CalHFA California Housing Finance Agency

Public Meeting Agenda

California Housing Finance Agency Board of Directors
Thursday, September 22, 2022
10:00 a.m.

*** R E V I S E D ***

Click on the link to register:
https://attendee.gotowebinar.com/register/7297657011086070797
Webinar I.D. Number 788-278-995
To listen only by telephone without public comment:
Dial: +1 (415) 655-0052
Enter Access Code: 446-454-961

**Please note, agenda item #8 has been removed and will not be heard at the meeting.*

NUMBER	DEVELOPMENT	LOCALITY	UNITS
21-002-A/X/N	Anton Power Inn	Sacramento/Sacramento	194

12. Informational Reports:

13. Other Board matters

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

15. Adjournment

MINUTES

California Housing Finance Agency (CalHFA)
Board of Directors Meeting
July 21, 2022
Meeting noticed on July 11, 2022

1. ROLL CALL

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

MEMBERS PRESENT:	Assefa, Avila Farias, Cabildo, Castro Ramírez, Cervantes, Imbasciani, Johnson Hall, Starr (for Ma), Prince, Russell, Sotelo, White
MEMBERS ARRIVING AFTER ROLL CALL:	Velasquez
MEMBERS ABSENT:	Bosler
STAFF PRESENT:	Claire Tauriainen, Melissa Flores, Don Cavier, Kathy Phillips, Erwin Tam, Francesc Martí, Ellen Martin, Rebecca Franklin
GUEST SPEAKERS:	Dr. Vito Imbasciani, Secretary, California Department of Veteran Affairs Geo Shannon, Reporting Director, CalHRC

*Early departure: Prince and Castro Ramírez (replaced by BCSH delegate Kergan)

2. **Approval of the Minutes** – May 26, 2022

The minutes were amended to include the name of an absent member. On a motion by Avila Farias, the minutes were approved. The votes were as follows:

AYES:	Avila Farias, Cabildo, Castro Ramírez, Imbasciani, Starr (for Ma), Velasquez, Prince, Sotelo, White
NOES:	None
ABSTENTIONS:	Cervantes, Russell

ABSENT: None

3. Chairperson/Executive Director comments

Chairperson comments:

- Acting Chair Sotelo opened by welcoming member Russell back to the Board as an appointee of the Senate Rules Committee. She thanked former member Eileen Gallagher, who retired from the Board last month, for her dedicated service. She also announced that Joe Stephenshaw has been appointed as the new Director at the Department of Finance.

Executive Director comments:

- Executive Director Tiena Johnson Hall shared information about two recent CalHFA-financed project celebrations that occurred in San Diego and San Jose and thanked member Avila Farias for representing CalHFA at one of the events.

- She announced that Oksana Glushchenko has been named as the Agency's new Comptroller and that member Fred White has recently earned his doctorate degree.

- She participated in a panel discussion at the National Housing and Rehabilitation Association's Summer Institute in San Diego.

- CalHFA has been tasked with designing and implementing the California Dream for All program that was allocated $500 million as part of this year's state budget.

4. Discussion, recommendation, and possible action to adopt a Board Member Code of Conduct – Resolution No. 22-16

Presented by Claire Tauriainen

Resolution No. 22-16 was immedidately tabled by Executive Director Johnson Hall and will be placed on the agenda of a future meeting. No action was taken.

5. Discussion, recommendation, and possible action regarding an adjustment to National Mortgage Settlement (NMS) Counseling Program funds- Resolution No. 22-19

Presented by Claire Tauriainen and Kathy Phillips

On a motion by Prince, the Board approved staff recommendation for **Resolution No. 22-19.** The votes were as follows:

AYES:	Avila Farias, Cabildo, Castro Ramírez, Cervantes, Imbasciani, Russell, Starr (for Ma), Prince, Sotelo, Velasquez, White
NOES:	None
ABSTENTIONS:	None
ABSENT:	None

6. Discussion, recommendation, and possible action to amend Resolution No. 22-08 to authorize hedging instruments for Mortgage Backed Securities bonds – Resolution No. 22-20.

Presented by Erwin Tam

On a motion by Starr, the Board approved staff recommendation for **Resolution No. 22-20**. The votes were as follows:

AYES:	Avila Farias, Cabildo, Castro Ramírez, Cervantes, Imbasciani, Russell, Starr (for Ma), Prince, Sotelo, Velasquez, White
NOES:	None
ABSTENTIONS:	None
ABSENT:	None

7. CalVET Overview and Program Update

Presented by Dr. Vito Imbasciani, Secretary, California Department of Veteran Affairs

CalVET Secretary and Board member Imbasciani provided the Board with an overview of programs and services provided by the California Department of Veteran Affairs for California's veteran population.

8. Update on California Mortgage Relief Program

Acting Chair Sotelo moved this item from #8 to #9

Presented by Rebecca Franklin, with guest speaker, Geo Shannon

Franklin and Shannon provided the Board with an update on the CA Mortgage Relief Program. They outlined recent changes made to the program including expanding the income limits for applicants and adding property tax assistance as a service of the program.

9. Update on Legislative Activity and State Budget with presentation on Shared Appreciation model

Acting Chair Sotelo moved this item from #9 to #8

Presented by Francesc Martí and Ellen Martin

Martí provided the Board with a legislative update, including recently enacted state budget legislation and the California Dream for All program. Martin then followed with brief overview of the shared appreciation loan, a key feature of the California Dream for All program, and how the program design process for the program is unfolding.

10. Informational reports

Acting Chair Sotelo asked if there were any questions about the informational reports. There were none.

11. Other Board matters

Acting Chair Sotelo asked if there were any other Board matters and there were none.

12. Public comment

Acting Chair Sotelo asked if there were any members of the public who wanted to provide a comment and there were none.

13. Adjournment

As there was no further business to be conducted, Acting Chair adjourned the meeting at 1:19 pm.

Board Members' Conduct and Representation of CalHFA

CalHFA Board Members are charged with the oversight and administration of CalHFA (Health & Saf. Code, § 50901)—and as such bear primary responsibility for implementing the Statewide Housing Plan (Health & Saf. Code, § 50952, subd. (n)). Because housing is of vital statewide importance to the health, safety, and welfare of all Californians (Health & Saf. Code, § 50001), Board Members must appreciate the seriousness of the work CalHFA does and discharge their duties as Board Members in a manner befitting the gravity of the responsibilities of the offices they hold. This guide, therefore, sets out the *minimum* standards by which CalHFA Board Members should conduct themselves.

General Rules of Conduct

All Board Members shall act in accordance with their oath of office, and shall conduct themselves in a courteous, professional, and ethical manner always. The Board shall conduct its business in an open manner, so that the public shall be both informed and involved, consistent with the provisions of the Bagley Keene Open Meeting Act, the California Public Records Act, and all other governmental and civil codes applicable to similar boards within the State of California. Accordingly, Board Members shall:

1. Comply with all provisions of the Bagley-Keene Open Meeting Act;
2. Not speak or act for the Board, or CalHFA, without proper (i.e., formal) authorization from a majority of the Board;
3. When serving in a board capacity, members of the board shall demonstrate loyalty to the interests of the Agency. This supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other boards or staffs. It also supersedes the personal interest of any board member acting as a consumer of the organization's activities.;
4. As required by law, members will respect the confidentiality appropriate to issues regarding personnel, proprietary matters, and attorney-client privileged communications.;
5. Never accept gifts from those having business before the Board or CalHFA while serving on the Board;
6. Comply with all applicable incompatible activities statements they serve under;
7. Recognize the equal role and responsibilities of all Board Members;
8. Act fairly, and be nonpartisan, impartial, and unbiased in their roles;
9. Treat all individuals in a fair, professional, courteous, and impartial manner; and
10. Not use their positions on the Board for personal, familial, or financial gain.

~~A Board Member's failure to observe these general rules of conduct could subject them to censure by the board. (See Health & Saf. Code, § 50906.)~~

Conduct of Board Meetings

In addition to any rules of conduct formally adopted by the Board from time to time, Board members should strive to conform their conduct during meetings to the following guidelines.

Governing Style

The Board is responsible for creating and maintaining an atmosphere that encourages frank and collegial discussions both at the Board and committee level and as between the Board and management. The Board strives to achieve a governing style that emphasizes:

1. Strategic leadership;
2. Outward vision;
3. Focus on the future;
4. Proactivity;
5. Encouragement of collegiality, including the creation of an environment which supports CalHFA's Mission;

6. Civility and courtesy, to both those with whom the Board members interact and between Board members;
7. Governance by consensus;
8. A dedicated working relationship with CalHFA management; and
9. Ethical conduct of Board business to avoid even the appearance of impropriety.

Board Member Competencies

To be more effective members of the CalHFA Board, Board members are expected to develop an understanding of the following:

1) Governance Competencies:
   a) The role and responsibilities of Board members;
   b) The Board committees and their purposes;
   c) CalHFA's purpose (Health & Saf. Code, § 50950), as well as applicable principles of public administration and public policymaking;
   d) Fiduciary responsibilities and duties, conflicts of interest and ethics;
   e) The CalHFA organizational structure and the roles of executive staff and key service providers, including Board consultants, and external auditors and attorneys;
   f) The role of CalHFA as a state agency; and
   g) The proper conduct of Board and Committee Meetings in accordance with rules adopted by the Board.
2) Communication Competencies:
   a) Active and attentive engagement in meetings;
   b) CalHFA's objectives and approach with respect to communications with the media and stakeholders;
   c) The ethical and appropriate use of current forms of electronic communication tools; and
   d) How to express opinions and ask questions in a constructive manner that encourages critical thinking and analysis and improves decision making.

Communications With Third Parties

Generally, Board members have no obligation to meet with or communicate with advisors, managers, consultants, contractors, or vendors. Any contacts and communications between individual Board members and advisors, managers, consultants, contractors, and vendors to CalHFA will be within the judgment of each Board member. Any such contacts and communications will be in the Board member's capacity as an individual Board member with the understanding that the individual Board members do not represent CalHFA or the Board, and have no authority to bind CalHFA to any agreements, unless specifically authorized to do so by the Board.

Communications Regarding CalHFA-Financed Projects

Except for communications during staff briefings of Board members in preparation for an upcoming Board meeting, and communications by committee chairs in carrying out their responsibilities as chair, individual Board members should direct any proposals, questions, or communications regarding a prospective or existing CalHFA-Financed Project only to staff or developer-representatives present at a Board meeting where the Project is on the agenda.

Views Expressed Disclaimer

When speaking in a public setting where it is clear that the Board member is speaking because of the member's position on the Board, Board members should preface their remarks with the following disclaimer: "The views I express here are my own and do not necessarily reflect the views of the CalHFA Board of Directors, my fellow Board members or CalHFA staff." As used in this subsection, "public setting" includes the use of social media and/or other forms of electronic communication.

Civility and Courtesy

Each Board member should commit to conduct him/herself at all times with civility and courtesy, to both those with whom the Board interacts and to his/her colleagues. Individual Board members should also endeavor to correct fellow Board members, should any of their conduct fall below this standard.

BOARD MEMBERS' CONDUCT AND REPRESENTATION OF CALHFA

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BOARD OF DIRECTORS
OF THE CALIFORNIA HOUSING FINANCE AGENCY

RESOLUTION NO. 22-16

RESOLUTION AUTHORIZING ADOPTION OF A BOARD MEMBERS' CONDUCT CODE

WHEREAS, the CalHFA Board of Directors oversees the Agency's administration, and is integral to its organizational success,

WHEREAS, housing is of vital importance to the health, safety and welfare of all Californians,

WHEREAS, the CalHFA Board of Directors acknowledges the critical role of the collective and individual contributions of each Board member,

WHEREAS, the Board of Directors concurs that agreed-upon standards of professionalism, courtesy, loyalty, honesty, and ethical conduct serve the important functions of accountability and transparency,

WHEREAS, the Board of Directors elects to role model civility, humility, and candor for CalHFA staff and all Californians,

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

The CalHFA Board of Directors approves and adopts the Board Members' Conduct and Representation code.

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. 22-16 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 22nd day of September, 2022, 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 22nd day of September, 2022.

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: CalHFA Board of Directors **Date:** September 22, 2022

From: Ellen Martin
CALIFORNIA HOUSING FINANCE AGENCY

Subject: California Dream for All Shared Appreciation Loan Program

INTRODUCTION AND OVERVIEW

The 2022-23 State Budget (Assembly Bill 197, Section 1 of the 2021-22 State Budget Trailer Bill) established the California Dream for All Program (Dream for All or Program), a revolving, shared appreciation loan program designed to increase access to home ownership for low- and moderate-income Californians. The shared appreciation loans will provide funding to assist with down payments and closing costs.

Overview of Shared Appreciation Loans

A shared appreciation loan is a loan that is repayable via a share in the increased value of the home over time. For example, if the Program offered down payment assistance amounting to 20 percent of the home sale price, upon repayment, the borrower would pay back the original loan amount plus 20 percent of the increase in home value at the point of sale. In this example, we assume that the appreciation is shared on a pro rata (1:1) basis – the fund provides 20 percent down payment and shares in 20 percent of the home price appreciation. Note that the share of appreciation is dependent on the loan terms and that amount could be greater or less than the original share of the purchase price.

A shared appreciation loan is typically structured as a second mortgage, subordinate to the first mortgage lien – the same as CalHFA's existing down payment assistance programs. The homebuyer does not make any payments on the loan until they sell, refinance, or transfer the property, at which time they would owe the original loan amount plus the designated share of appreciation. In a shared appreciation loan with a pro rata (1:1) appreciation share (i.e., the appreciation share is equal to percentage of the original investment relative to the original purchase price) and the effective interest rate on the loan is equal to the average annual appreciation in the home's value. Over the long term, the average annual home price appreciation in California has approximated 5 percent, but varies widely on a year to year basis. For example, in 2008, real estate values plunged by 35 percent. Conversely, real estate values spiked nearly 40 percent between 2020 and 2021.

California Dream for All Program

The 2022-23 State Budget established the Dream for All Program, allocated $500 million to the Program over two years, and designated the California Housing Finance Agency (CalHFA) as the administrator of the Program. The authorizing statute sets broad parameters for the California Dream for All Program, offering the following specific requirements:

- The Dream for All Program must include a shared appreciation loan feature.
- The Program's objective is to expand access to homeownership by helping low and moderate-income homebuyers purchasing owner occupied homes.
- The design of the loan product should not unreasonably impede wealth creation through homeownership for participating homebuyers.
- The Program should maximize the number of households assisted over time, ensuring that funds used to help one homeowner are then recycled upon repayment to help future homeowners. As part of that, CalHFA will explore selling the shared appreciation loans on the secondary market.
- The shared appreciation loan must be paired with a CalHFA first mortgage.
- Because shared appreciation loans are a complex financial product, the Program design must include adequate consumer protections and disclosures to ensure that the consumer understands their loan.

INITIAL PROGRAM DESIGN RECOMMENDATIONS

Since the 2022-23 California State Budget was approved, CalHFA staff have been working to stand up the California Dream for All program in accordance with the statutory framework outlined above. These efforts were informed by a report prepared for the California State Treasurer's Office by California Forward entitled "California Dream for All: A Proposed Shared Appreciation Loan Investment Fund for the State of California" (California Forward Report). The California Forward Report discusses the need for the California Dream for All program and offers a series of recommendations regarding the structure of a shared appreciation loan program designed to increase access to homeownership for low and moderate income Californians.

CalHFA staff provided technical assistance and advice to California Forward in the production of the California Forward Report, but we did not sign off or endorse the report conclusions and recommendations prior to publication.

With that background information and framework in mind, CalHFA staff began to establish initial program design recommendations framed by the following policy and program objectives established by statute, early stakeholder input, and the outcomes of the California Forward work:

- Increase access to home ownership for low and moderate income Californians
- Provide opportunities for wealth accumulation through home ownership, including social equity features that offer additional benefits to communities that have historically been underserved by the mortgage market
- Minimize financial risk to the consumer, State, and Agency
- Encourage recyclability of funds so that more Californians can receive assistance
- Embed significant consumer education and outreach
- Promote long term operational and administrative viability

It is important to note that the program design efforts will require careful attention to and the balancing of key trade-offs. For example, while the Program seeks to increase access to home ownership, we must also be attentive to minimizing financial risk to the consumer and the State. We therefore need to use care to ensure that while expanding access to home ownership, we do not create a loan product with higher credit and default risk.

Similarly, a key program tenet is to provide opportunities for wealth accumulation through home ownership, namely home equity. Certain provisions that would increase the homeowner's share of home equity (e.g., a lower share of appreciation for the Program), however, could impact our ability to recycle funds and help future homeowners and could limit our ability to sell those loans on the secondary market. These and other trade-offs will need to be balanced throughout the program design and implementation process.

Initial Program Design Parameters

CalHFA established a multidivisional internal Program design committee consisting of representatives from our Executive, Enterprise Risk, Legislation and Policy, Marketing, Legal, Financing and Single Family divisions. This internal committee was tasked with identifying the constituent components of the Dream for All program, evaluating the ability for our existing lender infrastructure to deliver shared appreciation loans, and assessing various program design features and alternatives to develop initial recommendations for Program design that meet Program objectives and can be operationalized.

These initial recommendations for key Program design features are enumerated below for Board consideration.

1. **Program Governance.** The Dream for All Program should be administered by the CalHFA Single Family Division and overseen by the CalHFA Board. An external working group composed of key members of the mortgage industry, real estate profession, housing advocacy groups, and housing policy groups should be formed to offer input on key Program design elements and to offer on-the-ground feedback as the Program is implemented so that staff can identify needed refinements and calibrations. More detail regarding the role of this advisory Working Group is offered below.

2. **Homebuyer Eligibility.** Prospective first time homeowners earning up to the CalHFA income limits (~150% Area Median Income [AMI])would be eligible to receive a Dream for All Shared Appreciation Loan. This income level allows the Dream for All Program to help low- and moderate-income households across California, also ensuring that prospective buyers in high cost areas can benefit. Because it is also consistent with CalHFA's existing MyHome program, these income limits will be easily integrated into our existing lending infrastructure and will avoid creating additional complexity for our lending community, which is a key consideration for a successful program.

   A separate eligibility track conferring additional benefits for communities that have historically been underserved by the mortgage market may be may be established as part of the Program – see "Social Equity Features" discussion below.

3. **Eligible Costs.** Dream for All Shared Appreciation loans may be used to fund down payments and non-recurring closing costs, including interest rate buydowns.

4. **Level of Assistance.** The Program will provide Shared Appreciation Loans up to 20 percent of the home sale price. Home price appreciation would be distributed between the homeowner and the Program on a pro rata (1:1) basis, subject to the caps on the Program's share of appreciation described below. In other words, if the Dream for All program funds a Shared Appreciation Loan of 20 percent, when the homeowner sells,

refinances, or transfers the home, they will owe the original amount borrowed plus 20 percent of the increase in the home's value.

5. **Cap on Program Share of Appreciation.** In an effort to provide increased certainty and clarity to consumers regarding how much they will owe and to ensure that a homeowner's ability to accumulate wealth through home equity gains is not unduly impeded, CalHFA staff recommend that the Program's share of appreciation be capped. However, because the long term sustainability of the Program depends upon ensuring that repayments generate sufficient revenue to fund an equal level of assistance to the next homebuyer, staff also recommend that the cap be sized in a manner that will minimize impacts on funding recyclability.

   Staff therefore recommend that the Program's share of appreciation be capped at a multiple of 2.5 times the original loan amount. This is roughly equivalent to how much appreciation the Program would earn over the course of a 30-year loan with home values appreciating an average of 5 percent annually.

6. **Social Equity Features.** The Dream for All Program could include additional features that are designed to confer additional benefits to communities that have historically been underserved by the mortgage market and have lower rates of homeownership. CalHFA staff recommend establishing preliminary social equity benefits and utilizing the expertise of the advisory Working Group to expand or otherwise right-size those benefits to balance the policy objective of providing additional aid to disadvantaged groups and the program goal of ensuring that Program revenues are sufficient to help future homebuyers. With those considerations in mind, CalHFA staff recommend the following initial social equity features:

   a. Prospective homebuyers earning up to 80 percent AMI would receive a larger share of appreciation relative to the Program's investment. The Program's share of appreciation would be set at 75 percent of the Program's investment in the original purchase price of the home. For example, if the Program provides a 20 percent Shared Appreciation Loan, the homeowner would owe the original amount of the loan plus 15 percent of the home price appreciation.

   b. As an initial design feature, this benefit should be capped at 10 percent of the available program funds.

c. CalHFA staff should seek Working Group input to refine and calibrate the social equity features. Refinements could include adding additional geographic considerations, specifying different benefits or a different level of benefit, refining the total funds dedicated to this benefit, or other adjustments. These refinements may occur after the initial program goes live.

STAKEHOLDER ENGAGEMENT

Input from industry experts, policy professionals, consumers, advocates and other stakeholders will be important to ensuring that the Dream for All Program design and implementation process is grounded in a full understanding of key issues and concerns. CalHFA staff plan a two-pronged approach to stakeholder engagement:

1. Stakeholder Listening Sessions, which offer an opportunity for unstructured public comment on any Dream for All related issue from a wide variety of stakeholders; and
2. An advisory Working Group, a curated group of industry experts and professionals that may be called upon to advise regarding specific and discrete program design and implementation topics.

Stakeholder Listening Sessions

In September, CalHFA will convene a series of three virtual Dream for All listening sessions to facilitate public engagement, modeled after the successful sessions held for the California Mortgage Relief Program. The intent of these listening sessions is to receive early feedback from the stakeholder community to ensure that our program design efforts factor in all pertinent considerations.

The listening sessions will offer a general overview of the program parameters, share key requirements & goals and then will open the floor to allow the public, stakeholders and housing advocates to make comments & recommendations for us to consider as we further design and deploy the program.

Invitations were distributed to nearly 1,500 local jurisdictions, housing authorities, community based organizations, housing advocates, real estate professionals, lenders, and other interested parties. CalHFA staff also provided an email address and survey tool via which stakeholders could also provide feedback.

The results of the listening sessions will be memorialized in a Findings Report that CalHFA staff and Board members can reference throughout the design and deployment of the program.

Working Group Input

In the coming months, CalHFA will convene a series of meetings with industry professionals to seek advice and input regarding the Dream for All Program. The working groups will explore key program design elements, with a particular focus on how to balance policy objectives and trade-offs, evaluating how Dream for All fits into the current mortgage infrastructure and ecosystem, ensuring program operational sustainability and funding recyclability, and protecting consumer interests.

The working group will comprise a representative cross section of policy, advocacy, and industry leaders representing important perspectives throughout the ecosystem, including representatives from the following groups:

- Bankers
- Loan Officers
- Homebuilders
- Real Estate Professionals
- Advocates, Foundations and Community-Based Organizations
- Loan Servicing
- Secondary Markets
- Housing Policy

CalHFA currently plans three sessions with the Working Group as we finalize the key elements of program design:

- **Meeting #1 – CalHFA and DFA Overview**. Review CalHFA business model, DFA statutory requirements and implications for program design and delivery – Early October.
- **Meeting #2 – Social Equity Features and Funding Recyclability Objectives**. Review the initial social equity design features described above and discuss options for refining the social equity benefits in terms of the communities served, the additional benefits conferred, and balancing wealth generation and funding recyclability objectives – Mid/Late October.

- **Meeting #3 – Consumer Education, Outreach and Ongoing Disclosure.** Discuss how to ensure that consumers understand the complexities of a shared appreciation loan financial product – both as part of the loan process and on an ongoing basis – November.

Additional meetings may be convened to address other items that arise based on discussions with the Board, other stakeholders and the Working Group.

TIMELINE

Pending Board direction and input regarding the initial program parameters and approach to social equity features outlined above, CalHFA staff believe that the Dream for All program can be operationalized and delivered to the market by early 2023. Once the initial program parameters are established, CalHFA staff need approximately 10 weeks to develop the necessary legal, technology, and program infrastructure to deliver the program. Any delays in finalizing the initial Program design parameters will result in commensurate shifts in this timeline.

This timeline assumes the Stakeholder Engagement and Working Group processes outlined above. Input from the Working Group may result in refinements after the initial program goes live. Like our other programs, we expect refinements and calibrations to occur over the life of Dream for All implementation in response to market conditions, program uptake, and ongoing stakeholder input.

Note that after the Program is operationalized and delivered to the market, our lending community may then require 30-45 days to build out their systems and begin offering the Shared Appreciation Loans in conjunction with a CalHFA first mortgage. Loan reservations woud begin to follow 30-60 days later.

REQUESTED BOARD ACTIONS

CalHFA staff respectfully request the following Board actions:

- Approve Resolution 22-21 establishing the Dream for All Program and directing staff to develop the necessary guidelines, term sheets, documentation, and the technological capabilities to implement the Program and to report back to the Board.

- Provide policy direction regarding the initial program design parameters outlined above.

- Provide input and direction regarding the proposed timeline with respect to the recommended initial design parameters and timing of stakeholder engagement and Working Group input.

RESOLUTION NO. 22-21

RESOLUTION AUTHORIZING DREAM FOR ALL PROGRAM, AND AUTHORIZING USE OF FUNDS IN THE DREAM FOR ALL FUND

WHEREAS, on June 30, 2022, Senate Bill No. 197 came into effect and, among other things, added a new Chapter 12 (commencing with Section 51520) to Part 3 of Division 31 of the Health and Safety Code, which created the California Dream for All Program (the "Program") and also established the California Dream for All Fund (the "Fund"),

WHEREAS, Assembly Bill No. 178 amended the Budget Act of 2022 and appropriated $500,000,000 to the Fund to be used by the California Housing Finance Agency ("Agency") to implement the Program,

WHEREAS, Health and Safety Code Section 51004 provides that the Agency may utilize moneys which may be appropriated from time to time by the Legislature for effectuating its purposes; and

WHEREAS, Agency staff has determined that it is in the public interest for the Agency to accept and use the funds allocated pursuant to the Budget Act of 2022, as amended by Assembly Bill No. 178, for the purposes stated therein, and to formally establish the Program and begin making necessary preparations for its implementation.

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

<u>Section 1. Use of Funds</u>. The Agency hereby acknowledges receipt of the funds allocated pursuant to the Budget Act of 2022, as amended by Assembly Bill No. 178, and authorizes that such funds be used in accordance with the purposes stated therein, pursuant to Chapter 12 of Part 3 of Division 31 of the Health and Safety Code, and to carry out this Resolution's section 2, 3, and 4.

<u>Section 2. Creation of Dream for All Fund</u>. The Agency hereby establishes the Dream for All Program and directs staff to begin to develop the necessary guidelines, term sheets, documentation, and the technological capabilities to implement the Program.

<u>Section 3. Presentation of Staff Report</u>. Agency staff is hereby directed to create a Staff Report that summarizes the Program's proposed guidelines, term sheets, documentation, and any anticipated challenges to implementing the Program with all deliberate speed and to present such staff report to the Board at a duly called and noticed meeting as soon as practicable.

<u>Section 4. Authorization of Related Actions and Agreements</u>. The Executive Director of the Agency is hereby authorized and directed, to do any and all things and to execute and deliver any and all agreements and documents which they may deem necessary or advisable to effectuate the purposes of this resolution.

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. 22-21 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 22nd day of September, 2022, 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 22nd day of September, 2022.

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": August 24, 2022 for Board Meeting: September 22, 2022

Project Name, County:	**Serra Apartments, Alameda County**	
Address:	**42000 Osgood Road, Fremont CA 94539**	
Type of Project:	**New Construction**	
CalHFA Project Number:	22-016-A/X/N	**Total Units: 179 (Family)**
Requested Financing by Loan Program:	$46,650,000	**CalHFA Tax-Exempt Bond – Conduit Issuance Amount**
	Up to $25,245,000	**CalHFA Taxable Bond – Conduit Issuance Amount (includes 10% cushion)**
	$27,179,522	**CalHFA Tax-Exempt or FFB Permanent Loan with HUD Risk Sharing**
	$8,000,000	**CalHFA MIP Subsidy GAP Loan**
	$2,173,471	**CalHFA Supplement MIP Subsidy GAP Loan (refer to section 5 for further information)**

DEVELOPMENT/PROJECT TEAM

Developer:	St. Anton Communities, LLC	**Borrower:**	Serra, LP
Permanent Lender:	CalHFA	**Construction Lender:**	Bank of America, N.A.
Equity Investor:	Bank of America, N.A.	**Management Company:**	St. Anton Multifamily Inc.
Contractor:	Hurley Construction, Inc	**Architect**	KTGY Group, Inc.
Loan Officer:	N/A	**Loan Specialist:**	Jennifer Beardwood
Asset Manager:	Jessica Doan	**Loan Administration:**	Mirna Ramirez
Legal (Internal):	Torin Heenan	**Legal (External):**	Orrick Herrington & Sutcliffe LLP
Concept Meeting Date:	5/13/2022	**Approval Expiration Date:**	180 days from Approval

LOAN TERMS

1.		**Bank of America CONDUIT ISSUANCE/ CONSTRUCTION LOAN**	**CalHFA PERMANENT LOAN**	**CalHFA MIP SUBSIDY LOAN AND SUPPLEMENTAL MIP LOAN**
	Total Loan Amount	$46,650,000 (T/E) $22,950,000 (Tax)	$27,179,522	Original MIP: $8,000,000 Supplemental MIP: $2,173,471 Total CalHFA MIP Subsidy Loan: $10,173,471 ($57,477/restricted unit)

	Loan Term & Lien Position	36 months- interest only; 1st Lien Position during construction; one 6-month extension with a 0.25% extension fee	40 year – partially amortizing due in year 17; 1st Lien Position during permanent loan term	17 year - Residual Receipts; 2nd Lien Position during permanent loan term
	Interest Rate (subject to change and locked 30 days prior to loan closing)	BSBY + 2.15% Underwritten at 4.05% (T/E & Tax) variable rate	Underwritten Rate 6.29% (Fixed Rate locked) Estimated rate based on a 36-month forward commitment.	Greater of 1.00% Simple Interest or the Applicable Federal Rate (AFR) at time of MIP closing Underwritten at 3% (estimate)
	Loan to Value (LTV)	LTV is 79% of investment value	LTV is 61% of restricted value	N/A
	Loan to Cost	80%	30%	N/A

** The all-in fixed rate of 6.29% is the final rate locked for the loan closing.*

PROJECT SUMMARY

2.	**Legislative Districts**	**Congress:**	#17 Ro Khanna	**Assembly:**	#25 Alex Lee	**State Senate:**	#10 Bob Wiekowski

Serra Apartments (the "Project") is a new construction, multi-family, mixed income Project. It consists of one elevator serviced, six-story, podium-style building with four stories of residential over two levels of parking garage. The Project will be constructed of steel and wood frame, covered with stucco and metal paneling. There will be 179 total units, 177 of which will be restricted between 30% and 80% of the Alameda County Area Median Income (AMI). There will be 121 one-bedroom units (616 s.f.), 50 two-bedroom units (865 s.f.), and 8 three-bedroom units (1,108 s.f.). One one-bedroom and one two-bedroom unit (a total of 2) will serve as managers' units. There will be 225 covered parking spaces reserved for exclusive use by the residents and onsite staff. The majority of the site is currently vacant land with a single level vacant commercial building. There are no related relocation costs for the existing structures. The site is located within .25 miles from a future BART station that is anticipated to be completed by mid-2026.

Financing Structure: The Project's financing structure includes financing from tax-exempt bonds, Federal Tax Credit Equity (4% Federal LIHTC allocation), state housing tax credit equity and Agency's permanent loan and Mixed-Income Program (original and supplemental) loans. The project will be income averaging, pursuant to TCAC regulations.

Tax Credits and/or CDLAC Status: The developer has received an allocation for 4% tax credits and bond cap from TCAC/CDLAC on June 15, 2022.

Ground Lease: Not applicable.

Project Amenities: The Project includes a community room, fitness room, employment and training classrooms, business center, computer room, three courtyards and picnic area. Unit will include central heating/air, walk-in closet, blinds, patio/balcony, dishwasher, disposal, and washer/dryer hookups.

		Local Resources and Services: For TCAC/CDLAC purposes, the Project is located within a high resource area per TCAC/HCD's Opportunity Area Map. • Grocery Stores – 0.36 miles • School – 0.67 miles • Public Library – 0.89 miles • Public Transit - 0.25 miles • Park – 0.77 miles • Hospitals/Medical Center – 0.61 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 and/or Other (i.e., Parking) Space:** The Project does not include commercial space. The Project includes approximately 94,953 (s.f.) of parking structure. There are 225 covered spaces in the parking structure. The project cost associated with these parking spaces is approximately $4,949,276, which is anticipated to be funded by taxable construction loan and/or tax credit equity. No CalHFA funds will be used to finance the parking structure. The parking lot will be reserved for exclusive use by the residents for a fee and onsite staff (up to 3 parking spaces). Parking income is not included in the project's underwriting as this income source is not supported by the appraisal. Per the developer, parking is required by city code and is part of the project's entitlements.

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 rental housing that will remain affordable for 55 years.		

ANTICIPATED PROJECT MILESTONES & SCHEDULE

4.	CDLAC/TCAC Closing Deadline:	12/12/2022	Est. Construction Loan Closing:	11/1/2022
	Estimated Construction Start:	11/1/2022	Est. Construction Completion:	1/31/2025
	Estimated Stabilization and Conversion to Perm Loan(s):		10/1/2025	

SOURCES OF FUNDS

5.

Construction Period Financing				
SOURCE	**AMOUNT**	**LIEN POSITION**	**INTEREST RATE**	**DEBT TYPE**
Bank of America - TE	$46,650,000	1	4.05%	Int. Only
Bank of America - Tax	$22,950,000	2	4.05%	Int. Only
Investor Equity Contribution	$6,336,022	N/A	N/A	N/A
TOTAL	**$75,936,022**	**$424,224**	**Per Unit**	

Permanent Financing				
SOURCE	**AMOUNT**	**LIEN POSITION**	**INTEREST RATE**	**DEBT TYPE**
CalHFA Perm Loan	$27,179,522	1	Underwritten Rate: 6.29%	Balloon: 40 year partially amortizing due in 17 years
CalHFA MIP Subsidy Loan	$8,000,000	2	3%	Residual Receipts
CalHFA Supplemental MIP** Loan	$2,173,471	2	3%	Residual Receipts (Supplemental MIP Loan repayment will have priority over other MIP funding)
Deferred Developer Fees	$6,975,762	N/A	N/A	N/A
*NOI (pre-conversion)	$535,012	N/A	N/A	N/A
Tax Credit Investor Equity Contributions	$42,341,860	N/A	N/A	N/A
TOTAL DEVELOPMENT COST:	**$87,205,627**	**$487,182**	**Per Unit**	

*The estimated NOI is based on 3 months of full occupancy.

****Gap Funding Explanation and request for supplemental MIP subsidy loan funding:** The Sources of Funds chart shown above includes more detailed information related to each financing and/or equity source during the construction and permanent periods of development.

The chart below provides an abbreviated version of the same information combined with the "Uses" or costs related to the construction and permanent loan periods.

Construction Sources and Uses			
Sources	**Amount**	**Uses**	**Amount**
Bank of America - TE	$ 46,650,000	Total Acquisition costs	$ 8,819,969
Bank of America - Tax	$ 22,950,000	Construction/Rehab Costs	$ 47,322,021
Investor Equity Contribution	$ 6,336,022	Soft Costs	$ 2,084,860
		Hard Cost contingency	$ 2,351,965
		Soft Cost contingency	$ 245,622
		Financing Costs	$ 5,854,632
		Local Impact Fees	$ 6,013,524
		Developer Fees	$ 1,793,582
		Other Costs	$ 1,449,848
TOTAL	**$ 75,936,022**		**$ 75,936,023**

Permanent Sources and Uses			
Sources:	**Amount**	**Uses**	**Amount**
CalHFA Perm Loan	$ 27,179,522	Total Loan Payoff and Equity	$ 75,936,022
CalHFA MIP Loan	$ 8,000,000	Financing costs	$ 3,444,976
CalHFA Supplemental MIP Loan	$ 2,173,471	Soft costs	$ 17,250
NOI (pre-conversion)	$ 535,012	Operating Reserve	$ 750,961
Deferred Developer Fees	$ 6,975,762	Developer Fee	$ 7,056,418
Investor Equity Contributions	$ 42,341,860		
TOTAL	**$ 87,205,627**		**$ 87,205,627**

At the time of CalHFA's initial commitment (March of 2022), the developer estimated the total development cost (TDC) to be $89,508,258 or $500,046/unit. CalHFA issued an initial commitment based on these initial costs estimates for developer to use to apply to CDLAC for tax exempt bond cap and to CTCAC for both federal and state tax credits. On June 15, 2022 the Borrower received the related allocations from CDLAC and CTCAC.

Generally, the project's total costs changed from March through July as cost savings related predominantly to value engineering led to reductions to final Hard Cost, Hard Cost Contingency, Developer Fee and other line items by a total of $4,464,761. The developer was also successful in achieving a 1.5% increase to the Equity Investor Contribution for $616,941. Additionally, the CalHFA perm loan was re-sized due to loss of parking structure income for the supportable debt and also increase in financing costs related to higher interest rates. Increases to interest rates from the Construction Lender also resulted in a $1,893,949 increase to costs related to construction period debt service and loan fees.

The Borrower has requested a $2,173,471 increase to the MIP Subsidy Loan in an effort to offset cost increases and loan reductions outlined above and below. The summary of changes in sources and uses between initial commitment vs. current proposed are outlined below:

Summary of changes in Sources/Uses since the Initial Commitment approval				
SOURCES - Major Changes Description	**Initial Commitment Amount $**	**Current Proposed Amount $**	**Increase/ Reduction $**	**% Adjustment of IC Amount**
1 - CalHFA Perm Loan (with 25 bps cushion)	$32,570,000	$26,190,000	-$6,380,000	-16.55%
2 - Deferred developer's fee	$6,665,717	$6,975,762	$310,045	4.65%
3 - Pre-Conversion NOI	$547,622	$535,012	-$12,610	-2.30%
4 - Investor Equity Contribution	$41,724,919	$42,341,860	$616,941	1.48%
Total Changes in Sources (A)	**$81,508,258**	**$76,042,634**	**-$5,465,624**	**-5.49%**

USES - Major Cost Changes Description	**Initial Commitment Amount $**	**Current Proposed Amount $**	**Increase/ Reduction $**	**% Adjustment of IC Amount**
1 - Construction hard cost	$50,994,266	$47,322,021	-$3,672,245	-7.20%
2 - Hard cost contingency	$2,534,481	$2,351,965	-$182,516	-7.20%
3 - Construction loan cost	$5,568,931	$7,462,880	$1,893,949	34.01%
4 - Local Impact Fees	$5,609,951	$6,013,524	$403,573	7.19%
5 - Developer Fee	$9,460,000	$8,850,000	-$610,000	-6.45%
6 - Other	$15,340,629	$15,205,237	-$135,392	-0.89%
Total Changes in Uses (B)	**$89,508,258**	**$87,205,627**	**-$2,302,631**	**-2.57%**
		Current Funding Gap: (A-B)	**-$3,162,993**	
Gap Funding sources:				
		Increase in CalHFA Perm Loan (at rate locked rate):	$989,522	
		Supplement MIP Request:	$2,173,471	
		Gap Funding Sources Total:	**$3,162,993**	
		Remaining Funding Gap:	**$0**	

Hard Cost/Soft Cost changes: The developer is a vertically integrated organization and owns the general contractor entity, Hurley Construction, Inc. To mitigate market disruptions, the Borrower met with their design team and general contractor to evaluate the original construction hard cost budget. As a result, they were able to reduce construction hard cost budget by approximately $3.6 million. As reflected on the above chart, the Borrower reduced other budget line items slightly, except for a slight increase in local impact fees and the construction loan costs, due to the increase in construction loan interest reserve driven by the current interest rate market.

