,000	4,770,940
Total Residual Receipts Payments		4,758,000	4,836,000	4,914,000	4,992,000	5,070,000	4,770,940

California Housing Finance Agency

TAX-EXEMPT PERMANENT LOAN PROGRAM

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

Qualifications	• Available to for-profit, non-profit, and public agency sponsors. • Tax-exempt bond authority must be obtained from the California Debt Limit Allocation Committee (CDLAC) or through a 501(c)(3) exemption. • The Tax-Exempt Permanent Loan may be used with or without 4% low income housing tax credits. • If a lender other than CalHFA is providing short-term, first-lien debt, CalHFA shall be used as the bond issuer (for more information, review the Conduit Issuer Program Term Sheet). • For Section 8 Projects, a final commitment is conditioned upon review and acceptance by CalHFA of the HAP or AHAP contract. • The Perm Loan will be credit-enhanced through CalHFA's HUD/FHA Risk Sharing Program. • For existing CalHFA portfolio loans, the current owner is required to pay off all outstanding CalHFA debt. Visit www.calhfa.ca.gov for the CalHFA Portfolio Loan Prepayment Policy.
Loan Amount	• Minimum Perm Loan amount of $5,000,000. • 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. • Lesser of 90% of restricted value or 100% of development costs. For Projects with equity being cashed out, the Perm Loan amount will be restricted to no more than 80% of the restricted value.
Fees (subject to change)	• Application Fee: $10,000 non-refundable, due at time of application submittal, and is credited toward the CalHFA Legal Fee at Perm Loan closing. • Perm Loan Fee: 1.00%, half due at final commitment, with balance due at Perm Loan closing. • Cost of Issuance Fee: $110,000, half due at final commitment, with balance due at Perm Loan Closing. • Credit Enhancement Fee: included in the interest rate. • Annual Administrative Fee: $7,500 annually (not to be duplicated if used in conjunction with CalHFA's Conduit Program). • Inspection fees should be estimated at $500 per month for the term of the construction (reports and fees can be shared with other construction lenders) • Legal Fee: $35,000, half due at final commitment, with balance due at Perm Loan closing. • Administrative Fee: $1,000 at Perm Loan closing. • Letter of Interest Fee: $5,000 at LOI request, and is credited toward the CalHFA Perm Loan Fee See CalHFA standard Conduit Issuer Program Term Sheet for information on conduit issuance fees.

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TAX-EXEMPT PERMANENT LOAN PROGRAM

Rate & Terms (subject to change)	Interest Rate: • 17-Year Balloon Loans: 15-Year "AAA" Municipal Market Data (MMD) plus CalHFA spread • 30-Year Balloon and Fully Amortizing Loans: 30-Year "AAA" MMD plus CalHFA spread • Estimated CalHFA Spread: 2.00% to 3.00% • 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. Amortization/Term: • Amortization: Up to 40 Year Amortization • Term: Fully Amortizing, and 17- or 30-Year Balloons available[1] • Perm Loan Reduction: up to 10% reduction at Perm Loan closing permitted at no cost. • 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. • Breakage Fee (if applicable): due between construction loan closing and Perm Loan closing and calculated based on hedge termination cost. 1. Balloon loans subject to agency approved exit strategy.
Loan Closing Requirements	• 90% stabilized rental housing occupancy for 90 days as evidenced by rent rolls. • 90% of tax credit investor equity shall have been paid into the Project. • Project income is sufficient to pay operating expenses, required debt service, reserves and monitoring fees. • For mixed-use Projects, 100% non-residential occupancy as evidenced by executed leases or guarantees. • 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.
Prepayment	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: • 5% of the principal balance after the end of year 10 • 4% of the principal balance after the end of year 11 • 3% of the principal balance after the end of year 12 • 2% of the principal balance after the end of year 13 • 1% of the principal balance after the end of year 14 All prepayments require a prior written 120-day notice to CalHFA.
Subordinate Financing	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.

TAX-EXEMPT PERMANENT LOAN PROGRAM

Occupancy Requirements	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"). 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.
Due Diligence	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): • Appraisal* (a construction lender's appraisal may be acceptable). • HUD-2530 previous participation clearance. • Construction Costs Review for new construction loans (other construction lender's review is acceptable). • Physical Needs Assessment* ("PNA") for rehabilitation projects with a Replacement Reserve Needs Analysis ("RRNA") over time for the first 20-year term (other lender's PNA/RRNA may be acceptable). • Phase I 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). • Market Study* satisfactory to CalHFA. • NEPA Review. • Termite/Dry Rot reports* by licensed company. • Seismic review* and other studies may be required at CalHFA's discretion. *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.
Required Impounds and Reserves	• Replacement Reserve: Initial cash deposit required for existing Projects with annual deposits between $250 and $500 per unit/per year depending on the Project type and PNA/RRNA findings. • Operating Expense Reserve ("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. • Impounds held by CalHFA: One year's prepaid earthquake, hazard and liability insurance premiums, and property tax assessments are collected at loan closing. An earthquake insurance waiver is available for Projects which have met CalHFA earthquake waiver standards during rehabilitation or construction. • Transition Operating Reserve (TOR): required for Projects with state or locally administered rental subsidy contracts with contract terms that are less than 20 years or the CalHFA Perm Loan term. • Other reserves as required (at CalHFA's discretion).

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California Housing Finance Agency

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/. 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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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.

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.

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),

Qualifications (continued)	• Review of Excess Sources over final Uses as approved by CalHFA resulting from any of the following: · An increase in tax credit equity, · An increase in permanent loan debt due to a combination of permanent loan rate reduction and/or reduction to operating expense assumptions; • Construction Cost Savings as evidenced by final cost certification, funds shall be used to reduce the MIP loan prior to CalHFA MIP loan closing or if required by other subordinate lenders, funds may be split on a pro rata basis between CalHFA and other subordinate lenders. • 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, • 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.
CalHFA Mixed-Income Qualified Construction Lender	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.
CalHFA Mixed-Income Development Team Qualifications	The **Developer/Co-Developer/General Partner** 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). The proposed **Project Manager** must have personally managed the development of at least two (2) comparable projects within the past five (5) years **Financial Consultants** hired to assist the Developer in meeting the minimum experience requirements must be able to provide details regarding at least three (3) comparably financed projects over the last five (5) years. **Architects** new to CalHFA must provide information for three (3) comparable projects they designed that were built and occupied within the past five (5) years in the State of California. **General Contractor (GC)** must be licensed by the State of California. GCs new to CalHFA must provide information related to three (3) comparable (in design) projects built in the past five (5) years. Similar information will be required for the proposed on-site construction supervisor. The on-site construction supervisor must have overseen three (3) comparable projects built in the past five (5) years, and they must have overseen the projects from construction start to final completion.

CalHFA Mixed-Income Development Team Qualifications (Continued)	**Management Company** must have a local presence or a field office in Northern or Southern CA (depending on the location of the Project) and have experience managing at least ten (10) low to moderate income rent restricted Comparable (size and tenant types) Projects. Also required is a resume for the proposed on-site Property Manager, reflecting prior experience during the past five (5) years managing onsite project operations and compliance with rent restricted units 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).
Permanent First Lien Loan	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.
Construction First Lien Loan	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.
Limitations	1. MIP cannot be combined with the CTCAC 9% program. 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. 3. Projects that have a below market rate component as a result of an inclusionary obligation or are 100% below market as a result of an inclusionary obligation must demonstrate master developer commitment through a dollar-for-dollar match of CalHFA's resources. Match can be obtained through a monetary match or equivalent in-kind contributions (e.g., land donation, land use fee concessions.) 4. At the time of MIP application to CalHFA, a project must not have already received an allocation of 4% federal and/or state tax credits from CTCAC or a tax-exempt bond allocation from CDLAC. 5. Projects will not be eligible for other subsidy resources from CalHFA in addition to MIP.
Mixed-Income Project Occupancy Requirements	**BOND REGULATORY AGREEMENT REQUIREMENTS (ALL PROJECTS):** 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").

Mixed-Income Project Occupancy Requirements (Continued)	**MIXED INCOME REGULATORY AGREEMENT REQUIREMENTS (ALL PROJECTS):** **Affordability Requirements:** 1. 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: a. 10% of total units at or below 50% of AMI, b. 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 c. 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. (Deviations from the average unit affordability levels of 70% AMI will only be considered if Market Study supports such deviations.) 2. 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.
Mixed-Income Project Occupancy Requirements (Continued)	**MAXIMUM ALLOWABLE RENTS:** 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.
Mixed-Income Subordinate Loan	1. 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. a. Maximum loan per restricted (tax credit or CalHFA) units between 30%-120% AMI shall be up to $50,000. b. 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: www.treasurer.ca.gov/ctcac/opportunity.asp 2. Loan size based on project need but cannot be more than 50% of the permanent loan amount.

MIXED-INCOME LOAN PROGRAM

Mixed-Income Subordinate Loan Rates & Terms	1. **Interest Rate**: Greater of 1% simple interest or the applicable federal rate (AFR) at time of MIP closing. 2. **Loan Term**: The MIP loan term shall be coterminous with the CalHFA permanent first lien loan. 3. **Loan Payment**: Residual receipt repayment based on cash flow analysis and split 50% to Owner and 50% to CalHFA and other residual receipt lenders. Residual receipt is defined as 50% of surplus cash which is determined as net operating income minus total debt service and other Agency approved payments. Payments shall be applied to the current and/or accrued interest and then principal of the MIP loan. 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. 4. **Affordability Term**: 55 years. 5. **Prepayment**: May be prepaid at any time without penalty. 6. **Subordination**: A subordination and/or extension of MIP maturity request in conjunction with a re-syndication, refinance, or ownership transfer ("capitalization event(s)") will be considered. If MIP loan is outstanding at time of the capitalization event(s) 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. 7. **Funded**: Only at permanent loan conversion.
CalHFA Conduit Bond Program	For more information on CalHFA's Conduit Issuer Program and the fees associated with it, visit CalHFA's website: www.calhfa.ca.gov/multifamily/programs/forms/termsheet-conduit.pdf
CalHFA First Lien Permanent Rates & Terms (subject to change)	For more information on CalHFA's Permanent Loan Program and the fees associated with it, visit CalHFA's website: www.calhfa.ca.gov/multifamily/programs/forms/termsheet-perm-tax-exempt.pdf
Fees (subject to change)	**Loan Fee:** 1.00% of the loan amount (50% due at final commitment and 50% due at CalHFA MIP loan closing). **Conduit Bond Program Fees:** Refer to CalHFA Conduit Bond Program www.calhfa.ca.gov/multifamily/programs/forms/termsheet-conduit.pdf **CDLAC Fees:** Refer to CDLAC regulations for all applicable fees. CalHFA First Lien Permanent Rates & Terms for first mortgage loan fees, credit enhancements, trustee fees, legal fees, inspection fees, administrative fees. www.calhfa.ca.gov/multifamily/programs/forms/termsheet-perm-tax-exempt.pdf

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California Housing Finance Agency

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.

Qualifications	• Available to for-profit, nonprofit or public agency sponsors. • Nonprofit borrowers may be eligible for 501(c)(3) bonds. • If bond proceeds are utilized to pay off an existing CalHFA portfolio loan visit www.calhfa.ca.gov for the CalHFA Portfolio Loan Prepayment Policy.
Bond Amount	Bond amount is determined by the loan amount of the selected construction lender.
Fees (subject to change)	• 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. • Issuer Fee: 1. The greater of $15,000 or 18.75 basis points of the Bond amount if lesser than or equal to $20 million. 2. If more than $20 million: $37.500 + 5 basis points for the amount above $20 million. • 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. 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. 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. • Public Sale: Additional fee of $5,000 to $10,000 applies when Bonds are sold to the public. • CDLAC Allocation Fee: 0.035% of the Bond amount, $1,200 of which is due at time of CDLAC application submittal with the remaining fee due at construction loan closing and payable to CDLAC. • CDLAC Performance Deposit: 0.50% of the requested Bond amount, not to exceed $100,000, due at time of CDLAC application submittal. Deposit to be refunded after the Bond closing, upon receipt of authorization letter from CDLAC. 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.

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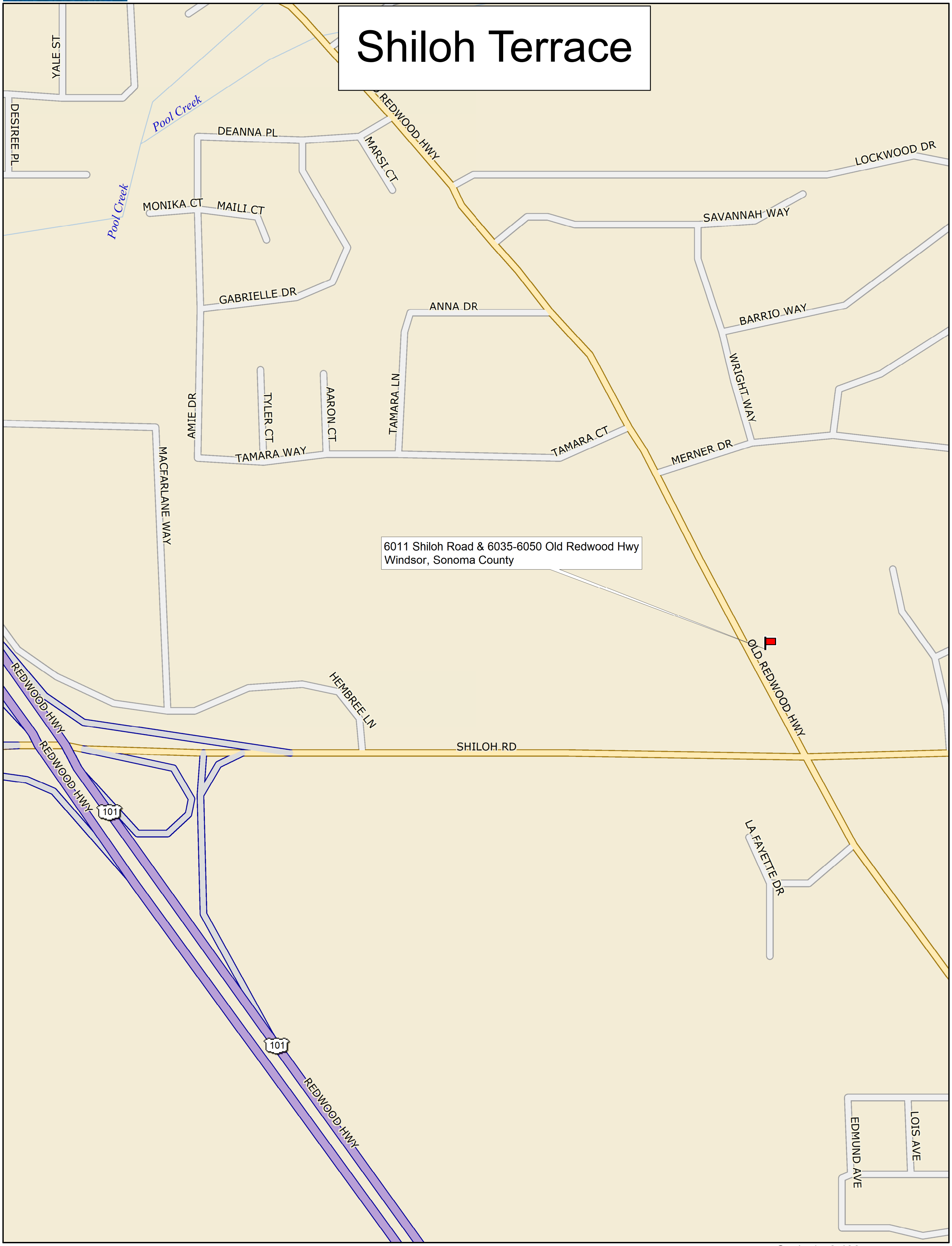
Occupancy Requirements	• Either (A) 20% of the units must be rent restricted and occupied by individuals whose incomes are 50% or less of the area median income as determined by HUD ("AMI") with adjustments for household size ("20% @ 50% AMI"), or (B) 40% or more of the units must be rent restricted 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



TN
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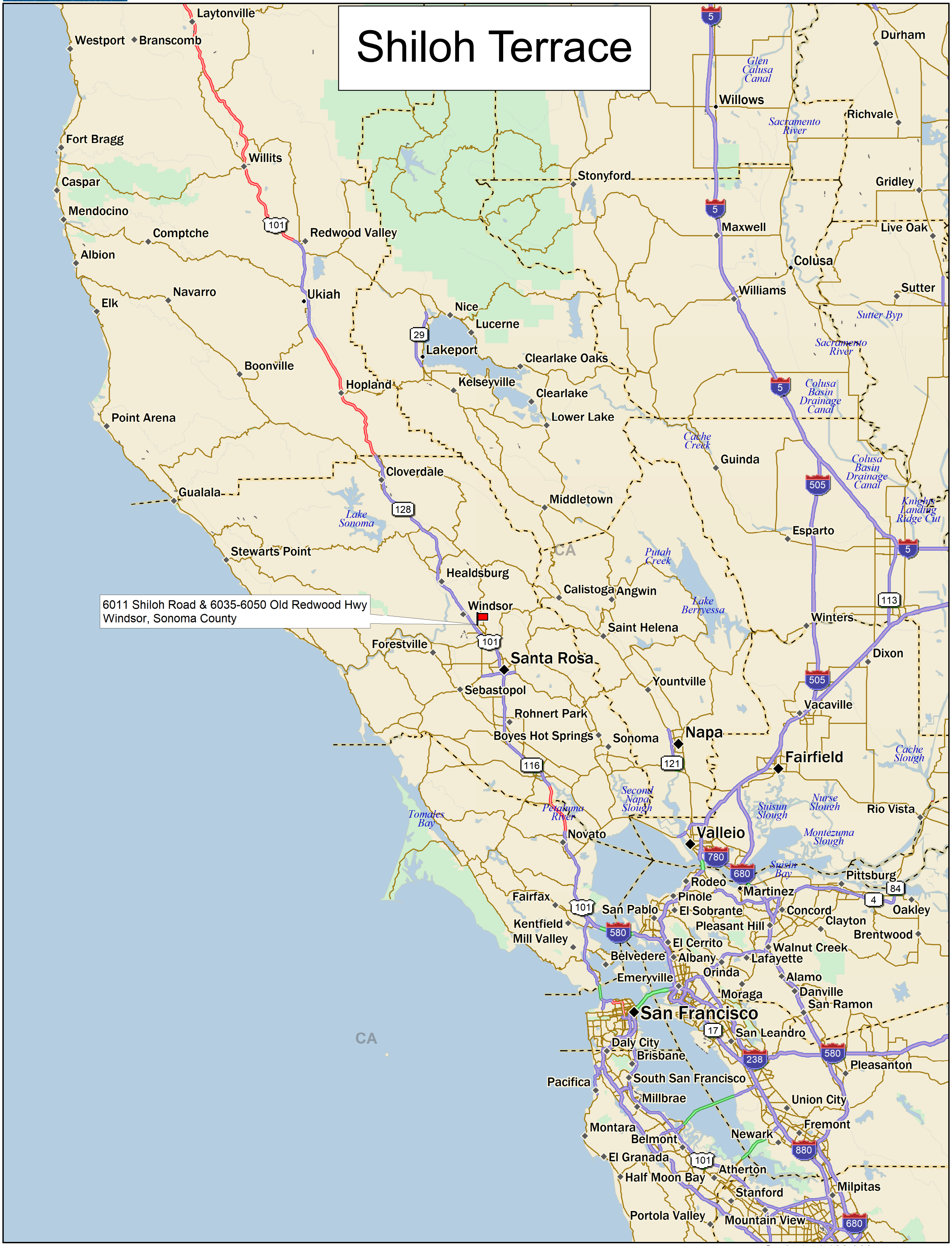
Scale 1 : 6,400
1" = 533.3 ft
Data Zoom 15-0

DeLorme Street Atlas USA® 2010



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TN
MN (13.3°E)

Scale 1 : 1,100,000

1" = 17.36 mi

Data Zoom 7-5

BOARD OF DIRECTORS
OF THE CALIFORNIA HOUSING FINANCE AGENCY

RESOLUTION NO. 21-20

RESOLUTION AUTHORIZING A FINAL LOAN COMMITMENT

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

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

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

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

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

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

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

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

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:

PROJECT NUMBER	DEVELOPMENT NAME/ LOCALITY	MORTGAGE AMOUNT	
21-020-A/X/N	SHILOH TERRACE Sonoma County, California	$27,080,000.00	Permanent 1st Mortgage Tax-Exempt Bonds w/HUD-Risk Sharing
		$ 3,900,000.00	Permanent 2nd Mortgage Mixed-Income Program

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. 21-20 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 16th day of November 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 16th day of November 2021.

ATTEST: ______________________________

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

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" 11/1/2021 for Board Meeting on 11/16/21

Project Name, County:	Vista Woods, Contra Costa County	
Address:	1106 and 1230 San Pablo Ave. and 600 Roble Ave, Pinole, CA 94564	
Type of Project:	New Construction	
CalHFA Project Number:	21-018-A/X/N	Total Units: 179
Requested Financing by Loan Program:	$39,800,000	**Tax-Exempt Bond – Conduit Issuance Amount**
	$35,240,000	**Tax-Exempt Permanent Loan with HUD Risk Sharing**
	$6,212,000	**Subsidy GAP Loan funded by MIP funds**

DEVELOPMENT/PROJECT TEAM

Developer:	MRK Partners, Inc.	**Borrower:**	Pinole Venture LP
Permanent Lender:	CalHFA	**Construction Lender:**	Merchants Bank of Indiana
Equity Investor:	Merchants Capital Investments, LLC	**Management Company:**	WinnResidential California L.P.
Contractor:	Community Impact Builders, LLC	**Architect**	Relativity Architects
Loan Officer:	N/A	**Loan Specialist:**	Kevin Brown
Asset Manager:	Jessica Doan	**Loan Administration:**	Jennifer Beardwood
Legal (Internal):	Andrew Alfonso	**Legal (External):**	N/A
Concept Meeting Date:	4/2/2021	**Approval Expiration Date:**	180 days from Approval

LOAN TERMS

1.		**CONDUIT ISSUANCE/ MERCHANTS BANK OF INDIANA CONSTRUCTION LOAN**	**PERMANENT LOAN**	**MIP (GAP) LOAN**
	Total Loan Amount	$39,800,000 Tax-Exempt $23,168,763 Taxable	$35,240,000	$6,212,000
	Loan Term & Lien Position	30 months- interest only; 1st Lien Position(s)during construction.	40 year – partially amortizing due in year 17; 1st Lien Position at permanent loan closing	17-year - Residual Receipts; 2nd Lien Position at permanent loan closing
	Interest Rate (subject to change and locked 30 days prior to loan closing)	Underwritten at 3.50% (Tax Exempt) and 4.00% (Taxable), Fixed Rate	15-year MMD + 2.55% Underwritten at 4.14% that includes a 0.25% cushion.	Interest rate will be the greater of 1.00% or the Applicable Federal Rate at time of MIP closing

			Estimated rate based on a 36-month forward commitment.	Underwritten at 2.00%.
	Loan to Value (LTV)	47%	74%	N/A
	Loan to Cost	48%	42%	N/A

PROJECT SUMMARY

2.	**Legislative Districts**	**Congress:**	#5 Mike Thompson	**Assembly:**	#15 Buffy Wicks	**State Senate:**	#9 Nancy Skinner

Brief Project Description

Vista Woods (the "Project") is a new construction senior, age 62 years and older, mixed-income Project, consisting of one four-story midrise building with 4 elevators, containing a total of 179 units. The project consists of 16 Studios (445 SF), 128 1-BRs (497 SF) and 35 2-BRs (760 SF). 1 1-BR and 1 2-BR units will be reserved for onsite property managers. The project is not in a disaster area. There is currently a contractor's yard with a small storage structure located on the site which will be demolished during the construction period.

Financing Structure: The Project's financing structure includes tax-exempt bonds, a taxable tail, 4% tax federal and state tax credits, a CalHFA first lien permanent loan with HUD risk sharing and a MIP loan. The project will be income averaged, pursuant to TCAC regulations.

Tax Credits and/or CDLAC Status: The Project was awarded bond allocation and tax credits (Federal and State) on August 11, 2021.

Ground Lease: N/A.

Project Amenities: The Project includes a business center, laundry room, clubhouse, courtyard, video surveillance, on-site security, shuttle service, exercise facility, picnic area, recreational area, theater and Wi-Fi for the common area. Unit amenities will include central air, dishwasher, garbage disposal, microwave, washer/dryer connections in all units.

Local Resources and Services: 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:

- Grocery stores – 0.9 miles
- Schools – 3.4 miles
- Public Library – 1.3 miles
- Retail – 2.1 miles
- Park and recreation – 0.2 miles
- Hospitals – 9.2 of miles
- Senior center – 0.7 miles
- Bus Stop – Adjacent
- Police Department – 0.6 miles
- Fire Department – 0.6 miles

Non-displacement and No Net Loss: 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.

Commercial Space: The Project does not include commercial space.

MISSION

3.	CalHFA Mission/Goals
	This Project and financing proposal provide 177 units of affordable housing with a range of restricted rents between 30% AMI and 80% of AMI which will support much needed senior rental housing for ages 62 and above that will remain affordable for 55 years.

ANTICIPATED PROJECT MILESTONES & SCHEDULE

4.	CDLAC/TCAC Closing Deadline:	2/7/2022	Est. Construction Loan Closing:	1/2022
	Estimated Construction Start:	1/2022	Est. Construction Completion:	12/2023
	Estimated Stabilization and Conversion to Perm Loan(s):		6/2024	

SOURCES OF FUNDS

5.

Construction Period Financing				
SOURCE	AMOUNT	LIEN POSITION	INTEREST RATE	DEBT TYPE
Merchants Bank of Indiana T/E	$39,800,000	1st	3.50%	Interest-Only
Merchants Bank of Indiana Taxable	$23,168,763	2nd	4.00%	Interest-Only
NOI During Construction	$38,470	N/A	N/A	N/A
Tax Credit Equity	$9,773,970	N/A	N/A	N/A
TOTAL	**$72,781,203**	**$406,599**	**Per Unit**	

Permanent Financing				
SOURCE	AMOUNT	LIEN POSITION	INTEREST RATE	DEBT TYPE
CalHFA Permanent Loan	$ 35,240,000	1st	4.14%	Balloon 40/17
CalHFA MIP Loan	$6,212,000	2nd	2.00%	Residual Receipt
NOI During Construction	$347,899	N/A	N/A	N/A
Deferred Developer Fee	$5,990,166	N/A	N/A	Payable from Cash Flow
*Tax Credit Equity	$35,913,768	N/A	N/A	N/A
TOTAL DEVELOPMENT COST:	**$83,703,833**	**$467,619**	**Per Unit**	

***Equity Bridge Loan:** Merchants Bank will provide an equity bridge loan (including interest reserve) at permanent loan closing in an amount not to exceed $3,212,000 of State Tax Credit Equity for a term of three years. The loan will be secured against the pledge of equity and not secured against the property. The purpose of this loan is to fully fund the partnership at permanent loan conversion and ensure the investor's yield of State Tax Credits is maintained. Upon receipt of 8609 from TCAC, the final tax credit equity installment will pay-off the equity bridge loan.

Subsidy Efficiency: $6,212,000 ($35,096 per MIP restricted unit)

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

- 4% Federal Tax Credits: $37,026,317 assuming estimated pricing of $0.88 ($182,029 per total unit).
- Energy Tax Credits: $138,499 assuming estimated pricing of $0.88 ($681 per total unit).
- State Tax Credits: $3,212,000 assuming estimated pricing of $0.88 ($15,791 per total unit).

	Rental Subsidies: The Project will not be subsidized by project-based vouchers. **Other State Subsidies:** The Project will not be funded by other state funds. **Other Locality Subsidies:** The Project will not be funded by locality funds. **Cost Containment Strategy:** The Vista Woods project has been designed with cost efficiency in mind to minimize the usage of public funds per affordable housing unit while delivering a high-quality build. The project's site is transit-oriented, which allows for a reduction in parking spaces that facilitates surface parking and significantly reduces hard costs per unit by eliminating the need for structured parking and condensing the construction duration. The development, design, engineering teams and the prospective General Contractor worked collaboratively in all design aspects, which has allowed the project to be designed cost effectively from the beginning, reducing the need for value engineering, and preventing costly changes. This process also reduces the predevelopment timing as re-design is prevented, also reducing carry costs and costly re-design expenses. These groups have all been engaged well in advance of developing the estimates, and the GC has provided detailed budgets at each critical milestone of design development, ensuring that the project design remains in-line with the original budget. The initial estimates reflect a thorough investigation by the prospective General Contractor, confirming costs with materials suppliers, subcontractors, and other consultants to generate a comprehensive budget and the full picture of project hard costs. The current cost estimates, while developed to be as reasonable an estimate of the competitive bidding process as possible, have an allowance for cost overruns that we believe will encapsulate any possible increases in construction costs. Any significant increases in project costs would reduce the developer's compensation for the project by re-allocating Uses of Funds from the upfront developer fee to additional hard costs. **High Cost Explanation:** N/A.
6.	Equity – Cash Out: N/A.

TRANSACTION OVERVIEW

7.	**Proposal and Project Strengths**

- The Project anticipates receiving 4% tax credits which are projected to generate equity representing 43% of total financing sources.
- The developer/sponsor has extensive experience in developing similar affordable housing projects.
- The Project will serve low-income seniors ranging between 30% to 80% of AMI.
- The projected portion of the developer's fee that will be collected at or prior to permanent loan conversion is $3,634,370, which could be available to cover cost overruns and/or unforeseen issues during construction.

8.	**Project Weaknesses with Mitigants:**

- The developer/sponsor does not have experience obtaining financing with CalHFA. However, they have extensive experience in developing similar affordable projects in this region. In addition, the property management company, WinnResidential California L.P., has extensive experience with CalHFA.
- The exit analysis assumes a 2% increase to the underwritten cap rate and 3% increase to the underwritten interest rate at loan maturity. Based on these assumptions, the Project will have the ability to fully repay the balance of Agency's permanent firs lien loan but may only have the ability to repay a portion of the Agency's subsidy MIP loan in the estimated amount of $2,049,600, leaving an outstanding balance of $4,721,019. This is as expected by CalHFA given the requirement that the MIP loan be co-terminus with the permanent first mortgage. The primary source of repayment for both the first mortgage and the MIP subsidy loan is refinance of the project first mortgage. To the extent such a refinance is insufficient to fully repay the MIP loan, it is contemplated that any remaining balance will be paid from a general partner contribution as part of the final close out of partnership obligations to allow re-syndication.

- Per the appraisal dated October 15, 2021, the project must capture 12% of the senior population in the primary market area ("PMA"). Additionally, the unit square footages are on average 116 square feet smaller than nearby comparable projects. To mitigate potentially slow lease-up, developer is structuring the rents on 8- 70% AMI units approximately 13% lower than the TCAC maximum rents which will be on average 27% below market rents.

9.	Underwriting Standards or Term Sheet Variations

- For purposes of MIP subsidy efficiency analysis, the underwriting of permanent first lien loan is typically required to be sized based on the maximum TCAC income and rent limits. The developer is requesting an exception to this requirement and instead to allow the project to underwrite based on rents that are lower than the TCAC maximum rent limits to mitigate the market risk as evidenced by the appraisal that the Project will need to capture approximately 12%, which is high, of the total demand for senior units within the primary market area. In order to facilitate project feasibility and mitigate lease-up issues, staff is recommending an exception to the MIP subsidy efficiency requirement and to allow the project's permanent first lien loan be underwritten based on the developer's proposed rent levels.
- In order to secure a tax credit investor during the uncertainty of IRS requirements surrounding income averaging and to maximize financing and investor capital efficiency, the developer is proposing to use Merchants Bank of Indiana as the construction lender and Merchants Capital Investments, LLC (an affiliate) as the equity investor. MIP term sheet and CalHFA's Underwriting Standards Reference Manual (USRM) requires that the construction lender closed at least 5 construction loans using TE bonds and 4% tax credits (similar financing structure) in California within the last 3 years. Merchants Bank of Indiana closed on 2 construction loans with similar financing structure and 1 additional affordable deal, a total of 3 deals in CA, in the past 3 years. Merchants Bank of Indiana has extensive experience by providing 38 construction loans (14 affordable projects) nationwide and 16 projects nationwide as an equity investor for deals with similar financing structures. To facilitate financing efficiency, staff recommends the exception to MIP term sheet and USRM to use Merchants Bank of Indiana as the construction lender for Vista Woods.

10.	Project Specific Conditions of Approval

Approval is conditioned upon:

- Receipt of LPA evidencing equity investor's requirements that the residual receipt split must be modified to allow up to 100% towards the earlier of repayment of deferred developer's fee 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.
- No site work or construction commenced prior to the issuance of a HUD Firm Approval Letter.
- CalHFA requires that MIP affordability covenants be recorded in senior position to all foreclosable debt.
- 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.
- Subject to CTCAC and investor approval of utility allowance structure. In addition, evidence in form and substance acceptable to CalHFA that supports the proposed utility budget as an operating expense is required.
- The locality is requiring the Borrower to encumber the Property by recording an Affordable Housing Agreement. Prior to constructing loan closing and closing of the CalHFA loan(s), the Affordable Housing Agreement is subject to CalHFA review and approval in accordance with agency underwriting standards.
- Receipt of Remediation Plan for managing asbestos-containing material contained in existing structures to be demolished during construction phase must be provided and approved by CalHFA prior to construction loan closing. In addition, evidence of environmental clearance must be provided and approved by CalHFA prior to permanent loan closing.
- CalHFA approval of equity bridge loan documents prior to construction loan closing.
- Receipt of completed NEPA study (expected by end of October) prior to construction loan closing.
- Receipt of HUD waiver allowing parking income to be used to offset residential cashflow at HUD Firm Approval, if applicable.

- Funds from the CalHFA permanent loan and/or the subsidy loan shall not be used to fund or offset any portion of the costs attributable to the $400,000 of parking improvements for exclusive use, by lease, to the tenants of the Project.
- Subject to an updated Phase I report prior to construction loan closing.

11. Staff Conclusion/Recommendation:

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

AFFORDABILITY

12. CalHFA Affordability & Occupancy Restrictions

The CalHFA Permanent Financing Regulatory Agreement will restrict a minimum of 40% of the total units at or below 60% of AMI for 55 years.

*The CalHFA MIP Subsidy Regulatory Agreement requires 10% of total units (18 units) at or below 50% of AMI and 10% of total units (18 units) between 60% and 80% of AMI with a minimum average of 70% of AMI for a term of 55 years. However, the minimum average for the 60% to 80% of AMI tranche average is slightly less than 70% of AMI. The developer is requesting an exception to this requirement and instead to allow the project to underwrite based on the lower rents due to a high capture rate. Per the market study, the Project will need to capture approximately 15.7% of seniors in the PMA, which is high, of the total demand for senior units within the primary market area. In order to facilitate project feasibility and mitigate lease-up issues, staff is recommending an exception to the MIP subsidy efficiency requirement and to allow the project's permanent first lien loan be underwritten based on the developer's proposed rent levels.

In addition, the Project will be restricted by the following jurisdictions as described below:

- The City of Pinole will restrict 11 units at or below 50% of AMI and 17 units at or below 60% of AMI for a term of 55 years.

Rent Limit Summary Table

AMI	Total	Studio	1-bdrm	2-bdrm	3-bdrm	4-bdrm	% of Total
30%	18	2	13	3	-	-	10.1%
40%	0	-	-	-	-	-	0.0%
50%	18	2	13	3	-	-	10.1%
60%	94	6	70	18	-	-	52.5%
70%	23	3	15	5	-	-	12.8%
80%	24	3	16	5	-	-	13.4%
100%	0	-	-	-	-	-	0.0%
120%	0	-	-	-	-	-	0.0%
Manager's Unit	2	-	1	1	-	-	1.1%
Total	179	16	128	35	0	0	100.0%

The average affordability restriction is 59.94% of AMI based on 177 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	80% AMI *(60% to 80% Tranche)	<= 120% AMI	Mgrs Unit	Total Units Regulated	% of Regulated Units
City Affordable Housing Agmt.	1st	55		11	17					28	15.6%
CalHFA Bond	2nd	55		18	54				2	72	40.2%
***CalHFA Subsidy**	3rd	55		18			18	141	2	177	98.9%
Tax Credits		55	18	18	94	23	24		2	177	98.9%

13. Geocoder Information

Central City:	No	Underserved:	No
Low/Mod Census Tract:	Moderate	Below Poverty line:	9.65%
Minority Census Tract:	74.45%	Rural Area:	No

FINANCIAL ANALYSIS SUMMARY

14. Capitalized Reserves:

Replacement Reserves (RR):	N/A
Operating Expense Reserve (OER):	$730,020 The developer/sponsor met the threshold requirements for the proposed OER budget, which is based on 3 months of total operating expense, annual replacement reserves deposits, and debt service. CalHFA will hold this reserve for the life of the permanent first lien loan term and in the event the OER is drawn down during the term of the loan, the OER must be replenished over a 12-month period to the original level.
Transitional Operating Reserve (TOR):	N/A
Equity Bridge Loan Interest Reserve	$385,452 Reserve will be used for interest payments related to the equity bridge loan. Amount is estimated based on three years of equity bridge loan interest payments. Construction lender or investor will hold this reserve.

15. Cash Flow Analysis

1st Year DSCR:	1.15	**Project-Based Subsidy Term:**	N/A
End Year DSCR:	1.59	**Annual Replacement Reserve Per Unit:**	$300/unit
Residential Vacancy Rate: **Subsidy Vacancy Rate:**	5% N/A	**Rental Income Inflation Rate:** **Subsidy Income Inflation Rate:**	2.50% N/A
Non-residential Vacancy Rate:	20% (parking)	**Project Expenses Inflation Rate:** **Property Tax Inflation Rate:**	3.50% 1.25%

- The Project owner has elected to be responsible for payment of all project and tenant utilities, including electric heat, electric hot water, electric cooking, general electricity expenses, cold water, sewer, trash, and common area expenses. Therefore, all of the utility costs are within the operating budget and there is no utility allowance deducted from the gross rents. Developers estimates for utility costs are supported by an Energy and Water Report prepared by Partner Energy dated October 6, 2021.
- 78 parking spaces will be available for lease by tenants at a cost of $33.00 per month. Income from parking space leases will be used to offset residential income which will require a waiver from HUD, if applicable, to be collected at the time of HUD Firm Approval. The remaining 10 parking stalls will be reserved for on-site staff, visitors, and rideshare vehicles. Costs for constructing parking is approximately $400,000 and is not included in project's eligible basis. Construction of parking will be funded by taxable loan proceeds during construction and paid down by tax credit equity at permanent closing.

16. Loan Security

The CalHFA loan(s) will be secured against the above-described Project site.

17. Balloon Exit Analysis **Applicable:** ☒ **Yes** ☐ **No**

The exit analysis assumes a 2% increase to the underwritten cap rate and 3% increase to the underwritten interest rate at loan maturity. Based on these assumptions, the Project will have the ability to fully repay the balance of Agency's permanent first lien loan but may only have the ability to repay a portion of the Agency's subsidy MIP loan in the estimated amount of $2,049,600, leaving an outstanding balance of $4,721,019. This is as expected by CalHFA given the requirement that the MIP loan be co-terminus with the permanent first mortgage. The primary source of repayment for both the first mortgage and the MIP subsidy loan is refinance of the project first mortgage. To the extent such a refinance is insufficient to fully repay the MIP loan, it is contemplated that any remaining balance will be paid from a general partner contribution as part of the final close out of partnership obligations to allow re-syndication.

APPRAISAL AND MARKET ANALYSIS

18. Appraisal Review **Dated: 10/8/2021**

- The Appraisal dated 10/8/2021, prepared by Novogradac Consulting LLP, values the land at $3,600,000.
- The cap rate of 4.25% and projected $2,021,422 of net operating income, is approximately $51,679 lower than the proposed Project net operating income of $2,073,101, were used to determine the appraised value of the subject site.
- The capture rate in the appraisal is 12% for the PMA which is slightly lower than 15.7% stated in the market study.
- The appraisal and developer operating expense estimates were inconsistent regarding costs for water/sewer, management payroll/taxes, special assessments, and property management fees. Developer has provided adequate explanations and evidence confirming their estimates. The overall net operating income are consistent between appraisal and developer projections since the appraisal assumed TCAC's maximum rent limits.
- The as-restricted stabilized value is $47,600,000, which results in the Agency's loan(s) to value of 74%.
- The absorption rate is 40 units/month (5 months to reach stabilized occupancy) and is generally consistent with the market study.

Market Study: Prepared by Novogradac Consulting LLP **Dated: April 22, 2021**

Regional Market Overview

- The Primary Market Area is an area that includes the city of Pinole and the surrounding cities of Rodeo, Hercules, El Sobrante, and portions of San Pablo and North Richmond (population of 156,459 and the Secondary Market Area ("SMA") is San Francisco-Oakland-Berkeley MSA (population of 4,652,348).
- Through 2023 the general population in the PMA is anticipated to increase by 0.6% per year and the senior population will increase by 3.0% per year.
- Unemployment in the SMA is 8%, which evidences a strong employment area (note: study did not report the unemployment rate in the PMA).
- As of 2020, 42.8% of the renter population in the PMA earned less than $50K annually, as compared to 33% in the SMA.

Local Market Area Analysis

- **Supply:**
  - There are currently 5 senior project(s) in the PMA (3 LIHTC, 1 mixed income, 1 Section 8) and they are 96.3% occupied with long wait lists.
  - In the PMA there are 4 affordable projects completed since 2017, and there are 2 market rate properties that have been proposed/under construction.
- **Demand/Absorption:**
  - The Project will need to capture 15.7% of the total demand for senior units in the PMA. The affordable units are anticipated to lease up at a rate of 40 units per month and reach stabilized occupancy within 4 months of opening.

DEVELOPMENT SUMMARY

19. Site Description — **Requires Flood Insurance:** ☐ **Yes** ☒ **No**

- The property is located on the north side of San Pablo Avenue, in the City of Pinole, Contra Costa County.
- The site is within level topography at street grade on the west side of the building and a partial slope on the east side of the building, measuring approximately 2.06 acres and is generally irregular in shape.
- The site is zoned R-4 with permitted multifamily residential use.
- The subject is located in Flood Zone X (area of minimum flood hazard). Zone X is the area determined to be outside the 500-year flood and protected by levee from 100-year flood, therefore the Project will not be subject to flood insurance.
- The site consists of an existing commercial structure that is currently vacant and surface parking lot in poor condition that will be demolished to allow for construction of the Project.

20. Form of Site Control & Expiration Date

The borrower, Pinole Venture LP, is the current owner of the project site. Borrower provided grant deeds for both parcels as evidence of site control. The grant deeds detail the transfer of both parcels which occurred in 2019 for the purchase price of $3,550,000.

21. Current Ownership Entity of Record

Title is currently vested in Pinole Venture LP as the fee owner.

22. Environmental Review Findings — **Dated: March 5, 2021**

- A Phase I Environmental Site Assessment performed by Partner Engineering and Science, Inc., dated March 5, 2021 revealed no evidence of recognized environmental conditions, so no additional investigation was recommended.
- An Asbestos & Lead-Based Paint (LBP) Survey Report by Partner Engineering and Science, Inc., dated September 14, 2018 revealed that there is potentially asbestos containing materials (“ACM”) and/or lead-based paint (“LBP”) materials contained in the existing structures to be demolished during the construction period. The report recommends a written remediation plan of these materials.
- Subsequently, a Phase II Subsurface Investigation Performed by Partner Engineering and Science, Inc., dated October 16, 2018 determined no presence of LBP, however, concluded roofing materials contain ACM.
- A NEPA review has been initiated and is targeted to be completed by the end of October.

23. Seismic — **Requires Earthquake Insurance:** ☐ **Yes** ☒ **No**

This new Project will be built to State and City of Pinole Building Codes so no seismic review is required.

24. Relocation — **Requires Relocation:** ☐ **Yes** ☒ **Not Applicable**

- Parcels 1 & 2 (600 Roble and 1230 San Pablo) are currently vacant and undeveloped. Parcels were transferred to the borrowing entity on April 4, 2019. Relocation was not required.
- Parcel 3 (1106 San Pablo) previously included a contractor yard with a small storage structure that will be demolished during the construction period. Parcel was transferred to the borrowing entity on August 12, 2019. Relocation benefits were not required under Uniform Relocation Assistance Act and the seller voluntarily vacated the property.

PROJECT DETAILS

25.	**Residential Areas:**				
		Residential Square Footage:	97,336	**Residential Units per Acre:**	86.89
		Community Area Sq. Ftg:	52,518	**Total Parking Spaces:**	88
		Supportive Service Areas:	N/A	**Total Building Sq. Footage:**	179,736
26.	**Mixed-Use Project:** ☐ **Yes** ☒ **No**				
		Non-Residential Sq. Footage:	N/A	**Number of Lease Spaces:**	N/A
		Master Lease:	**N/A**	**Number of Parking Spaces:**	N/A
27.	**Construction Type:**	The project will consist of one four-story elevator-serviced midrise building.			
28.	**Construction/Rehab Scope**	**Requires Demolition:** ☒ **Yes** ☐ **No**			

- The subject site is new construction.
- Environmental remediation of contaminants outlined on section 22 above. The cost of remediation is estimated to be $20,000 and is included in the development budget.

29. Construction Budget Comments:

- CalHFA will require an independent review of the costs by a 3rd 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.
- The developer had established cost containment strategies that include:
  - Flat rate contract for the following services.
  - Development of pre-construction cost estimates based on available information including preliminary designs or conceptual drawings including estimating various alternatives/scenarios as needed.
  - Participation in weekly meetings with owner and architect for the purpose of providing cost and scheduling feedback on design and construction drawings as they are developed.
  - Value engineering throughout the design development process.
  - Constructability review of plans and designs.
  - Developing and maintaining a detailed critical path schedule and maintaining/updating it on a regular basis as the project develops.
- During construction, the cost of the parking improvements will be paid by taxable loan proceeds. At permanent loan closing, the parking improvement costs will be paid off by tax credit equity as follows:

Costs	**Construction**	**Permanent**
Parking Improvements:	$400,000	$400,000
Total Costs	**$400,000**	**$400,000**
Sources	**Construction**	**Permanent**
Taxable Bonds	$400,000	$0
Tax Credit Equity	$0	$400,000
Total Sources	$400,000	$400,000

ADDITIONAL DEVELOPMENT/ PROJECT TEAM INFORMATION

30. Borrower Affiliated Entities

- Managing General Partner: Pacific Southwest Community Development Corporation; 0.001% interest
- Administrative General Partner: Pinole GP LLC, a California limited liability company; 0.009% interest
  - Member: Russell Family Trust, 50% interest
  - Member: Legacy Holdings CA, LLC, a California limited liability company; 50% interest.

- Investor Limited Partner: Merchants Capital Investments, LLC, a subsidiary of Merchants Bank of Indiana, an Indiana Banking Company; 99.99% interest

31.	**Developer/Sponsor**
The Developer, MRK Partners Inc., currently has 2 projects with a total of 450 units in their pipeline. There are 3 projects with a total of 670 units under construction. MRK Partners Inc., has completed 12 projects with a total of 2,042 units. The Developer does not have any projects in the CalHFA Portfolio.	
32.	**Management Agent**
The Project will be managed by WinnResidential California L.P.**,** which has extensive experience in managing similar affordable housing projects in the area and manages 12 projects in the CalHFA portfolio.	
33.	**Service Provider** **Required by TCAC or other funding source?** ☒ **Yes** ☐ **No**
Rainbow Housing Assistance Corporation will provide onsite resident services for all tenants at a cost of $25,000 per year, which has been budgeted as part of the operating expense. Services will include instructor-led adult educational, health and wellness or skill building classes, as well as health and wellness services and programs.	
34.	**Contractor** **Experienced with CalHFA?** ☐ **Yes** ☒ **No**
The general contractor is Community Impact Builders and is unfamiliar to CalHFA. This is a newly formed entity, however, the principals have extensive experience in constructing similar affordable housing projects in California. Combined experience of principals includes 23 projects (3,244 units).	
35.	**Architect** **Experienced with CalHFA?** ☒ **Yes** ☐ **No**
The architect is Relativity Architects, which currently has 43 projects completed in California (38 which are affordable, 3,136 units) and 22 projects that are under construction (12 which are affordable, 910 units). CalHFA has been a conduit lender on 3 previous projects with the architect.	
36.	**Local Review via Locality Contribution Letter**
The locality, The City of Pinole, returned the local contribution letter stating they support the project.	

EXHIBITS: Detailed Financial Analysis and applicable Term Sheets

PROJECT SUMMARY — Final Commitment

Acquisition, Rehab, Construction & Permanent Loans — **Project Number 21-018-A/X/N**

Project Full Name	Vista Woods	**Borrower Name:**	Pinole Venture LP
Project Address	1106 and 1230 San Pablo Ave. and 600	**Managing GP:**	Pacific Southwest Communitiy Development
Project City	Pinole	**Developer Name:**	MRK Partners, Inc.
Project County	Contra Costa	**Investor Name:**	Merchants Capital Investments, LLC
Project Zip Code	94564	**Prop Management:**	WinnResidential California, L.P.
		Tax Credits:	4
Project Type:	Permanent Loan Only	**Total Land Area (acres):**	2.06
Tenancy/Occupancy:	Senior	**Residential Square Footage:**	97,336
Total Residential Units:	179	**Residential Units Per Acre:**	86.89
Total Number of Buildings:	1		
Number of Stories:	4	**Covered Parking Spaces:**	41
Unit Style:	Flat	**Total Parking Spaces:**	90
Elevators:	4		

Acq/Construction/Rehab Financing	Loan Amount ($)	Loan Fees	Loan Term (Mo.)	Amort. Period (Yr.)	Starting Interest Rate
Merchants Conduit T/E Construction	39,800,000	0.750%	30	--	3.500%
--	--	--	--	--	--
--	--	--	--	--	--
Merchants Taxable Construction	23,168,763	0.750%	30	--	4.000%
--	--	--	--	--	--
NOI During Construction	38,470	--	--	--	--
Investor Equity Contribution	9,773,970	--	--	--	--
Total	**72,781,203**				

Permanent Financing	Loan Amount ($)	Loan Fees	Loan Term (Yr.)	Amort. Period (Yr.)	Starting Interest Rate
Perm	35,240,000	1.000%	17	40	4.140%
MIP	6,212,000	1.000%	17	17	2.000%
NOI During Construction	347,899		--	--	--
Deferred Developer Fees	5,990,166	NA	NA	NA	NA
Investor Equity Contributions	35,913,768	NA	NA	NA	NA
Total	**83,703,833**				

Appraised Values Upon Completion of Rehab/Construction

Appraisal Date:	8/31/21	**Capitalization Rate:**	4.25%
Investment Value ($)	84,700,000	**Restricted Value ($)**	47,600,000
Construct/Rehab LTC	48%	**CalHFA Permanent Loan to Cost**	42%
Construct/Rehab LTV	47%	**CalHFA 1st Permanent Loan to Value**	74%
		Combined CalHFA Perm Loan to Value	87%

Additional Loan Terms, Conditions & Comments

Construction/Rehab Loan

Payment/Performance Bond	0	
Completion Guarantee Letter of Credit	0.00%	

Permanent Loan

Operating Expense Reserve Deposit	$730,035	Cash
Initial Replacement Reserve Deposit	$0	Cash
Annual Replacement Reserve Per Unit	$300	Cash

Date Prepared: 10/14/21 — Senior Staff Date: 11/1/21

UNIT MIX AND RENT SUMMARY **Final Commitment**

Vista Woods **Project Number 21-018-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	445	16	24
Flat	1	1	497	128	192
Flat	2	1.5	760	35	70
-	-	-	-	-	0
-	-	-	-	-	0
-	-	-	-	-	0
				179	286

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%**
A Bond/RiskShare	0	0	18	54	0	0	0
CalHFA MIP	0	0	18	0	0	18	141
Tax Credit	18	0	18	94	23	24	0
Housing Agreement	0	0	11	17	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							
		% of Area	**Average Restricted Rents**		**Average**	**Average**	**% of**
Unit Type	**Restricting Agency**	**Median Income**	**Number of Units**	**Unit Rent**	**Market Rents**	**Monthly Savings**	**Market Rents**
Studios	**CTCAC**	**30%**	2	$719	$2,200	$1,481	33%
	CTCAC	**50%**	2	$1,198		$1,002	54%
	CTCAC	**60%**	6	$1,400		$800	64%
	CTCAC	**70%**	3	$1,400		$800	64%
	CTCAC	**80%**	3	$1,400		$800	64%
	CTCAC	**100%**	-	-		-	-
	HCD	**120%**	-	-		-	-
1 Bedroom	**CTCAC**	**30%**	13	$770	$2,400	$1,630	32%
	CTCAC	**50%**	13	$1,284		$1,116	54%
	CTCAC	**60%**	70	$1,541		$859	64%
	CTCAC	**70%**	15	$1,798		$602	75%
	CTCAC	**80%**	16	$1,825		$575	76%
	CTCAC	**100%**	-	-		-	-
	HCD	**120%**	-	-		-	-
2 Bedrooms	**CTCAC**	**30%**	3	$924	$2,600	$1,676	36%
	CTCAC	**50%**	3	$1,541		$1,059	59%
	CTCAC	**60%**	18	$1,849		$751	71%
	CTCAC	**70%**	5	$2,000		$600	77%
	CTCAC	**80%**	5	$2,000		$600	77%
	CTCAC	**120%**	-	-		-	-
	HCD	**-**	-	-		-	-
3 Bedrooms	**CTCAC**	**30%**	-	-	-	-	-
	CTCAC	**50%**	-	-		-	-
	CTCAC	**60%**	-	-		-	-
	CTCAC	**70%**	-	-		-	-
	CTCAC	**80%**	-	-		-	-
	CTCAC	**100%**	-	-		-	-
	HCD	**120%**	-	-		-	-
4 Bedrooms	**CTCAC**	**30%**	-	-	-	-	-
	CTCAC	**50%**	-	-		-	-
	CTCAC	**60%**	-	-		-	-
	CTCAC	**70%**	-	-		-	-
	CTCAC	**80%**	-	-		-	-
	CTCAC	**100%**	-	-		-	-
	HCD	**120%**	-	-		-	-
5 Bedrooms	**CTCAC**	**30%**	-	-	-	-	-
	CTCAC	**50%**	-	-		-	-
	CTCAC	**60%**	-	-		-	-
	CTCAC	**70%**	-	-		-	-
	CTCAC	**80%**	-	-		-	-
	CTCAC	**100%**	-	-		-	-
	HCD	**120%**	-	-		-	-
Date Prepared:	10/14/21					Senior Staff Date:	11/1/21