Deferred Developer Fee: The current budget also reflects a decrease of the total developer's fee by $610k, and the current deferred developer's fee (DDF) is approximately $310k higher than the original budget (original developer fee $9,460,000 with $6,665,717 deferred/current developer fee $8,850,000 with $6,975,762 deferred). Through the project's final underwriting prior to construction and permanent loan conversion, efforts shall be made to mitigate a

	portion of the financing gap through restructuring of the Developer fee or direct equity contribution by the Developer. Perm Loan Reduction & Equity Contribution Adjustment: The equity contribution adjustment is anticipated to be approximately $616,941. During final underwriting, the original CalHFA permanent loan of $32.7 million was reduced by $6.38 million to $26.19 million. This was partially attributed to the elimination of parking income revenue of $456,929 (which was originally considered as part of NOI), given that it was not supported by the final appraisal report. This elimination resulted in an approximately $1,870,000 reduction to the original loan amount. Further reduction to the perm loan of $4,510,000 was attributed by increases in perm loan financing costs related to macroeconomic factors, such as inflation. Furthermore, to assist the Borrower with maximizing the perm loan amount, CalHFA is allowing the removal of the 25-bps underwriting cushion and granting a rate lock at time of final commitment. This resulted in a permanent loan increase of $989,522, to $27.18 million, which reduced the overall funding gap to $2,173,471 as shown above. The estimated funding gap after exhausting all resources available to the project totals approximately $2.17 million. The Borrower has requested an increase to the MIP Subsidy Loan of $2,173,471. Pursuant to the TCAC/CDLAC requirements this project must begin construction by December 2022. A $2.18 million increase in the MIP supplemental subsidy ($12,142/unit) results in an overall MIP Regulated Unit amount of $57,477 per restricted unit. The original MIP and Supplemental MIP total $10,173,471. **Subsidy Efficiency:** The Initial MIP commitment for this Project was $8,000,000 ($45,198 per MIP restricted units). The Current proposed MIP commitment is $10,173,471 ($57,477 per MIP restricted units). Staff is recommending an exception to the per project Allocation Limit of $8,000,000 given that the property meets the per unit maximums. Approval of this exception is further detailed in the “Underwriting Standards or Term Sheet Variations” below. **Tax Credit Type(s), Amount(s), Pricing(s), and per total units:** • 4% Federal Tax Credits: $37,719,860 ($213,106 per TCAC restricted unit). • State Tax Credits: $6,168,746 ($34,852 per TCAC restricted 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 developer is using its affiliated company, Hurley Construction, Inc., as its General Contractor. The developer had established cost containment strategies that include: 1) engaging the General Contractor to provide pre-construction services including: conceptual design review, estimating, value engineering, and a critical path schedule, 2) reviewing the GMP contract for any exclusions or exceptions to mitigate project cost increases, and 3) requiring that the General Contractor provide a minimum of 3 bids for each major trade and all other trades, if available. **High Cost Explanation:** Not applicable.
6.	Equity – Cash Out (estimate): Not applicable.

TRANSACTION OVERVIEW

7.	**Proposal and Project Strengths**

- The Project has received 4% federal and state tax credits which is projected to generate equity representing approximately 49% of total sources.

- The Project will serve low-income families ranging between 30% to 80% of AMI. On average, the rents are between 26% to 76% below market rents based on current appraisal.
- The Loan-to-Value will be 61%, which is well below and meets the Agency's maximum allowable LTV of 90%. This results in less risk to the Agency.

8.	Project Weaknesses with Mitigants:

- The developer/sponsor have limited experience with CalHFA (2 portfolio projects); however, they have extensive experience in developing similar affordable projects in this region. In addition, the locality is familiar with the developer and strongly supports the project.
- The exit analysis assumes 2% increase to the appraisal cap rate (resulting in 6.5%) and a 3% increase of the underwriting interest rate at loan maturity (resulting in 9.29%). Based on these assumptions, the Project will have the ability to fully repay the balance of Agency's permanent first lien loan and a portion of the supplemental MIP loan leaving an outstanding balance of approximately $316,235. The Agency's original MIP subsidy loan and the remaining supplemental MIP loan in the estimated amount of $11,916,235 (principal and accrued interest) is expected to be outstanding. This is expected by CalHFA given the requirement that the MIP loan be co-terminus with the permanent first mortgage. The primary source of repayment for both the first mortgage and the MIP subsidy loan is refinance of the project's first mortgage. To the extent such a refinance is insufficient to fully repay the MIP loan, it is contemplated that any remaining balance will be paid from a general partner contribution as part of the final close out of partnership obligations to allow re-syndication.
- Phase I dated 2/9/2022 recommended that a lead-based paint (LBP) survey and asbestos-containing materials (ACM) survey be conducted based on the age of the existing structure on the site. The ACM and LBP reports are complete. The development budget includes an estimated amount of $30,000, which is the anticipated costs associated with addressing these environmental issues. Remediation of all environmental findings is a part of the construction plan and budget. Evidence of environmental clearance will be required as a prerequisite to closing of the CalHFA permanent and MIP loans.
- The Project budget indicates a deficit of approximately $2.17 million. The Borrower requested a $2.17 million increase to the initially committed MIP subsidy loan to facilitate the progression of this shovel ready project to construction. However, the project is only eligible for an additional $2.17 million of supplemental MIP funds. Refer to section 5 for detailed project gap analysis.

9.	Underwriting Standards or Term Sheet Variations

Pursuant to MIP loan term sheet, no project may receive more than the lesser of (i) $8 million project cap, (ii) the aggregate MIP loan amount based on up to $60k per MIP regulated unit for a project located within the high/highest resource area per TCAC/HCD opportunity map, or (iii) MIP loan not to exceed 50% of the CalHFA perm loan. This project is located in a high resource area. Per the term sheet and project economics, the applicable allocation limit is $8 million project cap. However, the current proposal is to allow the Borrower to use the $57,477 per unit maximum to increase the MIP loan allocation by $2,173,471 for a total of $10,173,471 which is beyond the allocation limit of $8 million that is applicable to the project. This is an exception to MIP term sheet and is recommended by Multifamily Underwriting and Credit Staff for approval to facilitate the progression of a shovel ready project without delay; the project received tax credit and bond cap allocations from TCAC/CDLAC Bond on June 15, 2022 and is ready to proceed to construction loan closing by December 2022.

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.
- CalHFA requires that MIP affordability covenants be recorded in senior position to all foreclosable debt.
- The Project's proposed operating expense does not meet TCAC minimums, therefore, Borrower must provide evidence that the proposed operating expense is sufficient to operate the project via supporting documentation acceptable to CalHFA. In addition, approvals of the proposed operating expense from the investor, all lenders, and TCAC are required.
- The CalHFA subsidy (including the supplemental MIP subsidy loan) will be, in the Agency's sole discretion, the lesser of 1) the principal amount as stated 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.

- All MIP Loan principal and interest will due and payable at maturity. Outstanding Supplemental MIP loan funds will have first repayment priority whether the source of repayment is cash flow during the term of the loan or repayment via refinance, partner contribution, or other source at loan maturity.
- Any default as to any loan by the Agency for the Development shall constitute a default under any other loan by the Agency for the Development.
- The Borrower has requested that 100% of surplus cash be available for the repayment of the deferred developer's fee (DDF) until the earliest of year 15 of operations is complete or full repayment of the DDF has occurred. Thereafter, the surplus cash split shall be 50% to Borrower and 50% to CalHFA as the only Residual Receipt lender. As a condition of this approval, the Borrower must provide evidence that the DDF repayment structure is required pursuant to the Limited Partnership Agreement (LPA). In addition, the owner must provide evidence of investor and any residual receipt lender(s) approvals of the total deferred developer's fee structure and residual receipt split. Residual receipt lenders, if added subsequent to this approval, must also agree to defer the payments on their loans.
- Final environmental plan 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.
- The locality is requiring the Borrower to encumber the Property by recording an ordinance agreement. Prior to construction loan closing and closing of the CalHFA loan(s), the ordinance agreement is subject to CalHFA review and approval in accordance with agency underwriting standards.

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. As noted earlier, the supplemental MIP subsidy loan of $2,173,471 was not part of the Initial Commitment approved by the SLC, and hence approval is being sought for this financing through the subject Final Commitment Approval.

AFFORDABILITY

12. CalHFA Affordability (Occupancy and Rent) 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 the total units at 50% of AMI and 30% of the total units at 60% AMI for 55 year(s).

The CalHFA MIP Subsidy Regulatory Agreement requires 10% of the total units (18) be restricted at or below 30% of AMI, 20% of total units (36 units) be restricted at or below 50% of AMI, 10% of total units (18 units) between 60% and 80% of AMI be restricted with a minimum average of 70% 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. The remaining 105 restricted units will be restricted at or below 120% AMI. For underwriting purposes, the initial rents at permanent loan closing must be no less than the underwriting rent levels outlined on the "Unit Mix and Rent Summary" enclosed as part of the project's staff report package. The CalHFA permanent loan agreement will require minimum underwriting rent levels as outlined in the Rent Limit Summary Table Below.

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

- The City will restrict 18 units at or below 80% 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	-	12	5	1	-	10.1%
40%	0	-	-	-	-	-	0.0%
50%	36	-	24	10	2	-	20.1%
60%	95	-	64	27	4	-	53.1%
80%	28	-	20	7	1	-	15.6%

100%	**0**	**-**	**-**	**-**	**-**	**-**	**0.0%**
Manager's Unit	**2**	**-**	**1**	**1**	**-**	**-**	**1.1%**
Total	**179**	**0**	**121**	**50**	**8**	**0**	**100.0%**

The average affordability restriction is 58% of AMI based on 177 TCAC-restricted units.

NUMBER OF UNITS AND PERCENTAGE OF AMI RENTS RESTRICTED BY EACH AGENCY

Agency	Number of Units Restricted For Each AMI Category						Units	Percentage
	30%	40%	50%	60%	80%	120%	Regulated	Regulated
CalHFA Bond	0	0	18	54	0	0	72	40%
CalHFA MIP	18	0	36	0	18	105	177	99%
TCAC	18	0	36	95	28	0	177	99%
City of Fremont - Housing Ordinance	0	0	0	0	18	0	18	10%

13.	**Geocoder Information**

Central City:	No	Underserved:	No
Low/Mod Census Tract:	Upper	Below Poverty line:	2.21%
Minority Census Tract:	77.61%	Rural Area:	No

FINANCIAL ANALYSIS SUMMARY

14.	**Capitalized Reserves:**	
	Replacement Reserves (RR):	N/A.
	Operating Expense Reserve (OER):	$753,954* OER amount is size based on 3 months of operating expenses, first lien debt service, and annual replacement reserves deposits. CalHFA will hold this reserve for the term of the CalHFA permanent 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:	1.59	**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%

*A minimum of 3 to 6 months operating expense, reserves, and debt service ("OER") is required to be held for the life of the CalHFA permanent loan. The OER may be based on 3 months of total operating expense, reserves, and debt service if the developer provides evidence that, within the last 2 years, that they have received allocations from TCAC or provide a certification from a third- party accountant that they met TCAC's general partner and management experience pursuant to CTCAC regulations. The developer has submitted supporting documentation that they've met this requirement.

16.	**Loan Security**

The CalHFA loan(s) will be secured by a first lien deed of trust against the above-described Project site and improvements.

17.	Balloon Exit Analysis	Applicable: ☒ Yes ☐ No

The exit analysis assumes 2% increase to the appraisal cap rate (resulting in 6.5%) and a 3% increase of the underwriting interest rate at loan maturity (resulting in 9.29%). Based on these assumptions, the Project will have the ability to fully repay the balance of Agency's permanent first lien loan and a portion of the supplemental MIP loan leaving an outstanding balance of approximately $316,235. The Agency's original MIP subsidy loan and the remaining supplemental MIP loan in the estimated amount of $11,916,235 (principal and accrued interest) is expected to be outstanding. This is expected by CalHFA given the requirement that the MIP loan be co-terminus with the permanent first mortgage. The primary source of repayment for both the first mortgage and the MIP subsidy loan is refinance of the project's first mortgage. To the extent such a refinance is insufficient to fully repay the MIP loan, it is contemplated that any remaining balance will be paid from a general partner contribution as part of the final close out of partnership obligations to allow re-syndication.

APPRAISAL AND MARKET ANALYSIS

18.	Appraisal Review	Dated: April 19, 2022

- The Appraisal dated April 19, 2022, prepared by Pacific Real Estate Appraisal, values the land at $14,930,000.
- The cap rate of 4.50% and projected $1,998,375 of net operating income, which is slightly lower than the proposed Project's net operating income of $2,140,048 ($141,672 less), were used to determine the appraised value of the subject site, which leads to a more conservative LTV estimate.
- The proposed operating expense of $1.155 million is approximately $74k lower than the average operating expense for comparable projects per the appraisal report of $1.229 million. A portion of the difference ($26,850) is attributed by the fact that the appraisal report assumed a higher annual replacement reserve deposit of $400 per unit, while the developer is budgeting an annual replacement reserve deposit of $250 per unit (this is consistent with CalHFA's standard underwriting for new construction family projects). In addition, the developer has provided 2 comparable projects located in the bay area currently in their portfolio that are operating with slightly lower annual operating expense per unit. The management company has also provided a certification indicating that they will be able to manage the project per the proposed operating expense budget. Based on the appraisal and the supporting documents provided by the developer, the proposed operating expense is reasonable.
- The as-restricted stabilized value is $44,410,000, which results in the Agency's permanent first lien loan to value (LTV) of 61%. The combined LTV, including MIP subsidy loan (original and supplemental), is 84%.
- The absorption rate is 22 Units/Month respectively. Stabilized occupancy is estimated within 8 months of completion. This is a more recent and conservative estimate compared to the market study that that was dated February 7, 2022.

	Market Study:	Laurin Associates	Dated: February 7, 2022

Regional Market Overview

- The Primary Market Area are the cities of Fremont and Newark (population of 283,771) and the Secondary Market Area ("SMA") was deemed unnecessary due to the high demand for affordable units in the PMA.
- The general population in the PMA is anticipated to increase by 2.10% by 2024.
- Unemployment in the PMA is 3.4%, which evidences a strong employment area.
- Median home value in the PMA and SMA was not provided. There are currently 91,982 households in the PMA.

Local Market Area Analysis

- **Supply:**
    - There are currently 17 affordable family project(s) in the PMA, and they are 99.80% occupied with long wait lists.

- There are 2 affordable projects with a total of 131 units planned or under construction.

- **Demand/Absorption:**
  - The project will need to capture 4.8% of the total demand for family units in the PMA. The affordable units are anticipated to lease up at a rate of 45 units per month and reach stabilized occupancy within 4 months of opening.
  - Penetration rate for the project will be 8.8% of the total units.
  - Stabilized occupancy overall is estimated within 4 months of completion.

DEVELOPMENT SUMMARY

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

- The property is located on the west side of Osgood Road, in the City of Fremont, Alameda County.
- The majority of the site is currently vacant, with level topography at street grade, measuring approximately 2.68 acres and is generally rectangular in shape.
- The site is zoned R-3-70 (TOD), with permitted multifamily residential use.
- The subject is located in Flood Zone X. Zone X is the area determined to be outside the 500-year flood, therefore the Project will not be subject to flood insurance.
- The site consists of an existing commercial structure that is currently vacant. Demolition of the existing structure will be completed at the start of construction.

20. Form of Site Control & Expiration Date

The current site owner, St. Anton Communities, LLC, purchased the property from Gloria J. Roberson on October 7, 2015, for an amount of $7,200,000. St. Anton Communities, LLC, and the Project owner, Serra, LP, entered into a Purchase and Sale Agreement dated February 10, 2022, which expires on January 1, 2023, for the same amount of $7,200,000.

21. Current Ownership Entity of Record

Title is currently vested in St. Anton Communities, LLC as the fee owner.

22. Environmental Review Findings — **Dated:** February 9, 2022

- A Phase I Environmental Site Assessment performed by EnviroApplications, Inc., dated February 9, 2022, revealed no evidence of recognized environmental conditions, however, due to the age of the existing building on site, the Phase I report recommended lead-based paint and asbestos surveys. The asbestos and LBP survey has been completed. The development budget includes an estimated amount of $30,000, which is the anticipated costs associated with addressing these environmental issues. Remediation of all environmental findings is a part of the construction plan and budget. Evidence of environmental clearance will be required as a prerequisite to closing of the CalHFA permanent and MIP loans. In addition, the report noted minor trash and debris to be properly containerized and disposed of at an appropriate recycling and disposal facility upon removal.
- A NEPA review has been initiated and will be completed prior to closing.

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

This new Project will be built to State and City of Fremont Building Codes so no seismic review is required. The site is not in a designated earthquake fault zone.

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

The Project is new construction that involve demolition of an existing vacant commercial building; therefore, relocation is not applicable.

PROJECT DETAILS

25. Residential Areas:

	Residential Square Footage:	126,650	**Residential Units per Acre:**	67

		Community Area Sq. Ftg:	4,241	**Total Parking Spaces:**	225
		Supportive Service Areas:	Included above	**Total Building Sq. Footage:**	130,891
26.	**Mixed-Use Project:** ☐				
		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 subject will consist of one six-story, podium style building with four stories of residential use over two levels of parking garage. The building will be constructed of steel and wood frame covered with stucco and metal paneling.			
28.	**Construction/Rehab Scope**	**Requires Demolition:** ☒ **Yes** ☐ **No**			

- The subject site is new construction.
- The majority of the site is vacant, with a vacant commercial building on the west side of the site that will undergo demolition upon commencement of construction. Cost have been allocated for noted site demolition.
- The Contractor is an affiliate of the Borrower entity. The contract will be structured as a Guaranteed Maximum Price (GMP) contract with a 10% (not to exceed) for builder overhead, profit, and general requirements, which aligns with TCAC's allowable limit. TCAC's allowable limit is 14%.

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.
- During construction, the cost of the parking garage structure will be paid by taxable loan from Bank of America. At permanent loan closing, the parking garage structure will be paid off by investor equity:

	Construction	**Permanent**
Parking Structure Cost	$ 4,949,273	$ 4,949,273
Bank of America – Taxable Loan	$ 4,949,273	$0
Investor Equity Contributions	$0	$ 4,949,273

ADDITIONAL DEVELOPMENT/ PROJECT TEAM INFORMATION

30. Borrower Affiliated Entities

- Managing General Partner: PacH Anton South Holdings, LLC, a California limited liability company; 0.0050% interest
    - Sole Member & Manager: Pacific Housing, Inc., a California nonprofit public benefit corporation
- Administrative General Partner: St. Anton Serra, LLC, a California limited liability company; 0.0050% interest
    - Sole Member & Manager: Blue Bronco, LLC a California limited liability company, 100% interest
- Investor Limited Partner: Bank of America, N.A.; 99.99% interest

31. Developer/Sponsor

The Developer, St. Anton Communities, LLC, currently has 3 projects (2 affordable) with a total of 439 units in their pre-development pipeline. There are currently 4 affordable projects with a total of 570 units that are currently under construction. St. Anton Communities, LLC, has completed 4 projects with 943 total units within the past five years in California. The Developer has a portfolio of 40 projects including affordable, market rate and mixed income, of which two projects (Highlands Point and Saratoga II Senior Apartments) are in the CalHFA portfolio.

32.	**Management Agent**
The Project will be managed by St. Anton Multifamily, Inc., which has extensive experience in managing similar affordable housing projects in the area. The company currently manages and has 21 projects in its portfolio, of which 2 project are in CalHFA's portfolio; Highlands Point and Saratoga II Senior Apartments, which do not currently have CalHFA loans, are performing in compliance with the terms of their Regulatory Agreements.	
33.	**Service Provider** **Required by TCAC or other funding source?** ☒ **Yes** ☐ **No**
Pacific Housing, Inc. will provide supportive services to all tenants including health and wellness education, skill building, peer counselling, and after school programs for children.	
34.	**Contractor** **Experienced with CalHFA?** ☒ **Yes** ☐ **No**
The general contractor is Hurley Construction, Inc. (an affiliated entity), which has extensive experience in constructing similar affordable housing projects in California, however, CalHFA is not familiar with the general contractor. 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 KTGY Group, Inc., which has extensive experience in designing and managing similar affordable housing projects in California through the locality's building permit process and is familiar with CalHFA. KTGY Group, Inc. and the developer have worked on 10 project that are either completed or under construction and are working on 5 projects that are in development stage.	
36.	**Local Review via Locality Contribution Letter**
The locality, City of Fremont, returned the local contribution letter stating they strongly support the project.	

EXHIBITS: Detailed Financial Analysis and applicable Term Sheets

PROJECT SUMMARY — Final Commitment

Acquisition, Rehab, Construction & Permanent Loans — **Project Number 22016**

Project Full Name	Serra Apartments	**Borrower Name:**	Serra, LP
Project Address	42000 Osgood Road	**Managing GP:**	PacH Anton South Holdings, LLC
Project City	Fremont	**Developer Name:**	St. Anton Communities, LLC
Project County	Alameda	**Investor Name:**	Bank of America, N.A.
Project Zip Code	94539	**Prop Management:**	St. Anton Multifamily, Inc
		Tax Credits:	4
Project Type:	Permanent Loan Only	**Total Land Area (acres):**	2.68
Tenancy/Occupancy:	Individuals/Families	**Residential Square Footage:**	126,650
Total Residential Units:	179	**Residential Units Per Acre:**	66.79
Total Number of Buildings:	1		
Number of Stories:	6	**Covered Parking Spaces:**	225
Unit Style:	Flat	**Total Parking Spaces:**	225
Elevators:	1		

Acq/Construction/Rehab Financing	Loan Amount ($)	Loan Fees	Loan Term (Mo.)	Amort. Period (Yr.)	Starting Interest Rate
Bank of America - TE	46,650,000	1.000%	36	--	4.050%
Bank of America - Tax	22,950,000	1.000%	36	--	4.050%
Investor Equity Contribution	6,336,022	NA	NA	NA	NA
Total:	**75,936,022**	NA	NA	NA	NA

Permanent Financing	Loan Amount ($)	Loan Fees	Loan Term (Yr.)	Amort. Period (Yr.)	Starting Interest Rate
Perm	27,179,522	1.000%	17	40	6.290%
MIP	8,000,000	1.000%	17	NA	3.000%
Supplemental MIP	2,173,471	1.000%	17.00	NA	3.000%
--	--	NA	NA	NA	NA
Deferred Developer Fees	6,975,762	NA	NA	NA	NA
NOI (pre-conversion)	535,012	NA	NA	NA	NA
Investor Equity Contributions	42,341,860	NA	NA	NA	NA
Total:	**87,205,627**	NA	NA	NA	NA

Appraised Values Upon Completion of Rehab/Construction

Appraisal Date:	4/19/22	**Capitalization Rate:**	4.50%
Investment Value ($)	58,822,128	**Restricted Value ($)**	44,410,000
Construct/Rehab LTC	N/A	**CalHFA Permanent Loan to Cost**	31%
Construct/Rehab LTV	N/A	**CalHFA 1st Permanent Loan to Value**	61%
		Combined CalHFA Perm Loan to Value	84%

Additional Loan Terms, Conditions & Comments

Construction/Rehab Loan

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

Permanent Loan

Operating Expense Reserve Deposit	$753,954	Cash
Initial Replacement Reserve Deposit	$0	Cash
Annual Replacement Reserve Per Unit	$250	Cash

Date Prepared: 8/17/22 — Senior Staff Date: 8/24/22

UNIT MIX AND RENT SUMMARY **Final Commitment**

Serra Apartments **Project Number 22016**

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	616	121	181.5
Flat	2	1	865	50	150
Flat	3	2	1,108	8	36
Flat	-	-	-	-	0
-	-	-	-	-	0
-	-	-	-	-	0
				179	367.5

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%	80%	120%	200%
CalHFA Bond	0	0	18	54	0	0	0
CalHFA MIP	18	0	36	0	18	105	0
TCAC	18	0	36	95	28	0	0
City of Fremont - Housing Ordinace	0	0	0	0	18	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	60%	-	-		-	-
	CTCAC	80%	-	-		-	-
	HCD	100%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	80%	-	-		-	-
1 Bedroom	CTCAC	30%	12	$727	$2,800	$2,073	26%
	CTCAC	50%	24	$1,263		$1,537	45%
	CTCAC	60%	64	$1,531		$1,269	55%
	CTCAC	80%	20	$2,067		$733	74%
	HCD	100%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	80%	-	-		-	-
2 Bedrooms	CTCAC	30%	5	$858	$3,400	$2,542	25%
	CTCAC	50%	10	$1,501		$1,899	44%
	CTCAC	60%	27	$1,823		$1,577	54%
	CTCAC	80%	7	$2,466		$934	73%
	HCD	100%	-	-		-	-
	CTCAC	80%	-	-		-	-
	CTCAC	-	-	-		-	-
3 Bedrooms	CTCAC	30%	1	$988	$4,100	$3,112	24%
	CTCAC	50%	2	$1,730		$2,370	42%
	CTCAC	60%	4	$2,102		$1,998	51%
	CTCAC	80%	1	$2,845		$1,255	69%
	HCD	100%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	80%	-	-		-	-
4 Bedrooms	CTCAC	30%	-	-	-	-	-
	CTCAC	50%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	80%	-	-		-	-
	HCD	100%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	80%	-	-		-	-
5 Bedrooms	CTCAC	30%	-	-	-	-	-
	CTCAC	50%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	80%	-	-		-	-
	HCD	100%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	80%	-	-		-	-
Date Prepared:	8/17/22					Senior Staff Date:	8/24/22

SOURCES & USES OF FUNDS					Final Commitment
Serra Apartments			Project Number	22016	
SOURCES OF FUNDS	CONST/REHAB $	PERMANENT $	TOTAL PROJECT SOURCES OF FUNDS SOURCES ($)	PER UNIT ($)	%
Bank of America - TE	46,650,000				0.0%
Bank of America - Tax	22,950,000				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
Construct/Rehab Net Oper. Inc.	-				0.0%
Deferred Developer Fee	-				0.0%
Developer Equity Contribution	-				0.0%
Investor Equity Contribution	6,336,022				0.0%
Perm		27,179,522	27,179,522	151,841	31.2%
MIP		8,000,000	8,000,000	44,693	9.2%
Supplemental MIP		2,173,471	2,173,471	12,142	2.5%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
NOI (pre-conversion)		535,012	535,012	2,989	0.6%
-		-	-	-	0.0%
-		-	-	-	0.0%
Construct/Rehab Net Oper. Inc.		-	-	-	0.0%
Deferred Developer Fees		6,975,762	6,975,762	38,971	8.0%
Developer Equity Contribution		-	-	-	0.0%
Investor Equity Contributions		42,341,860	42,341,860	236,547	48.6%
TOTAL SOURCES OF FUNDS	**75,936,022**	**87,205,627**	**87,205,627**	**487,182**	**100.0%**
TOTAL USES OF FUNDS (BELOW)	**75,936,023**	**87,205,627**	**87,205,627**	**487,182**	**100.0%**
FUNDING SURPLUS (DEFICIT)	**(1)**	**0**	**(0)**		

USES OF FUNDS	CONST/REHAB $	PERMANENT $	TOTAL PROJECT USES OF FUNDS USES ($)	PER UNIT ($)	%
ONSTRUCTION/REHAB SOURCES OF FUNDS		**75,936,022**			
ACQUISITION COSTS					
Lesser of Land Cost or Appraised Value	-	-	-	-	0.0%
Demolition Costs	86,625	-	86,625	484	0.1%
Legal & Other Closing Costs	16,315	-	16,315	91	0.0%
Escrow & other closing costs	-	-	-	-	0.0%
Verifiable Carrying Costs	1,517,029	-	1,517,029	8,475	1.7%
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 (Site Acquisition)	7,200,000	-	7,200,000	40,223	8.3%
Other (Specify)	-	-	-	-	0.0%
TOTAL ACQUISITION COSTS	**8,819,969**	**-**	**8,819,969**	**49,274**	**10.1%**
CONSTRUCTION/REHAB COSTS					
Offsite Improvements	-	-	-	-	0.0%
Environmental Remediation (Hard Costs)	-	-	-	-	0.0%
Site Work (Hard Cost)	-	-	-	-	0.0%
Structures (Hard Cost)	42,762,992	-	42,762,992	238,899	49.0%
General Requirements	2,138,149	-	2,138,149	11,945	2.5%
Contractor Overhead	2,138,149	-	2,138,149	11,945	2.5%
Contractor Profit	-	-	-	-	0.0%
Contractor Bond	-	-	-	-	0.0%
Contractor Liability Insurance	282,731	-	282,731	1,580	0.3%
Personal Property	-	-	-	-	0.0%
HVAC/Resident Damage	-	-	-	-	0.0%
TOTAL CONSTRUCT/REHAB COSTS	**47,322,021**	**-**	**47,322,021**	**264,369**	**54.3%**

SOURCES & USES OF FUNDS					Final Commitment
Serra Apartments			Project Number	22016	
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	1,336,517	-	1,336,517	7,467	1.5%
Supervision	175,000	-	175,000	978	0.2%
TOTAL ARCHITECTURAL FEES	**1,511,517**	**-**	**1,511,517**	**8,444**	**1.7%**
SURVEY & ENGINEERING FEES					
Engineering	-	-	-	-	0.0%
Supervision	-	-	-	-	0.0%
ALTA Land Survey	-	-	-	-	0.0%
TOTAL SURVEY & ENGINEERING FEES	-	-	-	-	0.0%
CONTINGENCY RESERVES					
Hard Cost Contingency Reserve	2,351,965	-	2,351,965	13,139	2.7%
Soft Cost Contingency Reserve	245,622	-	245,622	1,372	0.3%
TOTAL CONTINGENCY RESERVES	2,597,587	-	2,597,587	14,512	3.0%
CONSTRUCT/REHAB PERIOD COSTS					
Loan Interest Reserve					
Bank of America - TE	4,490,664	-	4,490,664	25,088	0.051495
Bank of America - Tax	-	-	-	-	0
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Loan Fees					
Bank of America - TE	466,500	-	466,500	2,606	0.5%
Bank of America - Tax	229,500	-	229,500	1,282	0.3%
-	-	-	-	-	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	6,000	-	6,000	34	0.0%
CalHFA Inspection Fees	18,000	-	18,000	101	0.0%
Real Estate Taxes During Rehab	-	-	-	-	0.0%
Completion Guaranty Fee	-	-	-	-	0.0%
Wage Monitoring Fee (Davis Bacon, Preva	-	-	-	-	0.0%
Insurance During Rehab	259,170	-	259,170	1,448	0.3%
Title & Recording Fees	113,700	-	113,700	635	0.1%
Construction Management & Testing	-	-	-	-	0.0%
Predevelopment Interest Expense	-	-	-	-	0.0%
Bond Issuer Fee	62,300	-	62,300	348	0.1%
Other - Origination Fees	32,900	-	32,900	184	0.0%
TOTAL CONST/REHAB PERIOD COSTS	**5,678,734**	**-**	**5,678,734**	**31,725**	**6.5%**

SOURCES & USES OF FUNDS					Final Commitment
Serra Apartments			Project Number	22016	
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	135,898	135,898	271,795	1,518	0.3%
MIP	40,000	40,000	80,000	447	0.1%
Supplemental MIP	-	21,735	21,735	121	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Permanent Loan Funding Fee	-	110,000	110,000	615	0.1%
Credit Enhancement & Application Fees	-	-	-	-	0.0%
Title & Recording (closing costs)	-	-	-	-	0.0%
Year 1 - Taxes & Special Assessments and Insura	-	-	-	-	0.0%
CalHFA Fees	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Other Issuance, Origination, Interest	-	3,137,343	3,137,343	17,527	3.6%
TOTAL PERMANENT LOAN COSTS	**175,898**	**3,444,976**	**3,620,873**	**20,228**	**4.2%**
LEGAL FEES					
CalHFA Construction/Rehab Loan Legal Fees	-	-	-	-	0.0%
Other Construction/Rehab Loan Legal Fees	-	-	-	-	0.0%
CalHFA Permanent Loan Legal Fees	17,750	17,250	35,000	196	0.0%
Other Permanent Loan Legal Fees	-	-	-	-	0.0%
Sponsor Legal Fees	-	-	-	-	0.0%
Organizational Legal Fees	100,000	-	100,000	559	0.1%
Syndication Legal Fees	-	-	-	-	0.0%
Borrower Legal Fee	80,000	-	80,000	447	0.1%
Other	-	-	-	-	0.0%
TOTAL LEGAL FEES	**197,750**	**17,250**	**215,000**	**1,201**	**0.2%**
OPERATING RESERVES					
Operating Expense Reserve Deposit	2,993	750,961	753,954	4,212	0.9%
Initial Replacement Reserve Deposit	-	-	-	-	0.0%
Transition Operating Reserve Deposit	-	-	-	-	0.0%
Rent-Up Reserve Deposit	-	-	-	-	0.0%
HOME Program Replacement Reserve	-	-	-	-	0.0%
Investor Required Reserve	-	-	-	-	0.0%
Other (Additional Reserve per TCAC App)	-	-	-	-	0.0%
TOTAL OPERATING RESERVES	**2,993**	**750,961**	**753,954**	**4,212**	**0.9%**
REPORTS & STUDIES					
Appraisal Fee	10,000	-	10,000	56	0.0%
Market Study Fee	9,000	-	9,000	50	0.0%
Physical Needs Assessment Fee	-	-	-	-	0.0%
Environmental Site Assessment Reports	30,075	-	30,075	168	0.0%
HUD Risk Share Environmental / NEPA Review F	-	-	-	-	0.0%
CalHFA Earthquake Waiver Review Fee	-	-	-	-	0.0%
Relocation Consultant	-	-	-	-	0.0%
Soils Reports	35,550	-	35,550	199	0.0%
Acoustical Reports	-	-	-	-	0.0%
Termite/Dry Rot	-	-	-	-	0.0%
Consultant/Processing Agent	-	-	-	-	0.0%
Other (Third Party Reports)	290,968	-	290,968	1,626	0.3%
TOTAL REPORTS & STUDIES	**375,593**	**-**	**375,593**	**2,098**	**0.4%**

SOURCES & USES OF FUNDS					Final Commitment
Serra Apartments			**Project Number**	**22016**	
USES OF FUNDS	**CONST/REHAB $**	**PERMANENT $**	**TOTAL PROJECT USES OF FUNDS**		
			USES ($)	**PER UNIT ($)**	**%**
OTHER COSTS					
TCAC Application, Allocation & Monitor Fees	213,034	-	213,034	1,190	0.2%
CDLAC Fees	24,360	-	24,360	136	0.0%
Local Permits & Fees	973,336	-	973,336	5,438	1.1%
Local Impact Fees	6,013,524	-	6,013,524	33,595	6.9%
Other Local Fees	-	-	-	-	0.0%
Syndicator/Investor Fees & Expenses	-	-	-	-	0.0%
Furnishings	191,125	-	191,125	1,068	0.2%
Accounting & Audits	15,000	-	15,000	84	0.0%
Advertising & Marketing Expenses	30,000	-	30,000	168	0.0%
Financial Consulting	-	-	-	-	0.0%
Miscellaneous Administrative Fees	-	-	-	-	0.0%
HUD Risk Share Insurance (First Year Prepaid)	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL OTHER COSTS	**7,460,379**	**-**	**7,460,379**	**41,678**	**8.6%**
SUBTOTAL PROJECT COSTS	**74,142,441**	**80,149,209**	**78,355,627**	**437,741**	**89.9%**
DEVELOPER FEES & COSTS					
Developer Fees, Overhead & Profit	1,793,582	7,056,418	8,850,000	49,441	10.1%
Consultant Processing Agent	-	-	-	-	0.0%
Project Administration	-	-	-	-	0.0%
Syndicator Consultant Fees	-	-	-	-	0.0%
Guarantee Fees	-	-	-	-	0.0%
Construction Oversight & Management	-	-	-	-	0.0%
Other Administration Fees	-	-	-	-	0.0%
Other (Legal)	-	-	-	-	0.0%
CASH EQUITY OUT TO DEVELOPER	-	-	-	-	0.0%
TOTAL DEVELOPER FEES & COSTS	**1,793,582**	**7,056,418**	**8,850,000**	**49,441**	**10.1%**
TOTAL PROJECT COSTS	**75,936,023**	**87,205,627**	**87,205,627**	**487,182**	**100.0%**

PROJECTED INITIAL ANNUAL RENTAL OPERATING BUDGET			Final Commitment
Serra Apartments	**Project Number**		**22016**
INCOME	**AMOUNT**	**PER UNIT**	**%**
Rental Income			
Restricted Unit Rents	$ 3,358,128	$ 18,760	101.92%
Unrestricted Unit Rents	54,396	304	1.65%
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	55,848	312	1.69%
Parking & Storage Income	-	-	0.00%
Miscellaneous Income	-	-	0.00%
GROSS POTENTIAL INCOME (GPI)	**$ 3,468,372**	**$ 19,376**	**105.26%**
Less: Vacancy Loss	**$ 173,418**	**$ 969**	**5.26%**
EFFECTIVE GROSS INCOME (EGI)	**$ 3,294,954**	**$ 20,345**	**100.00%**
OPERATING EXPENSES	**AMOUNT**	**PER UNIT**	**%**
Administrative Expenses	$ 192,556	$ 1,076	$ 0
Management Fee	98,849	552	3.00%
Social Programs & Services	15,000	84	0.46%
Utilities	250,600	1,400	7.61%
Operating & Maintenance	341,540	1,908	10.37%
Ground Lease Payments	-	-	0.00%
CalHFA Monitoring Fee	7,500	42	0.23%
Other Monitoring Fees	7,073	40	0.21%
Real Estate Taxes	9,845	55	0.30%
Other Taxes & Insurance	187,193	1,046	5.68%
Assisted Living/Board & Care	-	-	0.00%
SUBTOTAL OPERATING EXPENSES	**$ 1,110,156**	**$ 6,202**	**33.69%**
Replacement Reserve	$ 44,750	$ 250	1.36%
TOTAL OPERATING EXPENSES	**$ 1,154,906**	**$ 6,452**	**35.05%**
NET OPERATING INCOME (NOI)	**$ 2,140,048**	**$ 11,956**	**64.95%**
DEBT SERVICE PAYMENTS	**AMOUNT**	**PER UNIT**	**%**
Perm	$ 1,860,911	$ 10,396	56.48%
Supplemental MIP	$ -	-	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	**$ 1,860,911**	**$ 10,396**	**56.48%**
EXCESS AFTER DEBT SERVICE & MONITORING FEES	**$ 279,137**	**$ 1,559**	**8.47%**
DEBT SERVICE COVERAGE RATIO (DSCR)	**1.15**	**to 1**	
Date: 8/17/22		Senior Staff Date:	08/24/22