SOURCES & USES OF FUNDS					Final Commitment
Vista Woods			Project Number		21-018-A/X/N
SOURCES OF FUNDS	CONST/REHAB $	PERMANENT $	TOTAL PROJECT SOURCES OF FUNDS SOURCES ($)	PER UNIT ($)	%
Merchants Conduit T/E Construction	39,800,000				0.0%
-	-				0.0%
-	-				0.0%
Merchants Taxable Construction	23,168,763				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
NOI During Construction	38,470				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	9,773,970				0.0%
Perm		35,240,000	35,240,000	196,872	42.1%
MIP		6,212,000	6,212,000	34,704	7.4%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
NOI During Construction		347,899	347,899	1,944	0.4%
-		-	-	-	0.0%
-		-	-	-	0.0%
Construct/Rehab Net Oper. Inc.		-	-	-	0.0%
Deferred Developer Fees		5,990,166	5,990,166	33,465	7.2%
Developer Equity Contribution		-	-	-	0.0%
Investor Equity Contributions		35,913,768	35,913,768	200,636	42.9%
TOTAL SOURCES OF FUNDS	**72,781,203**	**83,703,833**	**83,703,833**	**467,619**	**100.0%**
TOTAL USES OF FUNDS (BELOW)	**72,781,203**	**83,703,833**	**83,703,833**	**467,619**	**100.0%**
FUNDING SURPLUS (DEFICIT)	**-**	**(0)**	**(0)**		

USES OF FUNDS	CONST/REHAB $	PERMANENT $	TOTAL PROJECT USES OF FUNDS USES ($)	PER UNIT ($)	%
CONSTRUCTION/REHAB SOURCES OF FUNDS		**72,781,203**			
ACQUISITION COSTS					
Lesser of Land Cost or Appraised Value	3,550,000	-	3,550,000	19,832	4.2%
Demolition Costs	-	-	-	-	0.0%
Legal & Other Closing Costs	40,000	-	40,000	223	0.0%
Escrow & other closing costs	615,457	-	615,457	3,438	0.7%
Other (Specify)	-	-	-	-	0.0%
TOTAL ACQUISITION COSTS	**4,205,457**	**-**	**4,205,457**	**23,494**	**5.0%**
CONSTRUCTION/REHAB COSTS					
Offsite Improvements	-	-	-	-	0.0%
Environmental Remediation (Hard Costs)	20,000	-	20,000	112	0.0%
Site Work (Hard Cost)	4,544,145	-	4,544,145	25,386	5.4%
Structures (Hard Cost)	36,479,760	-	36,479,760	203,798	43.6%
General Requirements	2,524,026	-	2,524,026	14,101	3.0%
Contractor Overhead	841,342	-	841,342	4,700	1.0%
Contractor Profit	2,524,026	-	2,524,026	14,101	3.0%
Contractor Bond	-	-	-	-	0.0%
Contractor Liability Insurance	673,074	-	673,074	3,760	0.8%
Parking Improvements	400,000	-	400,000	2,235	0.5%
PV System	623,191	-	623,191	3,482	0.7%
TOTAL CONSTRUCT/REHAB COSTS	**48,629,564**	**-**	**48,629,564**	**271,674**	**58.1%**

SOURCES & USES OF FUNDS					Final Commitment
Vista Woods			Project Number		21-018-A/X/N
USES OF FUNDS	CONST/REHAB	PERMANENT	TOTAL PROJECT USES OF FUNDS		
	$	$	USES ($)	PER UNIT ($)	%
RELOCATION COSTS					
Relocation Expense	-	-	-	-	0.0%
Relocation Compliance Monitoring	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL RELOCATION COSTS	**-**	**-**	**-**	**-**	**0.0%**
ARCHITECTURAL FEES					
Design	1,154,400	-	1,154,400	6,449	1.4%
Supervision	288,600	-	288,600	1,612	0.3%
TOTAL ARCHITECTURAL FEES	**1,443,000**	**-**	**1,443,000**	**8,061**	**1.7%**
SURVEY & ENGINEERING FEES					
Engineering	160,609	-	160,609	897	0.2%
Supervision	-	-	-	-	0.0%
ALTA Land Survey	13,000	-	13,000	73	0.0%
TOTAL SURVEY & ENGINEERING FEES	173,609	-	173,609	970	0.2%
CONTINGENCY RESERVES					
Hard Cost Contingency Reserve	3,647,217	-	3,647,217	20,376	4.4%
Soft Cost Contingency Reserve	1,102,168	-	1,102,168	6,157	1.3%
TOTAL CONTINGENCY RESERVES	4,749,385	-	4,749,385	26,533	5.7%
CONSTRUCT/REHAB PERIOD COSTS					
Loan Interest Reserve					
Merchants Conduit T/E Construction	2,909,901	-	2,909,901	16,256	0.034764
-	-	-	-	-	0.0%
Loan Fees					
Merchants Conduit T/E Construction	298,500	-	298,500	1,668	0.4%
-	-	-	-	-	0.0%
Other Const/Rehab Period Costs					
Deficit Const/Rehab NOI (Net Operating In	-	-	-	-	0.0%
Credit Enhancement & Application Fees	10,000	-	10,000	56	0.0%
Owner Paid Bonds/Insurance	-	-	-	-	0.0%
CalHFA Inspection Fees	15,000	-	15,000	84	0.0%
Real Estate Taxes During Rehab	50,000	-	50,000	279	0.1%
Completion Guaranty Fee	-	-	-	-	0.0%
Wage Monitoring Fee (Davis Bacon, Preva	-	-	-	-	0.0%
Insurance During Rehab	50,000	-	50,000	279	0.1%
Title & Recording Fees	10,000	-	10,000	56	0.0%
Construction Management & Testing	9,000	-	9,000	50	0.0%
Predevelopment Interest Expense	-	-	-	-	0.0%
Bond Issuer Fee	47,400	-	47,400	265	0.1%
Misc. Closing Costs	227	-	227	1	0.0%
TOTAL CONST/REHAB PERIOD COSTS	**4,627,211**	**-**	**4,627,211**	**25,850**	**5.5%**

USES OF FUNDS	CONST/REHAB	PERMANENT	TOTAL PROJECT USES OF FUNDS		
	$	$	USES ($)	PER UNIT ($)	%
PERMANENT LOAN COSTS					
Loan Fees					
CalHFA Application Fee	-	-	-	-	0.0%
Perm	176,200	176,200	352,400	1,969	0.4%
MIP	31,060	31,060	62,120	347	0.1%
-	-	-	-	-	0.0%
Permanent Loan Cost of Issuance Fee	55,000	55,000	110,000	615	0.1%
Credit Enhancement & Application Fees	-	-	-	-	0.0%
Title & Recording (closing costs)	-	10,000	10,000	56	0.0%
Year 1 - Taxes & Special Assessments and Insura	-	40,775	40,775	228	0.0%
CalHFA Fees	-	10,085	10,085	56	0.0%
Tax Exempt Bond Allocation Fee	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL PERMANENT LOAN COSTS	**262,260**	**323,120**	**585,380**	**3,270**	**0.7%**
LEGAL FEES					
CalHFA Construction/Rehab Loan Legal Fees	-	-	-	-	0.0%
Other Construction/Rehab Loan Legal Fees	50,000	-	50,000	279	0.1%

SOURCES & USES OF FUNDS					Final Commitment
Vista Woods			Project Number		21-018-A/X/N
CalHFA Permanent Loan Legal Fees	17,500	17,500	35,000	196	0.0%
Other Permanent Loan Legal Fees	-	-	-	-	0.0%
Sponsor Legal Fees	160,383	-	160,383	896	0.2%
Organizational Legal Fees	-	-	-	-	0.0%
Syndication Legal Fees	65,000	-	65,000	363	0.1%
Borrower Legal Fee	-	-	-	-	0.0%
CalHFA Bond Counsel	62,000	-	62,000	346	0.1%
TOTAL LEGAL FEES	**354,883**	**17,500**	**372,383**	**2,080**	**0.4%**
OPERATING RESERVES					
Operating Expense Reserve Deposit	-	730,035	730,035	4,078	0.9%
8609 Bridge Reserve	-	385,452	385,452	2,153	0.5%
Other (Specify)	-	-	-	-	0.0%
TOTAL OPERATING RESERVES	**-**	**1,115,487**	**1,115,487**	**6,232**	**1.3%**
REPORTS & STUDIES					
Appraisal Fee	10,000	-	10,000	56	0.0%
Market Study Fee	16,750	-	16,750	94	0.0%
Physical Needs Assessment Fee	-	-	-	-	0.0%
Environmental Site Assessment Reports	37,400	-	37,400	209	0.0%
Other (Third Parties)	39,875	1,250	41,125	230	0.0%
TOTAL REPORTS & STUDIES	**104,025**	**1,250**	**105,275**	**588**	**0.1%**
USES OF FUNDS	**CONST/REHAB $**	**PERMANENT $**	**TOTAL PROJECT USES OF FUNDS USES ($)**	**PER UNIT ($)**	**%**
OTHER COSTS					
TCAC Application, Allocation & Monitor Fees	113,100	-	113,100	632	0.1%
CDLAC Fees	13,930	-	13,930	78	0.0%
Local Permits & Fees	2,612,858	-	2,612,858	14,597	3.1%
Local Impact Fees	4,961,658	-	4,961,658	27,719	5.9%
Other Local Fees	-	-	-	-	0.0%
Syndicator/Investor Fees & Expenses	-	-	-	-	0.0%
Furnishings	200,000	-	200,000	1,117	0.2%
Accounting & Audits	25,000	-	25,000	140	0.0%
Advertising & Marketing Expenses	50,000	-	50,000	279	0.1%
Other (security)	96,000	-	96,000	536	0.1%
-	-	-	-	-	0.0%
TOTAL OTHER COSTS	**8,072,546**	**-**	**8,072,546**	**45,098**	**9.6%**
SUBTOTAL PROJECT COSTS	**72,621,940**	**74,238,560**	**74,079,297**	**413,851**	**88.5%**
DEVELOPER FEES & COSTS					
Developer Fees, Overhead & Profit	159,263	9,465,273	9,624,536	53,768	11.5%
CASH EQUITY OUT TO DEVELOPER	-	-	-	-	0.0%
TOTAL DEVELOPER FEES & COSTS	**159,263**	**9,465,273**	**9,624,536**	**53,768**	**11.5%**
TOTAL PROJECT COSTS	**72,781,203**	**83,703,833**	**83,703,833**	**467,619**	**100.0%**

PROJECTED INITIAL ANNUAL RENTAL OPERATING BUDGET			Final Commitment
Vista Woods	Project Number		21-018-A/X/N
INCOME	**AMOUNT**	**PER UNIT**	**%**
Rental Income			
Restricted Unit Rents	$ 3,264,636	$ 18,238	102.20%
Unrestricted Unit Rents	40,680	227	1.27%
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	28,924	162	0.91%
Parking & Storage Income	30,888	173	0.97%
Miscellaneous Income	-	-	0.00%
GROSS POTENTIAL INCOME (GPI)	**$ 3,365,128**	**$ 18,800**	**105.35%**
Less: Vacancy Loss	**$ 170,856**	**$ 955**	**5.35%**
EFFECTIVE GROSS INCOME (EGI)	**$ 3,194,272**	**$ 19,754**	**100.00%**
OPERATING EXPENSES	**AMOUNT**	**PER UNIT**	**%**
Administrative Expenses	$ 210,649	$ 1,177	$ 0
Management Fee	87,842	491	2.75%
Social Programs & Services	25,000	140	0.78%
Utilities	308,211	1,722	9.65%
Operating & Maintenance	272,801	1,524	8.54%
Ground Lease Payments	-	-	0.00%
CalHFA Monitoring Fee	7,500	42	0.23%
Other Monitoring Fees	-	-	0.00%
Real Estate Taxes	1,000	6	0.03%
Other Taxes & Insurance	149,062	833	4.67%
Assisted Living/Board & Care	-	-	0.00%
SUBTOTAL OPERATING EXPENSES	**$ 1,062,065**	**$ 5,933**	**33.25%**
Replacement Reserve	$ 53,700	$ 300	1.68%
TOTAL OPERATING EXPENSES	**$ 1,115,765**	**$ 6,233**	**34.93%**
NET OPERATING INCOME (NOI)	**$ 2,078,507**	**$ 11,612**	**65.07%**
DEBT SERVICE PAYMENTS	**AMOUNT**	**PER UNIT**	**%**
Perm	$ 1,804,377	$ 10,080	56.49%
-	$ -	-	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	**$ 1,804,377**	**$ 10,080**	**56.49%**
EXCESS AFTER DEBT SERVICE & MONITORING FEES	**$ 274,130**	**$ 1,531**	**8.58%**
DEBT SERVICE COVERAGE RATIO (DSCR)	**$ 1 to 1**		
Date: 10/14/21		Senior Staff Date:	11/01/21

PROJECTED PERMANENT LOAN CASH FL0WS										Vista Woods			
Final Commitment									Project Number	21-018-A/X/N			
	YEAR	1	2	3	4	5	6	7	8	9	10	11	12
RENTAL INCOME	CPI												
Restricted Unit Rents	2.50%	3,264,636	3,346,252	3,429,908	3,515,656	3,603,547	3,693,636	3,785,977	3,880,626	3,977,642	4,077,083	4,179,010	4,283,485
Unrestricted Unit Rents	2.50%	40,680	41,697	42,739	43,808	44,903	46,026	47,176	48,356	49,565	50,804	52,074	53,376
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%	28,924	29,647	30,388	31,148	31,927	32,725	33,543	34,381	35,241	36,122	37,025	37,951
Parking & Storage Income	2.50%	30,888	31,660	32,452	33,263	34,095	34,947	35,821	36,716	37,634	38,575	39,539	40,528
Miscellaneous Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-
GROSS POTENTIAL INCOME (GPI)		**3,365,128**	**3,449,256**	**3,535,488**	**3,623,875**	**3,714,472**	**3,807,333**	**3,902,517**	**4,000,080**	**4,100,082**	**4,202,584**	**4,307,648**	**4,415,339**
VACANCY ASSUMPTIONS	Vacancy												
Restricted Unit Rents	5.00%	163,232	167,313	171,495	175,783	180,177	184,682	189,299	194,031	198,882	203,854	208,951	214,174
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%	-	-	-	-	-	-	-	-	-	-	-	-
Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-	-	-
Laundry Income	5.00%	1,446	1,482	1,519	1,557	1,596	1,636	1,677	1,719	1,762	1,806	1,851	1,898
Parking & Storage Income	20.00%	6,178	6,332	6,490	6,653	6,819	6,989	7,164	7,343	7,527	7,715	7,908	8,106
Miscellaneous Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL PROJECTED VACANCY LOSS		**170,856**	**175,127**	**179,505**	**183,993**	**188,593**	**193,307**	**198,140**	**203,094**	**208,171**	**213,375**	**218,710**	**224,177**
EFFECTIVE GROSS INCOME (EGI)		**3,194,272**	**3,274,129**	**3,355,982**	**3,439,882**	**3,525,879**	**3,614,026**	**3,704,377**	**3,796,986**	**3,891,911**	**3,989,208**	**4,088,939**	**4,191,162**
OPERATING EXPENSES	CPI / Fee												
Administrative Expenses	3.50%	235,649	243,897	252,433	261,268	270,413	279,877	289,673	299,811	310,305	321,165	332,406	344,040
Management Fee	2.75%	87,842	90,039	92,290	94,597	96,962	99,386	101,870	104,417	107,028	109,703	112,446	115,257
Utilities	3.50%	308,211	318,998	330,163	341,719	353,679	366,058	378,870	392,130	405,855	420,060	434,762	449,979
Operating & Maintenance	3.50%	272,801	282,349	292,231	302,459	313,045	324,002	335,342	347,079	359,227	371,800	384,813	398,281
Ground Lease Payments	3.50%	-	-	-	-	-	-	-	-	-	-	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Other Agency Monitoring Fee	0.00%	-	-	-	-	-	-	-	-	-	-	-	-
Real Estate Taxes	1.25%	1,000	1,013	1,025	1,038	1,051	1,064	1,077	1,091	1,104	1,118	1,132	1,146
Other Taxes & Insurance	3.50%	149,062	154,279	159,679	165,268	171,052	177,039	183,235	189,648	196,286	203,156	210,267	217,626
Required Reserve Payments	1.00%	53,700	54,237	54,779	55,327	55,880	56,439	57,004	57,574	58,149	58,731	59,318	59,911
TOTAL OPERATING EXPENSES		**1,115,765**	**1,152,311**	**1,190,101**	**1,229,176**	**1,269,582**	**1,311,365**	**1,354,572**	**1,399,251**	**1,445,454**	**1,493,234**	**1,542,644**	**1,593,741**
NET OPERATING INCOME (NOI)		**2,078,507**	**2,121,818**	**2,165,882**	**2,210,706**	**2,256,297**	**2,302,661**	**2,349,805**	**2,397,735**	**2,446,456**	**2,495,975**	**2,546,295**	**2,597,421**
DEBT SERVICE PAYMENTS	Lien #												
Perm	1	1,804,377	1,804,377	1,804,377	1,804,377	1,804,377	1,804,377	1,804,377	1,804,377	1,804,377	1,804,377	1,804,377	1,804,377
-	-	-	-	-	-	-	-	-	-	-	-	-	-
MIP Annual Fee (applicable for MIP only deals)	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		**1,804,377**	**1,804,377**	**1,804,377**	**1,804,377**	**1,804,377**	**1,804,377**	**1,804,377**	**1,804,377**	**1,804,377**	**1,804,377**	**1,804,377**	**1,804,377**
CASH FLOW AFTER DEBT SERVICE		**274,130**	**317,441**	**361,505**	**406,329**	**451,920**	**498,284**	**545,429**	**593,359**	**642,080**	**691,598**	**741,918**	**793,045**
DEBT SERVICE COVERAGE RATIO		**1.15**	**1.18**	**1.20**	**1.23**	**1.25**	**1.28**	**1.30**	**1.33**	**1.36**	**1.38**	**1.41**	**1.44**
Date Prepared:	10/14/21									Senior Staff Date:	11/1/21		

		1	2	3	4	5	6	7	8	9	10	11	12
LESS: 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: Partnership Management Fee	3%	15,000	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002	19,572	20,159	20,764
net CF available for distribution		**251,630**	**294,266**	**337,635**	**381,743**	**426,596**	**472,201**	**518,562**	**565,686**	**613,578**	**662,241**	**711,680**	**761,899**
Developer Residual Receipt Payment:	***100%***	**251,630**	**294,266**	**337,635**	**381,743**	**426,596**	**472,201**	**518,562**	**565,686**	**613,578**	**662,241**	**711,680**	**761,899**
Deferred developer fee repayment	5,990,166	5,990,166	5,738,536	5,444,269	5,106,634	4,724,891	4,298,295	3,826,095	3,307,532	2,741,846	2,128,268	1,466,027	754,347
		251,630	294,266	337,635	381,743	426,596	472,201	518,562	565,686	613,578	662,241	711,680	754,347
		5,738,536	5,444,269	5,106,634	4,724,891	4,298,295	3,826,095	3,307,532	2,741,846	2,128,268	1,466,027	754,347	-
Payments for Residual Receipt Payments	***0%***												
RESIDUAL RECEIPTS LOANS	*Payment %*	-	-	-	-	-	-	-	-	-	-	-	7,552
MIP	*100.00%*	-	-	-	-	-	-	-	-	-	-	-	7,552
Total Residual Receipts Payments	**100.00%**	**-**	-	-	-	-	-	-	-	-	-	-	7,552
Balances for Residual Receipt Payments													
RESIDUAL RECEIPTS LOANS	*Interest Rate*												
MIP---Simple	*2.00%*	6,212,000	6,336,240	6,460,480	6,584,720	6,708,960	6,833,200	6,957,440	7,081,680	7,205,920	7,330,160	7,454,400	7,578,640
Total Residual Receipts Payments		**6,212,000**	6,336,240	6,460,480	6,584,720	6,708,960	6,833,200	6,957,440	7,081,680	7,205,920	7,330,160	7,454,400	7,578,640

PROJECTED PERMANENT LOAN CASH FL0WS

Final Commitment

	YEAR	13	14	15	16	17
RENTAL INCOME	**CPI**					
Restricted Unit Rents	2.50%	4,390,572	4,500,337	4,612,845	4,728,166	4,846,370
Unrestricted Unit Rents	2.50%	54,710	56,078	57,480	58,917	60,390
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%	38,900	39,872	40,869	41,891	42,938
Parking & Storage Income	2.50%	41,541	42,579	43,644	44,735	45,853
Miscellaneous Income	2.50%	-	-	-	-	-
GROSS POTENTIAL INCOME (GPI)		**4,525,723**	**4,638,866**	**4,754,838**	**4,873,709**	**4,995,551**
VACANCY ASSUMPTIONS	**Vacancy**					
Restricted Unit Rents	5.00%	219,529	225,017	230,642	236,408	242,319
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%	-	-	-	-	-
Other Subsidy (Specify)	0.00%	-	-	-	-	-
Laundry Income	5.00%	1,945	1,994	2,043	2,095	2,147
Parking & Storage Income	20.00%	8,308	8,516	8,729	8,947	9,171
Miscellaneous Income	50.00%	-	-	-	-	-
TOTAL PROJECTED VACANCY LOSS		**229,782**	**235,526**	**241,414**	**247,450**	**253,636**
EFFECTIVE GROSS INCOME (EGI)		**4,295,941**	**4,403,340**	**4,513,423**	**4,626,259**	**4,741,915**
OPERATING EXPENSES	**CPI / Fee**					
Administrative Expenses	3.50%	356,082	368,545	381,444	394,794	408,612
Management Fee	2.75%	118,138	121,092	124,119	127,222	130,403
Utilities	3.50%	465,728	482,028	498,899	516,361	534,434
Operating & Maintenance	3.50%	412,221	426,649	441,581	457,037	473,033
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%	1,161	1,175	1,190	1,205	1,220
Other Taxes & Insurance	3.50%	225,243	233,126	241,286	249,731	258,471
Required Reserve Payments	1.00%	60,511	61,116	61,727	62,344	62,967
TOTAL OPERATING EXPENSES		**1,646,583**	**1,701,231**	**1,757,746**	**1,816,194**	**1,876,640**
NET OPERATING INCOME (NOI)		**2,649,358**	**2,702,109**	**2,755,677**	**2,810,065**	**2,865,275**
DEBT SERVICE PAYMENTS	**Lien #**					
Perm	1	1,804,377	1,804,377	1,804,377	1,804,377	1,804,377
-	-	-	-	-	-	-
MIP Annual Fee (applicable for MIP only deals)	-	-	-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		**1,804,377**	**1,804,377**	**1,804,377**	**1,804,377**	**1,804,377**
CASH FLOW AFTER DEBT SERVICE		**844,981**	**897,732**	**951,300**	**1,005,688**	**1,060,899**
DEBT SERVICE COVERAGE RATIO		**1.47**	**1.50**	**1.53**	**1.56**	**1.59**
Date Prepared:	10/14/21					
		13	**14**	**15**	**16**	**17**
LESS: Asset Management Fee	3%	10,693	11,014	11,344	11,685	12,035
LESS: Partnership Management Fee	3%	21,386	22,028	22,689	23,370	24,071
net CF available for distribution		**812,902**	**864,690**	**917,267**	**970,634**	**1,024,793**
		50%				
Developer Residual Receipt Payment:	***100%***	**406,451**	**432,345**	**458,634**	**485,317**	**512,396**
Deferred developer fee repayment	5,990,166	-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
Payments for Residual Receipt Payments	***0%***	**50%**				
RESIDUAL RECEIPTS LOANS	*Payment %*	406,451	432,345	458,634	485,317	512,396
MIP	*100.00%*	406,451	432,345	458,634	485,317	512,396
Total Residual Receipts Payments	**100.00%**	406,451	432,345	458,634	485,317	512,396
Balances for Residual Receipt Payments						
RESIDUAL RECEIPTS LOANS	*Interest Rate*					
MIP---Simple	*2.00%*	7,695,328	7,413,117	7,105,012	6,770,618	6,409,541
Total Residual Receipts Payments		7,695,328	7,413,117	7,105,012	6,770,618	6,409,541

Cal HFA
California Housing Finance Agency

TAX-EXEMPT PERMANENT LOAN PROGRAM

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

Qualifications	• Available to for-profit, non-profit, and public agency sponsors. • Tax-exempt bond authority must be obtained from the California Debt Limit Allocation Committee (CDLAC) or through a 501(c)(3) exemption. • The Tax-Exempt Permanent Loan may be used with or without 4% low income housing tax credits. • If a lender other than CalHFA is providing short-term, first-lien debt, CalHFA shall be used as the bond issuer (for more information, review the Conduit Issuer Program Term Sheet). • For Section 8 Projects, a final commitment is conditioned upon review and acceptance by CalHFA of the HAP or AHAP contract. • The Perm Loan will be credit-enhanced through CalHFA's HUD/FHA Risk Sharing Program. • For existing CalHFA portfolio loans, the current owner is required to pay off all outstanding CalHFA debt. Visit www.calhfa.ca.gov for the CalHFA Portfolio Loan Prepayment Policy.
Loan Amount	• Minimum Perm Loan amount of $5,000,000. • 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. • Lesser of 90% of restricted value or 100% of development costs. For Projects with equity being cashed out, the Perm Loan amount will be restricted to no more than 80% of the restricted value.
Fees (subject to change)	• Application Fee: $10,000 non-refundable, due at time of application submittal, and is credited toward the CalHFA Legal Fee at Perm Loan closing. • Perm Loan Fee: 1.00%, half due at final commitment, with balance due at Perm Loan closing. • Cost of Issuance Fee: $110,000, half due at final commitment, with balance due at Perm Loan Closing. • Credit Enhancement Fee: included in the interest rate. • Annual Administrative Fee: $7,500 annually (not to be duplicated if used in conjunction with CalHFA's Conduit Program). • Inspection fees should be estimated at $500 per month for the term of the construction (reports and fees can be shared with other construction lenders) • Legal Fee: $35,000, half due at final commitment, with balance due at Perm Loan closing. • Administrative Fee: $1,000 at Perm Loan closing. • Letter of Interest Fee: $5,000 at LOI request, and is credited toward the CalHFA Perm Loan Fee See CalHFA standard Conduit Issuer Program Term Sheet for information on conduit issuance fees.

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TAX-EXEMPT PERMANENT LOAN PROGRAM

Rate & Terms (subject to change)	Interest Rate: • 17-Year Balloon Loans: 15-Year "AAA" Municipal Market Data (MMD) plus CalHFA spread • 30-Year Balloon and Fully Amortizing Loans: 30-Year "AAA" MMD plus CalHFA spread • Estimated CalHFA Spread: 2.00% to 3.00% • 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. Amortization/Term: • Amortization: Up to 40 Year Amortization • Term: Fully Amortizing, and 17- or 30-Year Balloons available[1] • Perm Loan Reduction: up to 10% reduction at Perm Loan closing permitted at no cost. • 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. • Breakage Fee (if applicable): due between construction loan closing and Perm Loan closing and calculated based on hedge termination cost. 1. Balloon loans subject to agency approved exit strategy.
Loan Closing Requirements	• 90% stabilized rental housing occupancy for 90 days as evidenced by rent rolls. • 90% of tax credit investor equity shall have been paid into the Project. • Project income is sufficient to pay operating expenses, required debt service, reserves and monitoring fees. • For mixed-use Projects, 100% non-residential occupancy as evidenced by executed leases or guarantees. • 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.
Prepayment	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: • 5% of the principal balance after the end of year 10 • 4% of the principal balance after the end of year 11 • 3% of the principal balance after the end of year 12 • 2% of the principal balance after the end of year 13 • 1% of the principal balance after the end of year 14 All prepayments require a prior written 120-day notice to CalHFA.
Subordinate Financing	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.

Occupancy Requirements	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"). 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.
Due Diligence	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): • Appraisal* (a construction lender's appraisal may be acceptable). • HUD-2530 previous participation clearance. • Construction Costs Review for new construction loans (other construction lender's review is acceptable). • Physical Needs Assessment* ("PNA") for rehabilitation projects with a Replacement Reserve Needs Analysis ("RRNA") over time for the first 20-year term (other lender's PNA/RRNA may be acceptable). • Phase I 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). • Market Study* satisfactory to CalHFA. • NEPA Review. • Termite/Dry Rot reports* by licensed company. • Seismic review* and other studies may be required at CalHFA's discretion. *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.
Required Impounds and Reserves	• Replacement Reserve: Initial cash deposit required for existing Projects with annual deposits between $250 and $500 per unit/per year depending on the Project type and PNA/RRNA findings. • Operating Expense Reserve ("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. • Impounds held by CalHFA: One year's prepaid earthquake, hazard and liability insurance premiums, and property tax assessments are collected at loan closing. An earthquake insurance waiver is available for Projects which have met CalHFA earthquake waiver standards during rehabilitation or construction. • Transition Operating Reserve (TOR): required for Projects with state or locally administered rental subsidy contracts with contract terms that are less than 20 years or the CalHFA Perm Loan term. • Other reserves as required (at CalHFA's discretion).

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.

California Housing Finance Agency

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/. 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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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.

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.

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),

Qualifications (continued)	• Review of Excess Sources over final Uses as approved by CalHFA resulting from any of the following: · An increase in tax credit equity, · An increase in permanent loan debt due to a combination of permanent loan rate reduction and/or reduction to operating expense assumptions; • Construction Cost Savings as evidenced by final cost certification, funds shall be used to reduce the MIP loan prior to CalHFA MIP loan closing or if required by other subordinate lenders, funds may be split on a pro rata basis between CalHFA and other subordinate lenders. • 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, • 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.
CalHFA Mixed-Income Qualified Construction Lender	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.
CalHFA Mixed-Income Development Team Qualifications	The **Developer/Co-Developer/General Partner** 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). The proposed **Project Manager** must have personally managed the development of at least two (2) comparable projects within the past five (5) years **Financial Consultants** hired to assist the Developer in meeting the minimum experience requirements must be able to provide details regarding at least three (3) comparably financed projects over the last five (5) years. **Architects** new to CalHFA must provide information for three (3) comparable projects they designed that were built and occupied within the past five (5) years in the State of California. **General Contractor (GC)** must be licensed by the State of California. GCs new to CalHFA must provide information related to three (3) comparable (in design) projects built in the past five (5) years. Similar information will be required for the proposed on-site construction supervisor. The on-site construction supervisor must have overseen three (3) comparable projects built in the past five (5) years, and they must have overseen the projects from construction start to final completion.

CalHFA Mixed-Income Development Team Qualifications (Continued)	**Management Company** must have a local presence or a field office in Northern or Southern CA (depending on the location of the Project) and have experience managing at least ten (10) low to moderate income rent restricted Comparable (size and tenant types) Projects. Also required is a resume for the proposed on-site Property Manager, reflecting prior experience during the past five (5) years managing onsite project operations and compliance with rent restricted units 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).
Permanent First Lien Loan	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.
Construction First Lien Loan	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.
Limitations	1. MIP cannot be combined with the CTCAC 9% program. 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. 3. Projects that have a below market rate component as a result of an inclusionary obligation or are 100% below market as a result of an inclusionary obligation must demonstrate master developer commitment through a dollar-for-dollar match of CalHFA's resources. Match can be obtained through a monetary match or equivalent in-kind contributions (e.g., land donation, land use fee concessions.) 4. At the time of MIP application to CalHFA, a project must not have already received an allocation of 4% federal and/or state tax credits from CTCAC or a tax-exempt bond allocation from CDLAC. 5. Projects will not be eligible for other subsidy resources from CalHFA in addition to MIP.
Mixed-Income Project Occupancy Requirements	**BOND REGULATORY AGREEMENT REQUIREMENTS (ALL PROJECTS):** 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").

Mixed-Income Project Occupancy Requirements (Continued)	**MIXED INCOME REGULATORY AGREEMENT REQUIREMENTS (ALL PROJECTS):** **Affordability Requirements:** 1. 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: a. 10% of total units at or below 50% of AMI, b. 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 c. 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. (Deviations from the average unit affordability levels of 70% AMI will only be considered if Market Study supports such deviations.) 2. 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.
Mixed-Income Project Occupancy Requirements (Continued)	**MAXIMUM ALLOWABLE RENTS:** 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.
Mixed-Income Subordinate Loan	1. 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. a. Maximum loan per restricted (tax credit or CalHFA) units between 30%-120% AMI shall be up to $50,000. b. 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: www.treasurer.ca.gov/ctcac/opportunity.asp 2. Loan size based on project need but cannot be more than 50% of the permanent loan amount.

MIXED-INCOME LOAN PROGRAM

Mixed-Income Subordinate Loan Rates & Terms	1. **Interest Rate**: Greater of 1% simple interest or the applicable federal rate (AFR) at time of MIP closing. 2. **Loan Term**: The MIP loan term shall be coterminous with the CalHFA permanent first lien loan. 3. **Loan Payment**: Residual receipt repayment based on cash flow analysis and split 50% to Owner and 50% to CalHFA and other residual receipt lenders. Residual receipt is defined as 50% of surplus cash which is determined as net operating income minus total debt service and other Agency approved payments. Payments shall be applied to the current and/or accrued interest and then principal of the MIP loan. 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. 4. **Affordability Term**: 55 years. 5. **Prepayment**: May be prepaid at any time without penalty. 6. **Subordination**: A subordination and/or extension of MIP maturity request in conjunction with a re-syndication, refinance, or ownership transfer ("capitalization event(s)") will be considered. If MIP loan is outstanding at time of the capitalization event(s) 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. 7. **Funded**: Only at permanent loan conversion.
CalHFA Conduit Bond Program	For more information on CalHFA's Conduit Issuer Program and the fees associated with it, visit CalHFA's website: www.calhfa.ca.gov/multifamily/programs/forms/termsheet-conduit.pdf
CalHFA First Lien Permanent Rates & Terms (subject to change)	For more information on CalHFA's Permanent Loan Program and the fees associated with it, visit CalHFA's website: www.calhfa.ca.gov/multifamily/programs/forms/termsheet-perm-tax-exempt.pdf
Fees (subject to change)	**Loan Fee:** 1.00% of the loan amount (50% due at final commitment and 50% due at CalHFA MIP loan closing). **Conduit Bond Program Fees:** Refer to CalHFA Conduit Bond Program www.calhfa.ca.gov/multifamily/programs/forms/termsheet-conduit.pdf **CDLAC Fees:** Refer to CDLAC regulations for all applicable fees. CalHFA First Lien Permanent Rates & Terms for first mortgage loan fees, credit enhancements, trustee fees, legal fees, inspection fees, administrative fees. www.calhfa.ca.gov/multifamily/programs/forms/termsheet-perm-tax-exempt.pdf

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.

Qualifications	• Available to for-profit, nonprofit or public agency sponsors. • Nonprofit borrowers may be eligible for 501(c)(3) bonds. • If bond proceeds are utilized to pay off an existing CalHFA portfolio loan visit www.calhfa.ca.gov for the CalHFA Portfolio Loan Prepayment Policy.
Bond Amount	Bond amount is determined by the loan amount of the selected construction lender.
Fees (subject to change)	• 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. • Issuer Fee: 1. The greater of $15,000 or 18.75 basis points of the Bond amount if lesser than or equal to $20 million. 2. If more than $20 million: $37.500 + 5 basis points for the amount above $20 million. • 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. 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. 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. • Public Sale: Additional fee of $5,000 to $10,000 applies when Bonds are sold to the public. • CDLAC Allocation Fee: 0.035% of the Bond amount, $1,200 of which is due at time of CDLAC application submittal with the remaining fee due at construction loan closing and payable to CDLAC. • CDLAC Performance Deposit: 0.50% of the requested Bond amount, not to exceed $100,000, due at time of CDLAC application submittal. Deposit to be refunded after the Bond closing, upon receipt of authorization letter from CDLAC. 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.

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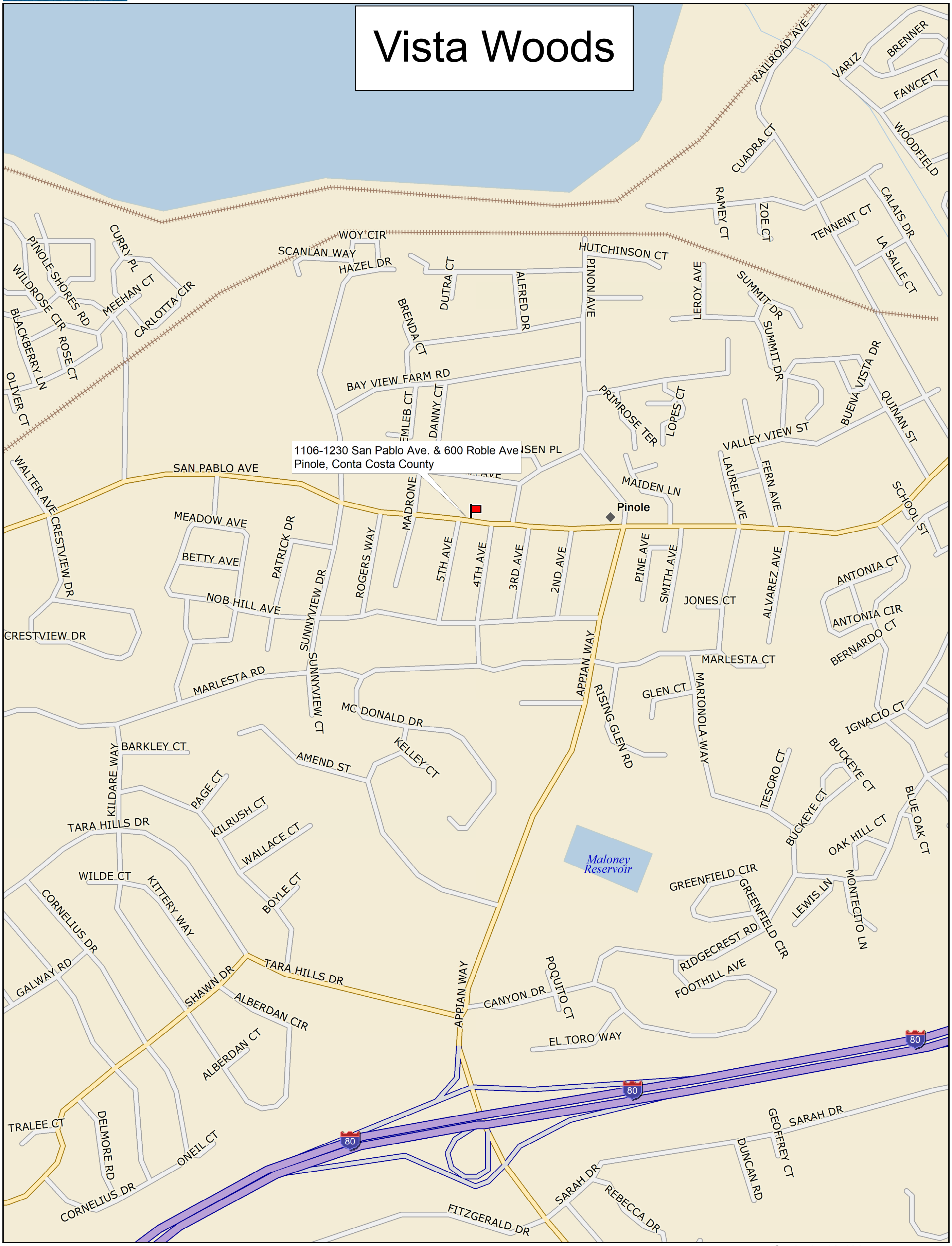
Occupancy Requirements	• Either (A) 20% of the units must be rent restricted and occupied by individuals whose incomes are 50% or less of the area median income as determined by HUD ("AMI") with adjustments for household size ("20% @ 50% AMI"), or (B) 40% or more of the units must be rent restricted 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

Vista Woods



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Scale 1 : 10,400

1" = 866.7 ft

Data Zoom 14-3

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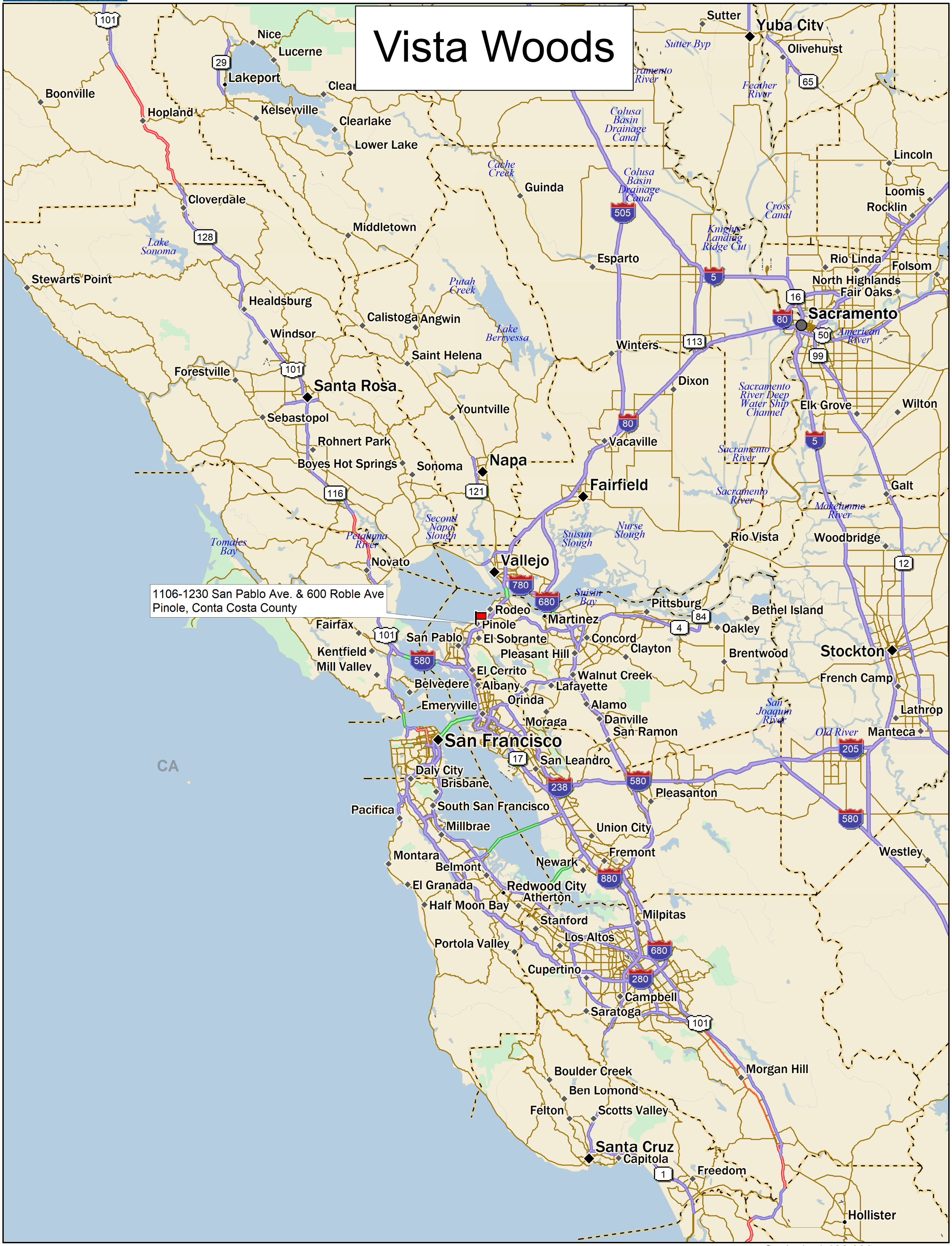

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Scale 1 : 1,100,000

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0 10 20 30 40 50 km

1" = 17.36 mi

Data Zoom 7-5

BOARD OF DIRECTORS
OF THE CALIFORNIA HOUSING FINANCE AGENCY

RESOLUTION NO. 21-21

RESOLUTION AUTHORIZING A FINAL LOAN COMMITMENT

WHEREAS, the California Housing Finance Agency (the "Agency") has received a loan application on behalf of Pinole Venture LP, a California limited partnership (the "Borrower"), seeking a loan commitment, the proceeds of which are to be used to provide financing for a multifamily housing development located in the City of Pinole, County of Contra Costa, California, to be known as Vista Woods (the "Development"); and

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

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

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

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

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

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

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

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:

PROJECT NUMBER	DEVELOPMENT NAME/ LOCALITY	MORTGAGE AMOUNT	
21-018-A/X/N	VISTA WOODS Contra Costa County, California	$35,240,000.00	Permanent 1st Mortgage Tax-Exempt Bonds w/HUD Risk Sharing
		$ 6,212,000.00	Permanent 2nd Mortgage Mixed-Income Program

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. 21-21 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 16th day of November 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 16th day of November 2021.

ATTEST: __________________________________

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

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": 11/1/21 for Board Meeting on 11/16/21

Project Name, County:	Marina Village Apartments, Solano County	
Address:	201 Marina Blvd. Suisun City, CA 94585	
CalHFA Project Number:	21-015-A/X/N	Total Units: 160
Requested Financing by Loan Program:	$35,449,239	Tax Exempt Bond – Conduit Issuance Amount
	$10,927,278	Taxable Bond-Conduit Issuance Amount
	$2,500,000	Tax Exempt Recycled Bond-Conduit Issuance Amount
	$24,125,000	CalHFA Permanent Tax-Exempt Loan with HUD Risk Sharing
	$3,175,000	Subsidy GAP Loan funded by MIP funds

DEVELOPMENT/PROJECT TEAM

Developer:	Solano Affordable Housing Foundation	**Borrower:**	Marina Village Suisun Partners, L.P.
Permanent Lender:	CalHFA	**Construction Lender:**	JP Morgan Chase
Equity Investor:	R4 Capital, LLC	**Management Company:**	John Stewart Company (JSCo)
Contractor:	Tricorp Construction	**Architect**	Vrilakas Architects
Loan Officer:	Kevin Brown	**Loan Specialist:**	N/A
Asset Manager:	Jessica Doan	**Loan Administration:**	Mirna Ramirez
Legal (Internal):	Marc Victor	**Legal (External):**	N/A
Concept Meeting Date:	4/21/21	**Approval Expiration Date:**	180 days from Approval

LOAN TERMS

1.		CONDUIT ISSUANCE (Chase)	PERMANENT LOAN (CalHFA)	MIP (GAP) LOAN
	Total Loan Amount	$35,449,239 (t/e) $10,927,278 (tax) $2,500,000 (t/e recycled bonds)	$24,125,000	$3,175,000
	Loan Term & Lien Position	30 months-interest only, with up to two 6-month renewal options. The second renewal at 0.25% fee. 1st Lien Position during construction	40-year partially amortizing due in 30 years. First Lien Position at permanent conversion	30-year - Residual Receipts; 2nd Lien Position during permanent loan conversion

	Interest Rate (subject to change and locked 30 days prior to loan closing)	SOFR + 1.80% (TE) SOFR + 2.30% (Tax) Underwritten at 2.30% variable rate (TE) and 3.00% variable rate (Tax)	30-year MMD + 2.28%. Underwritten at 4.22% that includes a .25% cushion. Estimated rate based on a 36 month forward commitment.	Greater of 1.00% Simple Interest or the Applicable Federal Rate at time of MIP closing. Underwritten at 2.00%
	Loan to Value (LTV)	79% of investment value (T/E & Tax)	89% of restricted value	N/A
	Loan to Cost	75% (T/E & Tax)	36%	N/A

PROJECT SUMMARY

2.	**Legislative Districts**	**Congress:**	3 John Garamendi	**Assembly:**	11 Jim Frazier	**State Senate:**	3 Bill Dodd
	Brief Project Description	**Marina Village Apartments** (the "Project") is a new family mixed income Project, consisting of 8 residential buildings of 3 stories walk-up and one community building. There will be 160 total units, 159 of which will be restricted between 30% and 70% of the Solano County Area Median Income (AMI). There will be 39 one-bedroom units (600 s.f.), 55 two-bedroom units (980 s.f.), 50 three-bedroom units (1,100 s.f.) and 16 four-bedroom units (1,450 s.f.). One two-bedroom will be served as the manager's unit. The site is currently vacant, and the project is not located in a disaster area and is not a part of locality's disaster recovery strategy/plan. **Financing Structure:** The Project's financing structure includes tax-exempt bonds, a taxable tail, recycled tax-exempt bonds, 4% tax credits, state tax credits, a CalHFA tax-exempt permanent loan with HUD risk sharing, a CalHFA MIP loan and a sponsor-funded Bridge Loan. The project will be income averaged, pursuant to TCAC regulations. **Tax Credits and/or CDLAC Status:** The developer received an allocation for 4% tax credits from TCAC and bond cap from CDLAC on 8/11/21. **Ground Lease:** N/A. **Project Amenities:** The Project includes a community room, laundry rooms and outdoor picnic and recreational areas. Unit amenities will include central heating and air, dishwasher, garbage disposal and free internet service. On site resident services will be available to tenants, refer to section 33 for more information. **Local Resources and Services:** 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: • Grocery stores –.5 miles • Schools - .4 miles • Public Library – 1 mile • Public transit – bus stop adjacent to the site • Retail - .3 to 1 mile • Park and recreation - .4 miles • Hospitals – 1 mile **Non-displacement <u>and</u> No Net Loss:** 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. **Commercial Space:** The Project does not include commercial space.

MISSION

3.	CalHFA Mission/Goals	
This Project and financing proposal provide 159 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

4.	CDLAC/TCAC Closing Deadline:	2/7/2022	Est. Construction Loan Closing:	2/1/2022
	Estimated Construction Start:	2/1/2022	Est. Construction Completion:	11/1/2023
	Estimated Stabilization and Conversion to Perm Loan(s):		7/1/2024	

SOURCES OF FUNDS

5.

Construction Period Financing				
SOURCE	**AMOUNT**	**LIEN POSITION**	**INTEREST RATE**	**DEBT TYPE**
Citibank T/E Const. Loan	$35,449,239	1st	2.30%	Interest Only
Citibank Tax. Const. Loan	$10,927,278	1st	3.00%	Interest Only
Citibank T/E Recycled Bonds	$2,500,000	1st	3.00%	Interest Only
Tax Credit Equity	$3,337,973	N/A	N/A	N/A
SAHF Bridge Loan	$3,000,000	2nd	2.16%	Interest Only
Deferred Costs	$3,535,980	N/A	N/A	N/A
TOTAL	**$58,750,470**		**Per Unit**	**$367,190**
Permanent Financing				
SOURCE	**AMOUNT**	**LIEN POSITION**	**INTEREST RATE**	**DEBT TYPE**
CalHFA Permanent Loan	$24,125,000	1st	4.22%	Balloon 40/30
CalHFA MIP Loan	$3,175,000	2nd	2.00%	Residual Receipts
Tax Credit Equity	$33,379,732	N/A	N/A	N/A
Deferred Developer Fee	$7,166,861	N/A	N/A	Paid via Available Cash Flow
TOTAL DEVELOPMENT COST:	**$67,846,593**		**Per Unit**	**$424,041**

Subsidy Efficiency: $19,969 Per MIP restricted unit.

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

- 4% Federal Tax Credits: $ 32,262,466 assuming estimated pricing of $0.8425 ($203,904 per total units).

	• State Tax Credits: $7,459,942 assuming estimated pricing of $0.82 ($46,625 per total units). **Rental Subsidies**: The Project will not be subsidized by project-based vouchers. **Other State Subsidies:** The Project will not be funded by other state funds. **Other Locality Subsidies:** The Project will not be funded by local subsidies. **Cost Containment Strategy:** The Developer will competitively bid all trades, obtaining a minimum of 3 bids, and implement design standards that facilitate efficiency in cost and construction scheduling. Prior to construction loan closing, CalHFA will require the Developer to certify that cost containment measures have been implemented.
6.	Equity – Cash Out (estimate): Not Applicable.

TRANSACTION OVERVIEW

7.	**Proposal and Project Strengths**

- The Project anticipates receiving 4% federal and state tax credits which is projected to generate equity representing 49% of total financing sources.
- The developer/sponsor has experience in developing similar affordable housing projects.
- The Project will serve low-income families ranging between 30% to 70% of AMI.
- The rents are affordable to families at 27% to 69% of market and 27% of the units are at or below 40% AMI.
- The Loan-to-Value will be 89%, which meets the Agency's minimum requirements, providing less risk to the Agency.
- The projected portion of the developer's fee that will be collected at or prior to permanent loan conversion is $3,221,896, which could be available to cover cost overruns and/or unforeseen issues during construction.
- The exit analysis assumes 7% cap rate and 3% increase of the underwriting interest rate at loan maturity. Based on these assumptions, the Project will have the ability to fully repay the balance of Agency's permanent first lien and subsidy loans.

8.	**Project Weaknesses with Mitigants:**

None

9.	**Underwriting Standards or Term Sheet Variations**

For purposes of MIP subsidy efficiency analysis, the underwriting of the permanent first lien loan is typically required to be sized based on the maximum TCAC income and rent limits. The developer is requesting an exception to this requirement and instead has requested that project rents for 32 of the units be limited to 15% below TCAC regulated maximum rents. This is a condition required by the investor to ensure that the income average is at 58% of AMI (60% is the maximum), which mitigates the Project's risk of losing tax credits during the compliance period pursuant to income averaging requirements. The income for these 32 units average 42% below market rents for similar units vs. average of 32% below market rents if TCAC maximum rents are used. This request does not include the 10% of total units (16 units) restricted between 60% and 80% AMI as required by the MIP term sheet. To facilitate project feasibility, staff is recommending an exception to the MIP subsidy efficiency requirement to allow the project's permanent first lien loan underwriting to align with the investor's requirements.

10.	**Project Specific Conditions of Approval**

Approval is conditioned upon:

- No site work or construction commenced prior to the issuance of a HUD Firm Approval Letter.

- 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.
- The total deferred developer's fee of $7,166,861 will not be fully repaid by year 15 per project cashflow, therefore the owner must provide evidence of investor approval of the total deferred developer's fee structure. The developer has confirmed that they will forgo any outstanding developer fee in year 15 and treat the amount as a developer's contribution. This condition will be documented in the investor commitment letter and/or LPA.
- CalHFA requires that MIP affordability covenants be recorded in senior position ahead of any foreclosable debt.
- 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.
- Approval of plan check prior to construction loan closing.
- Approval of NEPA prior to construction loan closing

11. Staff Conclusion/Recommendation:

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

AFFORDABILITY

12. CalHFA Affordability & Occupancy Restrictions

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 50% of AM for 55 years.