PROJECTED PERMANENT LOAN CASH FLOWS										Serra Apartments					
Final Commitment										Project Number	22016				
	YEAR	1	2	3	4	5	6	7	8	9	10	11	12	13	14
RENTAL INCOME	CPI														
Restricted Unit Rents	2.50%	3,358,128	3,442,081	3,528,133	3,616,337	3,706,745	3,799,414	3,894,399	3,991,759	4,091,553	4,193,842	4,298,688	4,406,155	4,516,309	4,629,217
Unrestricted Unit Rents	2.50%	54,396	55,756	57,150	58,579	60,043	61,544	63,083	64,660	66,276	67,933	69,631	71,372	73,157	74,985
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%	55,848	57,244	58,675	60,142	61,646	63,187	64,767	66,386	68,045	69,746	71,490	73,277	75,109	76,987
Parking & Storage Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GROSS POTENTIAL INCOME (GPI)		**3,468,372**	**3,555,081**	**3,643,958**	**3,735,057**	**3,828,434**	**3,924,145**	**4,022,248**	**4,122,804**	**4,225,874**	**4,331,521**	**4,439,809**	**4,550,805**	**4,664,575**	**4,781,189**
VACANCY ASSUMPTIONS	Vacancy														
Restricted Unit Rents	5.00%	167,906	172,104	176,407	180,817	185,337	189,971	194,720	199,588	204,578	209,692	214,934	220,308	225,815	231,461
Unrestricted Unit Rents	5.00%	2,720	2,788	2,857	2,929	3,002	3,077	3,154	3,233	3,314	3,397	3,482	3,569	3,658	3,749
Commercial Rents	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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%	2,792	2,862	2,934	3,007	3,082	3,159	3,238	3,319	3,402	3,487	3,575	3,664	3,755	3,849
Parking & Storage Income	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL PROJECTED VACANCY LOSS		**173,419**	**177,754**	**182,198**	**186,753**	**191,422**	**196,207**	**201,112**	**206,140**	**211,294**	**216,576**	**221,990**	**227,540**	**233,229**	**239,059**
EFFECTIVE GROSS INCOME (EGI)		**3,294,953**	**3,377,327**	**3,461,760**	**3,548,304**	**3,637,012**	**3,727,937**	**3,821,136**	**3,916,664**	**4,014,581**	**4,114,945**	**4,217,819**	**4,323,264**	**4,431,346**	**4,542,130**
OPERATING EXPENSES	CPI / Fee														
Administrative Expenses	3.50%	207,556	214,820	222,339	230,121	238,175	246,511	255,139	264,069	273,312	282,878	292,778	303,025	313,631	324,608
Management Fee	3.00%	98,849	101,320	103,853	106,449	109,110	111,838	114,634	117,500	120,437	123,448	126,535	129,698	132,940	136,264
Utilities	3.50%	250,600	259,371	268,449	277,845	287,569	297,634	308,051	318,833	329,992	341,542	353,496	365,868	378,674	391,927
Operating & Maintenance	3.50%	341,540	353,494	365,866	378,672	391,925	405,642	419,840	434,534	449,743	465,484	481,776	498,638	516,090	534,154
Ground Lease Payments	3.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Other Agency Monitoring Fee	0.00%	7,073	7,073	7,073	7,073	7,073	7,073	7,073	7,073	7,073	7,073	7,073	7,073	7,073	7,073
Real Estate Taxes	1.25%	9,845	9,968	10,093	10,219	10,347	10,476	10,607	10,739	10,874	11,010	11,147	11,287	11,428	11,570
Other Taxes & Insurance	3.50%	187,193	193,745	200,526	207,544	214,808	222,327	230,108	238,162	246,497	255,125	264,054	273,296	282,861	292,762
Required Reserve Payments	1.00%	44,750	45,198	45,649	46,106	46,567	47,033	47,503	47,978	48,458	48,942	49,432	49,926	50,425	50,930
TOTAL OPERATING EXPENSES		**1,154,906**	**1,192,488**	**1,231,348**	**1,271,528**	**1,313,075**	**1,356,034**	**1,400,455**	**1,446,389**	**1,493,886**	**1,543,002**	**1,593,791**	**1,646,312**	**1,700,623**	**1,756,788**
NET OPERATING INCOME (NOI)		**2,140,048**	**2,184,839**	**2,230,412**	**2,276,776**	**2,323,937**	**2,371,903**	**2,420,680**	**2,470,275**	**2,520,694**	**2,571,944**	**2,624,028**	**2,676,953**	**2,730,723**	**2,785,342**
DEBT SERVICE PAYMENTS	Lien #														
Perm	1	1,860,911	1,860,911	1,860,911	1,860,911	1,860,911	1,860,911	1,860,911	1,860,911	1,860,911	1,860,911	1,860,911	1,860,911	1,860,911	1,860,911
Supplemental MIP	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MIP Annual Fee (applicable for MIP only deals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		**1,860,911**	**1,860,911**	**1,860,911**	**1,860,911**	**1,860,911**	**1,860,911**	**1,860,911**	**1,860,911**	**1,860,911**	**1,860,911**	**1,860,911**	**1,860,911**	**1,860,911**	**1,860,911**
CASH FLOW AFTER DEBT SERVICE		**279,136**	**323,927**	**369,501**	**415,865**	**463,026**	**510,992**	**559,769**	**609,364**	**659,783**	**711,032**	**763,117**	**816,041**	**869,811**	**924,430**
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**	**1.44**	**1.47**	**1.50**
Date Prepared:	08/17/22									Senior Staff Date:	8/24/22				

		1	2	3	4	5	6	7	8	9	10	11	12	13	14
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	10,693	11,014
LESS: Partnership Management Fee	2%	19,404	19,792	20,188	20,592	21,004	21,424	21,852	22,289	22,735	23,190	23,653	24,126	24,609	25,101
net CF available for distribution		**252,232**	**296,410**	**341,356**	**387,078**	**433,581**	**480,874**	**528,962**	**577,851**	**627,548**	**678,057**	**729,384**	**781,533**	**834,509**	**888,315**

	YEAR	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Deferred developer fee repayment	6,975,762	6,975,762	6,723,530	6,427,119	6,085,763	5,698,685	5,265,104	4,784,230	4,255,269	3,677,418	3,049,871	2,371,814	1,642,430	860,897	26,388
	100%	252,232	296,410	341,356	387,078	433,581	480,874	528,962	577,851	627,548	678,057	729,384	781,533	834,509	26,388
			-	-	-	-	-	-	-	-	-	-	-	-	-
		6,723,530	6,427,119	6,085,763	5,698,685	5,265,104	4,784,230	4,255,269	3,677,418	3,049,871	2,371,814	1,642,430	860,897	26,388	-

Payments for Residual Receipt Payments		*50%*													
RESIDUAL RECEIPTS LOANS	*Payment %*	-	-	-	-	-	-	-	-	-	-	-	-	-	430,964
MIP	*78.64%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplemental MIP	*21.36%*	-	-	-	-	-	-	-	-	-	-	-	-	-	430,964
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Residual Receipts Payments	**100.00%**	-	-	-	-	-	-	-	-	-	-	-	-	-	430,964
Balances for Residual Receipt Payments															
RESIDUAL RECEIPTS LOANS	*Interest Rate*														
MIP---Simple	*3.00%*	8,000,000	8,240,000	8,480,000	8,720,000	8,960,000	9,200,000	9,440,000	9,680,000	9,920,000	10,160,000	10,400,000	10,640,000	10,880,000	11,120,000
Supplemental MIP---Simple	*3.00%*	2,173,471	2,238,675	2,303,879	2,369,083	2,434,288	2,499,492	2,564,696	2,629,900	2,695,104	2,760,308	2,825,512	2,890,716	2,955,921	3,021,125
0---Compounding	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0---Compounding	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0---Compounding	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0---Compounding	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-

PROJECTED PERMANENT LOAN CASH FLOWS

Final Commitment

	YEAR	15	16	17
RENTAL INCOME	**CPI**			
Restricted Unit Rents	2.50%	4,744,947	4,863,571	4,985,160
Unrestricted Unit Rents	2.50%	76,860	78,782	80,751
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%	78,912	80,885	82,907
Parking & Storage Income	2.50%	-	-	-
Miscellaneous Income	2.50%	-	-	-
GROSS POTENTIAL INCOME (GPI)		**4,900,719**	**5,023,237**	**5,148,818**
VACANCY ASSUMPTIONS	**Vacancy**			
Restricted Unit Rents	5.00%	237,247	243,179	249,258
Unrestricted Unit Rents	5.00%	3,843	3,939	4,038
Commercial Rents	0.00%	-	-	-
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%	3,946	4,044	4,145
Parking & Storage Income	0.00%	-	-	-
Miscellaneous Income	0.00%	-	-	-
TOTAL PROJECTED VACANCY LOSS		**245,036**	**251,162**	**257,441**
EFFECTIVE GROSS INCOME (EGI)		**4,655,683**	**4,772,075**	**4,891,377**
OPERATING EXPENSES	**CPI / Fee**			
Administrative Expenses	3.50%	335,970	347,729	359,899
Management Fee	3.00%	139,670	143,162	146,741
Utilities	3.50%	405,645	419,842	434,537
Operating & Maintenance	3.50%	552,849	572,199	592,226
Ground Lease Payments	3.50%	-	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500
Other Agency Monitoring Fee	0.00%	7,073	7,073	7,073
Real Estate Taxes	1.25%	11,715	11,862	12,010
Other Taxes & Insurance	3.50%	303,008	313,614	324,590
Required Reserve Payments	1.00%	51,439	51,953	52,473
TOTAL OPERATING EXPENSES		**1,814,869**	**1,874,933**	**1,937,049**
NET OPERATING INCOME (NOI)		**2,840,814**	**2,897,141**	**2,954,328**
DEBT SERVICE PAYMENTS	**Lien #**			
Perm	1	1,860,911	1,860,911	1,860,911
Supplemental MIP	2	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
MIP Annual Fee (applicable for MIP only deals)	-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		**1,860,911**	**1,860,911**	**1,860,911**
CASH FLOW AFTER DEBT SERVICE		**979,902**	**1,036,230**	**1,093,417**
DEBT SERVICE COVERAGE RATIO		**1.53**	**1.56**	**1.59**
Date Prepared:	08/17/22			

LESS: Asset Management Fee	3%	11,344	11,685	12,035
LESS: Partnership Management Fee	2%	25,603	26,115	26,638
net CF available for distribution		**942,955**	**998,430**	**1,054,744**

	YEAR	15	16	17
Deferred developer fee repayment	6,975,762	-		
	100%	-		
		-	-	-
		-	-	-

Payments for Residual Receipt Payments

RESIDUAL RECEIPTS LOANS	*Payment %*	471,477	499,215	527,372
MIP	*78.64%*	-	-	-
Supplemental MIP	*21.36%*	471,477	499,215	527,372
0	*0.00%*	-	-	-
0	*0.00%*	-	-	-
0	*0.00%*	-	-	-
0	*0.00%*	-	-	-
0	*0.00%*	-	-	-
Total Residual Receipts Payments	**100.00%**	471,477	499,215	527,372

Balances for Residual Receipt Payments

RESIDUAL RECEIPTS LOANS	*Interest Rate*			
MIP---Simple	*3.00%*	11,360,000	11,600,000	11,840,000
Supplemental MIP---Simple	*3.00%*	2,655,365	2,249,092	1,815,081
0---Compounding	*0.00%*	-	-	-
0---Compounding	*0.00%*	-	-	-
0---Compounding	*0.00%*	-	-	-
0---Compounding	*0.00%*	-	-	-

California Housing Finance Agency

MIXED-INCOME LOAN PROGRAM (2022)

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/index.htm. If the sponsor/developer is not able to meet the readiness timeline referenced below, MIP funds may be rescinded and reallocated.

AVAILABILITY:

Available to for-profit, 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 that 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 if the city or county as a rule does not issue building permits prior to the completion of grading, then 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 pursuant to CTCAC regulations designated on the CTCAC/HCD (California Department of Housing and Community Department) Opportunity Area Map.
2. **Sponsor Cap:** No sponsor (any individual, entity, affiliate and related entity) may receive more than 20% of total MIP allocation or funding of two projects, whichever is less, for the respective year.
3. **County Cap:** No one county may receive more than 25% 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 may not be limited to, 1) competitively bidding out all major subcontractor and self-performing trades and 2) engaging a 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 construction loan closing and closing of the MIP subordinate loan. 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") at year 1 ("Initial DSCR"). CalHFA may allow an initial DSCR higher than 1.20 on a case-by-case basis, if deemed necessary. The year 1 DSCR underwritten at the time of final loan approval and final commitment must be maintained through the term of the CalHFA permanent first lien loan,
- 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 shall be 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 three 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 bond cap, state tax credits, and MIP per adjusted unit shall be prioritized for MIP funding considerations. The bond cap, 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 evidence of project's receipt of CDLAC's preliminary tax-exempt bond allocations and CTCAC's tax credits reservations within the respective year, • 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 construction loans using tax-exempt bonds and 4% federal and/or state tax credits in California within the last three 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 comparable projects within the past five 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 comparable projects within the past five years. **Financial Consultants** hired to assist the Developer in meeting the minimum experience requirements must be able to provide details regarding at least three comparably financed projects over the last five years. **Architects** new to CalHFA must provide information for three comparable projects they designed that were built and occupied within the past five years in California. **General Contractor (GC)** must be licensed by the State of California. GCs new to CalHFA must provide information related to three comparable (in design) projects built in the past five years. Similar information will be required for the proposed on-site construction supervisor. The on-site construction supervisor must have overseen three comparable projects built in the past five years, and they must have overseen the projects from construction start to final completion. **Tax Credit Investors** must have closed/executed at least five investor limited partnership agreements for a comparable deal structure using tax-exempt bonds and 4% federal and/or state tax credits in California within the last three years.

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 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 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 the year 1 DSCR underwritten at the time of final loan approval and final commitment through the term of the CalHFA permanent first lien loan. The Initial DSCR must not exceed 1.20.
Construction First Lien Loan	Must be 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 (IIG), Affordable Housing and Sustainable Communities (AHSC) and Transit Oriented Development (TOD) housing programs. Inclusion of these programs is contingent upon restrictions that are compatible with the MIP program requirements outlined herein. Inclusion of other subordinate debt and subsidy will be allowed at CalHFA's sole 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 resulting from 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 subsidy 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, 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, which are based on the HUD and locality (as applicable) income and rent limits which are current at the time of MIP application, for a term of 55 years:
   a. 30% of total units at or below 50% of AMI. Of these, a minimum of 10% of total units must be at or below 30% of AMI,
   b. 10% of total units between 60% and 80% of AMI with an average of 70% of AMI or greater, subject to the Maximum Allowable Rents outlined below, and
   c. Remaining 60% of total units at or below 120% of AMI (with the exception of any non-restricted manager's unit(s)) OR at the affordability restrictions consistent with CTCAC requirements.
   d. The minimum range between the lowest and highest occupancy target levels must be at least 40%.

   (Deviations from the above requirements will only be considered if Market Study supports such deviations.)
2. If applicable, tax credit transactions that are income-averaged must have a maximum average affordability up to 60% of AMI across all CTCAC restricted units.

Mixed-Income Project Occupancy Requirements (Continued)

MAXIMUM ALLOWABLE RENTS:

Rents for all restricted units must be at least 10% below market rents for the MIP affordability term as evidenced by a current market study or appraisal. This threshold will be analyzed at time of application and again at CalHFA's final commitment approval and may be monitored on an ongoing basis for the MIP affordability term. 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. For underwriting purposes, CTCAC and locality maximum rents for the respective target income limits must be used. 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 of MIP loan closing, at CalHFA's sole discretion.

Any units restricted by the Agency pursuant to this program, including those units restricted in addition to the minimum requirements set forth above, shall be rented at rents not to exceed 30% of the applicable income restriction required in the Agency's Regulatory Agreement.

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 $60,000 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 pursuant to CTCAC regulations 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 (2022)

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. **Lien Position**: Second lien position, after CalHFA permanent first lien loan. 4. **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. 5. **Affordability Term**: 55 years. 6. **Prepayment**: May be prepaid at any time without penalty. 7. **Subordination**: A subordination and/or extension of MIP maturity request in conjunction with a re-syndication, refinance, or ownership transfer ("capitalization event(s)") will be considered. If MIP loan is outstanding at time of the capitalization event(s) 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. 8. **Funded**: Only at permanent loan conversion.
CalHFA Conduit Bond Program	For more information on CalHFA's Conduit Issuer Program and the fees associated with it, visit CalHFA's website: www.calhfa.ca.gov/multifamily/programs/forms/termsheet-conduit.pdf
CalHFA First Lien Permanent Rates & Terms (subject to change)	For more information on CalHFA's Permanent Loan Program and the fees associated with it, visit CalHFA's website: www.calhfa.ca.gov/multifamily/programs/forms/termsheet-perm-tax-exempt.pdf
Fees (subject to change)	**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. **Other Fees:** Refer to CalHFA First Lien Permanent Rates & Terms for first mortgage loan fees, credit enhancements, trustee fees, legal fees, inspection fees, administrative fees. www.calhfa.ca.gov/multifamily/programs/forms/termsheet-perm-tax-exempt.pdf

Last revised: 01/25/2022

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

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). If a Project includes CalHFA's subsidy loan, the maximum DSCR at year 1 shall not exceed 1.20, unless CalHFA approves a higher DSCR at its own discretion. The year 1 DSCR underwritten at the time of final loan approval and final commitment must be maintained as the minimum DSCR through the term of the Perm Loan. CalHFA may require the initial DSCR to be higher than the minimum 1.15x, if deemed necessary to meet the Agency's underwriting requirements. • 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. The applicant may be subject to a new Application Fee if the CalHFA commitment expires prior to construction loan closing. • Perm Loan Fee: 1.00%, half due at final commitment, with balance due at Perm Loan closing. • Credit Enhancement Fee: included in the interest rate. • Annual Monitoring 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. • Perm Loan Funding Fee: $110,000 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 available1 • 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 (i.e., 30% @ 60% AMI; 10% @ 50% AMI).

TAX-EXEMPT PERMANENT LOAN PROGRAM

Occupancy Requirements (continued)	Any units restricted by the Agency pursuant to this program, including those units restricted in addition to the minimum requirements set forth above, shall be rented at rents up to 30% of the applicable income restriction using the occupancy assumptions required in the Agency's Regulatory Agreement. Rents for all restricted units must be at least 10% below market rents as evidenced by current market study or an appraisal. 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). A RRNA for a longer time period may be required if the Perm Loan term is greater than 20 years. • 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). The Purpose section of Phase I must state "a purpose of the Phase I is to document compliance with HUD policy pursuant to 24 CFR §58.5(i)(2) or §50.3(i)". • 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: 5/2022

CONDUIT ISSUER PROGRAM

MULTIFAMILY HOUSING BONDS

Term sheet effective for applications submitted after March 1, 2022

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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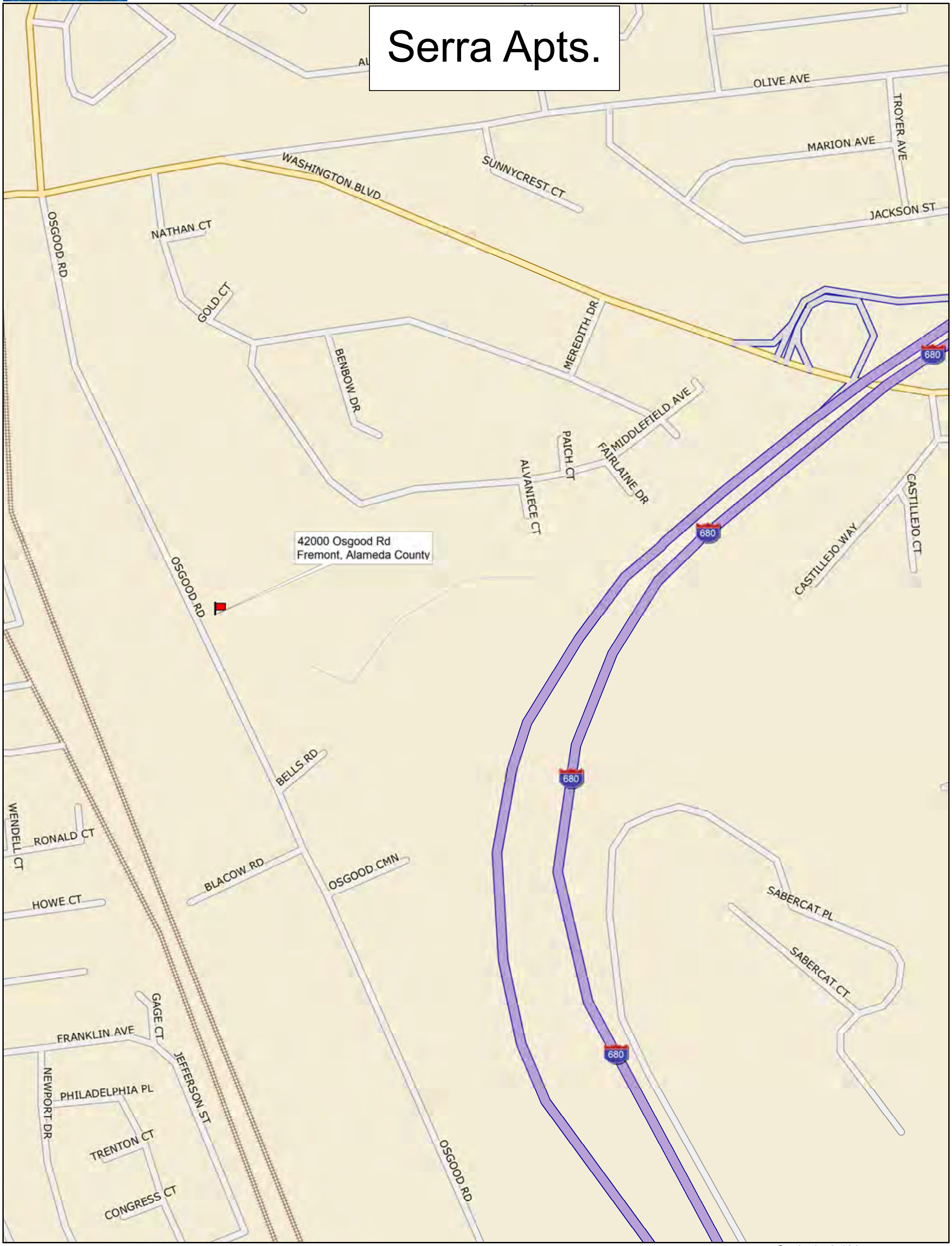
Occupancy Requirements	• Either (A) 20% of the units must be rent restricted and occupied by individuals whose incomes are 50% or less of the area median income as determined by HUD ("AMI") with adjustments for household size ("20% @ 50% AMI"), or (B) 40% or more of the units must be rent restricted 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. • Any units restricted by the Agency pursuant to this program, including those units restricted in addition to the minimum requirements set forth above, shall be rented at rents up to 30% of the applicable income restriction using the occupancy assumptions required in the Agency's Regulatory Agreement. Rents for all restricted units must be at least 10% below market rents as evidenced by a current market study or an appraisal. • 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 later of the federally-required qualified project period, repayment of the Bond funded loan, redemption of the Bonds, the full term of the CDLAC Resolution requirements or 55 years.

Last revised: 03/2022



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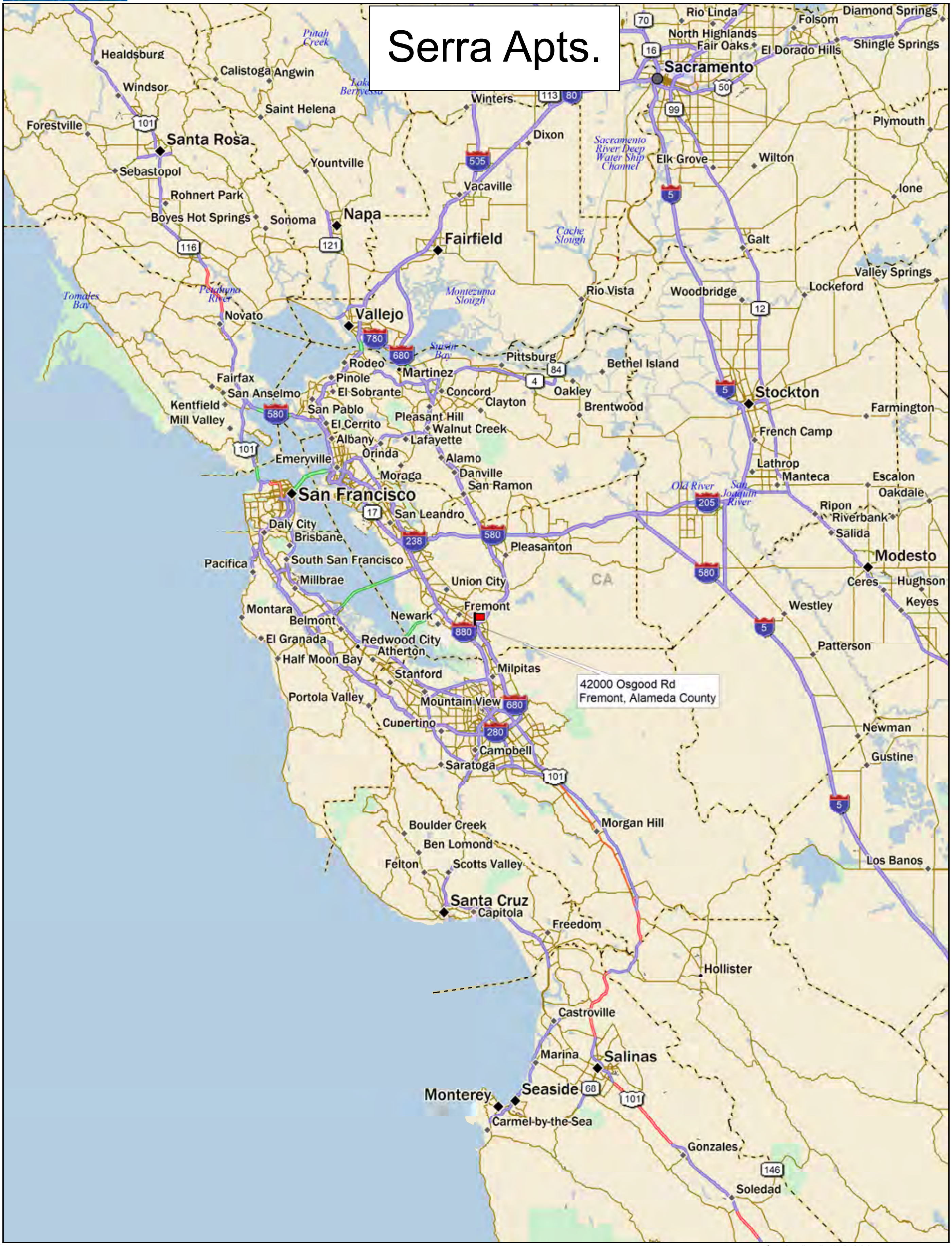

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BOARD OF DIRECTORS
OF THE CALIFORNIA HOUSING FINANCE AGENCY

RESOLUTION NO. 22-22

RESOLUTION AUTHORIZING A FINAL LOAN COMMITMENT

WHEREAS, the California Housing Finance Agency (the "Agency") has received a loan application on behalf of Serra, 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 Fremont, County of Alameda, California, to be known as Serra 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 February 17, 2022, 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	
22-016-A/X/N	SERRA APARTMENTS City of Fremont, County of Alameda California	$27,179,522.00	Tax-Exempt Permanent 1st Lien Loan with HUD Risk Sharing
		$10,173,471.00	Total MIP 2nd Lien Subsidy Loan
			($8,000,000.00 MIP Allocation; $2,173,471.00 Supplemental MIP Allocation)

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. 22-22 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 22nd day of September 2022, 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 22nd day of September 2022.

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": September 7, 2022 for Board Meeting on: September 22, 2022

Project Name, County:	**8181 Allison, San Diego County**	
Address:	**8181 Allison Ave., La Mesa, 91942**	
Type of Project:	**New Construction**	
CalHFA Project Number:	22-018-A/X/S	**Total Units: 147/Family**
Requested Financing by Loan Program:	$31,000,000	**CalHFA Tax-Exempt Bond – Conduit Issuance Amount (Allocated by CDLAC on 6/15/22)**
	$875,000	**CalHFA Tax-Exempt Bond (Supplemental)- Conduit Issuance Amount (CDLAC application to be submitted 9/2022)**
	Up to $14,000,000	**CalHFA Taxable Bond – Conduit Issuance Amount (which may include recycled bonds) (including 10% cushion)**
	$20,685,000	**CalHFA Tax-Exempt or FFB Permanent Loan with HUD Risk Share**
	$4,500,000	**CalHFA MIP Subsidy Loan**
	$2,576,000	**CalHFA Supplemental MIP Subsidy Loan (refer to section 5 for further information)**

DEVELOPMENT/PROJECT TEAM

Developer:	USA Multi-Family Development, Inc.	**Borrower:**	La Mesa 694, L.P.
Permanent Lender:	CalHFA	**Construction Lender:**	Key Bank
Equity Investor:	WNC & Associates	**Management Company:**	USA Multifamily Management, Inc.
Contractor:	USA Construction Management, Inc.	**Architect**	Dahlin Group, Inc.
Loan Officer:	Kevin Brown	**Loan Specialist:**	N/A
Asset Manager:	Jessica Doan	**Loan Administration:**	Julissa Garcia
Legal (Internal):	Amara Harrell (KMTG)	**Legal (External):**	Orrick, Herrington, Sutcliffe
Concept Meeting Date:	5/5/2022	**Approval Expiration Date:**	180 days from Approval

LOAN TERMS

1.		**CONDUIT ISSUANCE/** Citibank **CONSTRUCTION LOAN**	**CalHFA PERMANENT LOAN**	**CalHFA MIP SUBSIDY LOAN AND SUPPLEMENTAL MIP LOAN**
	Total Loan Amount	$31,875,000 (T/E) $12,000,000 (Tax) (which	$20,685,000	**Original MIP:** $4,500,000 **Supplemental MIP**

		may include recycled bonds)		$2,576,000 Total CalHFA MIP Subsidy Loan: $7,076,000 ($48,466/restricted unit)
	Loan Term & Lien Position	36 months- interest only; 1st and 2nd Lien Position during construction. Two six-month extensions available.	40 year –partially amortizing due in year 17; 1st Lien Position at permanent loan conversion	17 year - Residual Receipts; 2nd Lien Position at permanent loan conversion
	Interest Rate	Underwritten at 5.00% (T/E) and 5.25% (Tax) variable rate	Underwritten Rate*: 6.31% (Fixed Rate locked) Estimated rate based on a 36 month forward commitment	Greater of 1% Simple Interest or the Applicable Federal Rate (AFR) at time of MIP closing (3% Simple was used for underwriting purposes)
	Loan to Value (LTV)	45% of investment value	51% of restricted value	N/A
	Loan to Cost	51%	31%	N/A

** The all-in fixed rate of 6.31% is the final rate locked for the loan closing.*

PROJECT SUMMARY

2.	**Legislative Districts**	**Congress:**	#53 Sara Jacobs	**Assembly:**	#79 Akilah Weber	**State Senate:**	#38 Brian Jones
	Brief Project Description	**8181 Allison** (the "Project") is a new construction family mixed income Project. It consists of 1 four-story elevator-served building over 1 podium level with partial subterranean parking. There will be 147 total units, 146 of which will be restricted between 30% and 70% of the San Diego County Area Median Income (AMI). There will be 103 one-bedroom units (578 sf), and 44 two-bedroom units (860 sf). One two-bedroom unit will serve as the manager's unit. The site is currently vacant with a surface parking lot on the western portion. **Financing Structure:** The Project's financing structure includes financing from tax-exempt bonds, taxable loan, 4% Federal Tax Credit equity, a subordinate residual receipts loan from the City of La Mesa, and CalHFA tax-exempt permanent loan program and Mixed-Income Program (original and supplemental). The project will be income averaged, pursuant to TCAC regulations. **Tax Credits and/or CDLAC Status:** The project received an allocation of tax-exempt bonds from CDLAC and an award of 4% federal tax credits from TCAC on 6/15/2022. The Project will be applying in September for a supplemental bond allocation which is expected to be awarded in 2022. The supplemental allocation is being requested to add a cushion to the project's 50% aggregate basis requirement (the "50% test") which is currently at approximately 50%. The supplemental allocation will increase this to approximately 51.9%, which is necessary to accommodate a potential cost increase during construction. **Ground Lease:** The owner will enter into a ground lease agreement with the City of La Mesa ("City") for a term of at least 65 years and no greater than 99 years for an amount of $6,620,000. The capitalized ground lease payment of $6,620,00 will be funded by a Housing Successor Loan from the City of the same amount at construction loan closing. The City's loan will be for a term of at least 65 years with an initial payment of $25,000 at					

construction loan closing and thereafter via residual receipts with 3% simple interest per annum. Residual receipt payments to the City's loan will be deferred until the Deferred Developer Fee (DDF) has been fully repaid. After repayment of DDF, the City's payments will be 50% of surplus cash; this will be achieved by a combination of the City's pro rata share of residual receipts and Borrower's portion of surplus cash.

Project Amenities: The Project includes a community room, swimming pool and jacuzzi, exercise room, picnic area, computer room, rooftop lounge, dog washing station, and central laundry facilities. Unit amenities will include central heating and air conditioning, dishwashers, and garbage disposals.

Local Resources and Services: For TCAC/CDLAC purposes, the Project is located within a Moderate resource area per TCAC/HCD's Opportunity Area Map. The Project is in close proximity to the following local amenities and services:

- Grocery stores – 0.20 mile
- Schools – 0.36 to 2.95 miles
- Public Library – 0.10 mile
- Public transit – 0.07 mile
- Retail – 0.20 mile
- Park and recreation – 0.36 mile
- Hospitals – 1.21 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 and/or Other (i.e. Parking) Space: The Project does not include commercial space.

MISSION

3.	**CalHFA Mission/Goals**	
This Project and financing proposal provide 146 units of affordable housing with a range of restricted rents between 30% of 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:	12/12/2022	Est. Construction Loan Closing:	12/2022
	Estimated Construction Start:	12/2022	Est. Construction Completion:	July 2024
	Estimated Stabilization and Conversion to Perm Loan(s):		12/2025	

SOURCES OF FUNDS

5.

Construction Sources and Uses

Sources	Amount	Details (Lien Position/Rate/Debt Type)	Uses	Amount
Key Bank - Conduit- Tax Exempt	$31,875,000	1st/5.00%/Interest Only	Total Acquisition costs	$6,620,000
Key Bank - Conduit- Taxable (which may include recycled bonds)	$12,000,000	2nd/5.25%/Interest Only	Construction/Rehab Costs	$37,252,644
City of La Mesa (Ground Lease Loan)	$6,620,000	3rd/3.00%/Deferred	Soft Costs	$433,513
Deferred Developer Fee Note	$6,552,185	N/A	Hard Cost contingency	$2,404,700
Investor Equity Contribution	$5,007,817	N/A	Soft Cost contingency	$193,359
			Financing Costs	$6,469,100
			Local Impact Fees	$1,114,230
			Developer Fees	$7,137,811
			Other Costs	$429,645
TOTAL	**$62,055,002**			**$62,055,002**
TOTAL PER UNIT	**$422,143**			

Permanent Sources and Uses

Sources:	Amount	Details (Lien Position/Rate/Debt Type)	Uses	Amount
CalHFA Perm Loan	$20,685,000	1st/6.31%/40 year amort due in year 17	Total Loan and Equity Payoffs	$62,055,002
CalHFA MIP Loan	$4,500,000	2nd/3.00%/Residual Receipts	Financing costs	$3,711,706
CalHFA Supplemental MIP Loan**	$2,576,000	2nd/3.00%/Residual Receipts**	Soft costs	$17,500
City of La Mesa (Ground Lease Loan)	$6,620,000	3rd/3.00%/Residual Receipts	Operating Reserves	$568,735
NOI (pre-conversion)*	$1,449,728	N/A		
Deferred Developer Fee Note	$5,483,132	4th/1.00%/Developer Portion CF		
Investor Equity Contributions	$25,039,083	N/A		
TOTAL	**$66,352,943**			**$66,352,943**
TOTAL PER UNIT	**$451,381**			

*The estimated NOI During Construction is based on an 8-month lease-up period and 3 months of stabilized occupancy prior to conversion.

** CalHFA Supplemental MIP loan repayment will have priority over the Original MIP Loan in the repayment priority.

****Gap Funding Explanation and request for supplemental MIP subsidy loan funding:** The Sources of Funds chart shown above includes more detailed information related to each financing and/or equity source and uses during the construction and permanent periods of development.

At the time of CalHFA's initial commitment (March of 2022), the developer estimated the total development cost (TDC) to be $61,588,651 or $418,970/unit. CalHFA issued an initial commitment based on these initial costs estimates for the developer to use to apply to CDLAC for tax exempt bond cap and to CTCAC for federal tax credits. On June 15, 2022 the Borrower received the related allocations from CDLAC and CTCAC.

On the sources side, there were cost savings related predominantly to 1) increase in investor equity contribution of $1,515,463, 2) increase in deferred developer's fee of $621,306, 3) increase in NOI during construction of $261,523, and (4) a reduction in other soft costs of $1,000,843. On the Uses side, cost increases were related to; 1) increase in construction hard costs of $2,284,755; 2) market related increases driving CalHFA's higher interest rate and spreads which resulted in a $835,000 reduction to the permanent loan amount; 3)increases to interest rates from the Construction Lender which resulted in a $3,048,438 increase to financing costs related to construction period debt service and loan fees. Overall, the deficit in the updated budget is $3,201,000.

The summary of changes in sources and uses between initial commitment vs. current proposed are outlined below:

Summary of changes in Sources/Uses since the Initial Commitment approval					
SOURCES - Major Changes Description	**Initial Commitment Amount $**	**Current Proposed Amount $**	**Increase/ Reduction $**	**Per unit Cost Adjustment**	**% Adjustment of IC Approval**
1 - CalHFA Perm Loan (prior to removal of 25bps cushion)	$20,895,000	$20,060,000	-$835,000	-$5,680	-4.00%
2 - Deferred Developer Fee Note	$4,861,826	$5,483,132	$621,306	$4,227	12.78%
3 – NOI during construction	$1,188,205	$1,449,728	$261,523	$1,779	22.01%
4 - Investor Equity Contribution	$23,523,620	$25,039,083	$1,515,463	$10,309	6.44%
Total Changes in Sources (A)	**$50,468,651**	**$52,031,943**	**$1,563,292**	**$10,635**	**3.10%**

USES - Major Cost Changes Description	**Initial Commitment Amount $**	**Current Proposed Amount $**	**Increase/ Reduction $**	**Per unit Cost Adjustment**	**% Adjustment of IC Approval**
1 - Construction hard cost	$29,777,906	$32,062,661	$2,284,755	$15,543	7.67%
2 - Construction loan cost	$3,294,737	$6,343,175	$3,048,438	$20,738	92.52%
3- Deferred Developer Fee Note	$6,705,869	$7,137,811	$431,942		
3 – Other (Soft Costs)	$0	-$1,000,843	-$1,000,843	-$6,808	-100.00%
Total Changes in Uses (B)	**$39,778,512**	**$44,542,804**	**$4,764,292**	$32,410	11.98%
Current Funding Gap (A-B):			**-$3,201,000**		
Gap Funding sources:					
Increase in CalHFA Perm Loan (Rate lock without 25bps cushion):			**$625,000**		
Supplemental MIP Request:			**$2,576,000**		
Gap funding Sources Total:			**$3,201,000**		
Remaining Funding Gap:			**$0**		

Hard Cost/Soft Cost changes: The developer is a vertically integrated organization and owns the general contractor entity, USA Construction Management, Inc. In an effort to mitigate market disruptions, the Borrower met with their design team and general contractor to evaluate the original construction hard cost budget. As a result, they were able to reduce site work costs by approximately $188,919, however, there was an overall $2,248,755 increase in construction costs attributed to inflation. In addition, the developer was able to negotiate a reduction of the loan origination fee from the construction lender.

Deferred Developer Fee: The current budget also reflects an increase of the total developer's fee by $431,942, however, the current deferred developer's fee (DDF) is approximately $621,306 higher than the original budget, which results in a net increase of DDF by $189,364 (original developer fee $6,705,869 with $4,861,826 deferred and current developer fee $7,137,811 with $5,483,132 deferred). Through the project's final underwriting prior to construction and permanent loan conversion, efforts shall be made to mitigate a portion of the financing gap through restructuring of the Developer fee or direct equity contribution by the Developer.