*The CalHFA MIP Subsidy Regulatory Agreement requires 10% of total units (16 units) be restricted at or below 50% of AMI and 10% of total units (16 units) be restricted between 60% and 80% of AMI with a minimum average of 70% of AMI for a term of 55 years. The rents for the 60% to 80% tranche and the applicable target occupancy are required to be sized and determined by the minimum income limit of 70% of AMI and TCAC maximum rent limits, however, the developer is requesting an exception to this requirement and instead to allow the project to underwrite the rents for 32 of the 70% of AMI units to 60% of AMI. This is a condition required by the investor to ensure that the income average is at 58% of AMI. . The remaining 127 units will be restricted at or below 120% 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.

Rent Limit Summary Table

AMI	Total	Studio	1-bdrm	2-bdrm	3-bdrm	4-bdrm	% of Total
30%	16	-	4	4	4	4	10.0%
40%	28	-	28	-	-	-	17.5%
50%	0	-	-	-	-	-	0.0%
60%	11	-	3	-	-	8	6.9%
70%	104	-	4	50	46	4	65.0%
Manager's Unit	1	-	-	1	-	-	0.6%
Total	160	0	39	55	50	16	100.0%

The average affordability restriction is 60% of AMI. Per investor conditions, 4 1BRs and 28 2BRs are restricted at 70% of AMI and underwritten with rents that are determined based on 60% of AMI to ensure that actual rents average 58% of AMI and not at-risk of exceeding the 60% of AMI threshold under LIHTC's income averaging rule.

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	40% AMI	50% AMI	60% AMI	70% AMI	70% AMI *(60% to 80% Tranche)	Not to Exceed 120% AMI	Mgrs Unit	Total Units Regulated	% of Regulated Units
CalHFA Bond	1st	**55**			16	48				1	64	40.0%
*CalHFA Subsidy	2nd	**55**			16			16	127	1	159	99.4%
Tax Credits	3rd	**55**	16	28		11	104			1	159	99.4%

13. Geocoder Information

Central City:	Yes /No	Underserved:	No
Low/Mod Census Tract:	Lower/Moderate	Below Poverty line:	13%
Minority Census Tract:	78%	Rural Area:	No

FINANCIAL ANALYSIS SUMMARY

14. Capitalized Reserves:

Replacement Reserves (RR):	N/A
Operating Expense Reserve (OER):	$536,401 The developer/sponsor met the threshold requirements for the proposed OER budget, which is based on 3 months of total operating expense, annual replacement reserves, and debt service. CalHFA will hold this reserve for the life of the loan and in the event the OER is drawn down during the term of the loan, the OER must be replenished over a 12 month period to the original level.
Transitional Operating Reserve (TOR):	N/A.

15. Cash Flow Analysis

1st Year DSCR:	1.15	**Project-Based Subsidy Term:**	N/A
End Year DSCR:	2.01	**Annual Replacement Reserve Per Unit:**	$250/unit
Residential Vacancy Rate: **Subsidy Vacancy Rate:**	5% N/A	**Rental Income Inflation Rate:** **Subsidy Income Inflation Rate:**	2.50% N/A
Non-residential Vacancy Rate:	N/A	**Project Expenses Inflation Rate:** **Property Tax Inflation Rate:**	3.50% 1.25%

16. Loan Security

The CalHFA loans will be secured against the above described Project site.

17.	Balloon Exit Analysis	Applicable: ☒ Yes ☐ No
	The exit analysis assumes 7% cap rate and 3% increase of the underwriting interest rate at loan maturity. Based on these assumptions, the Project will have the ability to fully repay the balance of Agency's permanent first lien and subsidy loans.	

APPRAISAL AND MARKET ANALYSIS

18. Appraisal Review — **Dated: September 17, 2021**

- The Appraisal dated September 17, 2021, prepared by Watts, Cohn and Partners, Inc., values the land at $2,000,000 with entitlements and the As-Is Market Value is $1,980,000.
- The cap rate of 5.0% and the projected net operating income is $1.36M, which is $70k lower than underwritten net operating income. This is because the utility allowances in the appraisal were based on 2020 estimates. The Housing Authority updated the utility allowances, which are used in the current underwriting.
- The as-restricted stabilized value is $27,250,000, which results in the Agency's permanent first lien loan(s) to value of 89%.
- The absorption rate is 5 months (30 units per month) and generally consistent with the market study.

Market Study: Novogradac — **Dated: March 10, 2021**

Regional Market Overview

- The Primary Market Area is the city of Suisun City and the central portion of the city of Fairfield (population estimated to be 93,196 at market entry) and the Secondary Market Area ("SMA") is Vallejo-Fairfield, CA Metropolitan Statistical Area (MSA) which consists of Solano County (population estimated to be 453,408 at market entry)
- The general population in the PMA is anticipated to increase by 0.5% per year.
- Unemployment for the PMA was not provided and was 8.8% in the SMA. The study states that the increase in unemployment compared to previous years is "due to the stay-at-home orders issued by the governor… as a result of the ongoing COVID-19 pandemic. It is reasonable to assume that some of these jobs may return as the state reopens and the pandemic ends."

Local Market Area Analysis

- **Supply:**
  - There are currently 14 family projects in the PMA and of the projects with occupancy and wait list data available. All, with the exception of one project, are 100% occupied with long wait lists. The exception project is 97% occupied and does not maintain a wait list.
  - While the market study was undertaken, Novogradac inquired but received no information from either Suisun City or the City of Fairfield regarding affordable projects under construction or proposed.
- **Demand/Absorption:**
  - The project will need to capture 10.2% of the total demand for family units of the Subject's bedroom types in the PMA. The affordable units are anticipated to lease up at a rate of 30 units per month and reach 97% stabilized occupancy within 5 months of opening.

DEVELOPMENT SUMMARY

19. Site Description — **Requires Flood Insurance:** ☐ Yes ☒ No

- The property is located on the south east side of Marina Boulevard and Buena Vista Avenue, in the City of Suisun City, Solano County.
- The site is currently vacant, with generally level topography at street grade and a slight regional slope to the south, measuring approximately 5.2 acres, and is generally irregular in shape.
- The site consists of nine (9) contiguous parcels that will be merged prior to start of construction.
- Four of the parcels are zoned for CR (Commercial Retail) and the remaining five parcels are zoned RH2 (High Density Residential). The Suisun Planning Department has confirmed that the site has General Plan designation of Mixed Use with permitted multifamily residential use at a residential density of 10-45 units per gross acre.

- The subject is located in Flood Zone X. Zone X is the area determined to be outside the 500-year flood and protected by levee from 100-year flood, therefore the Project will not be subject to flood insurance.

20.	**Form of Site Control & Expiration Date**

The site was purchased via an arms-lengths transaction. The Project purchased the land from Ken, Inc., A California Corporation on 09/30/2021 for an amount of $2,000,000.

21.	**Current Ownership Entity of Record**

Title is currently vested in Marina Village Suisun Partners, L.P., a California limited partnership as the fee owner.

22.	**Environmental Review Findings**	**Dated: April 30, 2021**

- A Phase I Environmental Site Assessment performed by RMD Environmental Solutions, Inc., dated April 30, 2021 revealed recognized environmental conditions (RECs) related to a former airfield runway on the site and residual volatile organic compounds (VOCs) in the groundwater.
- A Phase II Environmental Site Investigation Report performed by RMD Environmental Solutions, dated July 30, 2021 concluded that “Contamination is not present at concentrations that would warrant additional investigation or remediation.”
- A NEPA review has been initiated and will be completed prior to construction loan closing.

23.	**Seismic**	**Requires Earthquake Insurance:** ☐ **Yes** ☒ **No**

This new Project will be built to State and City of Suisun City Building Codes so no seismic review is required.

24.	**Relocation**	**Requires Relocation:** ☐ **Yes** ☒ **Not Applicable**

The Project is new construction, therefore, relocation is not applicable.

PROJECT DETAILS

25.	**Residential Areas:**				
		Residential Square Footage:	155,500	**Residential Units per Acre:**	31
		Community Area Sq. Ftg:	2,500	**Total Parking Spaces:**	234
		Supportive Service Areas:	N/A	**Total Building Sq. Footage:**	167,699
26.	**Mixed-Use Project:** ☒ **Yes** ☐ **No**				
		Non-Residential Sq. Footage:	N/A	**Number of Lease Spaces:**	N/A
		Master Lease:	☐ **Yes** ☒ **No**	**Number of Parking Spaces:**	N/A
27.	**Construction Type:**	Eight (8) 3-story, type-VA wood-framed residential building with surface parking spaces.			
28.	**Construction/Rehab Scope**	**Requires Demolition:** ☐ **Yes** ☒ **No**			

The subject site is new construction. Fencing along the abutting gas station entry drive will be solid and metal picket east of the gas station to the parking lot.

29.	**Construction Budget Comments:**

- CalHFA will require an independent review of the costs by a 3rd 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.
- The developer had established cost containment strategies that include:
  - competitively bidding all trades
  - obtaining a minimum of 3 bids
  - implementing design standards that facilitate efficiency in cost and construction scheduling.

ADDITIONAL DEVELOPMENT/ PROJECT TEAM INFORMATION

30. Borrower Affiliated Entities

- Managing General Partner (MGP): Suisun Housing Company, LLC, a California limited liability company; 0.001% interest
  - Member: Solano Affordable Housing Foundation (SAHF), Managing Member, a California nonprofit public benefit corporation (100%)
  - After closing, MGP membership interest will be reallocated so that SAHF retains 99.99% and Kingdom Development, Inc., Member, a California nonprofit public benefit corporation will be admitted to the partnership at 0.01%.
- Investor Limited Partner: R4 Capital LLC Affiliate; 99.99% interest.

31. Developer/Sponsor

Solano Affordable Housing Foundation (SAHF), a non-profit corporation, was created in 1990 by a coalition of business, social, and political leaders throughout Solano County concerned about the cost of housing escalating beyond the ability of many Solano County resident's ability to pay. Since its inception, SAHF has developed more than 900 affordable housing units for Solano County families. SAHF is eligible for Black, Indigenous, and Other People of Color (BIPOC) status pursuant to CDLAC Regulations Chapter 2, Article 1, Section §5170. They have completed nine (9) tax credit projects in California (842 total units) and have two (2) projects under construction and in the CalHFA portfolio. In addition, they have two (2) projects in the pipeline.

32. Management Agent

The Project will be managed by John Stewart Company (JSCo), which has extensive experience in managing similar affordable housing projects in the area and manages several projects in CalHFA's portfolio. Currently they manage 3 projects (214 units total) in the CalHFA portfolio, and they are performing as expected. JSCo worked directly with the developer to prepare the anticipated operating budget for this project.

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

LifeSTEPS, evidenced through an executed MOU, will provide supportive services for all tenants through at least 15 years that will be funded through operations. Adult on-site classes will be offered, which include classes on health/wellness and financial literacy. An after-school program will be offered for children. The cost of these services is included in the operating budget.

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

The general contractor is Tricorp Group, which has experience in constructing a similar affordable housing project in California. They completed an affordable 138-unit new construction project with Bridge Housing and performed renovation work on seven (7) housing projects with affordable housing developers (i.e., Mutual Housing, Eden Housing and Solano Affordable Housing). In addition, they have completed 4 new construction market-rate housing projects. They are working on renovating two (2) projects currently under construction that are in the CalHFA portfolio.

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

The architect is Vrilakas Architects, which is involved in an 85-unit low-income, transitional housing project in California with Mercy Housing. Project completion is anticipated in the fall. The firm has also completed 6 mixed-use projects that include a residential component (700 units), which are comparable in design to the project. CalHFA is not familiar with the architect.

36. Local Review via Locality Contribution Letter

The locality, City of Suisun City, returned the local contribution letter stating they have no position on the project because it did not need to go before the Planning Commission or City Council for approval. The City Manager confirmed that no local approvals were required based on the application submitted.

EXHIBITS: Detailed Financial Analysis and applicable Term Sheets

PROJECT SUMMARY — Final Commitment

Acquisition, Rehab, Construction & Permanent Loans — **Project Number 21-015-A/X/N**

Project Full Name	Marina Village Apartments	**Borrower Name:**	Marina Village Suisun Partners, L.P.
Project Address	201 Marina Blvd.	**Managing GP:**	Suisun Housing Company, LLC
Project City	Suisun City	**Developer Name:**	Solano Affordable Housing Foundation
Project County	Solano	**Investor Name:**	R4 Capital
Project Zip Code	94585	**Prop Management:**	John Stewart Company
		Tax Credits:	4
Project Type:	Permanent Loan Only	**Total Land Area (acres):**	5.20
Tenancy/Occupancy:	Individuals/Families	**Residential Square Footage:**	155,500
Total Residential Units:	160	**Residential Units Per Acre:**	30.77
Total Number of Buildings:	9		
Number of Stories:	3	**Covered Parking Spaces:**	160
Unit Style:	Flat	**Total Parking Spaces:**	234
Elevators:	--		

Acq/Construction/Rehab Financing	Loan Amount ($)	Loan Fees	Loan Term (Mo.)	Amort. Period (Yr.)	Starting Interest Rate
Chase T/E Construction Loan	35,449,239	0.750%	30	--	2.300%
Chase Tax Construction Loan	10,927,278	0.750%	30	--	3.000%
Chase-Recycled T/E Bonds	2,500,000	0.750%	30	--	3.000%
SAHF Bridge Loan	3,000,000	0.000%	30	--	2.160%
Investor Equity Contribution	3,337,973	NA	NA	NA	NA
Deferred Costs	3,535,980	NA	NA	NA	NA
TOTAL	**58,750,470**				

Permanent Financing	Loan Amount ($)	Loan Fees	Loan Term (Yr.)	Amort. Period (Yr.)	Starting Interest Rate
Perm	24,125,000	1.000%	30	40	4.220%
MIP	3,175,000	1.000%	30	--	2.000%
Deferred Developer Fees	7,166,861	NA	NA	NA	NA
Investor Equity Contributions	33,379,732	NA	NA	NA	NA
TOTAL	**67,846,593**				

Appraised Values Upon Completion of Rehab/Construction

Appraisal Date:	9/17/21	**Capitalization Rate:**	5.00%
Investment Value ($)	61,925,000	**Restricted Value ($)**	27,250,000
Construct/Rehab LTC	75%	**CalHFA Permanent Loan to Cost**	36%
Construct/Rehab LTV	68%	**CalHFA 1st Permanent Loan to Value**	89%
		Combined CalHFA Perm Loan to Value	100%

Additional Loan Terms, Conditions & Comments

Construction/Rehab Loan

Payment/Performance Bond	0	
Completion Guarantee Letter of Credit	0.00%	

Permanent Loan

Operating Expense Reserve Deposit	$536,401	Cash
Initial Replacement Reserve Deposit	$0	Cash
Annual Replacement Reserve Per Unit	$250	Cash

Date Prepared: 10/14/21 — Senior Staff Date: 11/1/21

UNIT MIX AND RENT SUMMARY **Final Commitment**

Marina Village Apartments **Project Number 21-015-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	600	39	58.5
Flat	2	1	980	55	165
Flat	3	2	1,100	50	225
Flat	4	2	1,450	16	96
-	-	-	-	-	0
-	-	-	-	-	0
				160	544.5

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%**
Bond/RiskShare	0	0	16	48	0	0	0
CalHFA MIP	0	0	16	0	16	0	127
Tax Credit	16	28	0	11	104	0	0
-	0	0	0	0	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%**	-	-	$0	-	-
1 Bedroom	**CTCAC**	**30%**	4	$507	$1,850	$1,343	27%
	CTCAC	**40%**	28	$689		$1,161	37%
	CTCAC	**60%**	3	$1,053		$797	57%
	CTCAC	**70%**	-	-		-	-
	CTCAC	**70%**	4	$1,053		$797	57%
	HCD	**100%**	-	-		-	-
	HCD	**120%**	-	-		-	-
2 Bedrooms	**CTCAC**	**30%**	4	$593	$2,150	$1,557	28%
	CTCAC	**40%**	-	-		-	-
	CTCAC	**60%**	-	-		-	-
	CTCAC	**70%**	22	$1,467		$683	68%
	CTCAC	**70%**	28	$1,248		$902	58%
	HCD	**120%**	-	-		-	-
	HCD	**-**	-	-		-	-
3 Bedrooms	**CTCAC**	**30%**	4	$678	$2,450	$1,772	28%
	CTCAC	**40%**	-	-		-	-
	CTCAC	**60%**	-	-		-	-
	CTCAC	**70%**	46	$1,688		$762	69%
	CTCAC	**70%**	-	-		-	-
	HCD	**100%**	-	-		-	-
	HCD	**120%**	-	-		-	-
4 Bedrooms	**CTCAC**	**30%**	4	$743	$2,700	$1,957	28%
	CTCAC	**40%**	-	-		-	-
	CTCAC	**60%**	8	$1,588		$1,112	59%
	CTCAC	**70%**	4	$1,869		$831	69%
	CTCAC	**70%**	-	-		-	-
	HCD	**100%**	-	-		-	-
	HCD	**120%**	-	-		-	-
5 Bedrooms	**CTCAC**	**30%**	-	-	-	-	-
Date Prepared:	10/14/21					Senior Staff Date:	11/1/21

SOURCES & USES OF FUNDS					Final Commitment
Marina Village Apartments			Project Number		21-015-A/X/N
SOURCES OF FUNDS	CONST/REHAB $	PERMANENT $	TOTAL PROJECT SOURCES OF FUNDS SOURCES ($)	PER UNIT ($)	%
Chase T/E Construction Loan	35,449,239				0.0%
Chase Tax Construction Loan	10,927,278				0.0%
-	-				0.0%
Chase-Recycled T/E Bonds	2,500,000				0.0%
Construct/Rehab Net Oper. Inc.	-				0.0%
Deferred Developer Fee	-				0.0%
Developer Equity Contribution	-				0.0%
Investor Equity Contribution	3,337,973				0.0%
Perm		24,125,000	24,125,000	150,781	35.6%
MIP		3,175,000	3,175,000	19,844	4.7%
Construct/Rehab Net Oper. Inc.		-	-	-	0.0%
Deferred Developer Fees		7,166,861	7,166,861	44,793	10.6%
Developer Equity Contribution		-	-	-	0.0%
Investor Equity Contributions		33,379,732	33,379,732	208,623	49.2%
TOTAL SOURCES OF FUNDS	**58,750,470**	**67,846,593**	**67,846,593**	**424,041**	**100.0%**
TOTAL USES OF FUNDS (BELOW)	**58,750,470**	**67,846,593**	**67,846,593**	**424,041**	**100.0%**
FUNDING SURPLUS (DEFICIT)	**-**	**0**	**0**		

USES OF FUNDS	CONST/REHAB $	PERMANENT $	TOTAL PROJECT USES OF FUNDS USES ($)	PER UNIT ($)	%
CONSTRUCTION/REHAB SOURCES OF FUNDS		**58,750,470**			
ACQUISITION COSTS					
Lesser of Land Cost or Appraised Value	2,000,000	-	2,000,000	12,500	2.9%
Demolition Costs	-	-	-	-	0.0%
Legal & Other Closing Costs	-	-	-	-	0.0%
TOTAL ACQUISITION COSTS	**2,245,577**	**-**	**2,245,577**	**14,035**	**3.3%**
CONSTRUCTION/REHAB COSTS					
Offsite Improvements	-	-	-	-	0.0%
Environmental Remediation (Hard Costs)	-	-	-	-	0.0%
Site Work (Hard Cost)	4,515,477	-	4,515,477	28,222	6.7%
Structures (Hard Cost)	31,829,993	-	31,829,993	198,937	46.9%
General Requirements	-	-	-	-	0.0%
Contractor Overhead	1,084,015	-	1,084,015	6,775	1.6%
Contractor Profit	1,084,015	-	1,084,015	6,775	1.6%
Contractor Bond	357,760	-	357,760	2,236	0.5%
Contractor Liability Insurance	354,219	-	354,219	2,214	0.5%
Personal Property	-	-	-	-	0.0%
Other (GC Contingency)	1,362,379	-	1,362,379	8,515	2.0%
TOTAL CONSTRUCT/REHAB COSTS	**40,587,857**	**-**	**40,587,857**	**253,674**	**59.8%**

SOURCES & USES OF FUNDS					Final Commitment
Marina Village Apartments			Project Number	21-015-A/X/N	
USES OF FUNDS	CONST/REHAB	PERMANENT	TOTAL PROJECT USES OF FUNDS		
	$	$	USES ($)	PER UNIT ($)	%
RELOCATION COSTS					
Relocation Expense	-	-	-	-	0.0%
Relocation Compliance Monitoring	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL RELOCATION COSTS	**-**	**-**	**-**	**-**	**0.0%**
ARCHITECTURAL FEES					
Design	850,000	-	850,000	5,313	1.3%
Supervision	100,000	-	100,000	625	0.1%
TOTAL ARCHITECTURAL FEES	**950,000**	**-**	**950,000**	**5,938**	**1.4%**
SURVEY & ENGINEERING FEES					
Engineering	75,000	-	75,000	469	0.1%
Supervision	25,000	-	25,000	156	0.0%
ALTA Land Survey	-	-	-	-	0.0%
TOTAL SURVEY & ENGINEERING FEES	100,000	-	100,000	625	0.1%
CONTINGENCY RESERVES					
Hard Cost Contingency Reserve	1,999,393	-	1,999,393	12,496	2.9%
Soft Cost Contingency Reserve	823,121	-	823,121	5,145	1.2%
TOTAL CONTINGENCY RESERVES	2,822,514	-	2,822,514	17,641	4.2%
CONSTRUCT/REHAB PERIOD COSTS					
Loan Interest Reserve					
Chase T/E Construction Loan	2,318,194	-	2,318,194	14,489	0.034168
Chase Tax Construction Loan	-	-	-	-	0
-	-	-	-	-	0.0%
Chase-Recycled T/E Bonds	-	-	-	-	0.0%
Loan Fees					
Chase T/E Construction Loan	265,869	-	265,869	1,662	0.4%
Chase Tax Construction Loan	81,955	-	81,955	512	0.1%
-	-	-	-	-	0.0%
Chase-Recycled T/E Bonds	18,750	-	18,750	117	0.0%
Other Const/Rehab Period Costs					
Deficit Const/Rehab NOI (Net Operating In	-	-	-	-	0.0%
Credit Enhancement & Application Fees	-	-	-	-	0.0%
Owner Paid Bonds/Insurance	-	-	-	-	0.0%
CalHFA Inspection Fees	7,500	-	7,500	47	0.0%
Insurance During Rehab	396,301	-	396,301	2,477	0.6%
Title & Recording Fees	60,000	-	60,000	375	0.1%
Construction Management & Testing	250,000	-	250,000	1,563	0.4%
Predevelopment Interest Expense	75,000	-	75,000	469	0.1%
Bond Issuer Fee	51,938	-	51,938	325	0.1%
Bridge Loan interest	-	-	-	-	0.0%
TOTAL CONST/REHAB PERIOD COSTS	**3,525,507**	**-**	**3,525,507**	**22,034**	**5.2%**

SOURCES & USES OF FUNDS					Final Commitment
Marina Village Apartments			Project Number	21-015-A/X/N	
USES OF FUNDS	CONST/REHAB	PERMANENT	TOTAL PROJECT USES OF FUNDS		
	$	$	USES ($)	PER UNIT ($)	%
PERMANENT LOAN COSTS					
Loan Fees					
CalHFA Application Fee	-	-	-	-	0.0%
Perm	120,625	120,625	241,250	1,508	0.4%
MIP	15,875	15,875	31,750	198	0.0%
Permanent Loan Cost of Issuance Fee	55,000	55,000	110,000	688	0.2%
Credit Enhancement & Application Fees	-	-	-	-	0.0%
Title & Recording (closing costs)	-	-	-	-	0.0%
Year 1 - Taxes & Special Assessments and Insura	-	-	-	-	0.0%
CalHFA Fees	-	10,085	10,085	63	0.0%
Tax Exempt Bond Allocation Fee	-	-	-	-	0.0%
Other (Bond Recycling Transaction Fee)	12,500	12,500	25,000	156	0.0%
TOTAL PERMANENT LOAN COSTS	**204,000**	**214,085**	**418,085**	**2,613**	**0.6%**
LEGAL FEES					
CalHFA Construction/Rehab Loan Legal Fees	-	-	-	-	0.0%
Other Construction/Rehab Loan Legal Fees	88,028	46,972	135,000	844	0.2%
CalHFA Permanent Loan Legal Fees	17,500	17,500	35,000	219	0.1%
CalHFA Bond Counsel	62,000	-	62,000	388	0.1%
TOTAL LEGAL FEES	**167,528**	**64,472**	**232,000**	**1,450**	**0.3%**
OPERATING RESERVES					
Operating Expense Reserve Deposit	-	536,401	536,401	3,353	0.8%
Other (Specify)	-	-	-	-	0.0%
TOTAL OPERATING RESERVES	**-**	**536,401**	**536,401**	**3,353**	**0.8%**
REPORTS & STUDIES					
Appraisal Fee	10,000	-	10,000	63	0.0%
Market Study Fee	15,000	-	15,000	94	0.0%
Physical Needs Assessment Fee	-	-	-	-	0.0%
Environmental Site Assessment Reports	17,500	-	17,500	109	0.0%
Other ( )	-	-	-	-	0.0%
TOTAL REPORTS & STUDIES	**42,500**	**-**	**42,500**	**266**	**0.1%**

SOURCES & USES OF FUNDS					Final Commitment
Marina Village Apartments			Project Number	21-015-A/X/N	
USES OF FUNDS	CONST/REHAB	PERMANENT	TOTAL PROJECT USES OF FUNDS		
	$	$	USES ($)	PER UNIT ($)	%
OTHER COSTS					
TCAC Application, Allocation & Monitor Fees	86,693	12,000	98,693	617	0.1%
CDLAC Fees	18,702	-	18,702	117	0.0%
Local Permits & Fees	630,000	-	630,000	3,938	0.9%
Local Impact Fees	4,800,000	-	4,800,000	30,000	7.1%
Other Local Fees	-	-	-	-	0.0%
Syndicator/Investor Fees & Expenses	-	-	-	-	0.0%
Furnishings	70,000	-	70,000	438	0.1%
Accounting & Audits	65,000	15,000	80,000	500	0.1%
Advertising & Marketing Expenses	50,000	-	50,000	313	0.1%
Financial Consulting	250,000	-	250,000	1,563	0.4%
TOTAL OTHER COSTS	**5,970,395**	**27,000**	**5,997,395**	**37,484**	**8.8%**
SUBTOTAL PROJECT COSTS	**56,615,878**	**59,592,428**	**57,457,836**	**359,111**	**84.7%**
DEVELOPER FEES & COSTS					
Developer Fees, Overhead & Profit	2,134,592	8,254,165	10,388,757	64,930	15.3%
CASH EQUITY OUT TO DEVELOPER	-	-	-	-	0.0%
TOTAL DEVELOPER FEES & COSTS	**2,134,592**	**8,254,165**	**10,388,757**	**64,930**	**15.3%**
TOTAL PROJECT COSTS	**58,750,470**	**67,846,593**	**67,846,593**	**424,041**	**100.0%**