Perm Loan Reduction & Equity Contribution Adjustment: The equity contribution adjustment is anticipated to be approximately $1,515,463. During final underwriting, the CalHFA permanent loan of $20,895,000 was reduced by $835,000 to $20,060,000. This was attributed to increases in perm loan financing costs related to macroeconomic

	factors, such as inflation. The underwriting interest rate of 6.31% is inclusive of costs associated with the Agency offering extended rate lock period of 6+ months and interest rate hedging costs incurred by the Agency. To mitigate the funding gap of $3,201,000 CalHFA was able to increase the perm loan by allowing the removal of 25 bps underwriting cushion and rate locking at 6.31% fixed interest rate for loan closing (perm conversion at 36-month forward from construction loan closing). This resulted in a permanent loan increase of $625,000 to $20,685,000, which reduced the overall funding gap to $2,576,000 as shown above. The estimated funding gap after exhausting all resources available to the project totals approximately $2,576,000. The Borrower has requested an increase to the MIP Subsidy Loan of $2,576,000 to fund the remaining gap. Pursuant to the TCAC/CDLAC requirements this project must begin construction by December 2022. A $2,576,000 increase in the MIP supplemental subsidy ($17,644/unit) results in an overall MIP Regulated Unit amount of $48,466 per restricted unit. The original MIP and Supplemental MIP total $7,076,000. **Subsidy Efficiency:** The Initial MIP commitment for this Project was $4,500,000 ($30,822 per MIP restricted units). The current proposed MIP commitment is $7,076,000 ($48,466 per MIP restricted units) including the requested Supplemental MIP funding. **Tax Credit Type(s), Amount(s), Pricing(s), and per total units:** • 4% Federal Tax Credits: $28,638,680 ($196,155 per TCAC restricted 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 be funded with $6,620,000 from the City of La Mesa (ground lease loan). **Cost Containment Strategy:** The general contractor is USA Construction Management, Inc. (USACM), a wholly owned and controlled subsidiary of the Developer. As a fully vertically integrated developer, all functional disciplines (Architecture, Development, Construction, Property Management) were engaged early in the design process with the architect and other design consultants to design the best project in the most cost-effective manner. USACM fully bids all construction trades and obtains at least three bids. USACM does not self-perform any trades. USACM develops a detailed critical path construction schedule to ensure the project is delivered on time and within budget and utilizes a Guaranteed Maximum Price (GMP) construction contract with a provision that cost savings go to the owner. The Developer and USACM complete a post construction audit to evaluate and identify further process improvements.
6.	Equity – Cash Out (estimate): Not Applicable

TRANSACTION OVERVIEW

7.	**Proposal and Project Strengths**

- The Project has been awarded 4% tax credits which are projected to generate equity representing approximately 37.7% of total financing sources.
- The developer/sponsor has extensive experience in developing similar affordable housing projects and has experience with CalHFA.
- The Project will serve low-income families ranging between 30% to 70% of AMI. On average, the rents are between 19% to 68% below market rents based on current appraisal.
- The Loan-to-Value will be 51%, which is well below the Agency's maximum requirements of 90%. This results in less risk to the Agency.
- The locality has invested in the success of the Project as demonstrated by a ground lease for at least 65 years and a

ground lease loan.
- The projected portion of the developer's fee that will be collected at or prior to permanent loan conversion is $1,654,679 which could be available to cover cost overruns and/or unforeseen issues during construction.

8. Project Weaknesses with Mitigants:

- The exit analysis assumes 2% increase to the appraisal cap rate (resulting in 5.75%) and a 3% increase of the underwriting interest rate at loan maturity (resulting in 9.31%). Based on these assumptions, the Project will have the ability to fully repay the balance of the Agency's permanent first lien loan and a portion of the Supplemental MIP loan in the estimated amount of $1,855,686, leaving an outstanding balance of $1,685,418 (principal and accrued interest plus the full amount of the original MIP loan in the estimated amount of $6,525,000 (principal and accrued interest). Total combined estimated MIP balance at refinance is $8,210,418. This is expected by CalHFA given the requirement that the MIP loan be co-terminus with the permanent first mortgage. The primary source of repayment for both the first mortgage and the MIP subsidy loan is refinance of the project's first mortgage. To the extent such a refinance is insufficient to fully repay the Supplemental MIP and original MIP loans, 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.
- The Project budget indicates a deficit of approximately $2,576,000. The Borrower has requested a $2,576,000 increase to the initially committed MIP subsidy loan to facilitate the progression of this shovel ready project to construction. Refer to section 5 for detailed project gap analysis.

9. Underwriting Standards or Term Sheet Variations

None

10. Project Specific Conditions of Approval

Approval is conditioned upon:
- The CalHFA loan(s) will be secured against the leasehold interest in the land and fee interest in the improvements. All subordinate loans are to be secured in the same manner. However, if any lender encumbers both fee and leasehold interests in the land, the CalHFA loan documents will also secure in the fee and leasehold interests in the land. The final ground lease document is subject to CalHFA approval. Lessor must provide approval of CalHFA ground lease rider.
- Defaults under any loans used to capitalize payments or ongoing residual receipt payments required by the ground lease must not constitute a default under the ground lease.
- No site work or construction commenced prior to the issuance of a HUD Firm Approval Letter.
- CalHFA will require that the local funding regulatory agreements to contain provisions allowing rent increases to the maximum TCAC rents in an event of default.
- CalHFA requires that MIP affordability covenants be recorded in senior position to all foreclosable debt.
- The CalHFA subsidy (including the supplemental MIP subsidy loan) will be, in the Agency's sole discretion, the lesser of 1) the principal amount as stated 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.
- All MIP Loan principal and interest will be due and payable at maturity. Outstanding Supplemental MIP loan funds will have first repayment priority whether the source of repayment is cash flow during the term of the loan or repayment via refinance, partner contribution, or other source at loan maturity.
- The Project's proposed operating expense does not meet TCAC minimums**,** therefore, Borrower must provide evidence that the proposed operating expense is sufficient to operate the project via an appraisal report and/or other supporting documentation acceptable to CalHFA. Written approval by the investor and all lenders of the final proposed operating expense below the TCAC minimum must be provided prior to construction loan closing.
- Receipt of a Lien Priority/Position Estoppel in form and substance acceptable by CalHFA from all local (city and county) lenders.
- If required, receipt of LPA and investor written approval evidencing that any outstanding deferred developer fee remaining in Year 15 will be treated as a developer contribution. The owner must provide evidence of investor and City's approval of the developer's fee structure.

- The Borrower has requested that 100% of surplus cash be available for the repayment of the deferred developer's fee (DDF) until the earlier of year 15 of operations is complete or full repayment of the DDF. Thereafter, the surplus cash split shall be 50% to Borrower and 50% to Residual Receipt lender(s). As a condition of this approval, the Borrower must provide evidence that the DDF repayment structure is required pursuant to the Limited Partnership Agreement (LPA). In addition, the owner must provide evidence of investor and all residual receipt lender(s) approvals of the total deferred developer's fee structure and residual receipt split. Residual receipt lenders must also agree to defer the payments on their loans.
- Prior to construction closing, receipt of seismic report confirming Probable Maximum Loss (PML) below 20%.
- Any default as to any loan by the Agency for the Development shall constitute a default under any other loan by the Agency for the Development.
- In the event of cost savings at permanent loan conversion, 100% of cost savings will be used to reduce the supplemental portion of the MIP loan amount first (may be shared with other residual receipt lenders on a pro rata basis, if applicable). Once the supplemental portion of the MIP loan amount is fully reduced, the remaining cost savings will be split 50% between reducing the original MIP loan amount (or may be shared with other residual receipt lenders on a pro rata basis, if applicable) and reducing the Deferred Developer Fee.

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. As noted earlier, the supplemental MIP subsidy loan of $2,576,000 was not part of the Initial Commitment approved by the SLC, and hence approval is being sought for this financing through the subject Final Commitment Approval.

AFFORDABILITY

12. CalHFA Affordability (Occupancy and Rent) Restrictions

The CalHFA Permanent Financing Regulatory Agreement will restrict a minimum of 30% of the total units (45 units) at or below 60% of AMI and an additional 10% of the total units (15 units) restricted at or below 50% of AMI for 55 years.

*The CalHFA MIP Subsidy Regulatory Agreement requires 10% of total units (15 units) be restricted at or below 30% of AMI, 20% of the total units (30 units) restricted at or below 50% of AMI, and 10% of total units (15 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 will be determined by the minimum income limit of 70% of AMI, not to exceed 80% of AMI. The remaining 86 restricted units will be restricted at or below 120% of AMI. For underwriting purposes, the initial rents at permanent loan closing must be no less than the underwriting rent levels outlined on the "Unit Mix and Rent Summary" enclosed as part of the project's staff report package. The CalHFA permanent loan agreement will require minimum underwriting rent levels as outlined in the Rent Limit Summary Table Below.

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

- The City will restrict 30 units at or below 30% of AMI and 30 units at or below 50% of AMI for a term of at least 65 years. The rents for these units are subject to Surplus Land Act requirements and the rents are based off of County of San Diego published rents.**

Rent Limit Summary Table

Restrictions @ AMI	Total	Studio	1-bdrm	2-bdrm	3-bdrm	4-bdrm	% of Total
30%	30	-	21	9	-	-	20.4%
40%	0	-	-	-	-	-	0.0%
50%	30	-	21	9	-	-	20.4%
60%	0	-	-	-	-	-	0.0%
70%	86	-	61	25	-	-	58.5%
Manager's Unit	1	-	-	1	-	-	0.7%
Total	147	0	103	44	0	0	100.0%

The average affordability restriction is 57.67% of AMI based on 146 TCAC-restricted units.

NUMBER OF UNITS AND AMI RENTS RESTRICTED BY EACH AGENCY										
Regulatory Source	Recordation Priority of Recorded Document	Term of Agrmt (years)	Number of Units Restricted For Each AMI Category							
			30% AMI	50 % AMI	60% AMI	70% AMI	<= 120% AMI	Manager's Unit	Total Units Regulated	% of Regulated Units
CalHFA Bond/Risk Share	1st	**55**	0	15	45	0	0	1	59	41%
CalHFA MIP*	2nd	**55**	15	30	0	15	86	1	146	99%
City of La Mesa**	3rd	**65**	30	30	0	0	0	1	60	41%
Tax Credit	4th	**55**	30	30	0	86	0	1	146	99%

13.	**Geocoder Information**

Central City:	No	Underserved:	No
Low/Mod Census Tract:	Middle	Below Poverty line:	18.80%
Minority Census Tract:	47.37%	Rural Area:	No

FINANCIAL ANALYSIS SUMMARY

14.	**Capitalized Reserves:**	
	Replacement Reserves (RR):	N/A
	Operating Expense Reserve (OER):	$521,243* OER amount is sized based on 3 months of operating expenses, first lien debt service, and annual replacement reserves deposits. CalHFA will hold this reserve for the term of the CalHFA permanent 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. *A minimum of 3 to 6 months operating expense, reserves, and debt service ("OER") is required to be held for the life of the CalHFA permanent loan. The OER may be based on 3 months of total operating expense, reserves, and debt service if the developer provides evidence that, within the last 2 years, they have received allocations from TCAC or provided a certification from a third-party accountant that they met TCAC's general partner and management experience pursuant to CTCAC regulations. The developer has submitted supporting documentation that they've met this requirement.
	Transitional Operating Reserve (TOR):	N/A

15.	**Cash Flow Analysis**			
	1st Year DSCR:	1.15	**Project-Based Subsidy Term:**	N/A
	End Year DSCR:	1.61	**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:	N/A	**Project Expenses Inflation Rate:** **Property Tax Inflation Rate:**	3.50% 1.25%

16. Loan Security

The CalHFA loan(s) will be secured against the Fee Interest in the improvements and Leasehold Interest in the land.

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

The exit analysis assumes 2% increase to the appraisal cap rate (resulting in 5.75%) and a 3% increase of the underwriting interest rate at loan maturity (resulting in 9.31%). Based on these assumptions, the Project will have the ability to fully repay the balance of Agency's permanent first lien loan and a portion of the Supplemental MIP loan in the estimated amount of $1,855,686, leaving an outstanding balance of $1,685,418 (principal and accrued interest) plus the full amount of the original MIP loan in the estimated amount of $6,525,000 (principal and accrued interest). Total combined estimated MIP balance at refinance is $8,210,418. This is expected by CalHFA given the requirement that the MIP loan be co- terminus with the permanent first mortgage. The primary source of repayment for both the first mortgage and the MIP subsidy loan is refinance of the project's first mortgage. To the extent such a refinance is insufficient to fully repay the Supplemental MIP and original MIP loans, 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: June 9, 2022**

- The Appraisal dated 06/09/2022, prepared by Burger Valuation Consultants, values the land at $6,620,000.
- The cap rate of 3.75% and a projected $1.54 million of net operating income was used to determine the as-restricted stabilized value. The appraisal report's NOI is approximately $87,000 lower than the project's proposed NOI projections. The difference is attributed to the Developer using payroll and management fees based on similar projects in their portfolio as well as building systems configurations including current energy code and water saving requirements for the City of La Mesa. Additionally, the property manager has certified that the project can be operated based on the proposed expenses. Based on the developer's explanation and supporting documents, staff has determined that the proposed operating expenses are reasonable.
- The as-restricted stabilized value is $40,900,000, which results in the Agency's permanent first lien loan to value (LTV) of 51%. The combined LTV, including MIP subsidy loan is 68%.
- The absorption rate is 6 months and is consistent with the market study.

	Market Study:	Kinetic Valuation Group, Inc.	**Dated: 02/03/2022**

Regional Market Overview

- The Primary Market Area ("PMA") is the central portion of the city of La Mesa (population of 233,739) and the Secondary Market Area ("SMA") is San Diego County (population of 3,287,244)
- The general population in the PMA is anticipated to increase by 1.2% at market entry.
- Unemployment in the PMA is 4.6%; this was a 4.8% decrease from the previous year and evidences a strong employment area. Per the appraisal, the unemployment rate in March 2022 was 3.9% in the San Diego- Carlsbad Metropolitan Statistical Area (MSA). The region has generally experienced a lower unemployment rate compared to the state average.

Local Market Area Analysis

- **Supply:**
  - There are currently 13 affordable family project(s) in the PMA and they are generally 100% occupied with long wait lists.
  - There has been no preliminary reservation for new construction LIHTC affordable projects in the PMA within the past two years based on a review of TCAC, CDLAC and HUD development lists.
- **Demand/Absorption:**
  - The project will need to capture 3.3% of the total demand for one- and two-bedroom family units in the PMA. The affordable units are anticipated to lease up at a rate of 19-25 units per month and reach stabilized occupancy within 6-8 months of opening.

DEVELOPMENT SUMMARY

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

- The property is located on the southeast corner of Allison Avenue and Date Avenue, in the City of La Mesa, San Diego County.
- The site currently consists of a vacant surface parking lot on the western portion, topography slopes downward from the northeast corner to southwest corner, measuring approximately 1.23 acres and is irregular in shape. The parking lot will be demolished during site preparation.
- The site is zoned Downtown Commercial (DC), 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 floodplain and protected by levee from 100-year floodplain, therefore the Project will not be subject to flood insurance.

20. Form of Site Control & Expiration Date

The current owner, City of La Mesa, of the site and the Developer, USA Properties Fund, Inc., entered into a Disposition and Development Agreement dated October 21, 2021 and expires December 12, 2022.

21. Current Ownership Entity of Record

Title is currently vested in City of La Mesa, a municipal corporation as the fee owner.

22. Environmental Review Findings **Dated:** January 25, 2022

- A Phase I Environmental Site Assessment performed by Essel Environmental, dated January 25, 2022 revealed no evidence of recognized environmental conditions, so no additional investigation was recommended.
- 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 La Mesa Building Codes therefore earthquake insurance is expected not to be required. A seismic report is being ordered by the construction lender and will be used to verify the project meets CalHFA requirements for earthquake insurance waiver of Probable Maximum Loss (PML) below 20%.

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:	97,374	**Residential Units per Acre:**	120
Community Area Sq. Ftg:	4,016	**Total Parking Spaces:**	117
Supportive Service Areas:	N/A	**Total Building Sq. Footage:**	101,390

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: A four-story elevator served building over a podium with partial subterranean parking.

28. Construction/Rehab Scope **Requires Demolition:** ☐ Yes ☒ No

- The subject site is new construction.
- The general contractor, USA Construction Management, Inc., is an affiliate of the Borrower entity. The contract will be structured as a Guaranteed Maximum Price (GMP) contract with a 14% for builder overhead, profit, and general requirements, which aligns with TCAC's allowable limit. TCAC's allowable limit is 14%.

29. Construction Budget Comments:

The developer has established cost containment strategies, which are outlined in Section 5 above.

ADDITIONAL DEVELOPMENT/ PROJECT TEAM INFORMATION

30. Borrower Affiliated Entities

- Managing General Partner: Riverside Charitable Corporation, a California limited liability company; 0.001% interest
- Administrative General Partner: USA La Mesa 694, Inc., a California Corporation; 0.009% interest
- Investor Limited Partner: WNC & Associates; 99.99% interest

31. Developer/Sponsor

Founded in 1981 and headquartered in Roseville, CA, USA Properties Fund, Inc. (USA) is a vertically integrated, full-service real estate development, investment, and management company. USA Properties is a developer, owner, and property managers of affordable and market rate family and senior communities. USA Properties has completed 122 projects (17,010 units). In addition, the company has seventeen (17) affordable projects in their development pipeline and six (6) projects under construction including 4 with CalHFA (1 conduit only deal and 3 MIP deals) which are progressing as expected. Two of the 17 pipeline projects are in CalHFA's pipeline, which include this Project and Mainline North that are both seeking CalHFA's permanent first lien and MIP loans.

USA Properties Fund, Inc., and its wholly owned construction company, USA Construction Management Inc., has the staffing capacity to process the 17 projects in their development pipeline as they are all at different stages of the development process. Similarly, their projects under construction are at different development stages, with the most intense work at the beginning of the projects. USA has added construction project managers to its staff in anticipation of these construction starts. Additionally, several of the projects are close to being closed out.

32. Management Agent

The Project will be managed by USA Multifamily Management, Inc. which has extensive experience in managing similar affordable housing projects in the area. The company currently manages six (6) projects in CalHFA's portfolio (Rancho Carrillo Apartments, Regency Court – Monrovia, Verbena Crossing Apartments MHSA, Vintage at Kendal Apartments MHSA, Vintage at Snowberry Senior Apartments MHSA, and Vintage at Stonehaven). The CalHFA portfolio projects are performing as expected.

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

Life Skills Training and Educational Programs, Inc. (LifeSTEPS) will provide supportive services for the tenant population to meet CTCAC requirements for a term of 15 years which include adult education, health, skill building classes as well as health and wellness services and programs. The supportive services expense is currently included as an approved line-item within the operating budget. Services will be conducted onsite.

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

The general contractor, an affiliated company, is USA Construction Management, Inc. (USACM), which has extensive experience in constructing similar affordable housing projects in California and is familiar with CalHFA. The GC and the developer have worked with CalHFA on 6 projects. Four (4) are under construction (1 conduit only deal and 3 MIP deals) which are progressing as and 2 projects are in the development stage, including the subject Project. USACM currently has two projects under construction that are progressing as expected.

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

The architect is Dahlin Group, a non-affiliated entity to the developer. They have extensive experience in designing and managing similar affordable housing projects in California through the locality's building permit process and is familiar with CalHFA. They have completed over twenty (20) affordable projects in California in the last five years. Dahlin and the developer have worked on 1 project that has been completed and are working on 2 projects that are in development stage.

36. Local Review via Locality Contribution Letter

The locality, City of La Mesa, returned the local contribution letter stating they strongly support the project.

EXHIBITS: Detailed Financial Analysis and applicable Term Sheets

PROJECT SUMMARY — Final Commitment

Acquisition, Rehab, Construction & Permanent Loans — **Project Number** 22-018-A/X/S

Project Full Name	8181 Allison	**Borrower Name:**	La Mesa 694, L.P.
Project Address	8181 Allison Avenue	**Managing GP:**	Riverside Charitable Corporation
Project City	La Mesa	**Developer Name:**	USA Multifamily Development, Inc.
Project County	San Diego	**Investor Name:**	WNC & Associates
Project Zip Code	91942	**Prop Management:**	USA Multifamily Management, Inc.
		Tax Credits:	4
Project Type:	Permanent Loan Only	**Total Land Area (acres):**	1.23
Tenancy/Occupancy:	Individuals/Families	**Residential Square Footage:**	97,374
Total Residential Units:	147	**Residential Units Per Acre:**	119.51
Total Number of Buildings:	1		
Number of Stories:	5	**Covered Parking Spaces:**	117
Unit Style:	Flat	**Total Parking Spaces:**	117
Elevators:	2		

Acq/Construction/Rehab Financing	Loan Amount ($)	Loan Fees	Loan Term (Mo.)	Amort. Period (Yr.)	Starting Interest Rate
Key Bank - Conduit- Tax Exempt	31,875,000	0.810%	36	--	5.000%
Key Bank - Conduit- Taxable	12,000,000	--	36	--	5.250%
City of La Mesa (Ground Lease Loan)	6,620,000	0.000%	36	--	3.000%
--	--	--	--	--	--
Deferred Developer Fee	6,552,185	--		--	
0	-	NA	NA	NA	NA
Investor Equity Contribution	5,007,817	NA	NA	NA	NA
Total	**62,055,002**	NA	NA	NA	NA

Permanent Financing	Loan Amount ($)	Loan Fees	Loan Term (Yr.)	Amort. Period (Yr.)	Starting Interest Rate
Perm	20,685,000	1.000%	17	40	6.310%
MIP	4,500,000	1.000%	17	NA	3.000%
Supplemental MIP	2,576,000	1.000%	17.00	NA	3.000%
--	--	--	--	--	--
City of La Mesa (Ground Lease Loan)	6,620,000	--	55	55	3.000%
Deferred Developer Fee Note	5,483,132	0.000%	15	55	1.000%
NOI During Construction	1,449,728	NA	NA	NA	NA
Investor Equity Contributions	25,039,083	NA	NA	NA	NA
Total	**66,352,943**	NA	NA	NA	NA

Appraised Values Upon Completion of Rehab/Construction

Appraisal Date:	5/5/22	**Capitalization Rate:**	3.75%
Investment Value ($)	71,568,000	**Restricted Value ($)**	40,900,000
Construct/Rehab LTC	51%	**CalHFA Permanent Loan to Cost**	31%
Construct/Rehab LTV	45%	**CalHFA 1st Permanent Loan to Value**	51%
		Combined CalHFA Perm Loan to Value	68%

Additional Loan Terms, Conditions & Comments

Construction/Rehab Loan

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

Permanent Loan

Operating Expense Reserve Deposit	$521,243	Cash
Initial Replacement Reserve Deposit	$0	Cash
Annual Replacement Reserve Per Unit	$300	Cash

Date Prepared: 8/25/22 Senior Staff Date: 9/1/22

UNIT MIX AND RENT SUMMARY **Final Commitment**

8181 Allison **Project Number 22-018-A/X/S**

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	578	103	154.5
Flat	2	2	860	44	132
-	-	-	-	-	0
-	-	-	-	-	0
-	-	-	-	-	0
-	-	-	-	-	0
				147	286.5

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%**
CalHFA Bond/RiskShare	0	0	15	45	0	0	0
CalHFA MIP	15	0	30	0	15	0	86
Tax Credit	30	0	30	0	86	0	0
City of La Mesa	0	0	30	30	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	**HCD**	**30%**	-	-	-	-	-
	CTCAC	**50%**	-	-		-	-
	CTCAC	**70%**	-	-		-	-
	HCD	**50%**	-	-		-	-
	HCD	**50%**	-	-		-	-
	CTCAC	**90%**	-	-		-	-
	CTCAC	**80%**	-	-		-	-
1 Bedroom	**HCD**	**30%**	21	$697	$2,075	$1,378	34%
	CTCAC	**50%**	21	$1,185		$890	57%
	CTCAC	**70%**	61	$1,673		$402	81%
	HCD	**50%**	-	-		-	-
	HCD	**50%**	-	-		-	-
	CTCAC	**90%**	-	-		-	-
	CTCAC	**80%**	-	-		-	-
2 Bedrooms	**HCD**	**30%**	9	$832	$2,600	$1,768	32%
	CTCAC	**50%**	9	$1,397		$1,203	54%
	CTCAC	**70%**	25	$2,003		$597	77%
	HCD	**50%**	-	-		-	-
	HCD	**50%**	-	-		-	-
	CTCAC	**80%**	-	-		-	-
	CTCAC	**-**	-	-		-	-
3 Bedrooms	**HCD**	**30%**	-	-	-	-	-
	CTCAC	**50%**	-	-		-	-
	CTCAC	**70%**	-	-		-	-
	HCD	**50%**	-	-		-	-
	HCD	**50%**	-	-		-	-
	CTCAC	**90%**	-	-		-	-
	CTCAC	**80%**	-	-		-	-
4 Bedrooms	**HCD**	**30%**	-	-	-	-	-
	CTCAC	**50%**	-	-		-	-
	CTCAC	**70%**	-	-		-	-
	HCD	**50%**	-	-		-	-
	HCD	**50%**	-	-		-	-
	CTCAC	**90%**	-	-		-	-
	CTCAC	**80%**	-	-		-	-
5 Bedrooms	**HCD**	**30%**	-	-	-	-	-
	CTCAC	**50%**	-	-		-	-
	CTCAC	**70%**	-	-		-	-
	HCD	**50%**	-	-		-	-
	HCD	**50%**	-	-		-	-
	CTCAC	**90%**	-	-		-	-
	CTCAC	**80%**	-	-		-	-
Date Prepared:	8/25/22					Senior Staff Date:	9/1/22

SOURCES & USES OF FUNDS					Final Commitment
8181 Allison			Project Number		22-018-A/X/S
SOURCES OF FUNDS	CONST/REHAB	PERMANENT	TOTAL PROJECT SOURCES OF FUNDS		
	$	$	SOURCES ($)	PER UNIT ($)	%
Key Bank - Conduit- Tax Exempt	31,875,000				0.0%
Key Bank - Conduit- Taxable	12,000,000				0.0%
-	-				0.0%
-	-				0.0%
City of La Mesa (Ground Lease Loan)	6,620,000				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
Construct/Rehab Net Oper. Inc.	-				0.0%
Deferred Developer Fee	6,552,185				0.0%
Developer Equity Contribution	-				0.0%
Investor Equity Contribution	5,007,817				0.0%
Perm		20,685,000	20,685,000	140,714	31.2%
MIP		4,500,000	4,500,000	30,612	6.8%
Supplemental MIP		2,576,000	2,576,000	17,524	3.9%
-		-	-	-	0.0%
City of La Mesa (Ground Lease Loan)		6,620,000	6,620,000	45,034	10.0%
Deferred Developer Fee Note		5,483,132	5,483,132	37,300	8.3%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
NOI During Construction		1,449,728	1,449,728	9,862	2.2%
-		-	-	-	0.0%
-		-	-	-	0.0%
Construct/Rehab Net Oper. Inc.		-	-	-	0.0%
Deferred Developer Fees		-	-	-	0.0%
Developer Equity Contribution		-	-	-	0.0%
Investor Equity Contributions		25,039,083	25,039,083	170,334	37.7%
TOTAL SOURCES OF FUNDS	**62,055,002**	**66,352,943**	**66,352,943**	**451,381**	**100.0%**
TOTAL USES OF FUNDS (BELOW)	**62,055,002**	**66,352,943**	**66,352,943**	**451,381**	**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		**62,055,002**			
ACQUISITION COSTS					
Lesser of Land Cost or Appraised Value	6,620,000	-	6,620,000	45,034	10.0%
Demolition Costs	-	-	-	-	0.0%
Legal & Other Closing Costs	-	-	-	-	0.0%
Escrow & other closing costs	-	-	-	-	0.0%
Verifiable Carrying Costs	-	-	-	-	0.0%
Existing Improvements Value	-	-	-	-	0.0%
Delinquent Taxes Paid @ Closing	-	-	-	-	0.0%
CalHFA Yield Maintenance Paid @ Closing	-	-	-	-	0.0%
Existing Replacement Reserve	-	-	-	-	0.0%
Broker Fees Paid to Related Party	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL ACQUISITION COSTS	**6,620,000**	**-**	**6,620,000**	**45,034**	**10.0%**
CONSTRUCTION/REHAB COSTS					
Offsite Improvements	634,982	-	634,982	4,320	1.0%
Environmental Remediation (Hard Costs)	-	-	-	-	0.0%
Site Work (Hard Cost)	2,710,095	-	2,710,095	18,436	4.1%
Structures (Hard Cost)	28,717,584	-	28,717,584	195,358	43.3%
General Requirements	1,865,000	-	1,865,000	12,687	2.8%
Contractor Overhead	1,311,886	-	1,311,886	8,924	2.0%
Contractor Profit	1,311,886	-	1,311,886	8,924	2.0%
Contractor Bond	-	-	-	-	0.0%
Contractor Liability Insurance	701,211	-	701,211	4,770	1.1%
Personal Property	-	-	-	-	0.0%
HVAC/Resident Damage	-	-	-	-	0.0%
TOTAL CONSTRUCT/REHAB COSTS	**37,252,644**	**-**	**37,252,644**	**253,419**	**56.1%**

SOURCES & USES OF FUNDS					Final Commitment
8181 Allison			Project Number		22-018-A/X/S
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	1,658,672	-	1,658,672	11,283	2.5%
Supervision	214,500	-	214,500	1,459	0.3%
TOTAL ARCHITECTURAL FEES	**1,873,172**	**-**	**1,873,172**	**12,743**	**2.8%**
SURVEY & ENGINEERING FEES					
Engineering	243,544	-	243,544	1,657	0.4%
Supervision	60,861	-	60,861	414	0.1%
ALTA Land Survey	-	-	-	-	0.0%
TOTAL SURVEY & ENGINEERING FEES	304,405	-	304,405	2,071	0.5%
CONTINGENCY RESERVES					
Hard Cost Contingency Reserve	2,404,700	-	2,404,700	16,359	3.6%
Soft Cost Contingency Reserve	193,359	-	193,359	1,315	0.3%
TOTAL CONTINGENCY RESERVES	2,598,059	-	2,598,059	17,674	3.9%
CONSTRUCT/REHAB PERIOD COSTS					
Loan Interest Reserve					
Key Bank - Conduit- Tax Exempt	2,183,509	-	2,183,509	14,854	0.032907
Key Bank - Conduit- Taxable	-	-	-	-	0
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
City of La Mesa (Ground Lease Loan)	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Loan Fees					
Key Bank - Conduit- Tax Exempt	258,188	-	258,188	1,756	0.4%
Key Bank - Conduit- Taxable	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
City of La Mesa (Ground Lease Loan)	-	-	-	-	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	18,000	-	18,000	122	0.0%
Real Estate Taxes During Rehab	51,450	-	51,450	350	0.1%
Completion Guaranty Fee	-	-	-	-	0.0%
Wage Monitoring Fee (Davis Bacon, Preva	-	-	-	-	0.0%
Insurance During Rehab	377,709	-	377,709	2,569	0.6%
Title & Recording Fees	67,500	-	67,500	459	0.1%
Other Development Costs	51,957	-	51,957	353	0.1%
Construction Inspections	19,800	-	19,800	135	0.0%
Bond Issuer Fee	49,438	-	49,438	336	0.1%
Cost of Issuance- Construction	-	-	-	-	0.0%
TOTAL CONST/REHAB PERIOD COSTS	**3,077,550**	**-**	**3,077,550**	**20,936**	**4.6%**

SOURCES & USES OF FUNDS					Final Commitment
8181 Allison			Project Number	22-018-A/X/S	
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	103,425	103,425	206,850	1,407	0.3%
MIP	22,500	22,500	45,000	306	0.1%
Supplemental MIP	-	25,760	25,760	175	0.0%
-	-	-	-	-	0.0%
City of La Mesa (Ground Lease Loan)	-	-	-	-	0.0%
Deferred Developer Fee Note	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Permanent Loan Cost of Issuance Fee	-	110,000	110,000	748	0.2%
Post Construction Loan Interest	-	-	-	-	0.0%
Title & Recording (closing costs)	-	33,750	33,750	230	0.1%
Year 1 - Taxes & Special Assessments and Insura	-	37,708	37,708	257	0.1%
CalHFA Fees	-	10,610	10,610	72	0.0%
Developer Contingency	-	102,328	102,328	696	0.2%
Interest Prior to Conversion	-	3,265,625	3,265,625	22,215	4.9%
TOTAL PERMANENT LOAN COSTS	**125,925**	**3,711,706**	**3,837,631**	**26,106**	**5.8%**
LEGAL FEES					
CalHFA Construction/Rehab Loan Legal Fees	-	-	-	-	0.0%
Other Construction/Rehab Loan Legal Fees	-	-	-	-	0.0%
CalHFA Permanent Loan Legal Fees	17,500	17,500	35,000	238	0.1%
Other Permanent Loan Legal Fees	-	-	-	-	0.0%
Sponsor Legal Fees	85,000	-	85,000	578	0.1%
Organizational Legal Fees	-	-	-	-	0.0%
Syndication Legal Fees	-	-	-	-	0.0%
Borrower Legal Fee	-	-	-	-	0.0%
CalHFA Bond Counsel	62,000	-	62,000	422	0.1%
TOTAL LEGAL FEES	**164,500**	**17,500**	**182,000**	**1,238**	**0.3%**
OPERATING RESERVES					
Operating Expense Reserve Deposit	-	521,243	521,243	3,546	0.8%
Initial Replacement Reserve Deposit	-	-	-	-	0.0%
Transition Operating Reserve Deposit	-	-	-	-	0.0%
Rent-Up Reserve Deposit	-	-	-	-	0.0%
HOME Program Replacement Reserve	-	-	-	-	0.0%
Investor Required Reserve	-	47,492	47,492	323	0.1%
Other (Specify)	-	-	-	-	0.0%
TOTAL OPERATING RESERVES	**-**	**568,735**	**568,735**	**3,869**	**0.9%**
REPORTS & STUDIES					
Appraisal Fee	25,250	-	25,250	172	0.0%
Market Study Fee	21,186	-	21,186	144	0.0%
Physical Needs Assessment Fee	-	-	-	-	0.0%
Environmental Site Assessment Reports	25,000	-	25,000	170	0.0%
HUD Risk Share Environmental / NEPA Review F	20,000	-	20,000	136	0.0%
CalHFA Earthquake Waiver Review Fee	-	-	-	-	0.0%
Relocation Consultant	-	-	-	-	0.0%
Soils Reports	-	-	-	-	0.0%
Acoustical Reports	-	-	-	-	0.0%
Termite/Dry Rot	-	-	-	-	0.0%
Consultant/Processing Agent	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL REPORTS & STUDIES	**91,436**	**-**	**91,436**	**622**	**0.1%**

SOURCES & USES OF FUNDS					Final Commitment
8181 Allison			Project Number	22-018-A/X/S	
USES OF FUNDS	CONST/REHAB	PERMANENT	TOTAL PROJECT USES OF FUNDS		
	$	$	USES ($)	PER UNIT ($)	%
OTHER COSTS					
TCAC Application, Allocation & Monitor Fees	89,317	-	89,317	608	0.1%
CDLAC Fees	15,356	-	15,356	104	0.0%
Local Permits & Fees	943,597	-	943,597	6,419	1.4%
Local Impact Fees	1,114,230	-	1,114,230	7,580	1.7%
Other Local Fees	-	-	-	-	0.0%
Syndicator/Investor Fees & Expenses	-	-	-	-	0.0%
Furnishings	353,000	-	353,000	2,401	0.5%
Accounting & Audits	25,000	-	25,000	170	0.0%
Advertising & Marketing Expenses	148,000	-	148,000	1,007	0.2%
Financial Consulting	-	-	-	-	0.0%
Miscellaneous Administrative Fees	-	-	-	-	0.0%
HUD Risk Share Insurance (First Year Prepaid)	-	-	-	-	0.0%
Property Management Start Up	121,000	-	121,000	823	0.2%
-	-	-	-	-	0.0%
TOTAL OTHER COSTS	**2,809,500**	**-**	**2,809,500**	**19,112**	**4.2%**
SUBTOTAL PROJECT COSTS	**54,917,191**	**66,352,943**	**59,215,132**	**402,824**	**89.2%**
DEVELOPER FEES & COSTS					
Developer Fees, Overhead & Profit	7,137,811	-	7,137,811	48,557	10.8%
Consultant Processing Agent	-	-	-	-	0.0%
Project Administration	-	-	-	-	0.0%
Syndicator Consultant Fees	-	-	-	-	0.0%
Guarantee Fees	-	-	-	-	0.0%
Construction Oversight & Management	-	-	-	-	0.0%
Other Adminstration Fees	-	-	-	-	0.0%
Other (Specify) correction to balance	-	-	-	-	0.0%
CASH EQUITY OUT TO DEVELOPER	-	-	-	-	0.0%
TOTAL DEVELOPER FEES & COSTS	**7,137,811**	**-**	**7,137,811**	**48,557**	**10.8%**
TOTAL PROJECT COSTS	**62,055,002**	**66,352,943**	**66,352,943**	**451,381**	**100.0%**

PROJECTED INITIAL ANNUAL RENTAL OPERATING BUDGET			Final Commitment
8181 Allison	Project Number		22-018-A/X/S
INCOME	**AMOUNT**	**PER UNIT**	**%**
Rental Income			
Restricted Unit Rents	$ 2,540,532	$ 17,283	102.11%
Unrestricted Unit Rents	43,200	294	1.74%
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	35,279	240	1.42%
Parking & Storage Income	-	-	0.00%
Miscellaneous Income	-	-	0.00%
GROSS POTENTIAL INCOME (GPI)	**$ 2,619,011**	**$ 17,816**	**105.26%**
Less: Vacancy Loss	**$ 130,951**	**$ 891**	**5.26%**
EFFECTIVE GROSS INCOME (EGI)	**$ 2,488,060**	**$ 18,707**	**100.00%**
OPERATING EXPENSES	**AMOUNT**	**PER UNIT**	**%**
Administrative Expenses	$ 200,962	$ 1,367	$ 0
Management Fee	99,435	676	4.00%
Social Programs & Services	19,200	131	0.77%
Utilities	108,780	740	4.37%
Operating & Maintenance	249,487	1,697	10.03%
Ground Lease Payments	-	-	0.00%
CalHFA Monitoring Fee	7,500	51	0.30%
Other Monitoring Fees	-	-	0.00%
Real Estate Taxes	29,400	200	1.18%
Other Taxes & Insurance	96,232	655	3.87%
Assisted Living/Board & Care	-	-	0.00%
SUBTOTAL OPERATING EXPENSES	**$ 810,996**	**$ 5,517**	**32.60%**
Replacement Reserve	$ 44,100	$ 300	1.77%
TOTAL OPERATING EXPENSES	**$ 855,096**	**$ 5,817**	**34.37%**
NET OPERATING INCOME (NOI)	**$ 1,632,964**	**$ 11,109**	**65.63%**
DEBT SERVICE PAYMENTS	**AMOUNT**	**PER UNIT**	**%**
Perm	$ 1,419,755	$ 9,658	57.06%
Supplemental MIP	$ -	-	0.00%
-	$ -	-	0.00%
City of La Mesa (Ground Lease Loan)	$ -	-	0.00%
Deferred Developer Fee Note	$ -	-	0.00%
-	$ -	-	0.00%
-	$ -	-	0.00%
MIP Annual Fee (applicable for MIP only deals)	$ -	-	0.00%
TOTAL DEBT SERVICE & OTHER PAYMENTS	**$ 1,419,755**	**$ 9,658**	**57.06%**
EXCESS AFTER DEBT SERVICE & MONITORING FEES	**$ 213,209**	**$ 1,450**	**8.57%**
DEBT SERVICE COVERAGE RATIO (DSCR)	**1.15**	**to 1**	
Date: 8/25/22		Senior Staff Date:	09/01/22