PROJECTED INITIAL ANNUAL RENTAL OPERATING BUDGET			Final Commitment
Marina Village Apartments	Project Number		21-015-A/X/N
INCOME	**AMOUNT**	**PER UNIT**	**%**
Rental Income			
Restricted Unit Rents	$ 2,421,516	$ 15,134	104.01%
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	29,120	182	1.25%
Parking & Storage Income	-	-	0.00%
Miscellaneous Income	-	-	0.00%
GROSS POTENTIAL INCOME (GPI)	**$ 2,450,636**	**$ 15,316**	**105.26%**
Less: Vacancy Loss	**$ 122,532**	**$ 766**	**5.26%**
EFFECTIVE GROSS INCOME (EGI)	**$ 2,328,104**	**$ 16,082**	**100.00%**
OPERATING EXPENSES	**AMOUNT**	**PER UNIT**	**%**
Administrative Expenses	$ 335,435	$ 2,096	$ 0
Management Fee	98,025	613	4.21%
Social Programs & Services	23,040	144	0.99%
Utilities	110,000	688	4.72%
Operating & Maintenance	212,760	1,330	9.14%
Ground Lease Payments	-	-	0.00%
CalHFA Monitoring Fee	7,500	47	0.32%
Other Monitoring Fees	-	-	0.00%
Real Estate Taxes	24,000	150	1.03%
Other Taxes & Insurance	45,000	281	1.93%
Assisted Living/Board & Care	-	-	0.00%
SUBTOTAL OPERATING EXPENSES	**$ 855,760**	**$ 5,349**	**36.76%**
Replacement Reserve	$ 40,000	$ 250	1.72%
TOTAL OPERATING EXPENSES	**$ 895,760**	**$ 5,599**	**38.48%**
NET OPERATING INCOME (NOI)	**$ 1,432,344**	**$ 8,952**	**61.52%**
DEBT SERVICE PAYMENTS	**AMOUNT**	**PER UNIT**	**%**
Perm	$ 1,249,842	$ 7,812	53.68%
-	$ -	-	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	**$ 1,249,842**	**$ 7,812**	**53.68%**
EXCESS AFTER DEBT SERVICE & MONITORING FEES	**$ 182,502**	**$ 1,141**	**7.84%**
DEBT SERVICE COVERAGE RATIO (DSCR)	**$ 1 to 1**		
Date: 10/14/21		Senior Staff Date:	11/01/21

PROJECTED PERMANENT LOAN CASH FLOWS										Marina Village Apartments		
Final Commitment										Project Number	21-015-A/X/N	
	YEAR	1	2	3	4	5	6	7	8	9	10	11
RENTAL INCOME	CPI											
Restricted Unit Rents	2.50%	2,421,516	2,482,054	2,544,105	2,607,708	2,672,901	2,739,723	2,808,216	2,878,422	2,950,382	3,024,142	3,099,745
Laundry Income	2.50%	29,120	29,848	30,594	31,359	32,143	32,947	33,770	34,615	35,480	36,367	37,276
Parking & Storage Income	2.50%	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	2.50%	-	-	-	-	-	-	-	-	-	-	-
GROSS POTENTIAL INCOME (GPI)		**2,450,636**	**2,511,902**	**2,574,699**	**2,639,067**	**2,705,044**	**2,772,670**	**2,841,986**	**2,913,036**	**2,985,862**	**3,060,509**	**3,137,021**
VACANCY ASSUMPTIONS	Vacancy											
Restricted Unit Rents	5.00%	121,076	124,103	127,205	130,385	133,645	136,986	140,411	143,921	147,519	151,207	154,987
Laundry Income	5.00%	1,456	1,492	1,530	1,568	1,607	1,647	1,689	1,731	1,774	1,818	1,864
TOTAL PROJECTED VACANCY LOSS		**122,532**	**125,595**	**128,735**	**131,953**	**135,252**	**138,633**	**142,099**	**145,652**	**149,293**	**153,025**	**156,851**
EFFECTIVE GROSS INCOME (EGI)		**2,328,104**	**2,386,307**	**2,445,964**	**2,507,114**	**2,569,791**	**2,634,036**	**2,699,887**	**2,767,384**	**2,836,569**	**2,907,483**	**2,980,170**
OPERATING EXPENSES	CPI / Fee											
Administrative Expenses	3.50%	*358,475*	371,022	384,007	397,448	411,358	425,756	440,657	456,080	472,043	488,565	505,664
Management Fee	4.00%	98,025	95,452	97,839	100,285	102,792	105,361	107,995	110,695	113,463	116,299	119,207
Utilities	3.50%	110,000	113,850	117,835	121,959	126,228	130,645	135,218	139,951	144,849	149,919	155,166
Operating & Maintenance	3.50%	212,760	220,207	227,914	235,891	244,147	252,692	261,536	270,690	280,164	289,970	300,119
Ground Lease Payments	3.50%	-	-	-	-	-	-	-	-	-	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Other Agency Monitoring Fee	0.00%	-	-	-	-	-	-	-	-	-	-	-
Real Estate Taxes	1.25%	*24,000*	24,300	24,604	24,911	25,223	25,538	25,857	26,180	26,508	26,839	27,174
Other Taxes & Insurance	3.50%	45,000	46,575	48,205	49,892	51,639	53,446	55,316	57,253	59,256	61,330	63,477
Required Reserve Payments	1.00%	*40,000*	40,400	40,804	41,212	41,624	42,040	42,461	42,885	43,314	43,747	44,185
TOTAL OPERATING EXPENSES		**895,760**	**919,305**	**948,707**	**979,098**	**1,010,510**	**1,042,979**	**1,076,542**	**1,111,235**	**1,147,098**	**1,184,170**	**1,222,492**
NET OPERATING INCOME (NOI)		**1,432,344**	**1,467,001**	**1,497,257**	**1,528,016**	**1,559,282**	**1,591,057**	**1,623,345**	**1,656,149**	**1,689,471**	**1,723,314**	**1,757,678**
DEBT SERVICE PAYMENTS	Lien #											
Perm	1	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842
MIP Annual Fee (applicable for MIP only deals)	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		**1,249,842**	**1,249,842**	**1,249,842**	**1,249,842**	**1,249,842**	**1,249,842**	**1,249,842**	**1,249,842**	**1,249,842**	**1,249,842**	**1,249,842**
CASH FLOW AFTER DEBT SERVICE		**182,502**	**217,159**	**247,415**	**278,174**	**309,439**	**341,215**	**373,503**	**406,307**	**439,629**	**473,471**	**507,836**
DEBT SERVICE COVERAGE RATIO		**1.15**	**1.17**	**1.20**	**1.22**	**1.25**	**1.27**	**1.30**	**1.33**	**1.35**	**1.38**	**1.41**
Date Prepared:	10/14/21									Senior Staff Date:	11/1/21	

		1	2	3	4	5	6	7	8	9	10	11
LESS: Asset Management Fee	3%	-	-	-	-	-	-	-	-	-	-	-
LESS: Partnership 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
net CF available for distribution		**175,002**	**209,434**	**239,458**	**269,978**	**300,998**	**332,520**	**364,548**	**397,083**	**430,128**	**463,686**	**497,756**
	$20K MGP fee to be out of the developers split per R4 9/8 LOI.											
Developer Residual Receipts Distribution	*100%*	**175,002**	**209,434**	**239,458**	**269,978**	**300,998**	**332,520**	**364,548**	**397,083**	**430,128**	**463,686**	**497,756**
Deferred developer fee repayment	7,166,861	7,166,861	6,991,859	6,782,425	6,542,967	6,272,989	5,971,991	5,639,471	5,274,923	4,877,840	4,447,712	3,984,026
		175,002	209,434	239,458	269,978	300,998	332,520	364,548	397,083	430,128	463,686	497,756
		6,991,859	6,782,425	6,542,967	6,272,989	5,971,991	5,639,471	5,274,923	4,877,840	4,447,712	3,984,026	3,486,270
Payments for Residual Receipt Payments		*0%*										
RESIDUAL RECEIPTS LOANS	*Payment %*	-	-	-	-	-	-	-	-	-	-	-
MIP	*100.00%*	-	-	-	-	-	-	-	-	-	-	-
Total Residual Receipts Payments	**100.00%**	-	-	-	-	-	-	-	-	-	-	-
Balances for Residual Receipt Payments												
RESIDUAL RECEIPTS LOANS	*Interest Rate*											
MIP---Simple	*2.00%*	3,175,000	3,238,500	3,302,000	3,365,500	3,429,000	3,492,500	3,556,000	3,619,500	3,683,000	3,746,500	3,810,000
Total Residual Receipts Payments		**3,175,000**	3,238,500	3,302,000	3,365,500	3,429,000	3,492,500	3,556,000	3,619,500	3,683,000	3,746,500	3,810,000

PROJECTED PERMANENT LOAN CASH FLOWS									Marina Village Apartments				
Final Commitment								Project Number	21-015-A/X/N				
	YEAR	12	13	14	15	16	17	18	19	20	21	22	23
RENTAL INCOME	**CPI**												
Restricted Unit Rents	2.50%	3,177,239	3,256,670	3,338,087	3,421,539	3,507,077	3,594,754	3,684,623	3,776,739	3,871,157	3,967,936	4,067,134	4,168,813
Laundry Income	2.50%	38,208	39,163	40,142	41,146	42,174	43,229	44,310	45,417	46,553	47,717	48,909	50,132
Parking & Storage Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-
GROSS POTENTIAL INCOME (GPI)		**3,215,447**	**3,295,833**	**3,378,229**	**3,462,685**	**3,549,252**	**3,637,983**	**3,728,932**	**3,822,156**	**3,917,710**	**4,015,652**	**4,116,044**	**4,218,945**
VACANCY ASSUMPTIONS	**Vacancy**												
Restricted Unit Rents	5.00%	158,862	162,833	166,904	171,077	175,354	179,738	184,231	188,837	193,558	198,397	203,357	208,441
Laundry Income	5.00%	1,910	1,958	2,007	2,057	2,109	2,161	2,215	2,271	2,328	2,386	2,445	2,507
TOTAL PROJECTED VACANCY LOSS		**160,772**	**164,792**	**168,911**	**173,134**	**177,463**	**181,899**	**186,447**	**191,108**	**195,885**	**200,783**	**205,802**	**210,947**
EFFECTIVE GROSS INCOME (EGI)		**3,054,674**	**3,131,041**	**3,209,317**	**3,289,550**	**3,371,789**	**3,456,084**	**3,542,486**	**3,631,048**	**3,721,824**	**3,814,870**	**3,910,242**	**4,007,998**
OPERATING EXPENSES	**CPI / Fee**												
Administrative Expenses	3.50%	523,363	541,680	560,639	580,262	600,571	621,591	643,346	665,863	689,169	713,290	738,255	764,094
Management Fee	4.00%	122,187	125,242	128,373	131,582	134,872	138,243	141,699	145,242	148,873	152,595	156,410	160,320
Utilities	3.50%	160,597	166,218	172,035	178,056	184,288	190,738	197,414	204,324	211,475	218,877	226,537	234,466
Operating & Maintenance	3.50%	310,623	321,495	332,747	344,393	356,447	368,923	381,835	395,199	409,031	423,347	438,165	453,500
Ground Lease Payments	3.50%	-	-	-	-	-	-	-	-	-	-	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Other Agency Monitoring Fee	0.00%	-	-	-	-	-	-	-	-	-	-	-	-
Real Estate Taxes	1.25%	27,514	27,858	28,206	28,559	28,916	29,277	29,643	30,014	30,389	30,769	31,154	31,543
Other Taxes & Insurance	3.50%	65,699	67,998	70,378	72,841	75,391	78,029	80,760	83,587	86,513	89,540	92,674	95,918
Required Reserve Payments	1.00%	44,627	45,073	45,524	45,979	46,439	46,903	47,372	47,846	48,324	48,808	49,296	49,789
TOTAL OPERATING EXPENSES		**1,262,109**	**1,303,064**	**1,345,402**	**1,389,173**	**1,434,423**	**1,481,205**	**1,529,571**	**1,579,575**	**1,631,274**	**1,684,726**	**1,739,990**	**1,797,130**
NET OPERATING INCOME (NOI)		**1,792,565**	**1,827,978**	**1,863,915**	**1,900,378**	**1,937,366**	**1,974,879**	**2,012,915**	**2,051,473**	**2,090,550**	**2,130,144**	**2,170,252**	**2,210,868**
DEBT SERVICE PAYMENTS	**Lien #**												
Perm	1	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842
MIP Annual Fee (applicable for MIP only deals)	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		**1,249,842**	**1,249,842**	**1,249,842**	**1,249,842**	**1,249,842**	**1,249,842**	**1,249,842**	**1,249,842**	**1,249,842**	**1,249,842**	**1,249,842**	**1,249,842**
CASH FLOW AFTER DEBT SERVICE		**542,723**	**578,135**	**614,073**	**650,535**	**687,524**	**725,036**	**763,072**	**801,630**	**840,708**	**880,302**	**920,409**	**961,026**
DEBT SERVICE COVERAGE RATIO		**1.43**	**1.46**	**1.49**	**1.52**	**1.55**	**1.58**	**1.61**	**1.64**	**1.67**	**1.70**	**1.74**	**1.77**
Date Prepared:	10/14/21							Senior Staff Date:		11/1/21			

		12	13	14	15	16	17	18	19	20	21	22	23
LESS: Asset Management Fee	3%	-	-	-	-	-	-	-	-	-	-	-	-
LESS: Partnership Management Fee	3%	10,382	10,693	11,014	11,344	11,685	12,035	12,396	12,768	13,151	13,546	13,952	14,371
net CF available for distribution		**532,341**	**567,442**	**603,059**	**639,191**	**675,839**	**713,001**	**750,676**	**788,862**	**827,557**	**866,756**	**906,457**	**946,655**
	$20K MGP fee to be out of t												
						50%							
Developer Residual Receipts Distribution	*100%*	**532,341**	**567,442**	**603,059**	**639,191**	**337,919**	**356,500**	**375,338**	**394,431**	**413,778**	**433,378**	**453,229**	**473,327**
Deferred developer fee repayment	7,166,861	3,486,270	2,953,928	2,386,486	1,783,428	-	-	-	-	-	-	-	-
		532,341	567,442	603,059	639,191	-	-	-	-	-	-	-	-
		2,953,928	2,386,486	1,783,428	**1,144,237**	-	-	-	-	-	-	-	-
Payments for Residual Receipt Payments						**50%**							
RESIDUAL RECEIPTS LOANS	*Payment %*	**-**	**-**	**-**	**-**	**337,919**	**356,500**	**375,338**	**394,431**	**413,778**	**433,378**	**453,229**	**473,327**
MIP	*100.00%*	-	-	-	-	337,919	356,500	375,338	394,431	413,778	433,378	453,229	473,327
Total Residual Receipts Payments	**100.00%**	-	-	-	-	337,919	356,500	375,338	394,431	413,778	433,378	453,229	473,327
Balances for Residual Receipt Payments													
RESIDUAL RECEIPTS LOANS	*Interest Rate*												
MIP---Simple	*2.00%*	3,873,500	3,937,000	4,000,500	4,064,000	4,127,500	3,853,081	3,560,080	3,248,242	2,917,311	2,561,879	2,179,738	1,770,105
Total Residual Receipts Payments		3,873,500	3,937,000	4,000,500	4,064,000	4,127,500	3,853,081	3,560,080	3,248,242	2,917,311	2,561,879	2,179,738	1,770,105

PROJECTED PERMANENT LOAN CASH FL0WS		Marina Village Apartments						
Final Commitment						Project Number	21-015-A/X/N	
	YEAR	24	25	26	27	28	29	30
RENTAL INCOME	**CPI**							
Restricted Unit Rents	2.50%	4,273,033	4,379,859	4,489,355	4,601,589	4,716,629	4,834,545	4,955,408
Laundry Income	2.50%	51,385	52,670	53,987	55,337	56,720	58,138	59,591
Parking & Storage Income	2.50%	-	-	-	-	-	-	-
Miscellaneous Income	2.50%	-	-	-	-	-	-	-
GROSS POTENTIAL INCOME (GPI)		**4,324,418**	**4,432,529**	**4,543,342**	**4,656,926**	**4,773,349**	**4,892,683**	**5,015,000**
VACANCY ASSUMPTIONS	**Vacancy**							
Restricted Unit Rents	5.00%	213,652	218,993	224,468	230,079	235,831	241,727	247,770
Laundry Income	5.00%	2,569	2,634	2,699	2,767	2,836	2,907	2,980
TOTAL PROJECTED VACANCY LOSS		**216,221**	**221,626**	**227,167**	**232,846**	**238,667**	**244,634**	**250,750**
EFFECTIVE GROSS INCOME (EGI)		**4,108,198**	**4,210,902**	**4,316,175**	**4,424,079**	**4,534,681**	**4,648,048**	**4,764,250**
OPERATING EXPENSES	**CPI / Fee**							
Administrative Expenses	3.50%	790,837	818,516	847,164	876,815	907,504	939,266	972,140
Management Fee	4.00%	164,328	168,436	172,647	176,963	181,387	185,922	190,570
Utilities	3.50%	242,673	251,166	259,957	269,055	278,472	288,219	298,307
Operating & Maintenance	3.50%	469,373	485,801	502,804	520,402	538,616	557,468	576,979
Ground Lease Payments	3.50%	-	-	-	-	-	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Other Agency Monitoring Fee	0.00%	-	-	-	-	-	-	-
Real Estate Taxes	1.25%	31,937	32,336	32,741	33,150	33,564	33,984	34,409
Other Taxes & Insurance	3.50%	99,275	102,750	106,346	110,068	113,921	117,908	122,035
Required Reserve Payments	1.00%	50,287	50,789	51,297	51,810	52,328	52,852	53,380
TOTAL OPERATING EXPENSES		**1,856,209**	**1,917,295**	**1,980,456**	**2,045,764**	**2,113,293**	**2,183,118**	**2,255,319**
NET OPERATING INCOME (NOI)		**2,251,988**	**2,293,608**	**2,335,719**	**2,378,315**	**2,421,389**	**2,464,930**	**2,508,930**
DEBT SERVICE PAYMENTS	**Lien #**							
Perm	1	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842
MIP Annual Fee (applicable for MIP only deals)	-	-	-	-	-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		**1,249,842**	**1,249,842**	**1,249,842**	**1,249,842**	**1,249,842**	**1,249,842**	**1,249,842**
CASH FLOW AFTER DEBT SERVICE		**1,002,146**	**1,043,765**	**1,085,877**	**1,128,473**	**1,171,547**	**1,215,088**	**1,259,088**
DEBT SERVICE COVERAGE RATIO		**1.80**	**1.84**	**1.87**	**1.90**	**1.94**	**1.97**	**2.01**
Date Prepared:	10/14/21					Senior Staff Date:	11/1/21	

		24	25	26	27	28	29	30
LESS: Asset Management Fee	3%	-	-	-	-	-	-	-
LESS: Partnership Management Fee	3%	14,802	15,246	15,703	16,174	16,660	17,159	17,674
net CF available for distribution		**987,344**	**1,028,519**	**1,070,173**	**1,112,299**	**1,154,887**	**1,197,929**	**1,241,414**
	$20K MGP fee to be out of t							
Developer Residual Receipts Distribution	***100%***	**493,672**	**514,260**	**535,087**	**556,149**	**577,443**	**598,964**	**620,707**
Deferred developer fee repayment	7,166,861	-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Payments for Residual Receipt Payments								
RESIDUAL RECEIPTS LOANS	*Payment %*	**493,672**	**514,260**	**535,087**	**556,149**	**577,443**	**598,964**	**620,707**
MIP	*100.00%*	493,672	514,260	375,558	-	-	-	-
Total Residual Receipts Payments	**100.00%**	493,672	514,260	375,558	-	-	-	-
Balances for Residual Receipt Payments								
RESIDUAL RECEIPTS LOANS	*Interest Rate*							
MIP---Simple	*2.00%*	1,332,179	865,151	368,194	-	-	-	-
Total Residual Receipts Payments		1,332,179	865,151	368,194	-	-	-	-

California Housing Finance Agency

TAX-EXEMPT PERMANENT LOAN PROGRAM

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

Qualifications	• Available to for-profit, non-profit, and public agency sponsors. • Tax-exempt bond authority must be obtained from the California Debt Limit Allocation Committee (CDLAC) or through a 501(c)(3) exemption. • The Tax-Exempt Permanent Loan may be used with or without 4% low income housing tax credits. • If a lender other than CalHFA is providing short-term, first-lien debt, CalHFA shall be used as the bond issuer (for more information, review the Conduit Issuer Program Term Sheet). • For Section 8 Projects, a final commitment is conditioned upon review and acceptance by CalHFA of the HAP or AHAP contract. • The Perm Loan will be credit-enhanced through CalHFA's HUD/FHA Risk Sharing Program. • For existing CalHFA portfolio loans, the current owner is required to pay off all outstanding CalHFA debt. Visit www.calhfa.ca.gov for the CalHFA Portfolio Loan Prepayment Policy.
Loan Amount	• Minimum Perm Loan amount of $5,000,000. • 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. • Lesser of 90% of restricted value or 100% of development costs. For Projects with equity being cashed out, the Perm Loan amount will be restricted to no more than 80% of the restricted value.
Fees (subject to change)	• Application Fee: $10,000 non-refundable, due at time of application submittal, and is credited toward the CalHFA Legal Fee at Perm Loan closing. • Perm Loan Fee: 1.00%, half due at final commitment, with balance due at Perm Loan closing. • Cost of Issuance Fee: $110,000, half due at final commitment, with balance due at Perm Loan Closing. • Credit Enhancement Fee: included in the interest rate. • Annual Administrative Fee: $7,500 annually (not to be duplicated if used in conjunction with CalHFA's Conduit Program). • Inspection fees should be estimated at $500 per month for the term of the construction (reports and fees can be shared with other construction lenders) • Legal Fee: $35,000, half due at final commitment, with balance due at Perm Loan closing. • Administrative Fee: $1,000 at Perm Loan closing. • Letter of Interest Fee: $5,000 at LOI request, and is credited toward the CalHFA Perm Loan Fee See CalHFA standard Conduit Issuer Program Term Sheet for information on conduit issuance fees.

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TAX-EXEMPT PERMANENT LOAN PROGRAM

Rate & Terms (subject to change)	Interest Rate: • 17-Year Balloon Loans: 15-Year "AAA" Municipal Market Data (MMD) plus CalHFA spread • 30-Year Balloon and Fully Amortizing Loans: 30-Year "AAA" MMD plus CalHFA spread • Estimated CalHFA Spread: 2.00% to 3.00% • 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. Amortization/Term: • Amortization: Up to 40 Year Amortization • Term: Fully Amortizing, and 17- or 30-Year Balloons available[1] • Perm Loan Reduction: up to 10% reduction at Perm Loan closing permitted at no cost. • 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. • Breakage Fee (if applicable): due between construction loan closing and Perm Loan closing and calculated based on hedge termination cost. 1. Balloon loans subject to agency approved exit strategy.
Loan Closing Requirements	• 90% stabilized rental housing occupancy for 90 days as evidenced by rent rolls. • 90% of tax credit investor equity shall have been paid into the Project. • Project income is sufficient to pay operating expenses, required debt service, reserves and monitoring fees. • For mixed-use Projects, 100% non-residential occupancy as evidenced by executed leases or guarantees. • 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.
Prepayment	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: • 5% of the principal balance after the end of year 10 • 4% of the principal balance after the end of year 11 • 3% of the principal balance after the end of year 12 • 2% of the principal balance after the end of year 13 • 1% of the principal balance after the end of year 14 All prepayments require a prior written 120-day notice to CalHFA.
Subordinate Financing	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.

Occupancy Requirements	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"). 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.
Due Diligence	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): • Appraisal* (a construction lender's appraisal may be acceptable). • HUD-2530 previous participation clearance. • Construction Costs Review for new construction loans (other construction lender's review is acceptable). • Physical Needs Assessment* ("PNA") for rehabilitation projects with a Replacement Reserve Needs Analysis ("RRNA") over time for the first 20-year term (other lender's PNA/RRNA may be acceptable). • Phase I 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). • Market Study* satisfactory to CalHFA. • NEPA Review. • Termite/Dry Rot reports* by licensed company. • Seismic review* and other studies may be required at CalHFA's discretion. *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.
Required Impounds and Reserves	• Replacement Reserve: Initial cash deposit required for existing Projects with annual deposits between $250 and $500 per unit/per year depending on the Project type and PNA/RRNA findings. • Operating Expense Reserve ("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. • Impounds held by CalHFA: One year's prepaid earthquake, hazard and liability insurance premiums, and property tax assessments are collected at loan closing. An earthquake insurance waiver is available for Projects which have met CalHFA earthquake waiver standards during rehabilitation or construction. • Transition Operating Reserve (TOR): required for Projects with state or locally administered rental subsidy contracts with contract terms that are less than 20 years or the CalHFA Perm Loan term. • Other reserves as required (at CalHFA's discretion).

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.

California Housing Finance Agency

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/. 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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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.

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.

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),

Qualifications (continued)	• Review of Excess Sources over final Uses as approved by CalHFA resulting from any of the following: · An increase in tax credit equity, · An increase in permanent loan debt due to a combination of permanent loan rate reduction and/or reduction to operating expense assumptions; • Construction Cost Savings as evidenced by final cost certification, funds shall be used to reduce the MIP loan prior to CalHFA MIP loan closing or if required by other subordinate lenders, funds may be split on a pro rata basis between CalHFA and other subordinate lenders. • 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, • 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.
CalHFA Mixed-Income Qualified Construction Lender	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.
CalHFA Mixed-Income Development Team Qualifications	The **Developer/Co-Developer/General Partner** 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). The proposed **Project Manager** must have personally managed the development of at least two (2) comparable projects within the past five (5) years **Financial Consultants** hired to assist the Developer in meeting the minimum experience requirements must be able to provide details regarding at least three (3) comparably financed projects over the last five (5) years. **Architects** new to CalHFA must provide information for three (3) comparable projects they designed that were built and occupied within the past five (5) years in the State of California. **General Contractor (GC)** must be licensed by the State of California. GCs new to CalHFA must provide information related to three (3) comparable (in design) projects built in the past five (5) years. Similar information will be required for the proposed on-site construction supervisor. The on-site construction supervisor must have overseen three (3) comparable projects built in the past five (5) years, and they must have overseen the projects from construction start to final completion.

CalHFA Mixed-Income Development Team Qualifications (Continued)	**Management Company** must have a local presence or a field office in Northern or Southern CA (depending on the location of the Project) and have experience managing at least ten (10) low to moderate income rent restricted Comparable (size and tenant types) Projects. Also required is a resume for the proposed on-site Property Manager, reflecting prior experience during the past five (5) years managing onsite project operations and compliance with rent restricted units 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).
Permanent First Lien Loan	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.
Construction First Lien Loan	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.
Limitations	1. MIP cannot be combined with the CTCAC 9% program. 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. 3. Projects that have a below market rate component as a result of an inclusionary obligation or are 100% below market as a result of an inclusionary obligation must demonstrate master developer commitment through a dollar-for-dollar match of CalHFA's resources. Match can be obtained through a monetary match or equivalent in-kind contributions (e.g., land donation, land use fee concessions.) 4. At the time of MIP application to CalHFA, a project must not have already received an allocation of 4% federal and/or state tax credits from CTCAC or a tax-exempt bond allocation from CDLAC. 5. Projects will not be eligible for other subsidy resources from CalHFA in addition to MIP.
Mixed-Income Project Occupancy Requirements	**BOND REGULATORY AGREEMENT REQUIREMENTS (ALL PROJECTS):** 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").

Mixed-Income Project Occupancy Requirements (Continued)	**MIXED INCOME REGULATORY AGREEMENT REQUIREMENTS (ALL PROJECTS):** **Affordability Requirements:** 1. 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: a. 10% of total units at or below 50% of AMI, b. 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 c. 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. (Deviations from the average unit affordability levels of 70% AMI will only be considered if Market Study supports such deviations.) 2. 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.
Mixed-Income Project Occupancy Requirements (Continued)	**MAXIMUM ALLOWABLE RENTS:** 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.
Mixed-Income Subordinate Loan	1. 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. a. Maximum loan per restricted (tax credit or CalHFA) units between 30%-120% AMI shall be up to $50,000. b. 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: www.treasurer.ca.gov/ctcac/opportunity.asp 2. Loan size based on project need but cannot be more than 50% of the permanent loan amount.

Mixed-Income Subordinate Loan Rates & Terms	1. **Interest Rate**: Greater of 1% simple interest or the applicable federal rate (AFR) at time of MIP closing. 2. **Loan Term**: The MIP loan term shall be coterminous with the CalHFA permanent first lien loan. 3. **Loan Payment**: Residual receipt repayment based on cash flow analysis and split 50% to Owner and 50% to CalHFA and other residual receipt lenders. Residual receipt is defined as 50% of surplus cash which is determined as net operating income minus total debt service and other Agency approved payments. Payments shall be applied to the current and/or accrued interest and then principal of the MIP loan. 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. 4. **Affordability Term**: 55 years. 5. **Prepayment**: May be prepaid at any time without penalty. 6. **Subordination**: A subordination and/or extension of MIP maturity request in conjunction with a re-syndication, refinance, or ownership transfer ("capitalization event(s)") will be considered. If MIP loan is outstanding at time of the capitalization event(s) 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. 7. **Funded**: Only at permanent loan conversion.
CalHFA Conduit Bond Program	For more information on CalHFA's Conduit Issuer Program and the fees associated with it, visit CalHFA's website: www.calhfa.ca.gov/multifamily/programs/forms/termsheet-conduit.pdf
CalHFA First Lien Permanent Rates & Terms (subject to change)	For more information on CalHFA's Permanent Loan Program and the fees associated with it, visit CalHFA's website: www.calhfa.ca.gov/multifamily/programs/forms/termsheet-perm-tax-exempt.pdf
Fees (subject to change)	**Loan Fee:** 1.00% of the loan amount (50% due at final commitment and 50% due at CalHFA MIP loan closing). **Conduit Bond Program Fees:** Refer to CalHFA Conduit Bond Program www.calhfa.ca.gov/multifamily/programs/forms/termsheet-conduit.pdf **CDLAC Fees:** Refer to CDLAC regulations for all applicable fees. CalHFA First Lien Permanent Rates & Terms for first mortgage loan fees, credit enhancements, trustee fees, legal fees, inspection fees, administrative fees. www.calhfa.ca.gov/multifamily/programs/forms/termsheet-perm-tax-exempt.pdf

Last revised: 01/2021

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.

Cal HFA
California Housing Finance Agency

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.

Qualifications	• Available to for-profit, nonprofit or public agency sponsors. • Nonprofit borrowers may be eligible for 501(c)(3) bonds. • If bond proceeds are utilized to pay off an existing CalHFA portfolio loan visit www.calhfa.ca.gov for the CalHFA Portfolio Loan Prepayment Policy.
Bond Amount	Bond amount is determined by the loan amount of the selected construction lender.
Fees (subject to change)	• 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. • Issuer Fee: 1. The greater of $15,000 or 18.75 basis points of the Bond amount if lesser than or equal to $20 million. 2. If more than $20 million: $37.500 + 5 basis points for the amount above $20 million. • 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. 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. 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. • Public Sale: Additional fee of $5,000 to $10,000 applies when Bonds are sold to the public. • CDLAC Allocation Fee: 0.035% of the Bond amount, $1,200 of which is due at time of CDLAC application submittal with the remaining fee due at construction loan closing and payable to CDLAC. • CDLAC Performance Deposit: 0.50% of the requested Bond amount, not to exceed $100,000, due at time of CDLAC application submittal. Deposit to be refunded after the Bond closing, upon receipt of authorization letter from CDLAC. 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.

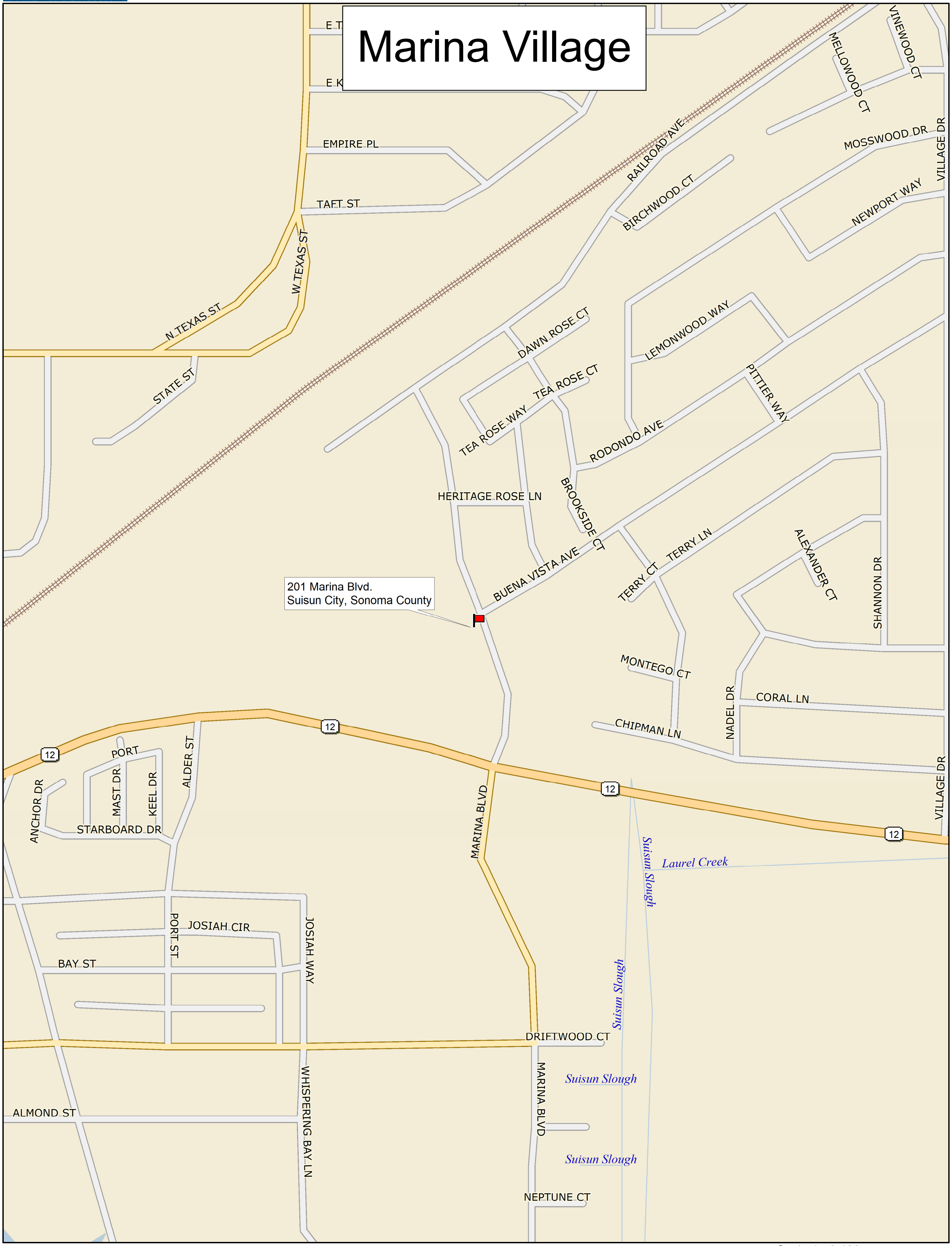
Kevin Brown, Housing Finance Specialist
500 Capitol Mall, Suite 1400, MS-990
Sacramento, CA 95814
916.326.8808
kbrown@calhfa.ca.gov

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.

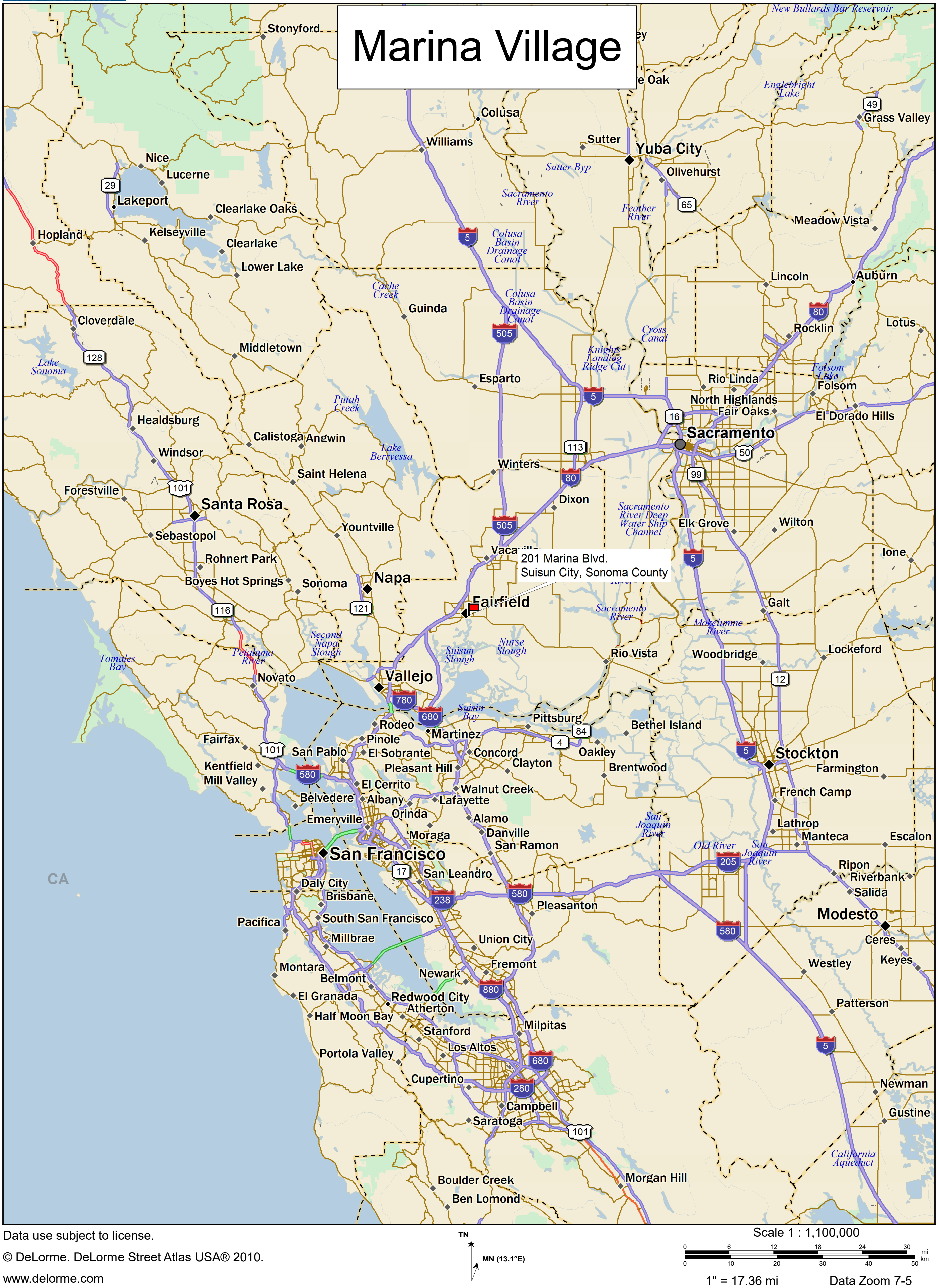
Last revised: 08/2020

DeLorme

DeLorme Street Atlas USA® 2010



Marina Village



BOARD OF DIRECTORS
OF THE CALIFORNIA HOUSING FINANCE AGENCY

RESOLUTION NO. 21-22

RESOLUTION AUTHORIZING A FINAL LOAN COMMITMENT

WHEREAS, the California Housing Finance Agency (the "Agency") has received a loan application on behalf of Marina Village Suisun Partners, L.P., a California limited partnership (the "Borrower"), seeking a loan commitment, the proceeds of which are to be used to provide financing for a multifamily housing development located in the City of Suisun City, County of Solano, California, to be known as Marina Village Apartments (the "Development"); and

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

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

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

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

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

WHEREAS, on March 22, 2021, the Executive Director exercised the authority delegated to her under Resolution 15-16 to declare the official intent of the Agency to reimburse such prior expenditures for the Development; and

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

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:

PROJECT NUMBER	DEVELOPMENT NAME/ LOCALITY	MORTGAGE AMOUNT	
21-015-A/X/N	MARINA VILLAGE APARTMENTS Solano County, California	$24,125,000.00	Permanent 1st Mortgage Tax-Exempt Bonds w-HUD Risk Sharing
		$ 3,175,000.00	Permanent 2nd Mortgage Mixed-Income Program

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. 21-22 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 16th day of November 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 16th day of November 2021.

ATTEST: ________________________________

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

State of California

M E M O R A N D U M

To: Board of Directors **Date:** November 1, 2021

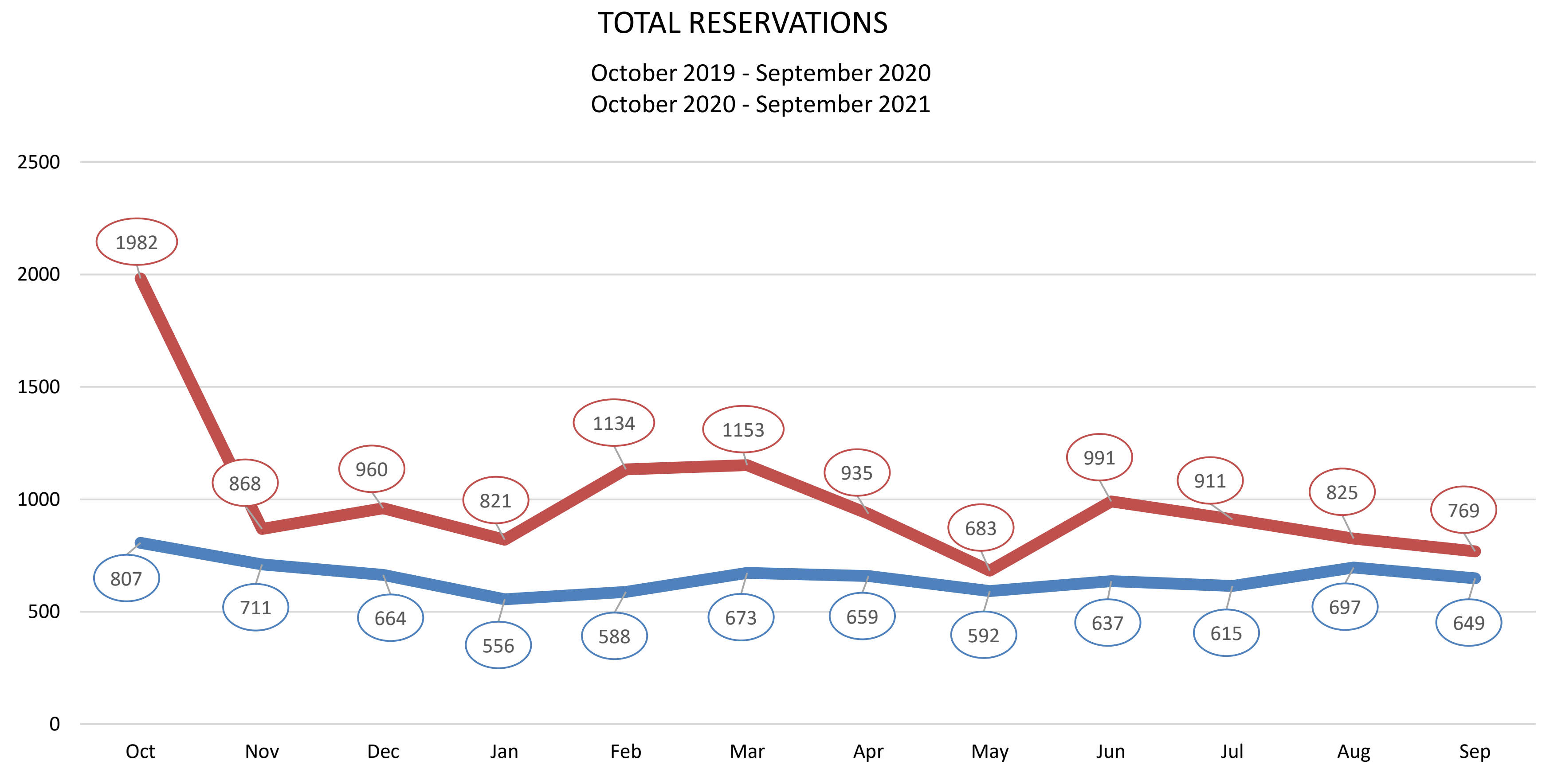
From: Timothy Hsu, Director of Single Family Programs
CALIFORNIA HOUSING FINANCE AGENCY

Subject: Single Family Loan Production Report (September 2021)

Highlights:

- Reservations Fiscal Year 2021-22: 1900+
- Securitization Fiscal Year 2021-22: 1600+ ($560Mn)
- About 1/3 of our production are from 3 counties:
  - San Bernardino
  - Kern
  - Sacramento

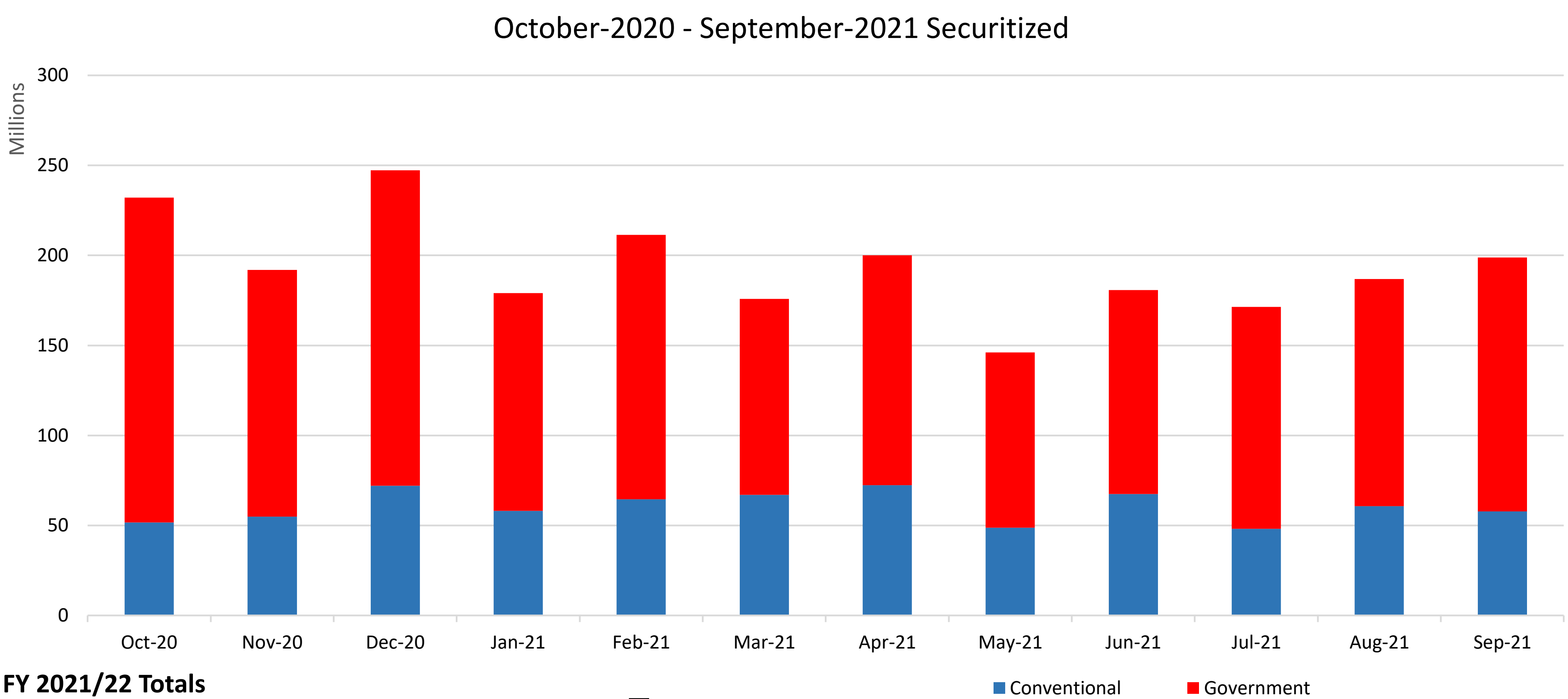
Reservations down from last year



FY 2021/22 Totals:		
Conventional	616	32%
FHA	1326	68%
	1942	

Totals:

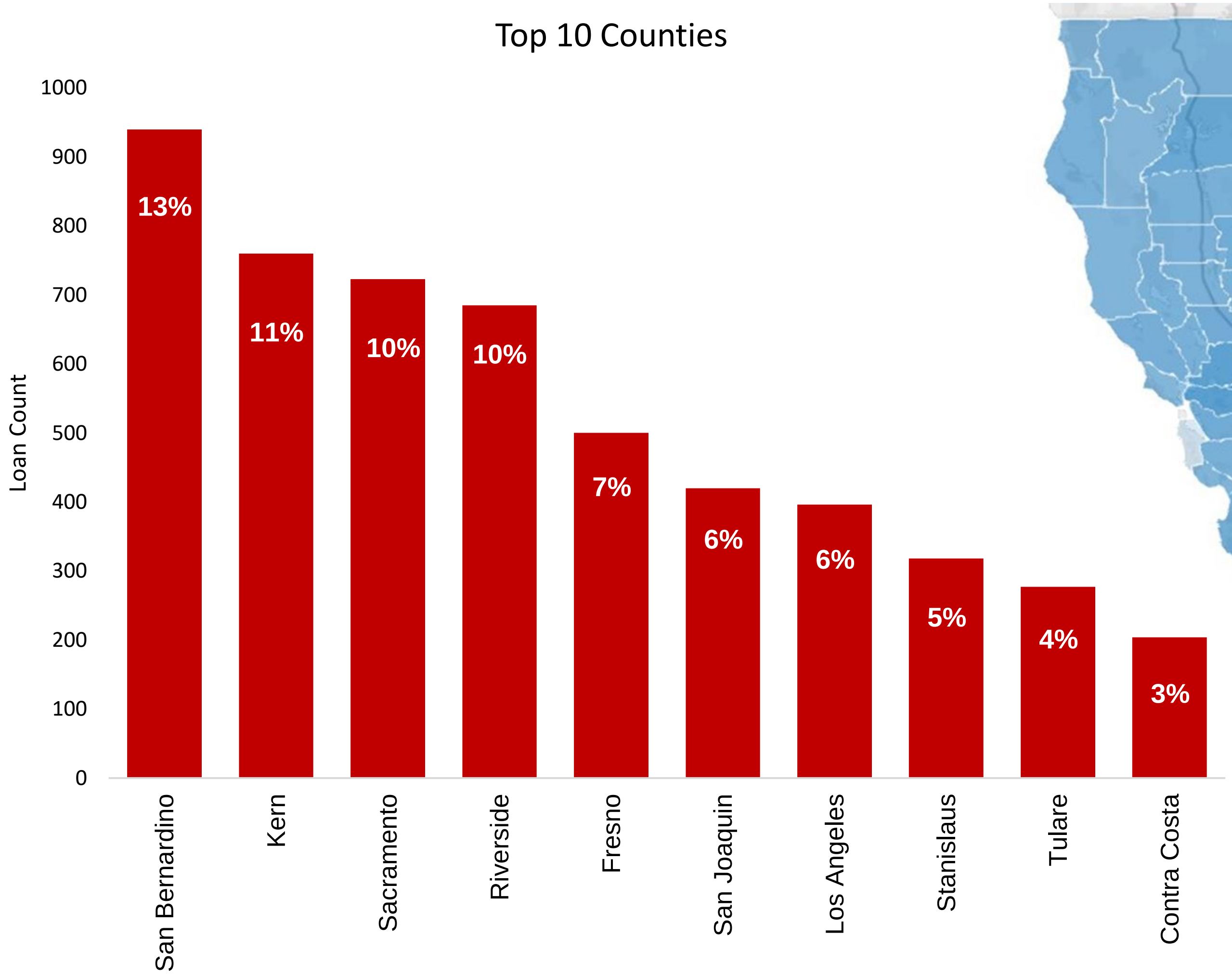
October 2019 - September 2020 = 12032
October 2020 - September 2021 = 7848

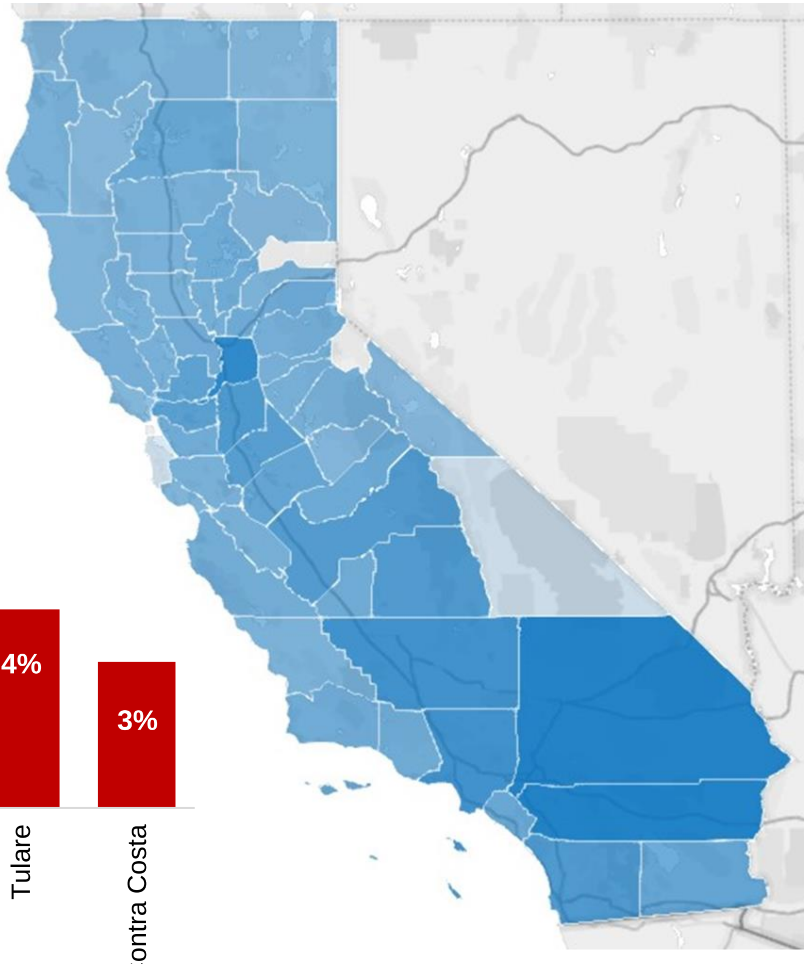


FY 2021/22 Totals

FHA with ZIP	1066	367,091,554	70%
FHA no ZIP	69	21,469,245	
VA	4	1,859,545	
USDA	8	2,954,522	
Conventional with ZIP	341	129,260,966	
Conventional no ZIP	25	9,696,488	29%
LI/VLI Conventional with ZIP	87	24,424,313	
LI/VLI Conventional no ZIP	11	3,343,909	
	1611	560,100,542	

Where are our borrowers?