PROJECTED PERMANENT LOAN CASH FLOWS										8181 Allison					
Final Commitment									Project Number	22-018-A/X/S					
	YEAR	1	2	3	4	5	6	7	8	9	10	11	12	13	14
RENTAL INCOME	CPI														
Restricted Unit Rents	2.50%	2,540,532	2,604,045	2,669,146	2,735,875	2,804,272	2,874,379	2,946,238	3,019,894	3,095,392	3,172,776	3,252,096	3,333,398	3,416,733	3,502,151
Unrestricted Unit Rents	2.50%	43,200	44,280	45,387	46,522	47,685	48,877	50,099	51,351	52,635	53,951	55,300	56,682	58,099	59,552
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%	35,279	36,161	37,065	37,992	38,942	39,915	40,913	41,936	42,984	44,059	45,161	46,290	47,447	48,633
Parking & Storage Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GROSS POTENTIAL INCOME (GPI)		**2,619,011**	**2,684,487**	**2,751,599**	**2,820,389**	**2,890,898**	**2,963,171**	**3,037,250**	**3,113,181**	**3,191,011**	**3,270,786**	**3,352,556**	**3,436,370**	**3,522,279**	**3,610,336**
VACANCY ASSUMPTIONS	Vacancy														
Restricted Unit Rents	5.00%	127,027	130,202	133,457	136,794	140,214	143,719	147,312	150,995	154,770	158,639	162,605	166,670	170,837	175,108
Unrestricted Unit Rents	5.00%	2,160	2,214	2,269	2,326	2,384	2,444	2,505	2,568	2,632	2,698	2,765	2,834	2,905	2,978
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%	1,764	1,808	1,853	1,900	1,947	1,996	2,046	2,097	2,149	2,203	2,258	2,314	2,372	2,432
Parking & Storage Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL PROJECTED VACANCY LOSS		**130,951**	**134,224**	**137,580**	**141,019**	**144,545**	**148,159**	**151,863**	**155,659**	**159,551**	**163,539**	**167,628**	**171,818**	**176,114**	**180,517**
EFFECTIVE GROSS INCOME (EGI)		**2,488,061**	**2,550,262**	**2,614,019**	**2,679,369**	**2,746,354**	**2,815,012**	**2,885,388**	**2,957,522**	**3,031,460**	**3,107,247**	**3,184,928**	**3,264,551**	**3,346,165**	**3,429,819**
OPERATING EXPENSES	CPI / Fee														
Administrative Expenses	3.50%	220,162	227,868	235,843	244,098	252,641	261,483	270,635	280,108	289,911	300,058	310,560	321,430	332,680	344,324
Management Fee	4.00%	99,435	101,921	104,469	107,081	109,758	112,502	115,315	118,197	121,152	124,181	127,286	130,468	133,729	137,073
Utilities	3.50%	108,780	112,587	116,528	120,606	124,828	129,197	133,718	138,399	143,242	148,256	153,445	158,816	164,374	170,127
Operating & Maintenance	3.50%	249,487	258,219	267,257	276,611	286,292	296,312	306,683	317,417	328,527	340,025	351,926	364,243	376,992	390,187
Ground Lease Payments	3.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Other Agency Monitoring Fee	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real Estate Taxes	1.25%	29,400	29,768	30,140	30,516	30,898	31,284	31,675	32,071	32,472	32,878	33,289	33,705	34,126	34,553
Other Taxes & Insurance	3.50%	96,232	99,600	103,086	106,694	110,428	114,293	118,294	122,434	126,719	131,154	135,745	140,496	145,413	150,503
Required Reserve Payments	1.00%	44,100	44,541	44,986	45,436	45,891	46,350	46,813	47,281	47,754	48,232	48,714	49,201	49,693	50,190
TOTAL OPERATING EXPENSES		**855,096**	**882,004**	**909,809**	**938,542**	**968,235**	**998,921**	**1,030,633**	**1,063,407**	**1,097,278**	**1,132,284**	**1,168,464**	**1,205,858**	**1,244,508**	**1,284,456**
NET OPERATING INCOME (NOI)		**1,632,964**	**1,668,258**	**1,704,210**	**1,740,827**	**1,778,118**	**1,816,091**	**1,854,754**	**1,894,116**	**1,934,183**	**1,974,963**	**2,016,464**	**2,058,693**	**2,101,657**	**2,145,364**
DEBT SERVICE PAYMENTS	Lien #														
Perm	1	1,419,755	1,419,755	1,419,755	1,419,755	1,419,755	1,419,755	1,419,755	1,419,755	1,419,755	1,419,755	1,419,755	1,419,755	1,419,755	1,419,755
Supplemental MIP	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
City of La Mesa (Ground Lease Loan)	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Developer Fee Note	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MIP Annual Fee (applicable for MIP only deals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		**1,419,755**	**1,419,755**	**1,419,755**	**1,419,755**	**1,419,755**	**1,419,755**	**1,419,755**	**1,419,755**	**1,419,755**	**1,419,755**	**1,419,755**	**1,419,755**	**1,419,755**	**1,419,755**
CASH FLOW AFTER DEBT SERVICE		**213,209**	**248,503**	**284,455**	**321,072**	**358,363**	**396,336**	**434,999**	**474,360**	**514,427**	**555,208**	**596,709**	**638,938**	**681,902**	**725,608**
DEBT SERVICE COVERAGE RATIO		**1.15**	**1.18**	**1.20**	**1.23**	**1.25**	**1.28**	**1.31**	**1.33**	**1.36**	**1.39**	**1.42**	**1.45**	**1.48**	**1.51**
Date Prepared:	08/25/22									Senior Staff Date:	9/1/22				

		1	2	3	4	5	6	7	8	9	10	11	12	13	14
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	10,693	11,014
LESS: Partnership Management Fee	2%	19,404	19,792	20,188	20,592	21,004	21,424	21,852	22,289	22,735	23,190	23,653	24,126	24,609	25,101
net CF available for distribution		**186,305**	**220,986**	**256,310**	**292,285**	**328,918**	**366,218**	**404,192**	**442,847**	**482,192**	**522,232**	**562,976**	**604,430**	**646,600**	**689,493**

	YEAR	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Deferred developer fee note repayment	5,545,988	5,545,988	5,413,280	5,244,217	5,037,786	4,792,956	4,508,679	4,183,885	3,817,491	3,408,390	2,955,460	2,457,560	1,913,530	1,322,192	682,348
	100%	186,305	220,986	256,310	292,285	328,918	366,218	404,192	442,847	482,192	522,232	562,976	604,430	646,600	682,348
		5,359,683	5,192,294	4,987,907	4,745,501	4,464,038	4,142,461	3,779,694	3,374,644	2,926,198	2,433,228	1,894,585	1,309,101	675,592	-

Payments for Residual Receipt Payments		*50%*													
RESIDUAL RECEIPTS LOANS	*Payment %*	-	-	-	-	-	-	-	-	-	-	-	-	-	3,573
MIP	*32.33%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplemental MIP	*20.11%*	-	-	-	-	-	-	-	-	-	-	-	-	-	1,874
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
City of La Mesa (Ground Lease Loan)	*47.56%*	-	-	-	-	-	-	-	-	-	-	-	-	-	1,699
		-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Residual Receipts Payments	**100.00%**	**-**	-	-	-	-	-	-	-	-	-	-	-	-	3,573
Balances for Residual Receipt Payments															
RESIDUAL RECEIPTS LOANS	*Interest Rate*														
MIP---Simple	*3.00%*	4,500,000	4,635,000	4,770,000	4,905,000	5,040,000	5,175,000	5,310,000	5,445,000	5,580,000	5,715,000	5,850,000	5,985,000	6,120,000	6,255,000
Supplemental MIP---Simple	*3.00%*	2,576,000	2,653,280	2,730,560	2,807,840	2,885,120	2,962,400	3,039,680	3,116,960	3,194,240	3,271,520	3,348,800	3,426,080	3,503,360	3,580,640
0---Compounding	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
City of La Mesa (Ground Lease Loan)---Simple	*3.00%*	6,620,000	6,818,600	7,017,200	7,215,800	7,414,400	7,613,000	7,811,600	8,010,200	8,208,800	8,407,400	8,606,000	8,804,600	9,003,200	9,201,800
---Compounding	*1.00%*	5,483,132	5,537,963	5,592,795	5,647,626	5,702,457	5,757,289	5,812,120	5,866,951	5,921,783	5,976,614	6,031,445	6,086,277	6,141,108	6,195,939
0---Compounding	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0---	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Residual Receipts Payments		**19,179,132**	19,644,843	20,110,555	20,576,266	21,041,977	21,507,689	21,973,400	22,439,111	22,904,823	23,370,534	23,836,245	24,301,957	24,767,668	25,233,379

PROJECTED PERMANENT LOAN CASH FLOWS

Final Commitment

	YEAR	15	16	17
RENTAL INCOME	**CPI**			
Restricted Unit Rents	2.50%	3,589,705	3,679,448	3,771,434
Unrestricted Unit Rents	2.50%	61,040	62,566	64,131
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%	49,849	51,095	52,372
Parking & Storage Income	2.50%	-	-	-
Miscellaneous Income	2.50%	-	-	-
GROSS POTENTIAL INCOME (GPI)		**3,700,594**	**3,793,109**	**3,887,937**
VACANCY ASSUMPTIONS	**Vacancy**			
Restricted Unit Rents	5.00%	179,485	183,972	188,572
Unrestricted Unit Rents	5.00%	3,052	3,128	3,207
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%	2,492	2,555	2,619
Parking & Storage Income	50.00%	-	-	-
Miscellaneous Income	50.00%	-	-	-
TOTAL PROJECTED VACANCY LOSS		**185,030**	**189,655**	**194,397**
EFFECTIVE GROSS INCOME (EGI)		**3,515,565**	**3,603,454**	**3,693,540**
OPERATING EXPENSES	**CPI / Fee**			
Administrative Expenses	3.50%	356,375	368,848	381,758
Management Fee	4.00%	140,500	144,012	147,612
Utilities	3.50%	176,082	182,244	188,623
Operating & Maintenance	3.50%	403,843	417,978	432,607
Ground Lease Payments	3.50%	-	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500
Other Agency Monitoring Fee	0.00%	-	-	-
Real Estate Taxes	1.25%	34,985	35,422	35,865
Other Taxes & Insurance	3.50%	155,770	161,222	166,865
Required Reserve Payments	1.00%	50,692	51,199	51,711
TOTAL OPERATING EXPENSES		**1,325,746**	**1,368,425**	**1,412,541**
NET OPERATING INCOME (NOI)		**2,189,819**	**2,235,029**	**2,281,000**
DEBT SERVICE PAYMENTS	**Lien #**			
Perm	1	1,419,755	1,419,755	1,419,755
Supplemental MIP	2	-	-	-
-	-	-	-	-
City of La Mesa (Ground Lease Loan)	4	-	-	-
Deferred Developer Fee Note	5	-	-	-
-	-	-	-	-
-	-	-	-	-
MIP Annual Fee (applicable for MIP only deals)	-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		**1,419,755**	**1,419,755**	**1,419,755**
CASH FLOW AFTER DEBT SERVICE		**770,063**	**815,273**	**861,244**
DEBT SERVICE COVERAGE RATIO		**1.54**	**1.57**	**1.61**
Date Prepared:	08/25/22			

LESS: Asset Management Fee	3%	11,344	11,685	12,035
LESS: Partnership Management Fee	2%	25,603	26,115	26,638
net CF available for distribution		**733,116**	**777,473**	**822,572**

	YEAR	15	16	17
Deferred developer fee note repayment	5,545,988	-		
	100%	-		
		-	-	-

Payments for Residual Receipt Payments

RESIDUAL RECEIPTS LOANS	*Payment %*	366,558	388,737	411,286
MIP	*32.33%*	-	-	-
Supplemental MIP	*20.11%*	192,223	203,854	215,678
0	*0.00%*	-	-	-
City of La Mesa (Ground Lease Loan)	*47.56%*	174,335	184,883	195,608
		-	-	-
0	*0.00%*	-	-	-
0	*0.00%*	-	-	-
Total Residual Receipts Payments	**100.00%**	366,558	388,737	411,286

Balances for Residual Receipt Payments

RESIDUAL RECEIPTS LOANS	*Interest Rate*			
MIP---Simple	*3.00%*	6,390,000	6,525,000	6,660,000
Supplemental MIP---Simple	*3.00%*	3,656,046	3,541,104	3,414,530
0---Compounding	*0.00%*	-	-	-
City of La Mesa (Ground Lease Loan)---Simple	*3.00%*	9,398,701	9,422,966	9,436,683
---Compounding	*1.00%*	6,250,770	6,305,602	6,360,433
0---Compounding	*0.00%*	-	-	-
0---	*0.00%*	-	-	-
Total Residual Receipts Payments		25,695,518	25,794,671	25,871,646

California Housing Finance Agency

MIXED-INCOME LOAN PROGRAM (2022)

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/index.htm. If the sponsor/developer is not able to meet the readiness timeline referenced below, MIP funds may be rescinded and reallocated.

AVAILABILITY:

Available to for-profit, 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 that 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 if the city or county as a rule does not issue building permits prior to the completion of grading, then 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 pursuant to CTCAC regulations designated on the CTCAC/HCD (California Department of Housing and Community Department) Opportunity Area Map.
2. **Sponsor Cap:** No sponsor (any individual, entity, affiliate and related entity) may receive more than 20% of total MIP allocation or funding of two projects, whichever is less, for the respective year.
3. **County Cap:** No one county may receive more than 25% 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 may not be limited to, 1) competitively bidding out all major subcontractor and self-performing trades and 2) engaging a 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 construction loan closing and closing of the MIP subordinate loan. 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") at year 1 ("Initial DSCR"). CalHFA may allow an initial DSCR higher than 1.20 on a case-by-case basis, if deemed necessary. The year 1 DSCR underwritten at the time of final loan approval and final commitment must be maintained through the term of the CalHFA permanent first lien loan,
- 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 shall be 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 three 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 bond cap, state tax credits, and MIP per adjusted unit shall be prioritized for MIP funding considerations. The bond cap, 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 evidence of project's receipt of CDLAC's preliminary tax-exempt bond allocations and CTCAC's tax credits reservations within the respective year, • 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 construction loans using tax-exempt bonds and 4% federal and/or state tax credits in California within the last three 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 comparable projects within the past five 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 comparable projects within the past five years. **Financial Consultants** hired to assist the Developer in meeting the minimum experience requirements must be able to provide details regarding at least three comparably financed projects over the last five years. **Architects** new to CalHFA must provide information for three comparable projects they designed that were built and occupied within the past five years in California. **General Contractor (GC)** must be licensed by the State of California. GCs new to CalHFA must provide information related to three comparable (in design) projects built in the past five years. Similar information will be required for the proposed on-site construction supervisor. The on-site construction supervisor must have overseen three comparable projects built in the past five years, and they must have overseen the projects from construction start to final completion. **Tax Credit Investors** must have closed/executed at least five investor limited partnership agreements for a comparable deal structure using tax-exempt bonds and 4% federal and/or state tax credits in California within the last three years.

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 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 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 the year 1 DSCR underwritten at the time of final loan approval and final commitment through the term of the CalHFA permanent first lien loan. The Initial DSCR must not exceed 1.20.
Construction First Lien Loan	Must be 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 (IIG), Affordable Housing and Sustainable Communities (AHSC) and Transit Oriented Development (TOD) housing programs. Inclusion of these programs is contingent upon restrictions that are compatible with the MIP program requirements outlined herein. Inclusion of other subordinate debt and subsidy will be allowed at CalHFA's sole 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 resulting from 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 subsidy 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, 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, which are based on the HUD and locality (as applicable) income and rent limits which are current at the time of MIP application, for a term of 55 years: a. 30% of total units at or below 50% of AMI. Of these, a minimum of 10% of total units must be at or below 30% of AMI, b. 10% of total units between 60% and 80% of AMI with an average of 70% of AMI or greater, subject to the Maximum Allowable Rents outlined below, and c. Remaining 60% of total units at or below 120% of AMI (with the exception of any non-restricted manager's unit(s)) OR at the affordability restrictions consistent with CTCAC requirements. d. The minimum range between the lowest and highest occupancy target levels must be at least 40%. (Deviations from the above requirements will only be considered if Market Study supports such deviations.) 2. If applicable, tax credit transactions that are income-averaged must have a maximum average affordability up to 60% of AMI across all CTCAC restricted units.
Mixed-Income Project Occupancy Requirements (Continued)	**MAXIMUM ALLOWABLE RENTS:** Rents for all restricted units must be at least 10% below market rents for the MIP affordability term as evidenced by a current market study or appraisal. This threshold will be analyzed at time of application and again at CalHFA's final commitment approval and may be monitored on an ongoing basis for the MIP affordability term. 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. For underwriting purposes, CTCAC and locality maximum rents for the respective target income limits must be used. 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 of MIP loan closing, at CalHFA's sole discretion. Any units restricted by the Agency pursuant to this program, including those units restricted in addition to the minimum requirements set forth above, shall be rented at rents not to exceed 30% of the applicable income restriction required in the Agency's Regulatory Agreement.
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 $60,000 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 pursuant to CTCAC regulations 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 (2022)

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. **Lien Position**: Second lien position, after CalHFA permanent first lien loan. 4. **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. 5. **Affordability Term**: 55 years. 6. **Prepayment**: May be prepaid at any time without penalty. 7. **Subordination**: A subordination and/or extension of MIP maturity request in conjunction with a re-syndication, refinance, or ownership transfer ("capitalization event(s)") will be considered. If MIP loan is outstanding at time of the capitalization event(s) 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. 8. **Funded**: Only at permanent loan conversion.
CalHFA Conduit Bond Program	For more information on CalHFA's Conduit Issuer Program and the fees associated with it, visit CalHFA's website: www.calhfa.ca.gov/multifamily/programs/forms/termsheet-conduit.pdf
CalHFA First Lien Permanent Rates & Terms (subject to change)	For more information on CalHFA's Permanent Loan Program and the fees associated with it, visit CalHFA's website: www.calhfa.ca.gov/multifamily/programs/forms/termsheet-perm-tax-exempt.pdf
Fees (subject to change)	**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. **Other Fees:** Refer to CalHFA First Lien Permanent Rates & Terms for first mortgage loan fees, credit enhancements, trustee fees, legal fees, inspection fees, administrative fees. www.calhfa.ca.gov/multifamily/programs/forms/termsheet-perm-tax-exempt.pdf

Last revised: 01/25/2022

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

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). If a Project includes CalHFA's subsidy loan, the maximum DSCR at year 1 shall not exceed 1.20, unless CalHFA approves a higher DSCR at its own discretion. The year 1 DSCR underwritten at the time of final loan approval and final commitment must be maintained as the minimum DSCR through the term of the Perm Loan. CalHFA may require the initial DSCR to be higher than the minimum 1.15x, if deemed necessary to meet the Agency's underwriting requirements. • 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. The applicant may be subject to a new Application Fee if the CalHFA commitment expires prior to construction loan closing. • Perm Loan Fee: 1.00%, half due at final commitment, with balance due at Perm Loan closing. • Credit Enhancement Fee: included in the interest rate. • Annual Monitoring 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. • Perm Loan Funding Fee: $110,000 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 available1 • 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 (i.e., 30% @ 60% AMI; 10% @ 50% AMI).

Occupancy Requirements (continued)	Any units restricted by the Agency pursuant to this program, including those units restricted in addition to the minimum requirements set forth above, shall be rented at rents up to 30% of the applicable income restriction using the occupancy assumptions required in the Agency's Regulatory Agreement. Rents for all restricted units must be at least 10% below market rents as evidenced by current market study or an appraisal. 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). A RRNA for a longer time period may be required if the Perm Loan term is greater than 20 years. • 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). The Purpose section of Phase I must state "a purpose of the Phase I is to document compliance with HUD policy pursuant to 24 CFR §58.5(i)(2) or §50.3(i)". • 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: 5/2022

California Housing Finance Agency

CONDUIT ISSUER PROGRAM

MULTIFAMILY HOUSING BONDS

Term sheet effective for applications submitted after March 1, 2022

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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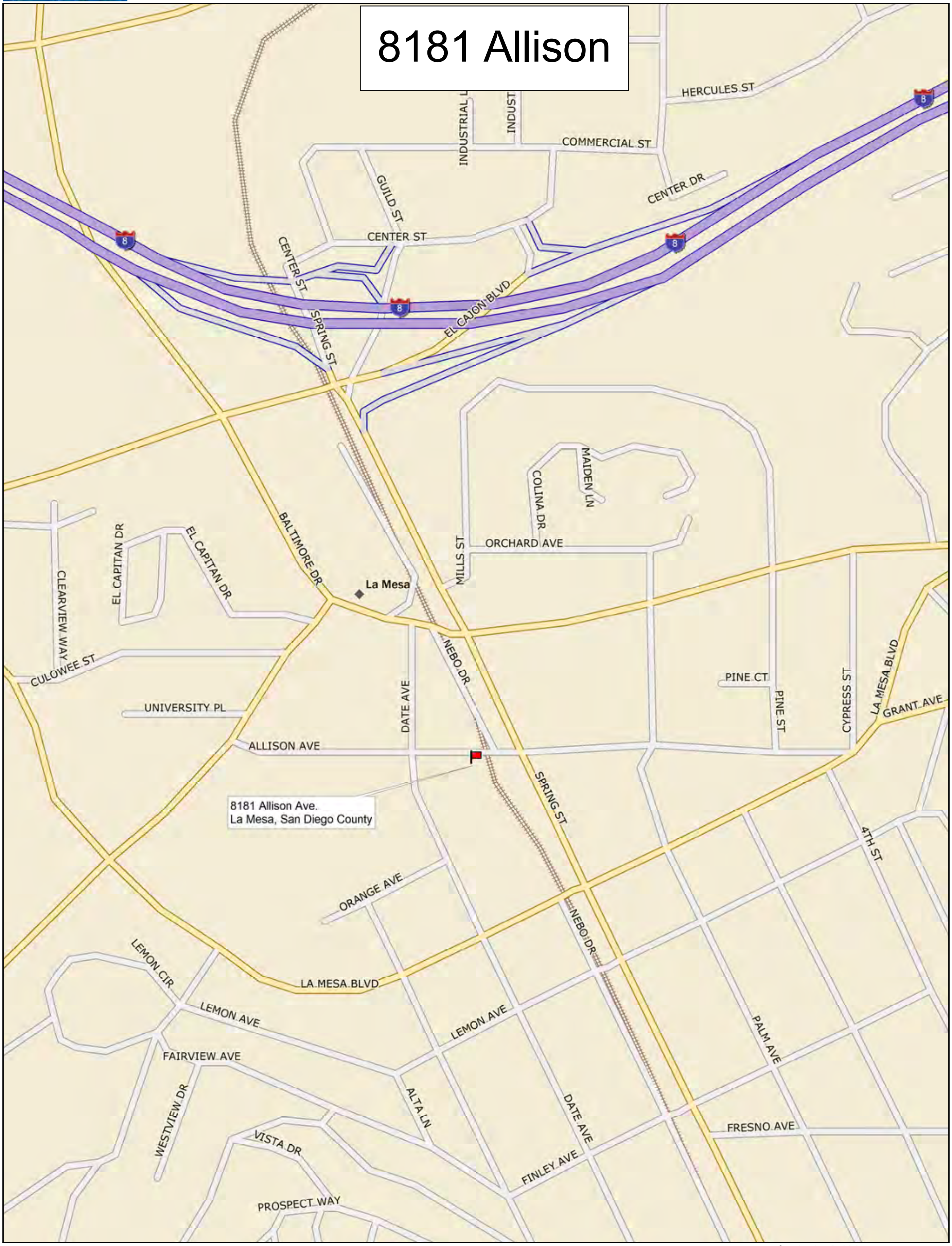
Occupancy Requirements	• Either (A) 20% of the units must be rent restricted and occupied by individuals whose incomes are 50% or less of the area median income as determined by HUD ("AMI") with adjustments for household size ("20% @ 50% AMI"), or (B) 40% or more of the units must be rent restricted 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. • Any units restricted by the Agency pursuant to this program, including those units restricted in addition to the minimum requirements set forth above, shall be rented at rents up to 30% of the applicable income restriction using the occupancy assumptions required in the Agency's Regulatory Agreement. Rents for all restricted units must be at least 10% below market rents as evidenced by a current market study or an appraisal. • 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 later of the federally-required qualified project period, repayment of the Bond funded loan, redemption of the Bonds, the full term of the CDLAC Resolution requirements or 55 years.

Last revised: 03/2022



TN
MN (11.0°E)

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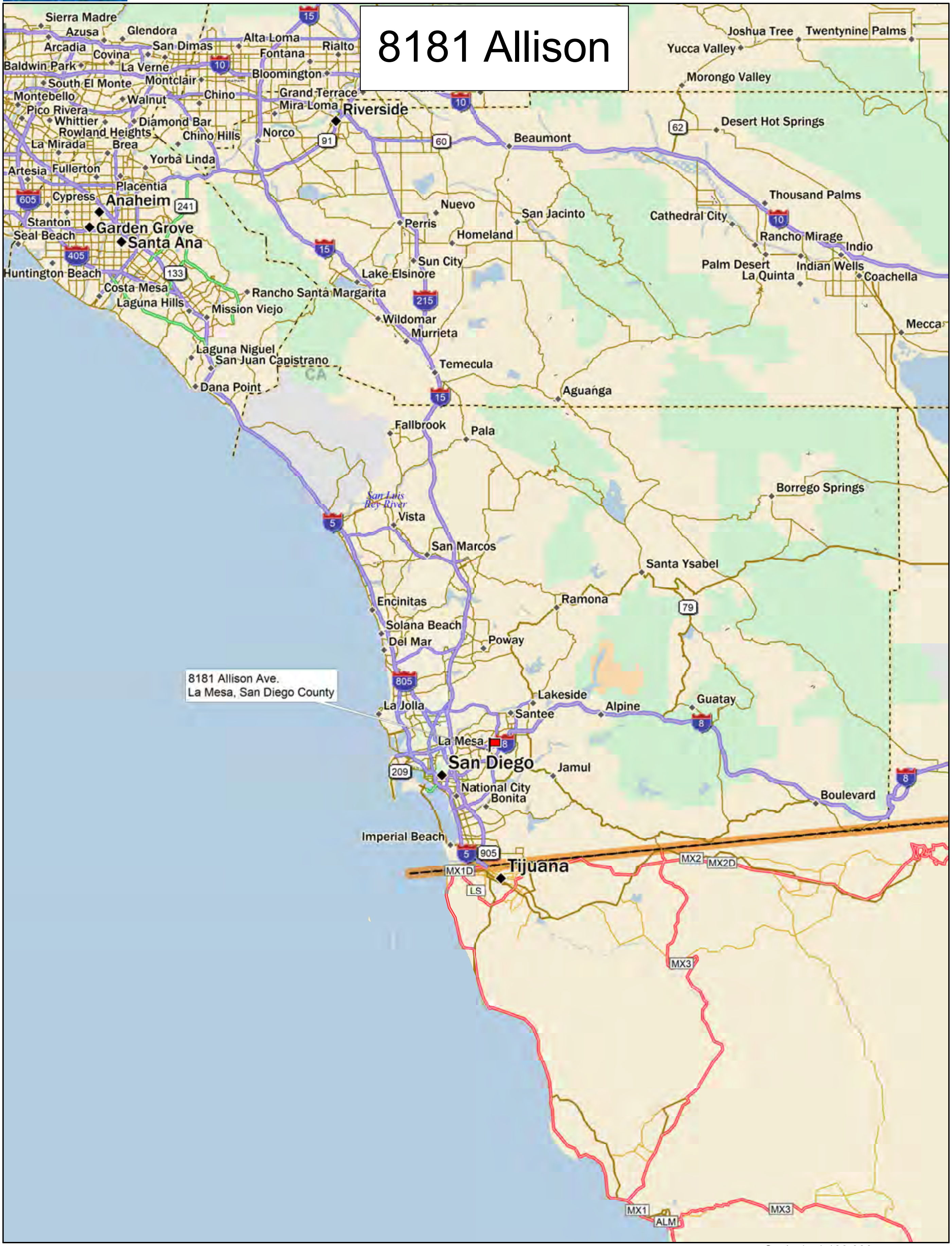
1" = 533.3 ft
Data Zoom 15-0

8181 Allison



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BOARD OF DIRECTORS
OF THE CALIFORNIA HOUSING FINANCE AGENCY

RESOLUTION NO. 22-24

RESOLUTION AUTHORIZING A FINAL LOAN COMMITMENT

WHEREAS, the California Housing Finance Agency (the "Agency") has received a loan application on behalf of La Mesa 694, 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 La Mesa, County of San Diego, California, to be known as 8181 Allison (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 February 15, 2022, 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	
22-018-A/X/N	8181 ALLISON La Mesa, San Diego County California	$20,685,000.00	Tax-Exempt Permanent 1st Lien Loan with HUD Risk Sharing
		$ 7,076,000.00	Total MIP 2nd Lien Subsidy Loan
			($4,500,000.00 MIP Allocation; $2,576,000.00 Supplemental MIP Allocation)

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. 22-24 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 22nd day of September 2022, 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 22nd day of September 2022.

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": 09/07/2022 for Board Meeting on 09/22/2022

Project Name, County:	**515 Pioneer Drive, Los Angeles County**	
Address:	**515 Pioneer Drive, Glendale, 91203**	
Type of Project:	**New Construction**	
CalHFA Project Number:	22-014-A/X/S	**Total Units: 340 (family: 248 units & senior: 92 units)**
Requested Financing by Loan Program:	$74,970,489	**CalHFA Tax-Exempt Bond – Conduit Issuance Amount (Allocated by CDLAC on 6/15/22)**
	$7,497,049	**CalHFA Tax-Exempt Bond (Supplemental) – Conduit Issuance Amount (CDLAC application to be submitted 9/2022)**
	Up to $10,000,000	**CalHFA Taxable Bond – Conduit Issuance Amount (which may include recycled bonds) (includes 10% cushion)**
	$30,892,000	**CalHFA Tax-Exempt or FFB Permanent Loan with HUD Risk Share**
	$5,000,000	**CalHFA MIP Subsidy Loan**
	$5,203,625	**CalHFA Supplemental MIP Subsidy Loan (refer to section 5 for further information)**

DEVELOPMENT/PROJECT TEAM

Developers:	Linc Housing Corporation / National Community Renaissance of California	**Borrower:**	Linc-CORE Pioneer LP
Permanent Lender:	CalHFA	**Construction Lender:**	Bank of America
Equity Investor:	Bank of America	**Management Company:**	National Community Renaissance of California
Contractor:	National Community Renaissance of California	**Architect**	KFA, LLP
Loan Officer:	Kevin Brown	**Loan Specialist:**	n/a
Asset Manager:	Jessica Doan	**Loan Administration:**	Mirna Ramirez
Legal (Internal):	Torin Heenan	**Legal (External):**	n/a
Concept Meeting Date:	8/9/2022	**Approval Expiration Date:**	180 days from Approval

LOAN TERMS

1.		**CONDUIT ISSUANCE/** Citibank **CONSTRUCTION LOAN**	**CalHFA PERMANENT LOAN**	**CalHFA MIP SUBSIDY LOAN AND SUPPLEMENTAL MIP LOAN**
	Total Loan Amount	$82,467,583 (T/E) $8,487,285 (Tax)	$30,892,000	Original MIP: $5,000,000 Supplemental MIP: $5,203,625 Total CalHFA MIP Subsidy Loan: $10,203,625 ($30,278/restricted unit)
	Loan Term & Lien Position	42 months- interest only; 1st Lien Position during construction. One 6-month extension available.	40 year – partially amortizing due in year 30; 1st Lien Position at permanent term	30 year - Residual Receipts; 4th Lien Position during permanent loan term
	Interest Rate	BSBY floating + 2.50% Underwritten at 5.20% variable rate (T/E) and 5.70% variable (Tax)	Underwriting Rate: 6.23% (Fixed Rate locked*) Estimated rate based on a 36-month forward commitment. Two 3-month extensions available	Greater of 1% Simple Interest or the Applicable Federal Rate at time of MIP closing (3% Simple was used for underwriting purposes)
	Loan to Value (LTV)	LTV is 57% of investment value	LTV is 50% of restricted value	N/A
	Loan to Cost	55%	19%	N/A

* *The all-in fixed rate of 6.23% is the final rate locked for the loan closing.*

PROJECT SUMMARY

2.	**Legislative Districts**	**Congress:**	#28 Adam Schiff	**Assembly:**	#43 Laura Friedman	**State Senate:**	#25 Anthony J. Portantino
	Brief Project Description	**515 Pioneer Drive** (the "Project") is a new construction, multi-family/senior mixed income Project. It consists of three elevator-served, 5-story midrise structures. There will be 340 total units, 337 of which will be restricted between 30% and 80% of the Los Angeles County Area Median Income (AMI). There will be 32 studios (360 s.f.), 260 one-bedroom units (530 s.f.), and 48 two-bedroom units (750 s.f.). Three two-bedroom units will serve as the manager's units. There is an existing single-story vacant office structure in average condition that will be razed prior to construction. Ninety-two (92) units will be restricted to senior households ages 62 and older and 245 units will be restricted to the general population. Refer to the below chart for the unit breakdown senior and general population:					

Population Type	Studio Units	1-Bdrm Units	2-Bdrm Units	Total Units
Senior:	32	60	0	92
General:	0	200	45	245
On-site Manager:			3	3
Total:				340

Financing Structure: The Project's financing structure includes financing from tax-exempt bonds, 4% Federal Tax Credit equity (4% Federal LIHTC allocation), State Housing Tax Credit equity, Agency's tax-exempt loan program, Mixed-Income Program (original and supplemental) and a loan from the Glendale Housing Authority. 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 and bond cap from CDLAC on 06/15/2022. The Project will be applying in September for a supplemental bond allocation, which is expected to be awarded in 2022. The supplemental allocation is being requested to add a cushion to the project's 50% aggregate basis requirement (the "50% test") which is currently at approximately 48%. The supplemental allocation will increase this to approximately 52%, which is necessary to accommodate a potential cost increase during construction.

Ground Lease: The owner will enter into a ground lease agreement with the City of Glendale Housing Authority ("City") for a term of 55 years for an amount of $12,400,000. The capitalized ground lease payment of $12,400,00 will be funded by the City's Land loan of the same amount at construction loan closing. The City's loan will be for a term of 55 years with an initial annual payment of $1 at construction loan closing and thereafter for an annual operating expense amount of $1 as well as residual receipts with 3% simple interest per annum. The city has agreed to defer the residual receipt payments to the City's Land loan until the Deferred Developer Fee (DDF) has been fully repaid.

Project Amenities: The Project includes a courtyard, an outdoor roof terrace, a computer lab, community room, recreational room, security cameras + controlled access, and a central laundry facility in each building. Unit amenities will include air conditioning, electric heating, patio/balconies, dishwasher, microwave, and garbage disposal.

Local Resources and Services: For TCAC/CDLAC purposes, the Project is located within a Moderate Resource area per TCAC/HCD's Opportunity Area Map. The Project is in close proximity to the following local amenities and services:

- Grocery stores – 0.8 mile
- Schools - 0.2 mile
- Public Library – 0.8 mile
- Public transit – 0.1 mile
- Retail - 0.1 mile
- Park and recreation - 0.2 mile
- Hospitals – 1.9 miles
- Senior center – 4.7 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 and/or Other (i.e. Parking) Space**: The Project does not include commercial space.

MISSION

3.	CalHFA Mission/Goals	
This Project and financing proposal provide 337 units of affordable housing with a range of restricted rents between 30% of AMI and 80% 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:	12/2022	Est. Construction Loan Closing:	12/2022
	Estimated Construction Start:	12/2022	Est. Construction Completion:	8/2025
	Estimated Stabilization and Conversion to Perm Loan(s):	6/2026		

SOURCES OF FUNDS

5.

Construction Sources and Uses

Sources	Amount	Details (Lien Position/Rate/Debt Type)	Uses	Amount
BoA Tax Exempt Construction Loan	$82,467,538	1st/5.20%/Interest Only	Total Acquisition costs	$12,985,000
BoA Taxable Construction Loan	$8,487,285	2nd/5.70%/Interest Only	Construction/Rehab Costs	$103,377,049
Glendale Housing Authority - Land	$12,400,000	3rd/3.00%/Residual Receipt	Soft Costs	$3,598,750
Glendale Housing Authority - Dev Funds	$16,000,000	4th/3.00%/Residual Receipt	Hard Cost contingency	$5,193,353
Deferred Construction Costs	$4,147,289	N/A	Soft Cost contingency	$1,092,790
Deferred Developer Fee	$7,065,059	Payable from Cashflow	Financing Costs	$12,975,838
Developer Equity Contribution	$4,877,965	N/A	Local Impact Fees	$2,724,312
Investor Equity Contribution	$30,750,429	N/A	Operating Reserves	$1,155,693
			Developer Fees	$19,242,923
			Other Costs	$3,876,857
TOTAL	**$166,222,565**			**$166,222,565**
TOTAL PER UNIT	**$488,890**			

Permanent Sources and Uses

Sources:	Amount	Details (Lien Position/Rate/Debt Type)	Uses	Amount
CalHFA Perm Loan	$30,892,000	1st/6.23%/40 year amortization due by year 30	Total Loan Payoffs and Equity	$166,221,565
CalHFA MIP Loan	$5,000,000	4th/3.00%/Residual Receipt	Financing costs	$380,078
CalHFA Supplemental MIP Loan*	$5,203,625	4th/3.00%/Residual Receipt	Soft costs	$17,250
Glendale Housing Authority - Land	$12,400,000	2nd/3.00%/Residual Receipt	Developer Fee	$1,000

Glendale Housing Authority - Dev Funds	$16,000,000	3rd/3.00%/Residual Receipt		
Deferred Developer Fees	$7,065,059	Payable from Cashflow		
Developer Equity Contribution	$4,877,965	N/A		
Investor Equity Contributions	$85,181,244	N/A		
TOTAL	**$166,619,893**			**$166,619,893**
TOTAL PER UNIT	**$490,059**			

*CalHFA Supplemental MIP loan repayment will have priority over the Original MIP Loan in the repayment priority.

***Gap Funding Explanation and request for supplemental MIP subsidy loan funding:** The Sources of Funds chart shown above includes information related to each financing and/or equity sources and uses during the construction and permanent periods of development.

At the time of initial commitment (March of 2022), the developer for this project estimated total development cost (TDC) of $149,480,811 ($439,649/unit) which was lower than the current budget amounts reflected above. CalHFA issued an initial commitment based on these initial costs estimates for the developer to use to apply to CDLAC for tax exempt bond cap and to CTCAC for both federal and state tax credits. On June 15, 2022 the Borrower received the related allocations from CDLAC and CTCAC.

The chart below summarizes the changes in sources and uses between initial commitment (in March) vs. current proposed. On the sources side, the changes were predominantly due to 1) increase in investor equity contribution of $7,836,645 for an estimated total equity contribution amount of $85,181,244, 2) increase in deferred developer's fee of $2,339,964, and 3) increase in the Glendale Housing Authority Development Loan of $6,000,000. On the uses side, cost increases were related to: 1) increase to construction hard costs of approximately $8,343,206, ; 2) increases to interest rates from the Construction Lender resulting in a $3,766,116 increase to costs related to construction period debt service and loan fees; 3) market related increases driving CalHFA's higher interest rate and spreads which resulted in a $5,106,242 reduction to the permanent loan amount.

The Borrower has requested a $5,203,625 increase to the MIP Subsidy Loan in an effort to offset cost increases and loan reductions outlined above and below. The summary of changes in sources and uses between initial commitment vs. current proposed are outlined below:

Summary of changes in Sources/Uses since the Initial Commitment approval					
SOURCES - Major Changes Description	**Initial Commitment Amount $**	**Current Proposed Amount $**	**Increase/ Reduction $**	**Per Unit Cost Adjustment**	**% Adjustment of IC Amount**
1 - CalHFA Perm Loan (prior to removal of 25 bps cushion)	$34,931,674	$29,825,432	-$5,106,242	-$15,018	-14.62%
2- City Glendale Development Loan	$10,000,000	$16,000,000	$6,000,000	$17,647	60.00%
3 – GP Equity Contribution	$5,079,442	$4,877,965	-$201,477	-$593	-3.97%
4 – Deferred Developer Fee	$4,725,095	$7,065,059	$2,339,964	$6,882	49.52%
6- Tax Credit Equity Contribution	$77,344,600	$85,181,245	$7,836,645	$23,049	10.13%
Total Changes in Sources (A)	**$132,080,811**	**$142,949,701**	**$10,868,890**	**$31,967**	**8.23%**

USES - Major Cost Changes Description	**Initial Commitment Amount $**	**Current Proposed Amount $**	**Increase/ Reduction $**	**Per Unit Cost Adjustment**	**% Adjustment of IC Amount**
1 - Construction Hard Cost	$95,523,843	$103,867,049	$8,343,206	$24,539	8.73%

2 – Construction Loan Costs	$6,936,444	$10,702,560	$3,766,116	$11,077	54.29%
3 – Hard Cost & Soft Cost Contingencies	$5,582,387	$6,286,143	$703,756	$2,070	12.61%
4 – Insurance	$80,000	$1,125,000	$1,045,000	$3,074	1306.25%
5 – Utility Connection Fees	$475,000	$906,820	$431,820	$1,270	90.91%
6 – Developer Fee	$17,104,437	$19,242,923	$2,138,486	$6,290	12.50%
7- Other Costs	$2,618,280	$3,316,031	$697,751	$2,052	26.65%
Total Changes in Uses (B)	**$128,320,391**	**$145,446,526**	**$17,126,135**	$50,371	13.35%
Current Funding Gap (A-B)			**- $6,257,246**		
Gap Funding sources:					
Increase in CalHFA Perm Loan (rate lock without 25 bps cushion):			**$1,053,621**		
Supplemental MIP loan Request:			**$5,203,625**		
Gap Funding Sources Total:			**$6,257,246**		
Remaining Funding Gap:			**$0**		

Hard Cost/Soft Cost changes: In an effort to mitigate market disruptions, the Borrower met with their design team and general contractor to evaluate the original construction hard cost budget. As a result, they were able to reduce construction off-site work costs by approximately $858,751. As reflected on the above chart, the Project has seen a substantial increase in hard and soft costs, which include an increased estimate of a post construction loan interest reserves due between construction and permanent conversion.

Deferred Developer Fee: The current budget also reflects an increase of the total developer's fee by $2,138,486, however, the current deferred developer's fee (DDF) is approximately $2,339,964 higher and the developer equity contribution $201,477 lower than the original budget, which results in a net increase of DDF and developer equity contribution by $2,138,486 (original developer fee $17,104,437 with $4,725,095 deferred, compared to current developer fee $19,242,923 with $7,065,059 deferred).

Perm Loan Reduction & Equity Contribution Adjustment: The equity contribution adjustment is anticipated to be approximately $7,836,645. During final underwriting, the CalHFA permanent loan of $34,931,674 was reduced by $5,106,242 to $29,825,432. This was attributed to increases in perm loan financing costs related to macroeconomic factors, such as inflation. The underwriting interest rate of 6.23% is inclusive of costs associated with the Agency offering extended rate lock period of 6+ months and interest rate hedging costs incurred by the Agency.

To mitigate the funding gap of $6,257,246, CalHFA was able to increase the perm loan by allowing the removal of 25 bps underwriting cushion and rate locking at 6.23% fixed interest rate for the closing (per conversion at 36-month forward from construction closing). This resulted in a permanent loan increase of $1,053,621, which reduced the overall funding gap to $5,203,625.

The estimated funding gap after exhausting all resources available to the project totals approximately $5,203,625. The Borrower has requested an increase to the initially committed MIP subsidy of $5,000,000. Pursuant to the TCAC/CDLAC requirements this project must begin construction by December 2022. A $5,203,625 ($15,441/restricted unit) increase in the MIP supplemental subsidy results in an overall MIP loan amount of $10,203,625 ($30,278/restricted unit).

Subsidy Efficiency: Initial MIP commitment was $5,000,000 ($14,837 per MIP restricted units). Current proposed: $10,203,625 ($30,278 per MIP restricted units). This exceeds the Mixed-Income Loan Program 2022 Term Sheet per project cap of $8,000,000. Staff is recommending an exception to the per project Allocation Limit of $8,000,000 given that the property meets the per unit maximums. Approval of this exception is further detailed in the "Underwriting Standards or Term Sheet Variations" section 9 below.

	Tax Credit Type(s), Amount(s), Pricing(s), and per total units: • 4% Federal Tax Credits: $76,715,120 ($227,641 per TCAC restricted unit). • State Tax Credits: $13,979,410 ($41,482 per TCAC restricted 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 be funded by locality funds; Glendale Housing Authority Land Loan at $12,400,000 and Glendale Housing Authority Development Funds at $16,000,000. **Cost Containment Strategy:** National CORE's construction division is involved in the design process of all their projects from concept. The construction team has developed standardization of products to ensure the most cost-effective and efficient building design. They work closely with the design team to design the right systems for each building. Each project is conceived, designed, and constructed with energy efficiency in mind. National CORE uses a combination of well insulated walls, energy efficient windows and glazing, high performance - high efficiency ducted mini-split HVAC systems, and high efficiency water heating systems, achieving energy compliance margins that exceed California Energy Code requirements. Additionally, the construction team works closely with the property management and facilities team to ensure that the building will be maintained and operated with the same high-performance goals and results. The owner's goals for hitting Title 24 energy and operational energy savings goals are incorporated into every design decision, starting with conceptual design. Energy analytics are baked into the process and the design team is given choices to how best to hit the targets prioritizing cost savings and weighing operational cost impacts. There is no value engineering in this environment. This is cost-contained high-performance. National CORE works with its subcontractors to ensure that the building envelope is constructed in a manner that will minimize heat flow through the building envelope and to implement a standard of care known as "Quality Insulation Installation". In doing so, heat stress through the building envelope is reduced leading the heating and cooling systems in the units to work more efficiently. Tighter building envelopes with quality insulation makes it possible to use systems with smaller capacities that match the heating and cooling loads of each unit.
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 51% of total financing sources.
- The co-developers have extensive experience in developing similar affordable housing projects and have experience with CalHFA.
- The Project will serve low-income families AND seniors ranging between 30% to 80% of AMI. On average, the rents are between 18% to 76% below market rents based on current appraisal.
- The Loan-to-Value will be 50%, which is well below the Agency's minimum requirements of 90%. This results in less risk to the Agency.
- The locality has invested in the success of the Project as demonstrated by a City of Glendale Housing Authority Land Loan for $12,400,000 and a Development Loan for $16,000,000.
- The projected portion of the developer's fee that will be collected at or prior to permanent loan conversion is $7,299,899, which could be available to cover cost overruns and/or unforeseen issues during construction.

- The developer is contributing an amount of $4,877,965 via GP contribution to the Project.

8. Project Weaknesses with Mitigants:

- The exit analysis assumes 2% increase to the appraisal cap rate (resulting in 6.0%) and a 3% increase of the underwriting interest rate at loan maturity (resulting in 9.23%). Based on these assumptions, the Project will have the ability to fully repay the balance of the Agency's permanent first lien loan and the full balance of the Supplemental MIP loan in the estimated amount of $7,251,732. The project will only be able to repay a portion of the original MIP loan in the estimated amount of $8,306,056 leaving an outstanding balance of $893,944 (principal and accrued interest). This is expected by CalHFA given the requirement that the MIP loan be co-terminus with the permanent first mortgage. The primary source of repayment for both the first mortgage and the MIP subsidy loan is refinance of the project's first mortgage. To the extent such a refinance is insufficient to fully repay the Supplemental MIP and original MIP loans, 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.
- The current proposed initial construction loan term is 42 months plus one 6-month extension for a total of 48 months, which is the lender's expected term required to complete 340 units, lease-up, and stabilize prior to permanent loan closing/conversion. The developer is planning 42 months to complete and lease-up the project. Currently, the CalHFA maximum forward rate lock period is 36 months with a two 3-month extension option (fee of 25 bps each) for a total of 42 months. Further extensions of the CalHFA forward rate lock may be available, subject to an extension fee and in CalHFA's sole discretion. The Borrower estimated potential extension fees in the proposed budget that could be funded from soft contingency and/or deferred developer's fee.

9. Underwriting Standards or Term Sheet Variations

- The MIP Term Sheet requires the MIP loan to be recorded in second lien position behind the first mortgage. However, because the Glendale Housing Authority loans in aggregate ($28.4 million) are much larger than CalHFA's total MIP loan ($10,203,625), the Glendale Housing Authority will require its deeds of trust be recorded superior to CalHFA's. This is an exception to policy and is recommended by Multifamily Underwriting and Credit Staff, which is necessary to meet the eligibility of the City's funding requirements and to facilitate the progression of this Project.
- Pursuant to the MIP loan term sheet, no project may receive more than the lesser of (i) $8 million project cap, (ii) the aggregate MIP loan amount based on up to $50k per MIP regulated unit for a project not located within the high/highest resource area per TCAC/HCD opportunity map, or (iii) MIP loan not to exceed 50% of the CalHFA perm loan. This project is located in a moderate resource area. Per the term sheet and project economics, the applicable allocation limit is an $8 million project cap. However, the current proposal is to allow the Borrower to increase the MIP loan allocation by $5,203,625 for a total of $10,203,625 which is beyond the allocation limit of $8 million that is applicable to the project. The Project's per unit MIP amount is $30,278 which is below the maximum allowable per unit cap of $50,000. This MIP loan amount is an exception to the MIP term sheet and is recommended by Multifamily Underwriting and Credit Staff for approval to facilitate the progression of a shovel ready project without delay; the project received tax credit and bond cap allocations from TCAC/CDLAC on June 15, 2022 and is ready to proceed to construction loan closing by December 2022.

10.	Project Specific Conditions of Approval

Approval is conditioned upon:

- The CalHFA loan(s) will be secured against the leasehold interest in the land and fee interest in the improvements. All subordinate loans are to be secured in the same manner. However, if any lender encumbers both fee and leasehold interests in the land, the CalHFA loan documents will also secure in the fee and leasehold interests in the land. The final ground lease document is subject to CalHFA approval. Lessor must provide approval of CalHFA ground lease rider.
- Defaults under any loans used to capitalize payments or ongoing residual receipt payments required by the ground lease must not constitute a default under the ground lease. Likewise, defaults under the ground lease must not constitute a default under the loans.
- 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 (including the supplemental MIP subsidy loan) will be, in the Agency's sole discretion, the lesser of 1) the principal amount as stated 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.
- All MIP Loan principal and interest will due and payable at maturity. Outstanding Supplemental MIP loan funds will have first repayment priority whether the source of repayment is cash flow during the term of the loan or repayment via refinance, partner contribution, or other source at loan maturity.
- The locality is requiring the Borrower to encumber the Property by recording a Density Bonus Agreement. Prior to constructing loan closing and closing of the CalHFA loan(s), the Density Bonus Agreement is subject to CalHFA review and approval in accordance with agency underwriting standards.
- Receipt of a Lien Priority/Position Estoppel in form and substance acceptable by CalHFA from all local (city and county) lenders.
- Receipt of LPA and investor written approval evidencing that any outstanding deferred developer fee remaining in Year 15 will be treated as a developer contribution.
- The Borrower has requested that 100% of surplus cash be available for the repayment of the deferred developer's fee (DDF) until the earlier of year 15 of operations is complete or full repayment of the DDF. Thereafter, the surplus cash split shall be 50% to Borrower and 50% to Residual Receipt lenders. As a condition of this approval, the Borrower must provide evidence that the DDF repayment structure is required pursuant to the Limited Partnership Agreement (LPA). In addition, the owner must provide evidence of investor and all residual receipt lender(s) approvals of the total deferred developer's fee structure and residual receipt split. Residual receipt lenders must also agree to defer the payments on their loans.
- 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 offsite improvement costs.
- Receipt of seismic review report showing project has Probable Maximum Loss (PML) below 20%.
- Prior to construction loan closing, receipt of construction draw schedule showing a 42-month period that is acceptable to CalHFA.
- In the event of cost savings at permanent loan conversion, 100% of cost savings will be used to reduce the supplemental portion of the MIP loan amount first. Once the supplemental portion of the MIP loan amount is fully reduced, the remaining cost savings will be split 50% between reducing the original MIP loan amount and reducing the Deferred Developer Fee.

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. As noted earlier, the supplemental MIP subsidy loan of $5,203,625 was not part of the Initial Commitment approved by the SLC and Board, and hence approval is being sought for this financing through the subject Final Commitment Approval.

AFFORDABILITY

12. CalHFA Affordability (Occupancy and Rent) Restrictions

The CalHFA Permanent Financing Regulatory Agreement will restrict a minimum of 30% of the total units (102 units) at or below 60% AMI and an additional 10% of the total units (34 units) at 50% of AMI for 55 years.

*The CalHFA MIP Subsidy Regulatory Agreement requires 10% of total units (34 units) be restricted at or below 30% of AMI, 20% of the total units (68 units) restricted at or below 50% of AMI, and 10% of total units (34 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 will be determined by the minimum income limit of 70% of AMI, not to exceed 80% of AMI. The remaining 201 restricted units will be restricted at or below 120% of AMI. For underwriting purposes, the initial rents at permanent loan closing must be no less than the underwriting rent levels outlined on the “Unit Mix and Rent Summary” enclosed as part of the project’s staff report package. The CalHFA permanent loan agreement will require minimum underwriting rent levels as outlined in the Rent Limit Summary Table Below.

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

- The Glendale Housing Authority will restrict 34 units at or below 30% of AMI, 48 units at or below 40% of AMI, and 255 units at or below 80% of AMI for a term of 55 years (refer to below chart for further breakdown of the AMI and unit mix). Housing Authority requires 14 of the 34 units at 30% AMI be restricted by the Housing Community Development Extremely Low Income (HCD ELI) rent and income limits vs. the TCAC rent and income limits.

Pursuant to the USRM, CalHFA regulated unit sizes (by bedroom count) shall be distributed substantially on a pro rata basis across income ranges proportionate to their availability in the development as a whole. Deviations may be allowed based on demonstrable market data and community needs as evidenced in approved Housing Elements. The Borrower is requesting a waiver to meet the pro rata distribution of income ranges and bedroom sizes requirement. This is allowable given the strong market demand as evidenced by the appraisal report (capture rate ranges from 1% to 7% and absorption rate is 10 months) and the City’s involvement in determining the proposed income and unit requirement distribution for the proposed project.

Rent Limit Summary Table

Restrictions @ AMI	Total Units	Senior Units	General Units	Studio	1-bdrm	2-bdrm	3-bdrm	% of Total
30%	34	34	0	32	2	-	-	10.0%
40%	48	48	0	-	48	-	-	14.1%
50%	34	10	24	-	29	5	-	10.0%
60%	131	0	131	-	131	-	-	38.5%
80%	90	0	90	-	50	40	-	26.5%
Manager's Unit	3	0	3	-	-	3	-	0.9%
Total	340	92	248	32	260	48	0	100.0%

The average affordability restriction is 59% of AMI based on 337 TCAC-restricted units.

NUMBER OF UNITS AND AMI RENTS RESTRICTED BY EACH AGENCY

Regulatory Source	Recordation Priority of Recorded Document	Term of Agrmt (years)	Number of Units Restricted For Each AMI Category									
			30% HCD AMI	30 % AMI	40 % AMI	50 % AMI	60% AMI	80% AMI *(60% to 80% Tranche)	<= 120% AMI	Mgrs Unit	Total Units Regulated	% of Regulated Units
CalHFA Bond	1st	55				34	102			3	136	40%
*CalHFA Subsidy	2nd	55		34		68		34	201	3	337	99%

Ground Lease	3rd	**55**				68		269		3	337	99%
City of Glendale	4th	**55**	14	20	48			255		3	337	99%
Density Bonus	TBD	**55**						337		3	337	99%
Tax Credits	5th	**55**		34	48	34	131	90		3	337	99%

13.	**Geocoder Information**		
Central City:	Yes	Underserved:	No
Low/Mod Census Tract:	Moderate	Below Poverty line:	12%
Minority Census Tract:	38%	Rural Area:	No

FINANCIAL ANALYSIS SUMMARY

14.	**Capitalized Reserves:**	
	Replacement Reserves (RR):	N/A
	Operating Expense Reserve (OER):	$1,155,693* OER amount is sized based on 3 months of operating expenses, first lien debt service, and annual replacement reserves deposits. CalHFA will hold this reserve for the term of the CalHFA permanent 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. *A minimum of 3 to 6 months operating expense, reserves, and debt service ("OER") is required to be held for the life of the CalHFA permanent loan. The OER may be based on 3 months of total operating expense, reserves, and debt service if the developer provides evidence that, within the last 2 years, that they have received allocations from TCAC or provide a certification from a third- party accountant that they met TCAC's general partner and management experience pursuant to CTCAC regulations. The developer has submitted supporting documentation that they've met this requirement.
	Transitional Operating Reserve (TOR):	N/A.

15.	**Cash Flow Analysis**			
	1st Year DSCR:	1.15	**Project-Based Subsidy Term:**	N/A
	End Year DSCR:	1.75	**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:	N/A	**Project Expenses Inflation Rate:** **Property Tax Inflation Rate:**	3.50% 1.25%

16. Loan Security

The CalHFA loan(s) will be secured against the Fee Interest in the improvements and Leasehold Interest in the land.

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

The exit analysis assumes 2% increase to the appraisal cap rate (resulting in 6.0%) and a 3% increase of the underwriting interest rate at loan maturity (resulting in 9.23%). Based on these assumptions, the Project will have the ability to fully repay the balance of Agency's permanent first lien loan and the full balance of the Supplemental MIP loan in the estimated amount of $7,251,732. The project will only be able to repay a portion of the original MIP loan in the estimated amount of $8,306,056 leaving an outstanding balance of $893,944 (principal and accrued interest). This is expected by CalHFA given the requirement that the MIP loan be co-terminus with the permanent first mortgage. The primary source of repayment for both the first mortgage and the MIP subsidy loan is refinance of the project's first mortgage. To the extent such a refinance is insufficient to fully repay the Supplemental MIP and original MIP loans, 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: June 19, 2022**

- The Appraisal dated 06/19/22, prepared by Cressner and Associates, Inc., values the land at $16,200,000.
- The cap rate of 4.00% and a projected $2.46 million of net operating income was used to determine the as-restricted stabilized value. The appraisal report's NOI is approximately $60,000 higher than the project's proposed NOI projections. The difference is attributed to the Appraiser utilizing a lower vacancy rate of 2% as opposed to the 5% vacancy rate used for CalHFA and Developer underwriting. Based on the developer's explanation and supporting documents, staff has determined that the proposed operating expenses are reasonable.
- The as-restricted stabilized value is $61,510,000 which results in the Agency's permanent first lien loan to value (LTV) of 50%. The combined LTV, including MIP subsidy loan is 67%.
- The capture rate ranges from 1% to 7% and absorption rate is 10 months. Both rates are generally consistent with the market study.
- Appraisal analysis of senior units is based on a minimum age of 62 years, which is consistent with the proposed age restriction requirement for this Project.

Market Study: Novogradac — **Dated: August 24, 2021**

Regional Market Overview

- The Primary Market Area is the city of Glendale and a portion of the City of Burbank (population of 184,011) and the Secondary Market Area ("SMA") is Los Angeles-Long Beach-Anaheim MSA (population of 13,400,324)
- The general population in the PMA is anticipated to increase by 0.4% per year and the senior population will increase by 2.1% per year.
- Unemployment in the SMA was 9.5%. The SMA appears to be recovering from the economic effects of the ongoing COVID-19 pandemic indicated by increasing employment levels. Per the appraisal, the unemployment rate was 6.4% in June 2022 for Los Angeles County and is expected to drop to 5.1% in 2023 while the unemployment rate in the City of Glendale was 4.5%. This suggests that the area will return to a more normal level when the project is in lease-up.
- Median home value in the zip code is $735,222.
- Market Study analysis of the senior units is based on a minimum age of 55 years.

Local Market Area Analysis Supply:
- There are currently 14 family and 11 senior affordable projects in the PMA and they are 99.8% occupied with long wait lists at the majority of sites.
- There are no affordable projects under construction and there are 2 affordable projects proposed, in addition to the subject property, in the City of Glendale.

- **Demand/Absorption:**
  - The project will need to capture 5.3% and 3.0% of family and senior units in the PMA, respectively. The affordable units are anticipated to lease up at a rate of 35 units per month and reach stabilized occupancy within 10 months of opening.

DEVELOPMENT SUMMARY

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

- The property is located on the northwest corner side of Pioneer Drive and Pacific Avenue, in the City of Glendale, Los Angeles County.
- The site is currently vacant, with level topography at street grade, measuring approximately 2.81 acres and is generally irregular in shape.
- The site is zoned R-3050 (Moderate Density Residential), with permitted multifamily residential use.
- The subject is located in Flood Zone X. Zone X is the area determined to be outside the 500-year floodplain and protected by levee from 100-year floodplain, therefore the Project will not be subject to flood insurance.
- The site consists of 3 existing commercial structures that are currently vacant and will be demolished as part of construction.

20. Form of Site Control & Expiration Date

The current owner, Glendale Housing Authority, of the site and the Project owners, LINC and National CORE, entered into a Lease Option dated 08/10/2021 which expires on 12/31/2022.

21. Current Ownership Entity of Record

Title is currently vested in Glendale Housing Authority as the fee owner.

22. Environmental Review Findings — **Dated: January 12, 2022**

- A Phase I Environmental Site Assessment performed by USA Environmental, Inc., dated 01/12/2022 and a previous Phase II performed by Roux Associates, dated 06/05/2019 concluded no additional investigation or remediation is required associated with the land or existing structures as a result of recognized environmental conditions.
- 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 Glendale Building Codes so no seismic review is required. A seismic report is being ordered by the construction lender and will be used to verify the project meets CalHFA requirements for earthquake insurance waiver of Probable Maximum Loss (PML) below 20%.

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:	185,320	**Residential Units per Acre:**	121
Community Area Sq. Ftg:	113,450	**Total Parking Spaces:**	342
Supportive Service Areas:	N/A	**Total Building Sq. Footage:**	462,754

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:**	Three 5-story Type III residential buildings with elevator access to all floors over a Type I podium with two levels of subterranean parking.			
28.	**Construction/Rehab Scope**	**Requires Demolition:** ☒ Yes ☐ No			

- The subject site is new construction.
- The Contractor is an affiliate of the Borrower entity. The contract will be structured as a Guaranteed Maximum Price (GMP) contract with a 14% for builder overhead, profit, and general requirements, which aligns with TCAC's allowable limit. TCAC's allowable limit is 14%.
- The locality requires certain offsite improvements that include utility connections, curb and gutter, sidewalk, and asphalt.

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 has established cost containment strategies, which are outlined in Section 5 above.

ADDITIONAL DEVELOPMENT/ PROJECT TEAM INFORMATION

30. Borrower Affiliated Entities

- Co-Managing General Partner: Linc Pioneer LLC, a California limited liability company; 0.005% interest
  - Sole Member: LINC Housing Corporation, a California nonprofit public benefit corporation
- Co-Managing General Partner: NCRC Pioneer GP LLC, a California limited liability company; 0.005% interest
  - Sole Member: National Community Renaissance of California, a California nonprofit public benefit corporation

Investor Limited Partner: Bank of America, N.A.; 99.99% interest

31. Developer/Sponsor

LINC Housing Corporation (LINC) was founded in 1984 and is a mission-based 501(c)(3) nonprofit developer of affordable housing. Located in Long Beach, LINC has a 36-year history of developing, operating, and providing resident services to over 80 cities and communities throughout California. LINC will also serve as the service provider for the subject Property. LINC currently has 3 projects (189 units) (Bartlett Hill Manor, Mosaic Gardens at Huntington Park, and The Village at Beechwood) in the CalHFA portfolio and they are all performing as expected. In addition, LINC has 6 projects (429 units) under construction, 72 projects (7,101 units) completed, and 12 projects (340 units) in the pipeline. None of LINC's pipeline or in-construction projects, other than the subject Property, are in the CalHFA pipeline.

National Community Renaissance (National CORE) was founded in 1992 and is a mission-based 501(c)(3) nonprofit developer of affordable housing that is vertically integrated with in-house construction, property management and social programs/services departments. Located in Rancho Cucamonga, National CORE will also serve as the management agent for the subject Property. National CORE currently has 10 projects (1,558 units) (Monterey Village, Mountainside, Sycamore Springs, Crossings in Rialto, Mission Cove-MHSA, Northgate Village, Oakcrest Heights-MHSA, Paseo del Oro, Signature at Fairfield-MHSA, and Sunset Heights) in the CalHFA portfolio, and they are all performing as expected. In addition, National CORE has 11 projects (754 units) under construction, 103 projects (9,533 units) completed, and 20 projects (2,800 units) in the pipeline. Five projects (380 units) of National CORE's in-construction projects are in the CalHFA pipeline and includes SNHP Legacy Square, SNHP Mountain View, SNHP Orchard View Gardens, SNHP Santa Angelina Senior Community and SNHP Villa Serena Apts.

In their role as co-developers, LINC and National CORE have 2 projects completed, 1 project under construction, and 1 project in the pipeline (the subject Property).

32.	**Management Agent**
The Project will be managed by National CORE's in-house property management department, which has extensive experience in managing similar affordable housing projects in the area and manages 9 projects in CalHFA's portfolio (Monterey Village, Mountainside, Sycamore Springs, Crossings in Rialto, Mission Cove – MHSA, Northgate Village, Oakcrest Heights – MHSA, Paseo del Oro, and Sunset Heights), and they are all performing as expected.	
33.	**Service Provider** **Required by TCAC or other funding source?** ☒ **Yes** ☐ **No**
LINC will provide supportive services that include the equivalent of 1.5 FTE Resident Service Coordinators to serve all of the tenant population through a 15-year contract that will automatically renew for successive one-year terms until written notice indicating not to renew is initiated from either party. Services will be conducted on onsite and will be paid from operations. Services include a full time Resident Services Coordinator as well as instructor led education, health and wellness classes, and Adult Skill Building Programs.	
34.	**Contractor** **Experienced with CalHFA?** ☒ **Yes** ☐ **No**
The general contractor (GC) is National CORE, which has extensive experience in constructing similar affordable housing projects in California and is familiar with CalHFA. The GC and the co-developers have worked on 2 CalHFA projects that have been completed, 1 CalHFA project that is under construction, and 1 CalHFA project in the development stage.	
35.	**Architect** **Experienced with CalHFA?** ☒ **Yes** ☐ **No**
The architect is KFA, which has extensive experience in designing and managing similar affordable housing projects in California through the locality's building permit process and is familiar with CalHFA. The architect and the co-developers have worked on 1 CalHFA project that has been completed and are working on 1 CalHFA project that is in the development stage. In addition, KFA and LINC have completed 1 other project.	
36.	**Local Review via Locality Contribution Letter**
The locality, City of Glendale, returned the local contribution letter stating they strongly support the project.	

EXHIBITS: Detailed Financial Analysis and applicable Term Sheets

PROJECT SUMMARY — Final Commitment

Acquisition, Rehab, Construction & Permanent Loans — **Project Number 22-014-A/X/S**

Project Full Name	515 Pioneer Drive	**Borrower Name:**	Linc Housing Corporation
Project Address	515 Pioneer Drive	**Managing GP:**	National Community Renaissance of California
Project City	Glendale	**Developer Name:**	Linc Housing Corporation
Project County	Los Angeles	**Investor Name:**	Bank of America
Project Zip Code	91203	**Prop Management:**	National CORE
		Tax Credits:	4
Project Type:	Permanent Loan Only	**Total Land Area (acres):**	2.80
Tenancy/Occupancy:	Individuals/Families	**Residential Square Footage:**	185,320
Total Residential Units:	340	**Residential Units Per Acre:**	121.43
Total Number of Buildings:	3		
Number of Stories:	5	**Covered Parking Spaces:**	342
Unit Style:	--	**Total Parking Spaces:**	342
Elevators:	3		

Acq/Construction/Rehab Financing	Loan Amount ($)	Loan Fees	Loan Term (Mo.)	Amort. Period (Yr.)	Starting Interest Rate
BoA Tax Exempt Construction Loan	82,467,538	1.000%	44	--	5.200%
BoA Taxable Construction Loan	8,487,285	1.000%	44	--	5.700%
Glendale Housing Authority - Land	12,400,000	--	660	--	3.000%
Glendale Housing Authority - Dev Funds	16,000,000	--	660	--	3.000%
Deferred Developer Fee	7,065,059	NA	NA	NA	NA
Developer Equity Contribution	4,877,965	NA	NA	NA	NA
Deferred Construction Costs	4,174,289	NA	NA	NA	NA
Investor Equity Contribution	30,750,429	NA	NA	NA	NA
Total:	**166,222,565**	NA	NA	NA	NA

Permanent Financing	Loan Amount ($)	Loan Fees	Loan Term (Yr.)	Amort. Period (Yr.)	Starting Interest Rate
Perm	30,892,000	1.000%	30	40	6.230%
MIP	5,000,000	1.000%	30	NA	3.000%
Supplemental MIP	5,203,625	1.000%	30.00	NA	3.000%
Glendale Housing Authority - Land	12,400,000	--	55	--	3.000%
Glendale Housing Authority - Dev Funds	16,000,000	--	55	--	3.000%
Deferred Developer Fees	7,065,059	NA	NA	NA	NA
Developer Equity Contribution	4,877,965	NA	NA	NA	NA
Investor Equity Contributions	85,181,244	NA	NA	NA	NA
Total:	**166,619,893**	NA	NA	NA	NA

Appraised Values Upon Completion of Rehab/Construction

Appraisal Date:	6/19/22	**Capitalization Rate:**	4.00%
Investment Value ($)	158,920,000	**Restricted Value ($)**	61,510,000
Construct/Rehab LTC	55%	**CalHFA Permanent Loan to Cost**	19%
Construct/Rehab LTV	57%	**CalHFA 1st Permanent Loan to Value**	50%
		Combined CalHFA Perm Loan to Value	67%

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	$1,155,693	Cash
Initial Replacement Reserve Deposit	$0	Cash
Annual Replacement Reserve Per Unit	$300	Cash

Date Prepared: 8/29/22 — Senior Staff Date: 9/7/22

UNIT MIX AND RENT SUMMARY — Final Commitment

515 Pioneer Drive — **Project Number 22-014-A/X/S**

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	360	32	48
FLAT	1	1	530	260	390
FLAT	2	1	750	48	144
-	-	-			
-	-	-	-	-	0
				-	0
				340	582

NUMBER OF UNITS AND PERCENTAGE OF AMI RENTS RESTRICTED BY EACH AGENCY

Agency	Number of Units Restricted For Each AMI Category						
	30% H&S	30%	40%	50%	60%	80%	120%
CalHFA Bond RA	0	0	0	34	102	0	0
CalHFA MIP RA	0	34	0	68	0	34	201
City Density Bonus	0	0	0	0	0	337	0
Ground Lease Req'd	0	0	68	0	0	269	0
City of Glendale	14	20	48	0	0	255	0
TCAC	0	34	48	34	131	90	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	HCD	30%	14	$426	$1,800	$1,374	24%
	CTCAC	30%	18	$573		$1,227	32%
	CTCAC	40%	-	-		-	-
	CTCAC	50%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	80%	-	-		-	-
	CTCAC	100%	-	-		-	-
1 Bedroom	HCD	30%	-	-	$2,100	-	-
	CTCAC	30%	2	$609		$1,491	29%
	CTCAC	40%	48	$832		$1,268	40%
	CTCAC	50%	29	$1,055		$1,045	50%
	CTCAC	60%	131	$1,279		$821	61%
	CTCAC	80%	50	$1,726		$74	82%
	CTCAC	100%	-	-		-	-
2 Bedrooms	HCD	30%	-	-	$2,600	-	-
	CTCAC	30%	-	-		-	-
	CTCAC	40%	-	-		-	-
	CTCAC	50%	5	$1,255		$1,345	48%
	CTCAC	60%	-	-		-	-
	CTCAC	80%	40	$2,059		$541	79%
	CTCAC	-	-	-		-	-
3 Bedrooms	HCD	30%	-	-	-	-	-
	CTCAC	30%	-	-		-	-
	CTCAC	40%	-	-		-	-
	CTCAC	50%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	80%	-	-		-	-
	CTCAC	100%	-	-		-	-
4 Bedrooms	HCD	30%	-	-	-	-	-
	CTCAC	30%	-	-		-	-
	CTCAC	40%	-	-		-	-
	CTCAC	50%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	80%	-	-		-	-
	CTCAC	100%	-	-		-	-
5 Bedrooms	HCD	30%	-	-	-	-	-
	CTCAC	30%	-	-		-	-
	CTCAC	40%	#DIV/0!	-		-	-
	CTCAC	50%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	80%	-	-		-	-
	CTCAC	100%	-	-		-	-
Date Prepared:	8/29/22					Senior Staff Date:	9/7/22

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

515 Pioneer Drive — **Project Number 22-014-A/X/S**

SOURCES OF FUNDS	CONST/REHAB $	PERMANENT $	TOTAL PROJECT SOURCES OF FUNDS SOURCES ($)	PER UNIT ($)	%
BoA Tax Exempt Construction Loan	82,467,538				0.0%
BoA Taxable Construction Loan	8,487,285				0.0%
Glendale Housing Authority - Land	12,400,000				0.0%
Glendale Housing Authority - Dev Funds	16,000,000				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
Deferred Construction Costs	4,174,289				0.0%
-	-				0.0%
-	-				0.0%
Construct/Rehab Net Oper. Inc.	-				0.0%
Deferred Developer Fee	7,065,059				0.0%
Developer Equity Contribution	4,877,965				0.0%
Investor Equity Contribution	30,750,429				0.0%
Perm		30,892,000	30,892,000	90,859	18.5%
MIP		5,000,000	5,000,000	14,706	3.0%
Supplemental MIP		5,203,625	5,203,625	15,305	3.1%
-		-	-	-	0.0%
Glendale Housing Authority - Land		12,400,000	12,400,000	36,471	7.4%
Glendale Housing Authority - Dev Funds		16,000,000	16,000,000	47,059	9.6%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
Construct/Rehab Net Oper. Inc.		-	-	-	0.0%
Deferred Developer Fees		7,065,059	7,065,059	20,780	4.2%
Developer Equity Contribution		4,877,965	4,877,965	14,347	2.9%
Investor Equity Contributions		85,181,244	85,181,244	250,533	51.1%
TOTAL SOURCES OF FUNDS	**166,222,565**	**166,619,893**	**166,619,893**	**490,059**	**100.0%**
TOTAL USES OF FUNDS (BELOW)	**166,222,565**	**166,619,893**	**166,619,893**	**490,059**	**100.0%**
FUNDING SURPLUS (DEFICIT)	**(0)**	**-**	**(0)**		

USES OF FUNDS	CONST/REHAB $	PERMANENT $	TOTAL PROJECT USES OF FUNDS USES ($)	PER UNIT ($)	%
ACQUISITION COSTS					
Lesser of Land Cost or Appraised Value	12,400,000	-	12,400,000	36,471	7.4%
Demolition Costs	490,000	-	490,000	1,441	0.3%
Legal & Other Closing Costs	65,000	-	65,000	191	0.0%
Escrow & other closing costs	-	-	-	-	0.0%
Verifiable Carrying Costs	30,000	-	30,000	88	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	**12,985,000**	**-**	**12,985,000**	**38,191**	**7.8%**
CONSTRUCTION/REHAB COSTS					
Offsite Improvements	1,434,673	-	1,434,673	4,220	0.9%
Environmental Remediation (Hard Costs)	-	-	-	-	0.0%
Site Work (Hard Cost)	25,533,083	-	25,533,083	75,097	15.3%
Structures (Hard Cost)	61,890,243	-	61,890,243	182,030	37.1%
General Requirements	6,254,360	-	6,254,360	18,395	3.8%
Contractor Overhead	2,680,440	-	2,680,440	7,884	1.6%
Contractor Profit	3,573,920	-	3,573,920	10,512	2.1%
Contractor Bond	1,005,165	-	1,005,165	2,956	0.6%
Contractor Liability Insurance	1,005,165	-	1,005,165	2,956	0.6%
Personal Property	-	-	-	-	0.0%
HVAC/Resident Damage	-	-	-	-	0.0%
TOTAL CONSTRUCT/REHAB COSTS	**103,377,049**	**-**	**103,377,049**	**304,050**	**62.0%**

SOURCES & USES OF FUNDS					Final Commitment
515 Pioneer Drive			Project Number		22-014-A/X/S
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	1,575,000	-	1,575,000	4,632	0.9%
Supervision	600,000	-	600,000	1,765	0.4%
TOTAL ARCHITECTURAL FEES	**2,175,000**	**-**	**2,175,000**	**6,397**	**1.3%**
SURVEY & ENGINEERING FEES					
Engineering	673,200	-	673,200	1,980	0.4%
Supervision	91,800	-	91,800	270	0.1%
ALTA Land Survey	-	-	-	-	0.0%
TOTAL SURVEY & ENGINEERING FEES	765,000	-	765,000	2,250	0.5%
CONTINGENCY RESERVES					
Hard Cost Contingency Reserve	5,193,353	-	5,193,353	15,275	3.1%
Soft Cost Contingency Reserve	1,092,790	-	1,092,790	3,214	0.7%
TOTAL CONTINGENCY RESERVES	6,286,143	-	6,286,143	18,489	3.8%
CONSTRUCT/REHAB PERIOD COSTS					
Loan Interest Reserve					
BoA Tax Exempt Construction Loan	9,743,011	-	9,743,011	28,656	0.058474
BoA Taxable Construction Loan	-	-	-	-	0
Glendale Housing Authority - Land	-	-	-	-	0.0%
Glendale Housing Authority - Dev Funds	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Loan Fees					
BoA Tax Exempt Construction Loan	824,675	-	824,675	2,426	0.5%
BoA Taxable Construction Loan	84,873	-	84,873	250	0.1%
Glendale Housing Authority - Land	-	-	-	-	0.0%
Glendale Housing Authority - Dev Funds	-	-	-	-	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	22,000	-	22,000	65	0.0%
Real Estate Taxes During Rehab	155,000	-	155,000	456	0.1%
Completion Guaranty Fee	-	-	-	-	0.0%
Wage Monitoring Fee (Davis Bacon, Preva	-	-	-	-	0.0%
Insurance During Rehab	1,125,000	-	1,125,000	3,309	0.7%
Title & Recording Fees	80,000	-	80,000	235	0.0%
Other Lender Expense	50,000	-	50,000	147	0.0%
Inspections	-	-	-	-	0.0%
Bond Issuer Fee	72,977	-	72,977	215	0.0%
Cost of Issuance & Developer Contingency	656,881	-	656,881	1,932	0.4%
TOTAL CONST/REHAB PERIOD COSTS	**12,814,418**	**-**	**12,814,418**	**37,689**	**7.7%**

SOURCES & USES OF FUNDS					Final Commitment
515 Pioneer Drive			Project Number		22-014-A/X/S
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	136,420	172,500	308,920	909	0.2%
MIP	25,000	25,000	50,000	147	0.0%
Supplemental MIP	-	52,036	52,036	153	0.0%
-	-	-	-	-	0.0%
Glendale Housing Authority - Land	-	-	-	-	0.0%
Glendale Housing Authority - Dev Funds	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Permanent Loan Cost of Issuance Fee	-	110,000	110,000	324	0.1%
Credit Enhancement & Application Fees	-	-	-	-	0.0%
Title & Recording (closing costs)	-	10,000	10,000	29	0.0%
Year 1 - Taxes & Special Assessments and Insura	-	-	-	-	0.0%
CalHFA Fees	-	-	-	-	0.0%
CalHFA Fees	-	10,542	10,542	31	0.0%
-	-	-	-	-	0.0%
TOTAL PERMANENT LOAN COSTS	**161,420**	**380,078**	**541,498**	**1,593**	**0.3%**
LEGAL FEES					
CalHFA Construction/Rehab Loan Legal Fees	-	-	-	-	0.0%
Other Construction/Rehab Loan Legal Fees	-	-	-	-	0.0%
CalHFA Permanent Loan Legal Fees	17,750	17,250	35,000	103	0.0%
Other Permanent Loan Legal Fees	-	-	-	-	0.0%
County Legal Fees	-	-	-	-	0.0%
Trustee Legal Fees	-	-	-	-	0.0%
Syndication Legal Fees	-	-	-	-	0.0%
Borrower Legal Fee	115,000	-	115,000	338	0.1%
CalHFA Bond Counsel	60,000	-	60,000	176	0.0%
TOTAL LEGAL FEES	**192,750**	**17,250**	**210,000**	**618**	**0.1%**
OPERATING RESERVES					
Operating Expense Reserve Deposit	1,155,693	-	1,155,693	3,399	0.7%
Initial Replacement Reserve Deposit	-	-	-	-	0.0%
Transition Operating Reserve Deposit	-	-	-	-	0.0%
Rent-Up Reserve Deposit	-	-	-	-	0.0%
HOME Program Replacement Reserve	-	-	-	-	0.0%
Investor Required Reserve	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL OPERATING RESERVES	**1,155,693**	**-**	**1,155,693**	**3,399**	**0.7%**
REPORTS & STUDIES					
Appraisal Fee	15,000	-	15,000	44	0.0%
Market Study Fee	15,000	-	15,000	44	0.0%
Physical Needs Assessment Fee	-	-	-	-	0.0%
Environmental Site Assessment Reports	436,000	-	436,000	1,282	0.3%
HUD Risk Share Environmental / NEPA Review F	-	-	-	-	0.0%
CalHFA Earthquake Waiver Review Fee	-	-	-	-	0.0%
Relocation Consultant	-	-	-	-	0.0%
Soils Reports	-	-	-	-	0.0%
Acoustical Reports	-	-	-	-	0.0%
Termite/Dry Rot	-	-	-	-	0.0%
Consultant/Processing Agent	-	-	-	-	0.0%
Other Development Costs	-	-	-	-	0.0%
TOTAL REPORTS & STUDIES	**466,000**	**-**	**466,000**	**1,371**	**0.3%**