State of California

M E M O R A N D U M

To: Board of Directors

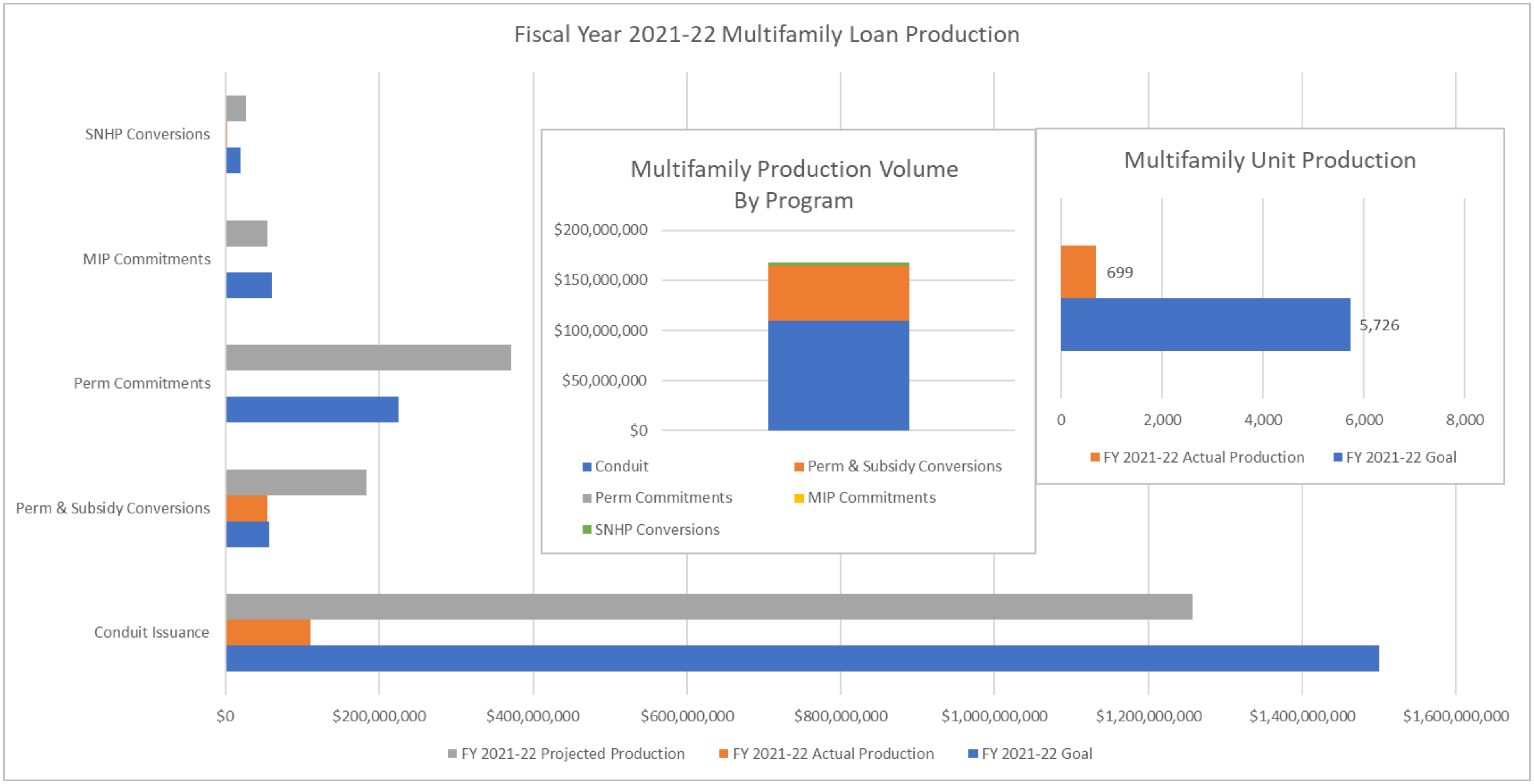
Date: November 16, 2021

From: Kate Ferguson, Director of Multifamily Programs
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 October 31, 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	$110,127,879	$55,251,691	-	-	$2,362,215	$167,741,785
FY 2021-22 Projected Production	$1,257,017,752	$183,151,758	$371,966,068	$54,337,674	$26,536,162	$1,893,009,414
Percent of Goal Complete	7%	96%	-	-	12%	9%

FY 2021-22 Conduit Issuance as of October 31, 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
4	Fair Oaks Senior Apartments	Conduit - Reg Only	Fair Oaks	Senior	10/22/2021	109	$ 14,919,817.00	$ 4,005,876.00	$ 2,500,000.00	$ 21,425,693.00
5	Residency at the Mayer Hollywood	Conduit - Reg Only	Los Angeles	Senior	10/22/2021	79	$ 29,500,000.00	-	-	$ 29,500,000.00
						442	$ 55,005,003.00	$ 5,945,876.00	$ 49,177,000.00	$ 110,127,879.00

Total Conduit Issuance Closed: $110,127,879

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**
	Redwood Gardens Apartments	Conduit - Reg Only	Berkeley	Senior	11/12/2021	169	-	-	$ 40,000,000.00	$ 40,000,000.00
	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
	Elm Lane Apartments	Conduit - MIP & Perm	Oakley	Individuals/Families	12/16/2021	0	$ 33,900,000.00	$ 12,000,000.00	-	$ 45,900,000.00
	Kiku Crossing	Conduit - MIP & Perm	San Mateo	Individuals/Families	12/22/2021	0	$ 85,000,000.00	$ 34,765,000.00	-	$ 119,765,000.00
						217	$ 129,172,768.00	$ 51,015,000.00	$ 41,500,000.00	$ 221,687,768.00

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:

Multifamily Conduit (Projected Closings) - FY 21-22

Q3 - 01/01/2022 - 03/31/2022

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
Vista Woods	Conduit - MIP & Perm	Pinole	Senior	1/17/2022	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	$ 431,134,688.00	$ 161,918,554.00	$ 47,419,317.00	$ 640,472,559.00

Multifamily Conduit (Projected Closings) - FY 21-22

Q4 - 04/01/2022 - 06/30/2022

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
Kimball Highland	Conduit - MIP & Perm	National City	Individuals/Families	6/1/2022	0	$ 41,450,000.00	$ 17,552,191.00	-	$ 59,002,191.00
Aloe Palm Canyon Apartments	Conduit - Reg Only	Palm Springs	Senior	6/2/2022	72	$ 19,700,000.00	-	-	$ 19,700,000.00
					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 October 31, 2021

	Project Name	Underwriting Type	City	Project Type	Closing Date	Units	Permanent Loan Amount	Subsidy Loan Amount	Total
Multifamily Permanent & Subsidy Transactions									
(Closed)									
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
5	Flower Park Plaza	Perm-Refi	Santa Ana	Senior	10/18/2021	**199**	$ 28,281,000.00	-	$ 28,281,000.00
6	Metamorphosis on Foothill	Conduit - Perm	Los Angeles	Family	10/27/2021	48	$ 2,925,000.00	-	$ 2,925,000.00
						739	$ 43,401,691.00	$ 11,850,000.00	$ 55,251,691.00

Note: Units associated with Permanent & Subsidy Conversion projects that appear in **Bold** text are counted in FY 2021-22 production (e.g., Flower Park Plaza units). Otherwise, the units for the Permanent & Subsidy loan conversions were counted in previous fiscal years.

Total Permanent & Subsidy Loan Conversions Closed: $55,251,691

Upcoming FY 2021-22 Permanent & Subsidy Loan Conversions:

Project Name	Underwriting Type	City	Project Type	Closing Date	Units	Permanent Loan Amount	Subsidy Loan Amount	Total
Multifamily Permanent & Subsidy (Projected Closings) - FY 21-22								
Q2 - 10/01/2021 - 12/31/2021								
Chataeu Lafayette	Perm-Refi	Lafayette	Senior	11/1/2021	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
					98	$ 14,350,000.00	$ 494,121.00	$ 14,844,121.00

Project Name	Underwriting Type	City	Project Type	Closing Date	Units	Permanent Loan Amount	Subsidy Loan Amount	Total
Multifamily Permanent & Subsidy (Projected Closings) - FY 21-22								
Q3 - 01/01/2022 - 03/31/2022								
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
Blackstone McKinley TOD	Conduit - Perm	Fresno	Individuals/Families	3/11/2022	88	$ 3,305,000.00	$ 1,760,000.00	$ 5,065,000.00
Leigh Avenue Senior	Conduit - Perm	San Jose	Senior	3/30/2022	64	$ 8,967,000.00	-	$ 8,967,000.00
					621	$ 47,097,000.00	$ 1,760,000.00	$ 48,857,000.00

Upcoming FY 2021-22 Permanent & Subsidy Loan Conversions:

Multifamily Permanent & Subsidy (Projected Closings) - FY 21-22									
Q4 - 04/01/2022 - 06/30/2022									
	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 October 31, 2021

Note: No FY 2021-22 Perm & Subsidy Commitment projects have closed their construction financing as of 10/31/2021.

Total Permanent & Subsidy Loan Commitments Closed: $0

Upcoming FY 2021-22 Permanent & Subsidy Loan Commitments:

Multifamily Permanent & Subsidy (Commitments) - FY 21-22									
Q2 - 10/01/2021 - 12/31/2021									
	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	12/16/2021	0	$ 35,350,000.00	-	$ 35,350,000.00
	Kiku Crossing	Conduit - MIP & Perm	San Mateo	Individuals/Family	12/22/2021	0	$ 72,048,000.00	-	$ 72,048,000.00
						0	$ 107,398,000.00	$ -	$ 107,398,000.00
Multifamily Permanent & Subsidy (Commitments) - FY 21-22									
Q3 - 01/01/2022 - 03/31/2022									
	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
	Vista Woods	Conduit - MIP & Perm	Pinole	Senior	1/17/2022	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	$ 170,762,068.00	$ -	$ 170,762,068.00

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:

Multifamily Permanent & Subsidy (Commitments) - FY 21-22									
Q4 - 04/01/2022 - 06/30/2022									
	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	6/1/2022	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 October 31, 2021

Note: No FY 2021-22 Mixed Income Program Commitment projects have closed their construction financing as of 10/31/2021.

Total Mixed Income Loan Commitments Closed: $0

Upcoming FY 2021-22 Mixed Income Program Loan Commitments:

Mixed Income Program (Commitments) - FY 21-22:							
Q2 - 10/01/2021 - 12/31/2021							
	Project Name	**Underwriting Type**	**City**	**Project Type**	**Closing Date**	**Units**	**MIP Loan**
	Elm Lane Apartments	Conduit - MIP & Perm	Oakley	Individuals/Families	12/16/2021	170	$ 6,000,000.00
	Kiku Crossing	Conduit - MIP & Perm	San Mateo	Individuals/Families	12/22/2021	225	$ 2,000,000.00
						395	$ 8,000,000.00
Mixed Income Program (Commitments) - FY 21-22:							
Q3 - 01/01/2022 - 03/31/2022							
	Project Name	**Underwriting Type**	**City**	**Project Type**	**Closing Date**	**Units**	**MIP Loan**
	College Creek Apartments	Conduit - MIP & Perm	Santa Rosa	Individuals/Families	1/12/2022	164	$ 4,000,000.00
	Vista Woods	Conduit - MIP & Perm	Pinole	Senior	1/17/2022	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
						940	$ 25,687,000.00
Mixed Income Program (Commitments) - FY 21-22:							
Q4 - 04/01/2022 - 06/30/2022							
	Project Name	**Underwriting Type**	**City**	**Project Type**	**Closing Date**	**Units**	**MIP Loan**
	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	6/1/2022	145	$ 6,095,000.00
						602	$ 20,650,674.00

FY 2021-22 Special Needs Housing Program Loan Conversions as of October 31, 2021

Multifamily Special Needs Housing Program Transactions							
(Closed)							
	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:

Multifamily Special Needs Housing Program (Projected Closings) FY 21-22							
Q2 - 10/01/2021 - 12/31/2021							
	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
	Mountain View	SNHP/MHSA	Lake Forest	Individuals/Family	12/13/2021	71	$ 1,259,848.00
						120	$ 2,459,848.00
Multifamily Special Needs Housing Program (Projected Closings) FY 21-22							
Q3 - 01/01/2022 - 03/31/2022							
	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
	Desert Haven	SNHP/MHSA	Victorville	Individuals/Family	1/15/2022	32	$ 2,173,669.00
	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
						300	$ 5,540,789.00

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

Multifamily Special Needs Housing Program (Projected Closings) FY 21-22							
Q4 - 04/01/2022 - 06/30/2022							
	Project Name	**Underwriting Type**	**City**	**Project Type**	**Closing Date**	**Units**	**SNHP Loan**
	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
						410	$ 16,173,310.00

State of California

M E M O R A N D U M

To: Board of Directors **Date:** October 25, 2021

Erwin Tam, Director of Financing

From: **CALIFORNIA HOUSING FINANCE AGENCY**

Subject: AGENCY BONDS, INTEREST RATE SWAPS AND FINANCING RISK FACTORS REPORT

EXECUTIVE SUMMARY:

Since our last report, February 2021, the swap notional amount outstanding decreased by $68 million, from $490 to $422 million, and all our variable rate debt is redeemed.

1. We have a significant amount of swap notional ($396mn) currently held in our two primary indentures, HMRB and MHRBIII. This is due to our successful strategy of aggressively deleveraging the balance sheet by redeeming variable rate bonds. These indentures may soon be collapsed, which will migrate the swaps to our balance sheet.

2. Our collateral posting risk has been contained to around the $20 million range–at its height, it was $132 million.

3. We are continuing our general strategy of winding down our swap portfolio as quickly as we can while incurring as little cost as possible.

The following report describes our bond and interest rate swap positions as well as the related risks associated with interest rate swap strategies. The report is divided into sections as follows:

1) Outstanding Bonds
2) Interest Rate Swaps
3) Financing Risk Factors
  a) Termination/Counterparty Risk
  b) Collateral Posting Risk

This report is organized programmatically by indenture as follows: HMRB (Home Mortgage Revenue Bonds–CalHFA's single family indenture) and MHRB (Multifamily Housing Revenue Bonds III–CalHFA's largest multifamily indenture).

1) OUTSTANDING BONDS

Below is the Agency's outstanding debt position. This table does not include any pass-thru or conduit financings which make up an additional $3,659 million. For the purposes of this report, this conduit/pass-thru amount will not be included in the tables or calculations.

BONDS OUTSTANDING

As of October 1, 2021

($ in millions)

Indenture	Amount Outstanding
HMRB (SF)	158
MHRBIII (MF)	23
Total	**181**

2) INTEREST RATE SWAPS

Currently, we have a total of 49 “fixed-payer” swaps with nine different swap providers (swap “counterparties”) for a combined notional amount of $422 million. Prior to the redemption of all CalHFA’s variable rate bonds, our fixed-payer swaps were intended to establish synthetic fixed rate debt by converting our variable rate payment obligations to fixed rates. The Agency no longer has variable rate bonds outstanding, but we still have obligations to make payments under the remaining swap agreements.

CalHFA’s current hedging strategy includes new interest rate swaps to hedge multifamily loan commitments. To date, CalHFA has two interest rate swaps under this strategy. The table below provides a summary of our swap notional amounts.

SWAPS

As of October 1, 2021

($ in millions)

Source	Current Notional
HMRB (SF)	100
MHRBIII (MF)	296
MF Loan Commitments	26
Total	**422**

For fixed-payer swaps, we receive floating rate payments from our counterparties in exchange for a fixed-rate obligation on our part. In the current low interest rate environment, CalHFA pays a net amount to each of its counterparties. For example, on August 1, 2021, the Agency made a total of $8.4 million of net payments to our counterparties.

Swaps that were entered into after 2003 had swap termination options which allowed CalHFA to terminate all or portions of the swap at par (no cost to terminate). The next table shows the par terminations that the Agency has exercised to date. CalHFA will be terminating the remaining $6.86 million swap scheduled in 2021 on November 1, 2021.

SWAP PAR TERMINATION OPTIONS

	Actual Swap Par Options Exercised ($ in thousands)		Future Swap Par Options (next 5 years) ($ in thousands)
2004	$12,145	2021	$6,860
2005	35,435	2022	7,860
2006	20,845	2023	18,985
2007	28,120	2024	19,080
2008	18,470		no call options after 2024
2009	370,490		$52,785
2010	186,465		
2011	288,700		
2012	361,975		
2013	243,855		
2014	162,140		
2015	95,160		
2016	191,215		
2017	122,215		
2018	27,470		
2019	9,810		
2020	990		
2021	41,600		
	$2,217,100		

3) FINANCING RISK FACTORS

A) TERMINATION/COUNTERPARTY RISK

Termination risk is the risk that, for some reason, our interest rate swaps must be terminated prior to their scheduled maturity. Our swaps have a market value that is determined based on current interest rates. When current fixed rates are lower than the fixed rate of the swap, our swaps have a negative mark-to-market, and termination would result in a payment from us to our counterparty. Conversely, when current fixed rates are higher than the fixed rate of the swap, our swaps have a positive value to us, and termination would result in a payment from the provider of the swap to us.

It should be noted that, in a termination event, the market determines the amount of the termination payment and who owes it to whom. Depending on the market, it may be that the party who has caused the termination is owed the termination payment.

On a historical basis, the highest negative mark-to-market value of CalHFA's swaps was $380 million in January 2012. Below is the current termination value of our swaps.

TERMINATION VALUE

Date	Termination Value $ in millions
12/31/2019	(85)
03/31/2019	(64)
06/30/2020	(109)
09/30/2020	(104)
12/31/2020	(97)
03/31/2020	(94)
06/30/2021	(90)
09/30/2021	(85)

Counterparty risk is the risk that the Agency's swap counterparty defaults or has a significant decline in its credit rating that would cause the termination of the swap. This is in part mitigated by having a diversified group of swap counterparties.

The following table shows the diversification of our fixed payer swaps among the nine firms acting as our swap counterparties.

SWAP COUNTERPARTIES

As of 9/30/2021

Swap Guarantor	Credit Ratings Moody	SP	Notional $ in millions	Mark-To-Market $ in millions	Number of Swaps
Merrill Lynch Derivative Products	Aa3	AA	196	(31.6)	28
JPMorgan Chase Bank, N.A.	Aa2	A+	57	(8.1)	4
Deutsche Bank AG	A3	BBB+	54	(11.2)	6
Goldman Sachs Mitsui Marine Derivative Products, L.P.	Aa2	AA-	41	(15.5)	3
UBS AG	Aa3	A+	31	(8.5)	3
AIG Financial Products, Corp.**	Baa1-	BBB-	20	(3.1)	1
BNP Paribas	Aa3	A+	11	(1.3)	1
Dexia Credit Local New York Agency**	Baa3	BBB	8	(1.8)	1
Citigroup Financial Products, Inc.	A3	BBB+	3	(0.1)	2
			422	**(81.1)**	**49**

Note: $46Mn of Basis Swaps not included in totals.

** Agency may terminate the associated swaps at current mark-to-market.

B) Collateral Posting Risk

Some swap agreements have collateral posting requirements. Collateral posting requirements are a function of the mark-to-market, ratings, threshold amounts, independent amounts and any collateral already posted. Our swaps are valued weekly, and our collateral position is adjusted weekly based on those valuations. Failure to post the required collateral can result in a termination event.

At its peak, CalHFA was required to post $132 million of collateral at the end of January 2012. Between February 1, 2021 and now, the Agency's collateral posting requirements have ranged between $18 million to $20 million.

The table below shows the required collateral amounts currently posted to swap counterparties.

SWAP COLLATERAL POSTING AMOUNT

As of 10/20/2021
($ in millions)

BoA/Merrill Lynch	4.9
JPMorgan	15.7
Total	**20.6**

State of California

M E M O R A N D U M

To: Board of Directors Date: October 11, 2021

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

Subject: ASSET MANAGEMENT QUARTERLY PORTFOLIO REPORT

The CalHFA Asset Management Portfolio is comprised of 726 projects with a balance of $1.225 billion in financing as of September 30, 2021. The CalHFA portfolio consists of 16,650 affordable home units throughout the State of California.

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

12	Section 8 Housing Program
98	Risk Share
201	80/20 Projects - CalHFA Financed Program
193	Mental Health Services Act/Special Needs Housing Program
71	Conduit
36	Section 811 Housing
115	School Facility Fee Reimbursement Program
726	Total

The portfolio has a low delinquency rate of 0.32% which includes two projects. There are three projects on the Watch List for various issues such as untimely submission of annual reports, lack of compliance with the regulatory agreement, or pending completion of physical improvements recommended at time of inspection.

Preservation Strategy

There are 42 Loans scheduled to mature within the next five years. The Multifamily Program has initiated a preservation strategy of the existing portfolio in an effort to extend affordability of the CalHFA financed projects.

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

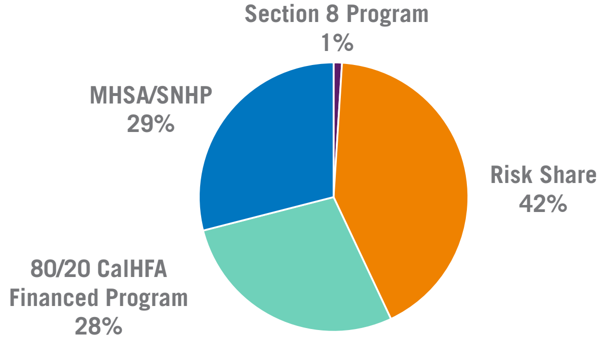
ASSET MANAGEMENT QUARTERLY PORTFOLIO REPORT

As of September 30, 2021

PROGRAMS

Type	# Projects	UPB	%
Section 8 Program	12	$9,464,402	0.8%
Risk Share	98	$521,385,683	42.5%
80/20 CalHFA Financed Program	201	$342,682,031	28.0%
MHSA/SNHP	193	$351,911,854	28.7%
Conduit	71	-	0%
Section 811	36	-	0%
School Facility Fee Reimbursement Program	115	-	0%
TOTAL*	**726**	**$1,225,443,970**	

UNPAID PRINCIPAL BALANCE (UPB) BY PROJECT TYPE



* The unpaid principal balance is based on 464 existing projects with loan balances. The portfolio continues to maintain projects without loan balances for purposes of affordability requirements and compliance. 262 projects are being reviewed and maintained for compliance purposes only.

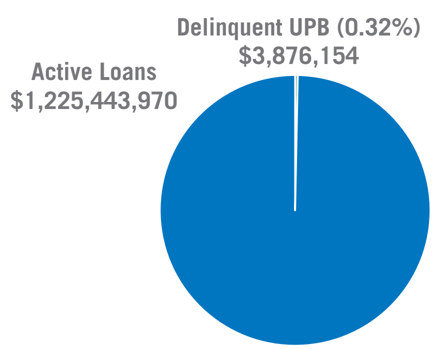
PRESERVATION RISK INDICATORS

Type	# Projects	UPB	%
Projects to be Transferred to AM	45	$837,805,622	
Regulatory Agreement Expires <= 5 yrs.	61	$56,276,750	4.59%
Loans Mature <= 5 yrs.	42	$21,970,312	1.79%
Yield Maintenance Requests (last quarter)	15	$45,655,618	3.73%

FINANCIAL RISK INDICATORS

Type	# Projects	UPB	%
Projects w/ DSCR < 1.0	12	$26,630,334	2.17%
Watch List	3	$4,175,781	0.34%
Delinquencies	2	$3,876,154	0.32%

DELINQUENCIES

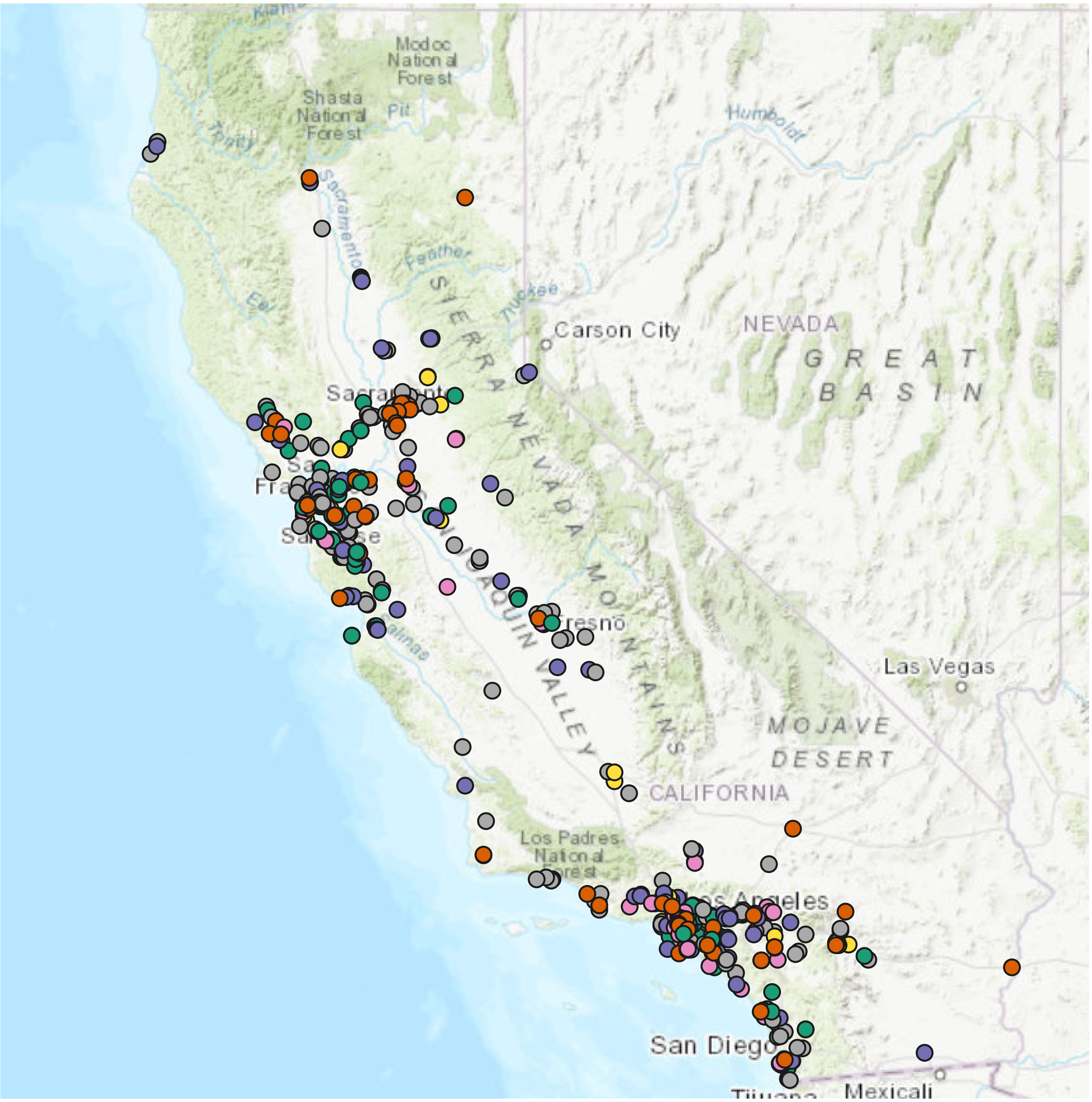


Cal HFA
California Housing Finance Agency

ASSET MANAGEMENT QUARTERLY PORTFOLIO REPORT

As of September 30, 2021

MAP OF CALHFA MULTIFAMILY PROJECTS IN CALIFORNIA



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