SOURCES & USES OF FUNDS					Final Commitment
515 Pioneer Drive			Project Number	22-014-A/X/S	
USES OF FUNDS	CONST/REHAB $	PERMANENT $	TOTAL PROJECT USES OF FUNDS USES ($)	PER UNIT ($)	%
OTHER COSTS					
TCAC Application, Allocation & Monitor Fees	232,095	-	232,095	683	0.1%
CDLAC Fees	31,834	-	31,834	94	0.0%
Local Permits & Fees	2,277,358	-	2,277,358	6,698	1.4%
Local Impact Fees	2,724,312	-	2,724,312	8,013	1.6%
Other Local Fees	-	-	-	-	0.0%
Syndicator/Investor Fees & Expenses	-	-	-	-	0.0%
Furnishings	229,500	-	229,500	675	0.1%
Accounting & Audits	25,000	-	25,000	74	0.0%
Advertising & Marketing Expenses	124,250	-	124,250	365	0.1%
Financial Consulting	50,000	-	50,000	147	0.0%
Miscellaneous Administrative Fees	-	-	-	-	0.0%
HUD Risk Share Insurance (First Year Prepaid)	-	-	-	-	0.0%
Other costs	906,820	-	906,820	2,667	0.5%
Other	-	-	-	-	0.0%
TOTAL OTHER COSTS	**6,601,169**	**-**	**6,601,169**	**19,415**	**4.0%**
SUBTOTAL PROJECT COSTS	**146,979,642**	**166,619,893**	**147,376,970**	**433,462**	**88.5%**
DEVELOPER FEES & COSTS					
Developer Fees, Overhead & Profit	19,242,923	-	19,242,923	56,597	11.5%
Consultant Processing Agent	-	-	-	-	0.0%
Project Administration	-	-	-	-	0.0%
Syndicator Consultant Fees	-	-	-	-	0.0%
Guarantee Fees	-	-	-	-	0.0%
Construction Oversight & Management	-	-	-	-	0.0%
Other Adminstration Fees	-	-	-	-	0.0%
Other (Specify) correction to balance	-	-	-	-	0.0%
CASH EQUITY OUT TO DEVELOPER	-	-	-	-	0.0%
TOTAL DEVELOPER FEES & COSTS	**19,242,923**	**-**	**19,242,923**	**56,597**	**11.5%**
TOTAL PROJECT COSTS	**166,222,565**	**166,619,893**	**166,619,893**	**490,059**	**100.0%**

PROJECTED INITIAL ANNUAL RENTAL OPERATING BUDGET			Final Commitment
515 Pioneer Drive	**Project Number**		**22-014-A/X/S**
INCOME	**AMOUNT**	**PER UNIT**	**%**
Rental Income			
Restricted Unit Rents	$ 5,166,132	$ 15,195	104.85%
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	20,399	60	0.41%
Parking & Storage Income	-	-	0.00%
Miscellaneous Income	-	-	0.00%
GROSS POTENTIAL INCOME (GPI)	**$ 5,186,531**	**$ 15,255**	**105.26%**
Less: Vacancy Loss	**$ 259,327**	**$ 763**	**5.26%**
EFFECTIVE GROSS INCOME (EGI)	**$ 4,927,204**	**$ 16,017**	**100.00%**
OPERATING EXPENSES	**AMOUNT**	**PER UNIT**	**%**
Administrative Expenses	$ 508,300	$ 1,495	$ 0
Management Fee	244,784	720	4.97%
Social Programs & Services	183,680	540	3.73%
Utilities	306,000	900	6.21%
Operating & Maintenance	994,600	2,925	20.19%
Ground Lease Payments	-	-	0.00%
CalHFA Monitoring Fee	7,500	22	0.15%
Other Monitoring Fees	33,700	99	0.68%
Real Estate Taxes	54,400	160	1.10%
Other Taxes & Insurance	88,400	260	1.79%
Assisted Living/Board & Care	-	-	0.00%
SUBTOTAL OPERATING EXPENSES	**$ 2,421,364**	**$ 7,122**	**49.14%**
Replacement Reserve	$ 102,000	$ 300	2.07%
TOTAL OPERATING EXPENSES	**$ 2,523,364**	**$ 7,422**	**51.21%**
NET OPERATING INCOME (NOI)	**$ 2,403,840**	**$ 7,070**	**48.79%**
-	$ -	-	0.00%
Glendale Housing Authority - Land	$ -	-	0.00%
Glendale Housing Authority - Dev Funds	$ -	-	0.00%
-	$ -	-	0.00%
-	$ -	-	0.00%
MIP Annual Fee (applicable for MIP only deals)	$ -	-	0.00%
TOTAL DEBT SERVICE & OTHER PAYMENTS	**$ 2,099,409**	**$ 6,175**	**42.61%**
EXCESS AFTER DEBT SERVICE & MONITORING FEES	**$ 304,431**	**$ 895**	**6.18%**
DEBT SERVICE COVERAGE RATIO (DSCR)	**1.15**	**to 1**	
Date: 8/29/22		Senior Staff Date:	09/07/22

PROJECTED PERMANENT LOAN CASH FL0WS											515 Pioneer Drive		
Final Commitment										Project Number	22-014-A/X/S		
	YEAR	1	2	3	4	5	6	7	8	9	10	11	12
RENTAL INCOME	CPI												
Restricted Unit Rents	2.50%	5,166,132	5,295,285	5,427,667	5,563,359	5,702,443	5,845,004	5,991,129	6,140,908	6,294,430	6,451,791	6,613,086	6,778,413
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%	20,399	20,909	21,432	21,968	22,517	23,080	23,657	24,248	24,854	25,476	26,113	26,765
Parking & Storage Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-
GROSS POTENTIAL INCOME (GPI)		**5,186,531**	**5,316,194**	**5,449,099**	**5,585,327**	**5,724,960**	**5,868,084**	**6,014,786**	**6,165,156**	**6,319,285**	**6,477,267**	**6,639,198**	**6,805,178**
VACANCY ASSUMPTIONS	Vacancy												
Restricted Unit Rents	5.00%	258,307	264,764	271,383	278,168	285,122	292,250	299,556	307,045	314,722	322,590	330,654	338,921
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%	1,020	1,045	1,072	1,098	1,126	1,154	1,183	1,212	1,243	1,274	1,306	1,338
Parking & Storage Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL PROJECTED VACANCY LOSS		**259,327**	**265,810**	**272,455**	**279,266**	**286,248**	**293,404**	**300,739**	**308,258**	**315,964**	**323,863**	**331,960**	**340,259**
EFFECTIVE GROSS INCOME (EGI)		**4,927,205**	**5,050,385**	**5,176,644**	**5,306,060**	**5,438,712**	**5,574,680**	**5,714,047**	**5,856,898**	**6,003,320**	**6,153,403**	**6,307,238**	**6,464,919**
OPERATING EXPENSES	CPI / Fee												
Administrative Expenses	3.50%	691,980	716,199	741,266	767,211	794,063	821,855	850,620	880,392	911,206	943,098	976,106	1,010,270
Management Fee	4.97%	244,784	250,903	257,176	263,605	270,195	276,950	283,874	290,971	298,245	305,701	313,344	321,177
Utilities	3.50%	306,000	316,710	327,795	339,268	351,142	363,432	376,152	389,317	402,944	417,047	431,643	446,751
Operating & Maintenance	3.50%	994,600	1,029,411	1,065,440	1,102,731	1,141,326	1,181,273	1,222,617	1,265,409	1,309,698	1,355,538	1,402,982	1,452,086
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%	33,700	33,700	33,700	33,700	33,700	33,700	33,700	33,700	33,700	33,700	33,700	33,700
Real Estate Taxes	1.25%	54,400	55,080	55,769	56,466	57,171	57,886	58,610	59,342	60,084	60,835	61,596	62,365
Other Taxes & Insurance	3.50%	88,400	91,494	94,696	98,011	101,441	104,991	108,666	112,469	116,406	120,480	124,697	129,061
DEBT SERVICE PAYMENTS	Lien #												
Perm	1	2,099,409	2,099,409	2,099,409	2,099,409	2,099,409	2,099,409	2,099,409	2,099,409	2,099,409	2,099,409	2,099,409	2,099,409
Supplemental MIP	4	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		**2,099,409**	**2,099,409**	**2,099,409**	**2,099,409**	**2,099,409**	**2,099,409**	**2,099,409**	**2,099,409**	**2,099,409**	**2,099,409**	**2,099,409**	**2,099,409**
CASH FLOW AFTER DEBT SERVICE		**304,432**	**346,958**	**389,843**	**433,070**	**476,622**	**520,480**	**564,623**	**609,030**	**653,677**	**698,540**	**743,591**	**788,802**
DEBT SERVICE COVERAGE RATIO		**1.15**	**1.17**	**1.19**	**1.21**	**1.23**	**1.25**	**1.27**	**1.29**	**1.31**	**1.33**	**1.35**	**1.38**
Date Prepared:	08/29/22									Senior Staff Date:	9/7/22		

		1	2	3	4	5	6	7	8	9	10	11	12
LESS: Asset Management Fee	3%	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914	4,032	4,153
.ESS: Partnership Management Fee	3%	12,000	12,360	12,731	13,113	13,506	13,911	14,329	14,758	15,201	15,657	16,127	16,611
net CF available for distribution		**289,432**	**331,508**	**373,929**	**416,679**	**459,739**	**503,091**	**546,712**	**590,582**	**634,676**	**678,968**	**723,432**	**768,038**
Deferred developer fee repayment	7,065,059	7,065,059	6,775,627	6,444,119	6,070,190	5,653,510	5,193,771	4,690,680	4,143,968	3,553,386	2,918,710	2,239,741	1,516,309
	100%	289,432	331,508	373,929	416,679	459,739	503,091	546,712	590,582	634,676	678,968	723,432	768,038
		6,775,627	6,444,119	6,070,190	5,653,510	5,193,771	4,690,680	4,143,968	3,553,386	2,918,710	2,239,741	1,516,309	748,271

	YEAR	1	2	3	4	5	6	7	8	9	10	11	12
Payments for Residual Receipt Payments		*50%*											
RESIDUAL RECEIPTS LOANS	*Payment %*	-	-	-	-	-	-	-	-	-	-	-	-
MIP	*12.95%*	-	-	-	-	-	-	-	-	-	-	-	-
Supplemental MIP	*13.48%*	-	-	-	-	-	-	-	-	-	-	-	-
Glendale Housing Authority - Land	*32.12%*	-	-	-	-	-	-	-	-	-	-	-	-
Glendale Housing Authority - Dev Fu	*41.45%*	-	-	-	-	-	-	-	-	-	-	-	-
Total Residual Receipts Payments	**100.00%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balances for Residual Receipt Payments													
RESIDUAL RECEIPTS LOANS	*Interest Rate*												
MIP---Simple	*3.00%*	5,000,000	5,150,000	5,300,000	5,450,000	5,600,000	5,750,000	5,900,000	6,050,000	6,200,000	6,350,000	6,500,000	6,650,000
Supplemental MIP---Simple	*3.00%*	5,203,625	5,359,734	5,515,843	5,671,951	5,828,060	5,984,169	6,140,278	6,296,386	6,452,495	6,608,604	6,764,713	6,920,821
Glendale Housing Authority - Land---	*3.00%*	12,400,000	12,772,000	13,155,160	13,549,815	13,956,309	14,374,999	14,806,248	15,250,436	15,707,949	16,179,187	16,664,563	17,164,500
Glendale Housing Authority - Dev Fu	*3.00%*	16,000,000	16,480,000	16,974,400	17,483,632	18,008,141	18,548,385	19,104,837	19,677,982	20,268,321	20,876,371	21,502,662	22,147,742
Total Residual Receipts Payments		**38,603,625**	39,761,734	40,945,403	42,155,398	43,392,510	44,657,552	45,951,363	47,274,804	48,628,765	50,014,162	51,431,938	52,883,063

PROJECTED PERMANENT LOAN CASH FLOWS									515 Pioneer Drive				
Final Commitment								Project Number	22-014-A/X/S				
	YEAR	13	14	15	16	17	18	19	20	21	22	23	24
RENTAL INCOME	CPI												
Restricted Unit Rents	2.50%	6,947,873	7,121,570	7,299,609	7,482,100	7,669,152	7,860,881	8,057,403	8,258,838	8,465,309	8,676,942	8,893,865	9,116,212
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%	27,435	28,121	28,824	29,544	30,283	31,040	31,816	32,611	33,426	34,262	35,119	35,997
Parking & Storage Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-
GROSS POTENTIAL INCOME (GPI)		**6,975,308**	**7,149,691**	**7,328,433**	**7,511,644**	**7,699,435**	**7,891,921**	**8,089,219**	**8,291,449**	**8,498,735**	**8,711,204**	**8,928,984**	**9,152,208**
VACANCY ASSUMPTIONS	Vacancy												
Restricted Unit Rents	5.00%	347,394	356,079	364,980	374,105	383,458	393,044	402,870	412,942	423,265	433,847	444,693	455,811
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%	1,372	1,406	1,441	1,477	1,514	1,552	1,591	1,631	1,671	1,713	1,756	1,800
Parking & Storage Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL PROJECTED VACANCY LOSS		**348,765**	**357,485**	**366,422**	**375,582**	**384,972**	**394,596**	**404,461**	**414,572**	**424,937**	**435,560**	**446,449**	**457,610**
EFFECTIVE GROSS INCOME (EGI)		**6,626,542**	**6,792,206**	**6,962,011**	**7,136,061**	**7,314,463**	**7,497,325**	**7,684,758**	**7,876,877**	**8,073,799**	**8,275,643**	**8,482,535**	**8,694,598**
OPERATING EXPENSES	CPI / Fee												
Administrative Expenses	3.50%	1,045,629	1,082,226	1,120,104	1,159,308	1,199,884	1,241,880	1,285,345	1,330,332	1,376,894	1,425,085	1,474,963	1,526,587
Management Fee	4.97%	329,207	337,437	345,873	354,520	363,383	372,467	381,779	391,323	401,106	411,134	421,412	431,948
Utilities	3.50%	462,387	478,571	495,321	512,657	530,600	549,171	568,392	588,285	608,875	630,186	652,243	675,071
Operating & Maintenance	3.50%	1,502,909	1,555,511	1,609,954	1,666,302	1,724,623	1,784,984	1,847,459	1,912,120	1,979,044	2,048,311	2,120,001	2,194,201
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%	33,700	33,700	33,700	33,700	33,700	33,700	33,700	33,700	33,700	33,700	33,700	33,700
Real Estate Taxes	1.25%	63,145	63,934	64,734	65,543	66,362	67,192	68,031	68,882	69,743	70,615	71,497	72,391
Other Taxes & Insurance	3.50%	133,578	138,254	143,093	148,101	153,284	158,649	164,202	169,949	175,897	182,054	188,426	195,021
DEBT SERVICE PAYMENTS	Lien #												
Perm	1	2,099,409	2,099,409	2,099,409	2,099,409	2,099,409	2,099,409	2,099,409	2,099,409	2,099,409	2,099,409	2,099,409	2,099,409
Supplemental MIP	4	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		**2,099,409**	**2,099,409**	**2,099,409**	**2,099,409**	**2,099,409**	**2,099,409**	**2,099,409**	**2,099,409**	**2,099,409**	**2,099,409**	**2,099,409**	**2,099,409**
CASH FLOW AFTER DEBT SERVICE		**834,142**	**879,579**	**925,078**	**970,604**	**1,016,116**	**1,061,574**	**1,106,933**	**1,152,148**	**1,197,170**	**1,241,946**	**1,286,422**	**1,330,539**
DEBT SERVICE COVERAGE RATIO		**1.40**	**1.42**	**1.44**	**1.46**	**1.48**	**1.51**	**1.53**	**1.55**	**1.57**	**1.59**	**1.61**	**1.63**
Date Prepared:	08/29/22							Senior Staff Date:	9/7/22				

LESS: Asset Management Fee	3%	4,277	4,406	4,538	4,674	4,814	4,959	5,107	5,261	5,418	5,581	5,748	5,921
.ESS: Partnership Management Fee	3%	17,109	17,622	18,151	18,696	19,256	19,834	20,429	21,042	21,673	22,324	22,993	23,683
net CF available for distribution		**812,755**	**857,551**	**902,390**	**947,234**	**992,045**	**1,036,781**	**1,081,397**	**1,125,846**	**1,170,078**	**1,214,042**	**1,257,680**	**1,300,936**
Deferred developer fee repayment	7,065,059	748,271	-	-	-	-	-	-	-	-	-	-	-
	100%	748,271	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-

	YEAR	13	14	15	16	17	18	19	20	21	22	23	24
Payments for Residual Receipt Payments													
RESIDUAL RECEIPTS LOANS	*Payment %*	32,242	428,775	451,195	473,617	496,023	518,390	540,698	562,923	585,039	607,021	628,840	650,468
MIP	*12.95%*	-	-	-	-	-	-	-	-	-	-	-	-
Supplemental MIP	*13.48%*	8,522	113,333	119,259	125,185	131,108	137,020	142,916	148,791	154,636	160,446	166,214	171,930
Glendale Housing Authority - Land	*32.12%*	10,357	137,728	144,930	152,132	159,329	166,514	173,680	180,818	187,922	194,983	201,992	208,939
Glendale Housing Authority - Dev Fu	*41.45%*	13,363	177,714	187,006	196,300	205,586	214,857	224,103	233,314	242,480	251,591	260,635	269,599
Total Residual Receipts Payments	**100.00%**	32,242	428,775	451,195	473,617	496,023	518,390	540,698	562,923	585,039	607,021	628,840	650,468
Balances for Residual Receipt Payments													
RESIDUAL RECEIPTS LOANS	*Interest Rate*												
MIP---Simple	*3.00%*	6,800,000	6,950,000	7,100,000	7,250,000	7,400,000	7,550,000	7,700,000	7,850,000	8,000,000	8,150,000	8,300,000	8,450,000
Supplemental MIP---Simple	*3.00%*	7,076,930	7,224,517	7,267,292	7,304,142	7,335,066	7,360,067	7,379,156	7,392,348	7,399,666	7,401,139	7,396,801	7,386,696
Glendale Housing Authority - Land---	*3.00%*	17,679,435	18,199,461	18,607,717	19,021,019	19,439,517	19,863,373	20,292,761	20,727,864	21,168,882	21,616,026	22,069,523	22,529,617
Glendale Housing Authority - Dev Fu	*3.00%*	22,812,174	23,483,176	24,009,957	24,543,250	25,083,248	25,630,159	26,184,207	26,745,631	27,314,686	27,891,646	28,476,804	29,070,474
Total Residual Receipts Payments		54,368,539	55,857,154	56,984,967	58,118,411	59,257,831	60,403,600	61,556,124	62,715,843	63,883,234	65,058,811	66,243,129	67,436,787

PROJECTED PERMANENT LOAN CASH FL0WS							515 Pioneer Drive
Final Commitment						Project Number	22-014-A/X/S
	YEAR	25	26	27	28	29	30
RENTAL INCOME	CPI						
Restricted Unit Rents	2.50%	9,344,117	9,577,720	9,817,163	10,062,592	10,314,157	10,572,011
Unrestricted Unit Rents	2.50%	-	-	-	-	-	-
Commercial Rents	2.00%	-	-	-	-	-	-
Project Based Rental Subsidy	1.50%	-	-	-	-	-	-
Other Project Based Subsidy	1.50%	-	-	-	-	-	-
Income during renovations	0.00%	-	-	-	-	-	-
Other Subsidy (Specify)	0.00%	-	-	-	-	-	-
Laundry Income	2.50%	36,897	37,819	38,764	39,734	40,727	41,745
Parking & Storage Income	2.50%	-	-	-	-	-	-
Miscellaneous Income	2.50%	-	-	-	-	-	-
GROSS POTENTIAL INCOME (GPI)		9,381,014	9,615,539	9,855,927	10,102,326	10,354,884	10,613,756
VACANCY ASSUMPTIONS	Vacancy						
Restricted Unit Rents	5.00%	467,206	478,886	490,858	503,130	515,708	528,601
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%	1,845	1,891	1,938	1,987	2,036	2,087
Parking & Storage Income	50.00%	-	-	-	-	-	-
Miscellaneous Income	50.00%	-	-	-	-	-	-
TOTAL PROJECTED VACANCY LOSS		469,051	480,777	492,796	505,116	517,744	530,688
EFFECTIVE GROSS INCOME (EGI)		8,911,963	9,134,762	9,363,131	9,597,209	9,837,139	10,083,068
OPERATING EXPENSES	CPI / Fee						
Administrative Expenses	3.50%	1,580,018	1,635,318	1,692,554	1,751,794	1,813,107	1,876,565
Management Fee	4.97%	442,746	453,815	465,160	476,789	488,709	500,927
Utilities	3.50%	698,699	723,153	748,463	774,660	801,773	829,835
Operating & Maintenance	3.50%	2,270,999	2,350,483	2,432,750	2,517,897	2,606,023	2,697,234
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%	33,700	33,700	33,700	33,700	33,700	33,700
Real Estate Taxes	1.25%	73,296	74,212	75,140	76,079	77,030	77,993
Other Taxes & Insurance	3.50%	201,846	208,911	216,223	223,791	231,623	239,730
DEBT SERVICE PAYMENTS	Lien #						
Perm	1	2,099,409	2,099,409	2,099,409	2,099,409	2,099,409	2,099,409
Supplemental MIP	4	-	-	-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		2,099,409	2,099,409	2,099,409	2,099,409	2,099,409	2,099,409
CASH FLOW AFTER DEBT SERVICE		1,374,238	1,417,452	1,460,115	1,502,154	1,543,494	1,584,056
DEBT SERVICE COVERAGE RATIO		1.65	1.68	1.70	1.72	1.74	1.75
Date Prepared:	08/29/22					Senior Staff Date:	9/7/22

LESS: Asset Management Fee	3%	6,098	6,281	6,470	6,664	6,864	7,070
.ESS: Partnership Management Fee	3%	24,394	25,125	25,879	26,655	27,455	28,279
net CF available for distribution		1,343,746	1,386,045	1,427,766	1,468,835	1,509,175	1,548,707
Deferred developer fee repayment	7,065,059	-	-	-	-	-	-
	100%	-	-	-	-	-	-
		-	-	-	-	-	-

	YEAR	25	26	27	28	29	30
Payments for Residual Receipt Payments							
RESIDUAL RECEIPTS LOANS	Payment %	671,873	693,023	713,883	734,417	754,588	774,354
MIP	12.95%	-	-	-	-	-	-
Supplemental MIP	13.48%	177,588	183,178	188,692	194,120	199,451	204,675
Glendale Housing Authority - Land	32.12%	215,815	222,608	229,309	235,905	242,384	248,733
Glendale Housing Authority - Dev Fu	41.45%	278,470	287,236	295,882	304,393	312,753	320,945
Total Residual Receipts Payments	100.00%	671,873	693,023	713,883	734,417	754,588	774,354
Balances for Residual Receipt Payments							
RESIDUAL RECEIPTS LOANS	Interest Rate						
MIP---Simple	3.00%	8,600,000	8,750,000	8,900,000	9,050,000	9,200,000	9,350,000
Supplemental MIP---Simple	3.00%	7,370,875	7,349,396	7,322,326	7,289,743	7,251,732	7,208,390
Glendale Housing Authority - Land---	3.00%	22,996,567	23,470,649	23,952,160	24,441,417	24,938,754	25,444,533
Glendale Housing Authority - Dev Fu	3.00%	29,672,989	30,284,709	30,906,014	31,537,312	32,179,038	32,831,656
Total Residual Receipts Payments		68,640,431	69,854,753	71,080,500	72,318,471	73,569,525	74,834,580

California Housing Finance Agency

MIXED-INCOME LOAN PROGRAM (2022)

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/index.htm. If the sponsor/developer is not able to meet the readiness timeline referenced below, MIP funds may be rescinded and reallocated.

AVAILABILITY:

Available to for-profit, 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 that 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 if the city or county as a rule does not issue building permits prior to the completion of grading, then 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 pursuant to CTCAC regulations designated on the CTCAC/HCD (California Department of Housing and Community Department) Opportunity Area Map.
2. **Sponsor Cap:** No sponsor (any individual, entity, affiliate and related entity) may receive more than 20% of total MIP allocation or funding of two projects, whichever is less, for the respective year.
3. **County Cap:** No one county may receive more than 25% 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 may not be limited to, 1) competitively bidding out all major subcontractor and self-performing trades and 2) engaging a 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 construction loan closing and closing of the MIP subordinate loan. 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") at year 1 ("Initial DSCR"). CalHFA may allow an initial DSCR higher than 1.20 on a case-by-case basis, if deemed necessary. The year 1 DSCR underwritten at the time of final loan approval and final commitment must be maintained through the term of the CalHFA permanent first lien loan,
- 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 shall be 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 three 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 bond cap, state tax credits, and MIP per adjusted unit shall be prioritized for MIP funding considerations. The bond cap, 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 evidence of project's receipt of CDLAC's preliminary tax-exempt bond allocations and CTCAC's tax credits reservations within the respective year, • 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 construction loans using tax-exempt bonds and 4% federal and/or state tax credits in California within the last three 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 comparable projects within the past five 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 comparable projects within the past five years. **Financial Consultants** hired to assist the Developer in meeting the minimum experience requirements must be able to provide details regarding at least three comparably financed projects over the last five years. **Architects** new to CalHFA must provide information for three comparable projects they designed that were built and occupied within the past five years in California. **General Contractor (GC)** must be licensed by the State of California. GCs new to CalHFA must provide information related to three comparable (in design) projects built in the past five years. Similar information will be required for the proposed on-site construction supervisor. The on-site construction supervisor must have overseen three comparable projects built in the past five years, and they must have overseen the projects from construction start to final completion. **Tax Credit Investors** must have closed/executed at least five investor limited partnership agreements for a comparable deal structure using tax-exempt bonds and 4% federal and/or state tax credits in California within the last three years.

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 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 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 the year 1 DSCR underwritten at the time of final loan approval and final commitment through the term of the CalHFA permanent first lien loan. The Initial DSCR must not exceed 1.20.
Construction First Lien Loan	Must be 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 (IIG), Affordable Housing and Sustainable Communities (AHSC) and Transit Oriented Development (TOD) housing programs. Inclusion of these programs is contingent upon restrictions that are compatible with the MIP program requirements outlined herein. Inclusion of other subordinate debt and subsidy will be allowed at CalHFA's sole 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 resulting from 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 subsidy 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, 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, which are based on the HUD and locality (as applicable) income and rent limits which are current at the time of MIP application, for a term of 55 years: a. 30% of total units at or below 50% of AMI. Of these, a minimum of 10% of total units must be at or below 30% of AMI, b. 10% of total units between 60% and 80% of AMI with an average of 70% of AMI or greater, subject to the Maximum Allowable Rents outlined below, and c. Remaining 60% of total units at or below 120% of AMI (with the exception of any non-restricted manager's unit(s)) OR at the affordability restrictions consistent with CTCAC requirements. d. The minimum range between the lowest and highest occupancy target levels must be at least 40%. (Deviations from the above requirements will only be considered if Market Study supports such deviations.) 2. If applicable, tax credit transactions that are income-averaged must have a maximum average affordability up to 60% of AMI across all CTCAC restricted units.
Mixed-Income Project Occupancy Requirements (Continued)	**MAXIMUM ALLOWABLE RENTS:** Rents for all restricted units must be at least 10% below market rents for the MIP affordability term as evidenced by a current market study or appraisal. This threshold will be analyzed at time of application and again at CalHFA's final commitment approval and may be monitored on an ongoing basis for the MIP affordability term. 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. For underwriting purposes, CTCAC and locality maximum rents for the respective target income limits must be used. 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 of MIP loan closing, at CalHFA's sole discretion. Any units restricted by the Agency pursuant to this program, including those units restricted in addition to the minimum requirements set forth above, shall be rented at rents not to exceed 30% of the applicable income restriction required in the Agency's Regulatory Agreement.
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 $60,000 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 pursuant to CTCAC regulations 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 (2022)

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. **Lien Position**: Second lien position, after CalHFA permanent first lien loan. 4. **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. 5. **Affordability Term**: 55 years. 6. **Prepayment**: May be prepaid at any time without penalty. 7. **Subordination**: A subordination and/or extension of MIP maturity request in conjunction with a re-syndication, refinance, or ownership transfer ("capitalization event(s)") will be considered. If MIP loan is outstanding at time of the capitalization event(s) 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. 8. **Funded**: Only at permanent loan conversion.
CalHFA Conduit Bond Program	For more information on CalHFA's Conduit Issuer Program and the fees associated with it, visit CalHFA's website: www.calhfa.ca.gov/multifamily/programs/forms/termsheet-conduit.pdf
CalHFA First Lien Permanent Rates & Terms (subject to change)	For more information on CalHFA's Permanent Loan Program and the fees associated with it, visit CalHFA's website: www.calhfa.ca.gov/multifamily/programs/forms/termsheet-perm-tax-exempt.pdf
Fees (subject to change)	**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. **Other Fees:** Refer to CalHFA First Lien Permanent Rates & Terms for first mortgage loan fees, credit enhancements, trustee fees, legal fees, inspection fees, administrative fees. www.calhfa.ca.gov/multifamily/programs/forms/termsheet-perm-tax-exempt.pdf

Last revised: 01/25/2022

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). If a Project includes CalHFA's subsidy loan, the maximum DSCR at year 1 shall not exceed 1.20, unless CalHFA approves a higher DSCR at its own discretion. The year 1 DSCR underwritten at the time of final loan approval and final commitment must be maintained as the minimum DSCR through the term of the Perm Loan. CalHFA may require the initial DSCR to be higher than the minimum 1.15x, if deemed necessary to meet the Agency's underwriting requirements. • 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. The applicant may be subject to a new Application Fee if the CalHFA commitment expires prior to construction loan closing. • Perm Loan Fee: 1.00%, half due at final commitment, with balance due at Perm Loan closing. • Credit Enhancement Fee: included in the interest rate. • Annual Monitoring 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. • Perm Loan Funding Fee: $110,000 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 available1 • 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 (i.e., 30% @ 60% AMI; 10% @ 50% AMI).

Occupancy Requirements (continued)	Any units restricted by the Agency pursuant to this program, including those units restricted in addition to the minimum requirements set forth above, shall be rented at rents up to 30% of the applicable income restriction using the occupancy assumptions required in the Agency's Regulatory Agreement. Rents for all restricted units must be at least 10% below market rents as evidenced by current market study or an appraisal. 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). A RRNA for a longer time period may be required if the Perm Loan term is greater than 20 years. • 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). The Purpose section of Phase I must state "a purpose of the Phase I is to document compliance with HUD policy pursuant to 24 CFR §58.5(i)(2) or §50.3(i)". • 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: 5/2022

California Housing Finance Agency

CONDUIT ISSUER PROGRAM

MULTIFAMILY HOUSING BONDS

Term sheet effective for applications submitted after March 1, 2022

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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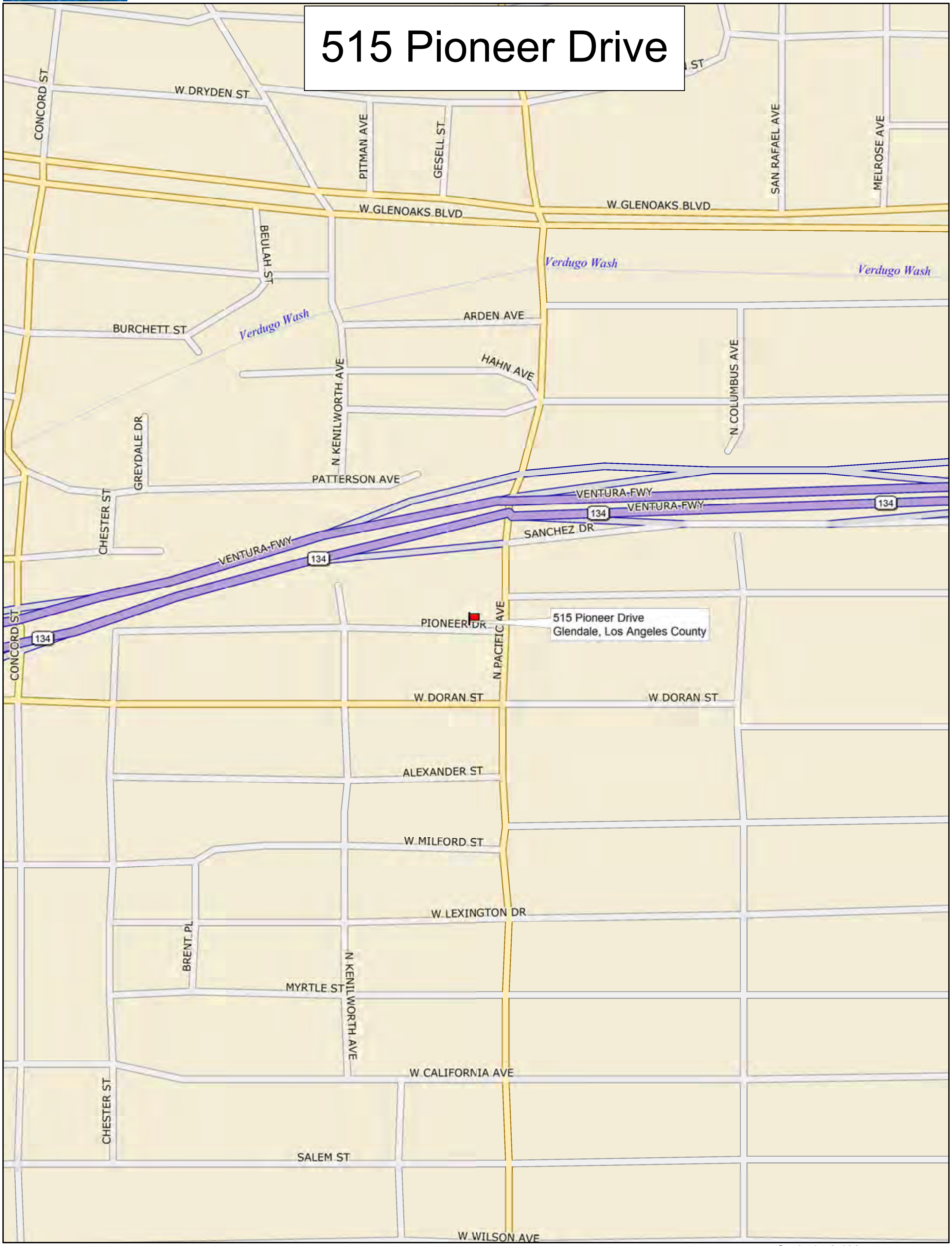
Occupancy Requirements	• Either (A) 20% of the units must be rent restricted and occupied by individuals whose incomes are 50% or less of the area median income as determined by HUD ("AMI") with adjustments for household size ("20% @ 50% AMI"), or (B) 40% or more of the units must be rent restricted 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. • Any units restricted by the Agency pursuant to this program, including those units restricted in addition to the minimum requirements set forth above, shall be rented at rents up to 30% of the applicable income restriction using the occupancy assumptions required in the Agency's Regulatory Agreement. Rents for all restricted units must be at least 10% below market rents as evidenced by a current market study or an appraisal. • 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 later of the federally-required qualified project period, repayment of the Bond funded loan, redemption of the Bonds, the full term of the CDLAC Resolution requirements or 55 years.

Last revised: 03/2022

DeLorme Street Atlas USA® 2010

515 Pioneer Drive

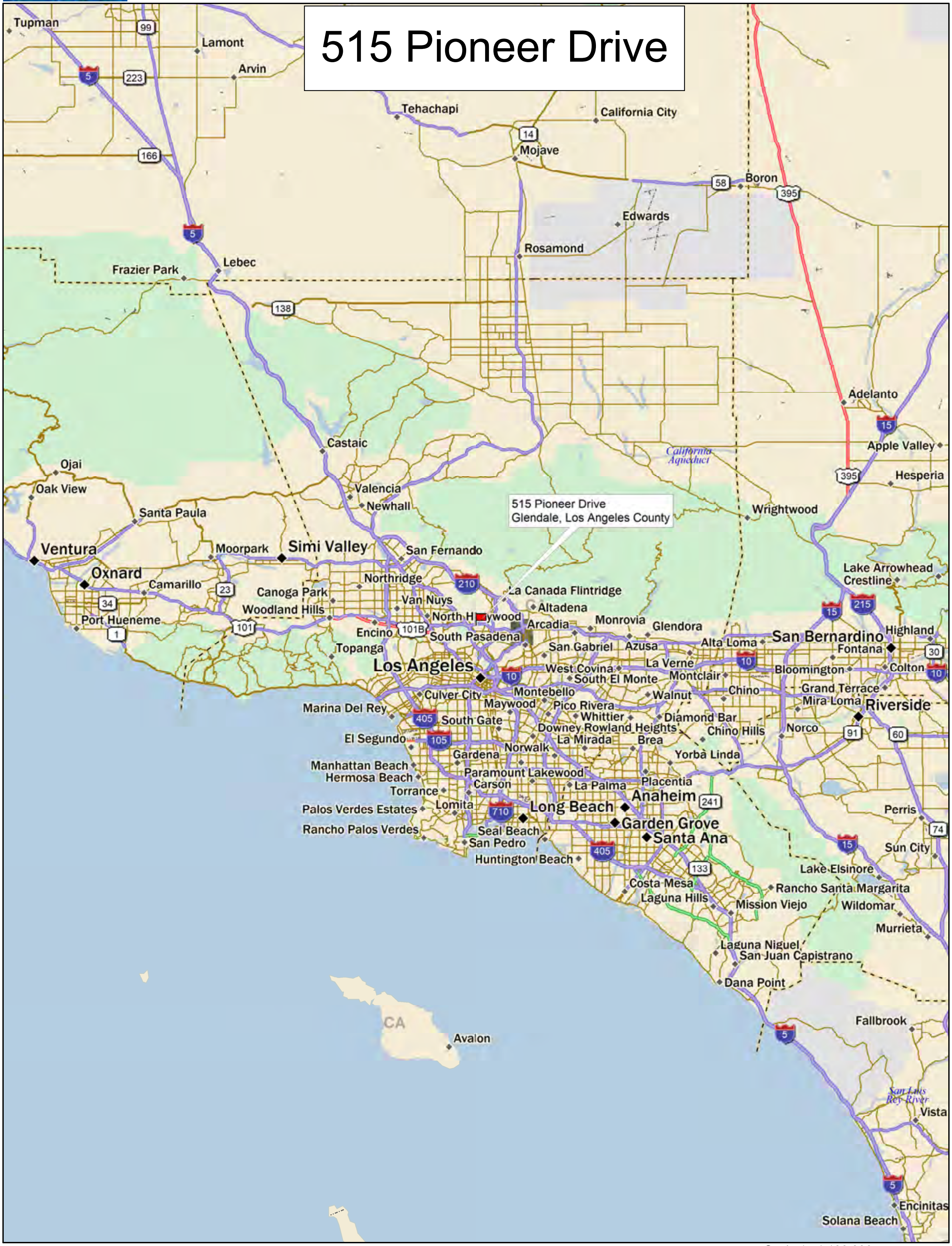


TN MN (11.6°E)

Scale 1 : 6,400

1" = 533.3 ft Data Zoom 15-0

515 Pioneer Drive



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MN (11.6°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. 22-25

RESOLUTION AUTHORIZING A FINAL LOAN COMMITMENT

WHEREAS, the California Housing Finance Agency (the "Agency") has received a loan application on behalf of Linc-CORE Pioneer 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 Glendale, County of Los Angeles, California, to be known as 515 Pioneer Drive (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 February 16, 2022, 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	
22-014-A/X/S	515 PIONEER DRIVE City of Glendale, County of Los Angeles California	$30,892,000.00	Tax-Exempt Permanent 1st Lien Loan with HUD Risk Sharing
		$10,203,625.00	Total MIP 2nd Lien Subsidy Loan
		($5,000,000.00	MIP Allocation;
		$5,203,625.00	Supplemental MIP Allocation)

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. 22-25 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 22nd day of September 2022, 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 22nd day of September 2022.

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 and Taxable financing with Mixed Income Program Subsidy Financing

Senior Loan Committee "Approval": September 7, 2022 for Board Meeting on: September 22, 2022

Project Name, County:	Anton Power Inn, Sacramento County	
Address:	7243 Power Inn Road, Sacramento, 95828	
Type of Project:	New Construction	
CalHFA Project Number:	21-002-A/X/N	**Total Units: 194 / Family**
Requested Financing by Loan Program:	$33,646,558	**CalHFA Tax-Exempt Bond – Conduit Issuance Amount (Allocated by CDLAC on 6/15/22)**
	$1,622,473	**CalHFA Tax-Exempt Bond (Supplemental)- Conduit Issuance Amount (CDLAC application to be submitted 9/2022)**
	Up to $16,000,000	**CalHFA Taxable Bond – Conduit Issuance Amount (which may include recycled bonds) (includes 10% cushion)**
	$23,201,000	**CalHFA Tax-Exempt or FFB Permanent Loan with HUD Risk Sharing**
	$8,000,000	**CalHFA MIP Subsidy Loan**
	$4,154,205 (Not to Exceed)	**CalHFA Supplemental MIP Subsidy Loan (refer to section 5 for further information)**

DEVELOPMENT/PROJECT TEAM

Developer:	Anton DevCo, Inc.	**Borrower:**	Power Inn Sacramento, L.P.
Permanent Lender:	CalHFA	**Construction Lender:**	Bank of the West
Equity Investor:	Raymond James	**Management Company:**	Anton Residential, Inc.
Contractor:	Anton Building Company	**Architect**	Architecture Design Collaborative
Loan Officer:	Kevin Brown	**Loan Specialist:**	N/A
Asset Manager:	Jessica Doan	**Loan Administration:**	Mirna Ramirez
Legal (Internal):	Paul Steinke	**Legal (External):**	Orrick Herrington Sutcliffe
Concept Meeting Date:	5/12/2022	**Approval Expiration Date:**	180 days from Approval

LOAN TERMS

1.		CONDUIT ISSUANCE/ Bank of the West CONSTRUCTION LOAN	PERMANENT LOAN	MIP (GAP) LOAN
	Total Loan Amount	$35,269,031 (T/E) $14,464,184 (Taxable) (which may include recycled bonds)	$23,201,000	Original MIP: $8,000,000 Supplemental MIP: $4,154,205 Total CalHFA MIP Subsidy Loan: $12,154,205 ($63,303/restricted unit)

	Loan Term & Lien Position	36 months- interest only; 1st Lien Position during construction	40 year – partially amortizing due in year 17; 1st Lien Position during permanent loan term	17 year - Residual Receipts; 2nd Lien Position at permanent loan term
	Interest Rate (subject to change and locked 30 days prior to loan closing)	Underwritten at 4.98% (T/E) Underwritten at 5.48% (Tax) fixed rate	MMD + 3.09%* spread Underwritten at 6.14% that includes a .25% cushion* Estimated rate based on a 36-month forward commitment.	Greater of 1% Simple Interest or the Applicable Federal Rate (AFR) at time of MIP closing (3% Simple used for underwriting purposes)
	Loan to Value (LTV)	53%	71%	N/A
	Loan to Cost	70%	32%	N/A

**Note:* *CalHFA spreads locked on 6/15/2022. Cushion is to account for MMD fluctuations prior to Construction Loan Close. Final CalHFA rate will be locked 30 days prior to construction loan closing. The developer elected to opt-out of the Indicative Rate Lock Agreement option.*

PROJECT SUMMARY

2.	**Legislative Districts**	**Congress:**	#7 Ami Bera	**Assembly:**	#9 Jim Cooper	**State Senate:**	#6 Richard Pan

	Brief Project Description	**Anton Power Inn** (the "Project") is a new construction, multifamily, mixed-income Project, consisting of eight residential buildings and one community building. The Project will be three story walk ups, type V, wood framed, garden style buildings with 318 surface parking spaces that will be reserved for residents and on-site staff. There will be 194 total units, 192 of which will be restricted between 30% and 70% of the Sacramento County Area Median Income (AMI). There will be 96 one-bedroom units (598 avg. s.f.), 48 two-bedroom units (820 avg. s.f.) and 50 three-bedroom units (1,057 avg. s.f.). Two three-bedroom units will serve as the onsite manager's units. The site is contiguous and is currently vacant. **Financing Structure:** The Project's financing structure includes financing from tax-exempt bonds, 4% Federal Tax Credit equity (4% Federal LIHTC allocation), State Housing Tax Credit equity, Agency's permanent loan program, and Mixed-Income Program (original and supplemental). The project will be income averaged, pursuant to TCAC regulations. **Tax Credits and/or CDLAC Status:** The developer received an allocation of bond cap and awards of 4% federal and state tax credits from CDLAC/TCAC on June 15, 2022. The Project will be applying in September for a supplemental bond allocation and is expected to be awarded in 2022. The supplemental allocation is being requested to add a cushion to the project's 50% aggregate basis requirement (the "50% test") which is currently at approximately 50%. The supplemental allocation will increase this to approximately 52%, which is necessary to accommodate a potential cost increase during construction. **Ground Lease:** Not applicable. **Project Amenities:** The Project includes one community building with a leasing office, fitness center, community room, resident services space, and laundry facilities. The project will also include green space that includes a play area and splash pad. Services will be provided to the residents as described in section 33.

Local Resources and Services: For TCAC/CDLAC purposes, the Project is located within a high segregation and poverty resource area per TCAC/HCD's Opportunity Area Map. The Project is in close proximity to the following local amenities and services:

- Grocery stores – 0.82 mile
- Schools - 0.36 mile
- Public Library – 1.5 miles
- Public transit - 0.25 mile
- Retail - 0.25 mile
- Park and recreation - 0.45 mile
- Hospitals - 3.0 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 on an existing vacant site, 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 and/or Other (i.e., Parking) Space: The Project does not include commercial space.

MISSION

3.	CalHFA Mission/Goals
This Project and financing proposal provide 192 units of affordable housing with a range of restricted rents between 30% of 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:	12/12/2022	Est. Construction Loan Closing:	9/2022
	Estimated Construction Start:	9/2022	Est. Construction Completion:	11/2024
	Estimated Conversion to Perm Loan(s):		9/2025	

SOURCES OF FUNDS

5.

Construction Sources and Uses

Sources	Amount	Details (Lien Position/Rate/Debt Type)	Uses	Amount
Bank of the West- Tax-Exempt Conduit	$35,269,031	1st/4.98%/Interest Only	Total Acquisition costs	$1,375,000
Bank of the West- Taxable Conduit (which may include recycled bonds)	$14,464,184	2nd/5.48%/Interest Only	Construction/Rehab Costs	$50,837,533
Deferred Costs	$633,644	N/A	Soft Costs	$2,434,765
NOI During Construction	$917,980	N/A	Hard Cost contingency	$3,472,248
Deferred Developer Fee	$1,583,649	Payable from Cashflow	Soft Cost contingency	$418,867
Investor Equity Contribution	$18,368,849	N/A	Financing Costs	$5,764,768
			Local Impact Fees	$1,268,586

			Developer Fees	$3,500,000
			Other Costs	$2,165,570
TOTAL	**$71,237,337**			**$71,237,337**
TOTAL PER UNIT	**$367,203**			
Permanent Sources and Uses				
Sources:	**Amount**	**Details (Lien Position/Rate/Debt Type)**	**Uses**	**Amount**
CalHFA Perm Loan	$23,201,000	1st/6.14%/40 year amortization due by year 17	Total Loan Payoffs and Equity	$71,237,337
CalHFA MIP Loan	$8,000,000	2nd/3.00%/Residual Receipt	Financing costs	$334,276
**CalHFA Supplemental MIP Loan	$4,154,205	2nd/3.00%/Residual Receipt	Soft costs	$17,500
*NOI During Construction	$917,980	N/A	Operating Reserves	$639,777
Deferred Developer Fees	$2,557,797	Payable from Cashflow		
Investor Equity Contributions	$33,397,908	2nd/3.00%/Residual Receipt		
TOTAL	**$72,228,890**	N/A		**$72,228,890**
TOTAL PER UNIT	**$372,314**			

*The estimated net cash flow during lease up is based on 9 months leasing and 3 months of stabilized occupancy prior to permanent loan conversion.

** CalHFA Supplemental MIP loan repayment will have priority over the Original MIP Loan in the repayment priority.

****Gap Funding Explanation and request for supplemental MIP subsidy loan funding:** The Sources of Funds chart shown above includes more detailed information related to each financing and/or equity source and uses during the construction and permanent periods of development.

At the time of CalHFA's initial commitment (March of 2022), the developer estimated total development cost (TDC) to be $67,776,784 or $349,365/unit. CalHFA issued an initial commitment based on these initial costs estimates for the developer to use to apply to CDLAC for tax exempt bond cap and to CTCAC for both federal and state tax credits. On June 15, 2022 the Borrower received the related allocations from CDLAC and CTCAC.

Generally, the project's total cost changed from March through July as cost increases related predominantly to rising interest rates and stresses on labor and materials that ultimately lead to cost increases to Hard Cost, construction loan costs, and other line items by a total of $7,882,541. While the developer was successful in achieving a 5.75% increase to the Equity Investor Contribution for $1,816,411 and a 2.87% increase to CalHFA permanent loan amount, unfortunately, these efforts were insufficient to off-set rising interest rates, labor, and material costs.

The Borrower has requested a $4,154,205 increase to the MIP Subsidy Loan in an effort to offset cost increases and loan reductions outlined above and below. The summary of changes in sources and uses between initial commitment vs. current proposed are outlined below:

Summary of changes in Sources/Uses since the Initial Commitment approval					
SOURCES - Major Changes Description	**Initial Commitment Amount $**	**Current Proposed Amount $**	**Increase/ Reduction $**	**Per Unit Cost Adjustment**	**% Adjustment of IC Amount**
1 - CalHFA Perm Loan	$22,553,000	$23,201,000	$648,000	$3,340	2.87%
2 - Tax Credit Equity	$31,581,497	$33,397,908	$1,816,411	$9,363	5.75%

3 - NOI During Construction	$899,805	$917,980	$18,175	$94	2.02%
4 – Sponsor Loan	$2,184,687	$0	-$2,184,687	-$11,261	-100.00%
Total Changes in Sources (A)	**$57,218,989**	**$57,516,888**	**$297,899**	**$1,536**	**0.52%**

USES - Major Cost Changes Description	**Initial Commitment Amount $**	**Current Proposed Amount $**	**Increase/ Reduction $**	**Per Unit Cost Adjustment**	**% Adjustment of IC Amount**
1 - Property Acquisition	$1,175,000	$1,225,000	$50,000	$258	4.26%
2 - Construction Hard Cost	$47,892,700	$53,637,641	$5,744,941	$29,613	12.00%
3 - Permit & Fees	$5,540,252	$2,620,582	-$2,919,670	-$15,050	-52.70%
4 - Construction Loan Cost	$3,767,441	$5,855,041	$2,087,600	$10,761	55.41%
5 – Other Transaction Costs	$5,858,643	$5,347,876	-$510,767	-$2,633	-8.72%
Total Changes in Uses (B)	**$64,234,036**	**$68,686,140**	**$4,452,104**	$22,949	6.93%
Net Funding Gap (A-B)			**-$4,154,205**		
Gap Funding sources:					
Increase in CalHFA Perm Loan (at rate locked rate)):			**N/A**		
Supplemental MIP Request:			$4,154,205		
Gap Funding Sources Total:			**$4,154,205**		
Balance:			**$0**		

Hard Cost/Soft Cost changes: The developer is a vertically integrated organization and owns the general contractor entity, Anton Building Company. In an effort to mitigate market disruptions, the developer met with their design team and general contractor to evaluate the original construction hard cost budget. As a result, the developer increased the construction hard cost budget by approximately $5.7 million (12%) to reflect a more accurate budget based on current market conditions. The current construction cost budget incorporates a reduction of the general contractor's overhead and profit of approximately $307k (22%). As you can see on the above chart, after reviewing their budget in detail, they were able to reduce other soft cost budget line items by $3.43 million, primarily due to decrease in permit and fee waivers.

Deferred Developer Fee: The current budget also reflects no changes to the total developer's fee budget of $3.5 million and deferred developer's fee (DDF) of $2.56 million (original developer fee $3.5 million with $2,557,797 deferred/current developer fee $3.5 million with $2,557,797 deferred).

Removal of Original Sponsor Loan: At the time of application, the Developer requested a CalHFA permanent loan in the amount of $24.9 million with a 4.35% underwriting rate. During the initial approval underwriting period, the underwriting rate was increased to 5.06% based on current market conditions which left a funding gap of approximately $2.18 million. The Developer provided a Sponsor Loan commitment in the amount of $2,184,685 to initially fill this gap in order to obtain CalHFA initial approval and to submit the joint CDLAC and TCAC applications back in March 2022. On April 29, 2022, TCAC released the income and rent limits for 2022 which included a 5% increase for Sacramento County. This increase mitigated the higher underwriting rate at initial approval, eliminating the need for the Sponsor Loan. As a result, the developer has removed the Sponsor Loan from the Project's funding sources.

Perm Loan Reduction & Equity Contribution Adjustment: The equity contribution adjustment is anticipated to be approximately $1.8 million. During final underwriting, the estimated permanent loan of $22.55 million at initial commitment was increased by $648k to $23.20 million. This was attributed to a combination of 5% rent increase

	for Sacramento County for 2022 and increases in perm loan financing costs related to macroeconomic factors, such as inflation. The developer is also projecting a slightly higher NOI (cash) during construction by approximately $18k. The estimated funding gap after exhausting all resources available for the project is approximately $4,154,205. The Borrower has requested an increase to the MIP Subsidy Loan of $4,154,205. Pursuant to the TCAC/CDLAC requirements, this project must begin construction by December 2022. A $4,154,205 million increase in the MIP supplemental subsidy ($21,637/unit) results in an overall MIP Regulated Unit amount of $63,303 per restricted unit. The original MIP and Supplemental MIP total $12,154,205. **Subsidy Efficiency:** The Initial MIP commitment for this Project was $8,000,000 ($41,667 per MIP restricted units). The Current proposed MIP commitment is $12,154,205 ($63,303 per MIP restricted units). Staff is recommending exceptions to the per project Allocation Limit of $8,000,000, per unit limit of $50,000, and the 50% limit of the MIP loan to perm loan requirement. Approval of these exceptions are further detailed in the "Underwriting Standards or Term Sheet Variations" section 9 below. **Tax Credit Type(s), Amount(s), Pricing(s), and per total units:** • 4% Federal Tax Credits: $29,804,422 ($155,231 per TCAC restricted unit). • State Tax Credits: $2,059,061 ($10,724 per TCAC restricted 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 developer is using its affiliated company, Anton Building Company, as its General Contractor. The developer established cost containment strategies that include: 1) engaging the General Contractor to provide pre-construction services including: conceptual design review, estimating, value engineering, and a critical path schedule, 2) reviewing the GMP contract for any exclusions or exceptions to mitigate project cost increases, and 3) requiring that the General Contractor provide a minimum of 3 bids for each major trade and all other trades, if available.
6.	Equity – Cash Out (estimate): Not Applicable

TRANSACTION OVERVIEW

7.	**Proposal and Project Strengths**

- The Project has received 4% federal and state tax credits allocations, which is projected to generate equity representing approximately 46% of total financing sources.
- The developer/sponsor has extensive experience in developing similar affordable housing projects.
- There is no evidence of existing, controlled, or historical recognized environmental conditions for the site.
- The Project is strongly supported by the City of Sacramento which is evidenced by a Density Bonus approval.
- The Project will serve low-income families ranging between 30% to 70% of AMI. On average, the rents are between 31% to 73% below market rents based on the current appraisal.
- The Loan-to-Value ("LTV") will be 71%, which is well below the Agency's maximum allowable LTV of 90%. This results in 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 $942,203 which could be available to cover cost overruns and/or unforeseen issues during construction.

8.	**Project Weaknesses with Mitigants:**

The exit analysis assumes 2% increase to the appraisal cap rate (resulting in 7%) and a 3% increase of the underwriting interest rate at loan maturity (resulting in 9.14%). Based on these assumptions, the Project will have the ability to fully repay the balance of Agency's permanent first lien loan and a portion of the Supplemental MIP loan in the estimated amount of $1,961,959, leaving an outstanding balance of $1,454,280 (principal and accrued interest) plus the full amount of the original MIP loan in the estimated amount of $11,600,000 (principal and accrued interest). Total combined estimated MIP balance at refinance is $13,054,280. This is expected by CalHFA given the requirement that the MIP loan be co-terminus with the permanent first mortgage. The primary source of repayment for both the first mortgage and the MIP subsidy loan is refinance of the project's first mortgage. To the extent such a refinance is insufficient to fully repay the Supplemental MIP and original MIP loans, 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.

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

- Pursuant to the USRM, CalHFA regulated unit sizes (by bedroom count) shall be distributed substantially on a pro rata basis across income ranges proportionate to their availability in the development as a whole. Deviations may be allowed based on demonstrable market data and community needs as evidenced in approved Housing Elements. The Borrower is requesting a waiver to meet the pro rata distribution of income ranges and bedroom sizes requirement. The Borrower's property management company advised that it would be in the best interest of the project to have more larger (two and three bedrooms) units that are restricted at 70% of AMI for lease up purposes, as this would result in a larger pool of households/families that would be income qualified for the units. In general, it is more challenging to lease up small units (1 bedroom) that are restricted at a higher AMI range. In addition, the City has approved the income and unit distribution for the proposed project. Therefore, staff is recommending the approval to waive the pro-rata distribution of income ranges and bedroom sizes requirement for the Project.
- Pursuant to MIP loan term sheet, no project may receive more than the lesser of (i) $8 million project cap, (ii) the aggregate MIP loan amount based on up to $60k per MIP regulated unit for a project located within the high/highest resource area per TCAC/HCD opportunity map, or (iii) MIP loan not to exceed 50% of the CalHFA permanent loan. This project is located in a high segregation and poverty resource area. Based on the project economics, the combined original and supplemental MIP is $12,154,205 ($63,303/restricted unit) (MIP loan percentage is approximately 52% of the CalHFA permanent loan), which exceeds all 3 thresholds. This is an exception to the MIP term sheet and is recommended by Multifamily Underwriting and Credit Staff for approval to facilitate the progression of a shovel ready project without delay; the project received tax credit and bond cap allocations from TCAC/CDLAC on June 15, 2022 and is ready to proceed to construction loan closing by December 2022.

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.
- The CalHFA subsidy loan (including the supplemental MIP subsidy loan) will be, in the Agency's sole discretion, the lesser of 1) the principal amount (not to exceed) as stated herein 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.
- Any default as to any loan by the Agency for the Development shall constitute a default under all other loans by the Agency for the Development.
- The Borrower has requested that 100% of surplus cash be allowed towards the repayment of the deferred developer's fee (DDF) for up to 15 years or until DDF has been fully repaid, whichever is sooner. Thereafter, the surplus cash split shall be 50% to Borrower and 50% to Residual Receipt lender(s). As a condition of this approval, the Borrower must provide evidence that the DDF repayment structure is required pursuant to the Limited Partnership Agreement (LPA). In addition, the owner must provide evidence of investor and any residual receipt lender(s) approvals of the total deferred developer's fee structure and residual receipt split. Residual receipt lenders must also agree to defer the payments on their loans.

- The locality is requiring the Borrower to encumber the Property by recording a Density Bonus Agreement. Prior to construction loan closing and closing of the CalHFA loan(s), the Density Bonus Agreement is subject to CalHFA review and approval in accordance with agency underwriting standards, which may include the need for a Standstill Agreement concerning certain provisions of the Density Bonus Agreement.
- Receipt of documentation showing the Purchase and Sale Agreement is assigned to the borrowing entity prior to construction loan closing.
- All MIP Loan principal and interest will be due and payable at maturity. Outstanding Supplemental MIP loan funds will have first repayment priority whether the source of repayment is cash flow during the term of the loan or repayment via refinance, partner contribution, or other source at loan maturity.
- In the event of cost savings at permanent loan conversion, 100% of cost savings will be used to reduce the supplemental portion of the MIP loan amount first (may be shared with other residual receipt lenders on a pro rata basis, if applicable). Once the supplemental portion of the MIP loan amount is fully reduced, the remaining cost savings will be split 50% between reducing the original MIP loan amount (or may be shared with other residual receipt lenders on a pro rata basis, if applicable) and reducing the Deferred Developer Fee.

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. As noted earlier, the supplemental MIP subsidy loan of $4,154,205 was not part of the Initial Commitment approved by the SLC, and hence approval is being sought for this financing through the subject Final Commitment Approval.

AFFORDABILITY

12. CalHFA Affordability (Occupancy and Rent) Restrictions

The CalHFA Permanent Financing Regulatory Agreement will restrict a minimum of 30% of the total units (59 units) at or below 60% of AMI and an additional 10% of these units (20 units) at or below 50% of AMI for 55 year(s).

*The CalHFA MIP Subsidy Regulatory Agreement requires 10% of total units (20 units) be restricted at or below 30% of AMI, 20% of the total units (39 units) be restricted at or below 50% of AMI, and 10% of total units (20 units) be restricted between 60% and 80% of AMI with a minimum average of 70% of AMI, and the remaining 113 restricted units will be restricted at or below 120% of AMI for a term of 55 years. The rents for the 60% to 80% tranche will be determined by the minimum income limit of 70% of AMI, not to exceed 80% of AMI. For underwriting purposes, the initial rents at permanent loan conversion must be no less than the underwriting rent levels outlined on the "Unit Mix and Rent Summary" enclosed as part of the project's staff report package. The CalHFA permanent loan agreement will require minimum underwriting rent levels as outlined in the Rent Limit Summary Table Below.

The TCAC Regulatory Agreement will restrict a total of 192 units between 30% and 70% of AMI for a term of 55-years.

The City is providing a Density Bonus Agreement that will restrict a total of 192 units between 30% and 70% 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%	20	-	10	5	5	-	10.3%
40%	0	-	-	-	-	-	0.0%
50%	39	-	30	5	4	-	20.1%
60%	42	-	35	7	-	-	21.6%

70%	91	-	21	31	39	-	46.9%
80%	0	-	-	-	-	-	0.0%
110%	0	-	-	-	-	-	0.0%
120%	0	-	-	-	-	-	0.0%
Manager's Unit	2	-	-	-	2	-	1.0%
Total	**194**	**0**	**96**	**48**	**50**	**0**	**100.0%**

The average affordability restriction is 59.58% of AMI based on 192 TCAC-restricted units.

NUMBER OF UNITS AND PERCENTAGE OF AMI RENTS RESTRICTED BY EACH AGENCY

Agency	Number of Units Restricted For Each AMI Category							
	30%	50%	60%	70%	<= 120%	Manager's Units	Units Regulated	Percentage Regulated
CalHFA Bond	0	20	59	0	0	2	79	40.07%
CalHFA MIP*	20	39	0	20	113	2	192	99%
TCAC	20	39	42	91	0	2	192	99%
Density Bonus	20	39	42	91	0	2	192	99%

13.	Geocoder Information

Central City:	No	Underserved:	No
Low/Mod Census Tract:	Moderate	Below Poverty line:	36.99%
Minority Census Tract:	77.05%	Rural Area:	No

FINANCIAL ANALYSIS SUMMARY

14.	Capitalized Reserves:	
	Replacement Reserves (RR):	N/A
	Operating Expense Reserve (OER):	$639,777* OER amount is sized based on 3 months operating expenses, debt service, and annual replacement reserves deposits. CalHFA will hold this reserve for the term of the CalHFA permanent 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. A minimum of 3 to 6 months operating expense, reserves, and debt service ("OER") is required to be held for the life of the CalHFA permanent loan. The OER may be based on 3 months of total operating expenses, reserves, and debt service if the developer provides evidence, within the last 2 years, that they have received allocations from TCAC or provided a certification from a third party accountant that they met TCAC's general partner and management experience pursuant to CTCAC regulations. The developer has submitted supporting documentation that they've met this requirement.
	Transitional Operating Reserve (TOR):	N/A.

15.	**Cash Flow Analysis**			
	1st Year DSCR:	1.16	**Project-Based Subsidy Term:**	N/A
	End Year DSCR:	1.62	**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 loan(s) will be secured against the above-described Project site.

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

The exit analysis assumes 2% increase to the appraisal cap rate (resulting in 7%) and a 3% increase of the underwriting interest rate at loan maturity (resulting in 9.14%). Based on these assumptions, the Project will have the ability to fully repay the balance of Agency's permanent first lien loan and a portion of the Supplemental MIP loan in the estimated amount of $1,961,959, leaving an outstanding balance of $1,454,280 (principal and accrued interest) plus the full amount of the original MIP loan in the estimated amount of $11,600,000 (principal and accrued interest). Total combined estimated MIP balance at refinance is $13,054,280. This is expected by CalHFA given the requirement that the MIP loan be co-terminus with the permanent first mortgage. The primary source of repayment for both the first mortgage and the MIP subsidy loan is refinance of the project's first mortgage. To the extent such a refinance is insufficient to fully repay the Supplemental MIP and original MIP loans, 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:** June 6, 2022

- The Appraisal dated June 6, 2022 prepared by Watts Cohn and Partners, Inc. values the land at $1,240,000.
- The cap rate of 5% and projected $1,720,912 of net operating income (NOI) which is used in determining the appraised value of the subject site is approximately $88,000 less than Developer's proposed NOI projections which include lower operating expenses based on nearby comparable projects and actual NOI provided by the Developer. Additionally, the property manager has certified that the project can be operated based on the proposed expenses. Based on the developer's explanation and supporting documents, staff has determined that the proposed annual operating expense budget is reasonable.
- The as-restricted stabilized value is $27,030,000, which results in the Agency's permanent first lien LTV of 71% and combined LTV, including MIP subsidy loan (original and supplemental) of 108%.
- The absorption rate is 23 units per month, which is slightly higher than the market study report, however, both the appraisal and the market study anticipates that the project will reach full stabilization within 8 months following construction completion. The appraisal's absorption rate conforms with the anticipated construction and lease-up schedule in the underwriting and market study.

Market Study: Mary Ellen Shay & Co. **Dated:** February 8, 2022

Regional Market Overview

- The Primary Market Area ("PMA") is the area that includes parts of Southern Sacramento, Florin, and Northern Elk Grove (population of 249,975) and the Secondary Market Area ("SMA") is the County of Sacramento (population of 1,564,478).
- The general population in the PMA is anticipated to increase by 0.7% per year through 2026.
- Unemployment in the PMA is 4.4%, which evidences a strong employment area. Unemployment data for the SMA was not available.
- Median home value in the PMA is $425,000.

- As of 2021, the median income in the PMA was below the surrounding SMA, and between 2000 and 2020 the median household income growth in the PMA has generally trailed the SMA.

Local Market Area Analysis

- **Supply:**
  - There are currently five affordable project(s) in the PMA, and they are 100% occupied with long wait lists.
  - There are currently no affordable project(s) being planned or developed in the PMA.
- **Demand/Absorption:**
  - The project will need to capture 2.5% of the total demand for family units in the PMA. The affordable units are anticipated to lease up at a rate of 15-20 units per month and reach stabilized occupancy within 7-9 months of opening. This assumes that the management company will start pre-leasing the units at receipt of temporary certification of occupancy.

DEVELOPMENT SUMMARY

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

- The property is located approximately between Power Inn Road and Florin Perkins Road/French Road in the South Sacramento Community Plan Area, in the City of Sacramento, Sacramento County.
- The site is currently vacant and undeveloped, with level topography at street grade, measuring approximately 7.55 acres and generally rectangular in shape. The site is flat and site surface supports low-lying vegetation.
- The site is currently zoned as RD-20, medium-density family residential use. On March 8, 2021, the County of Sacramento Planning Commission approved a density bonus allowing 194 units (28.5% increase).
- The subject is located in Flood Zone X. Zone X is the area determined to be outside the 500-year floodplain and protected by levee from 100-year floodplain, therefore the Project will not be subject to flood insurance.

20. Form of Site Control & Expiration Date

The current owner, Kelly Anne Commercial, LLC, Michael A. Digrazia, Thomas B. Halfaker, and M&MH, L.P (collectively, the "Seller"), of the site and the Developer, Anton DevCo, Inc., entered into a Purchase and Sale Agreement dated April 22, 2020, which expires on July 25, 2022 for an amount of $1,075,000. A Fifth Amendment to the Purchase Agreement was made on April 12, 2022, which indicates that the parties have agreed on a closing date of December 30, 2022. The purchase price has been increased to $1,225,000 due to multiple extensions. In the event that the closing date extends beyond December 30, 2022, the purchase price will increase by $50,000.

21. Current Ownership Entity of Record

Title is currently vested in Kelly Anne Commercial, LLC, Michael A. Digrazia, Thomas B. Halfaker, and M&MH, L.P as the fee owner.

22. Environmental Review Findings — **Dated:** February 7, 2022

- A Phase I Environmental Site Assessment performed by Brusca Associates, Inc. dated February 7, 2022 revealed no evidence of recognized environmental conditions, so no additional investigation was recommended.
- A NEPA review has been initiated and will be completed prior to closing.

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

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

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

The Project is new construction on vacant land; therefore, relocation is not applicable.

PROJECT DETAILS

25. Residential Areas:

	Residential Square Footage:	151,793	**Residential Units per Acre:**	65.5

		Community Area Sq. Ftg:	4,031	**Total Parking Spaces:**	318
		Supportive Service Areas:	0	**Total Building Sq. Footage:**	165,786
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:**	The subject will consist of nine three-story, type V, wood framed, garden style buildings.			
28.	**Construction/Rehab Scope**	**Requires Demolition:** ☐ **Yes** ☒ **No**			

- The subject site is new construction.
- The Contractor, Anton Building Company, is an affiliate of the Borrower entity. The contract will be structured as a Guaranteed Maximum Price (GMP) contract, and in the current builder overhead, profit, and general requirements budget is approximately 13% of construction costs, which is less than the maximum TCAC's allowable limit of 14%.

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. Refer to section 5 for more details of the developer's cost containment strategies.

ADDITIONAL DEVELOPMENT/ PROJECT TEAM INFORMATION

30. Borrower Affiliated Entities

- Managing General Partner: PacH Anton South Holdings, LLC, a California limited liability company; 0.005% interest
  - Sole Member: Pacific Housing, Inc., a California nonprofit public benefit corporation
- Administrative General Partner: Anton Power Inn, LLC; 0.005% interest
  - Member & Manager: Anton DevCo, Inc., 100% interest
- Investor Limited Partner; Raymond James, 99.99% interest

31. Developer/Sponsor

The Developer, Anton DevCo, Inc. currently has 11 projects (4 affordable) with a total of 3,518 units in their pipeline. There are currently 4 projects (1 affordable) with a total of 824 units that are under construction. Anton DevCo, Inc. has completed 50 projects (17 affordable) with 9,000 total units (2,541 affordable). The Developer has one project with a total of 170 units in the CalHFA pipeline that is currently under construction and is progressing as expected. The developer does not have any projects in CalHFA's portfolio.

32. Management Agent

The Project will be managed by Anton Residential, Inc., an affiliated entity, which has extensive experience in managing similar affordable housing projects in the area. Anton Residential, Inc. currently has one project under construction that will be in the CalHFA portfolio at permanent loan closing. The locality is familiar with this management company and staff received positive feedback regarding the firm's current and prior performance from background and reference checks which implies that the management company will have the capacity and ability to successfully manage the Project. The management company does not have any projects in CalHFA's portfolio.

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

Pacific Housing, Inc. will provide supportive services to all residents including health and wellness education, skill building, peer counselling, after school programs for children, energy-saving consultations, employment services, consumer credit counseling, Meals on Wheels, and peer counseling.

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

The general contractor is Anton Building Company, an affiliated entity, which has extensive experience in constructing similar affordable housing projects in California. There are currently 4 projects (1 affordable) with a total of 824 units that

are under construction, and the GC has completed 50 projects (9,000 total units) in California. The locality is familiar with this general contractor and staff received positive feedback regarding the firm's current and prior performance from background and reference checks which implies that the general contractor will have the capacity and ability to complete the development within budget and on time.		
35.	**Architect**	**Experienced with CalHFA?** ☒ **Yes** ☐ **No**
The architect is Architecture Design Collaborative, which currently has 14 projects (10 affordable) that are under construction and 16 completed projects (6 affordable) within the past 5 years in California. Architecture Design Collaborative and the developer has worked on two projects that have been completed, two projects that are in the development stage, and one project that is currently in the entitlement stage.		
36.	**Local Review via Locality Contribution Letter**	
The locality, Sacramento Housing and Redevelopment Agency, returned the local contribution letter stating their support of the project.		

EXHIBITS: Detailed Financial Analysis and applicable Term Sheets

PROJECT SUMMARY — Final Commitment

Acquisition, Rehab, Construction & Permanent Loans — **Project Number** 21-002-A/X/N

Project Full Name	Anton Power Inn	**Borrower Name:**	Power Inn Sacramento, L.P.
Project Address	7243 Power Inn Road	**Managing GP:**	PacH Anton South Holdings, LLC
Project City	Sacramento	**Developer Name:**	Anton DevCo, Inc.
Project County	Sacramento	**Investor Name:**	Raymond James
Project Zip Code	95828	**Prop Management:**	Anton Residential, Inc.
		Tax Credits:	4
Project Type:	Permanent Loan Only	**Total Land Area (acres):**	7.55
Tenancy/Occupancy:	Individuals/Families	**Residential Square Footage:**	151,793
Total Residential Units:	194	**Residential Units Per Acre:**	25.70
Total Number of Buildings:	9		
Number of Stories:	3	**Covered Parking Spaces:**	205
Unit Style:	Flat	**Total Parking Spaces:**	318
Elevators:	None		

Acq/Construction/Rehab Financing	Loan Amount ($)	Loan Fees	Loan Term (Mo.)	Amort. Period (Yr.)	Starting Interest Rate
Bank of the West- Tax-Exempt Conduit	35,269,031	1.000%	36	--	4.980%
Bank of the West- Taxable Conduit	14,464,184	--	36	--	5.480%
		NA	NA	NA	NA
--	--	NA	NA	NA	NA
Deferred Developer Fee	1,583,649	NA	NA	NA	NA
NOI During Construction	917,980	NA	NA	NA	NA
Deferred Costs	633,644	NA	NA	NA	NA
Investor Equity Contribution	18,368,849	NA	NA	NA	NA
Total:	**71,237,337**	NA	NA	NA	NA

Permanent Financing	Loan Amount ($)	Loan Fees	Loan Term (Yr.)	Amort. Period (Yr.)	Starting Interest Rate
Perm	23,201,000	1.000%	17	40	6.140%
MIP	8,000,000	1.000%	17	NA	3.000%
Supplemental MIP	4,154,205	1.000%	17	NA	3.000%
0	-	0.000%	0	0	0.00%
0	-	0.000%	0	0	0.000%
--	--	--	--	--	--
--	--	--	--		--
--	--	--	--	--	--
Deferred Developer Fees	2,557,797	NA	NA	NA	NA
NOI During Construction	917,980	NA	NA	NA	NA
Investor Equity Contributions	33,397,908	NA	NA	NA	NA
Total:	**72,228,890**	NA	NA	NA	NA

Appraised Values Upon Completion of Rehab/Construction

Appraisal Date:	6/6/22	**Capitalization Rate:**	5.00%
Investment Value ($)	66,720,000	**Restricted Value ($)**	32,780,000
Construct/Rehab LTC	70%	**CalHFA Permanent Loan to Cost**	32%
Construct/Rehab LTV	53%	**CalHFA 1st Permanent Loan to Value**	71%
		Combined CalHFA Perm Loan to Value	108%

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	$639,777	Cash
Initial Replacement Reserve Deposit	$0	Cash
Annual Replacement Reserve Per Unit	$250	Cash

Date Prepared: 8/21/22 — Senior Staff Date: 9/1/22

UNIT MIX AND RENT SUMMARY **Final Commitment**

Anton Power Inn **Project Number 21-002-A/X/N**

PROJECT UNIT MIX				
Unit Type of Style	**Number of Baths**	**Average Size (Sq. Ft.)**	**Number of Units**	**Est. No. of Tenants**
Flat	1	588	48	72
Flat	1	607	48	72
Flat	1	816	24	72
Flat	1	824	24	72
Flat	2	1,049	24	108
Flat	2	1,065	26	117
			194	513

NUMBER OF UNITS AND PERCENTAGE OF AMI RENTS RESTRICTED BY EACH AGENCY						
Agency	**Number of Units Restricted For Each AMI Category**					
	30%	**50%**	**60%**	**70%**	**120%**	**200%**
CalHFA Bond	0	20	59	0	0	0
CalHFA MIP	20	39	0	20	113	0
TCAC	20	39	42	91	0	0
Density Bonus or CUP	20	39	42	91	0	0
-	0	0	0	0	0	0

COMPARISON OF AVERAGE MONTHLY RESTRICTED RENTS TO AVERAGE MARKET RENTS						
Unit Type	**Restricting Agency**	**Average Restricted Rents Number of Units**	**Average Restricted Rents Unit Rent**	**Average Market Rents**	**Average Monthly Savings**	**% of Market Rents**
Studios	**CTCAC**	-	-	-	-	-
	CTCAC	-	-		-	-
	CTCAC	-	-		-	-
	CTCAC	-	-		-	-
	CTCAC	-	-		-	-
	CTCAC	-	-		-	-
	CTCAC	-	-		-	-
1 Bedroom	**CTCAC**	10	$532	$1,949	$1,417	27%
	CTCAC	30	$912		$1,037	47%
	CTCAC	35	$1,102		$847	57%
	CTCAC	21	$1,292		$657	66%
	CTCAC	-	-		-	-
	CTCAC	-	-		-	-
	CTCAC	-	-		-	-
2 Bedrooms	**CTCAC**	5	$640	$2,237	$1,597	29%
	CTCAC	5	$1,096		$1,141	49%
	CTCAC	7	$1,324		$913	59%
	CTCAC	31	$1,552		$685	69%
	CTCAC	-	-		-	-
	CTCAC	-	-		-	-
	CTCAC	-	-		-	-
3 Bedrooms	**CTCAC**	5	$742	$2,650	$1,908	28%
	CTCAC	4	$1,269		$1,381	48%
	CTCAC	-	-		-	-
	CTCAC	39	$1,796		$854	68%
	CTCAC	-	-		-	-
	CTCAC	-	-		-	-
	CTCAC	-	-		-	-
4 Bedrooms	**CTCAC**	-	-	-	-	-
	CTCAC	-	-		-	-
	CTCAC	-	-		-	-
	CTCAC	-	-		-	-
	CTCAC	-	-		-	-
	CTCAC	-	-		-	-
	CTCAC	-	-		-	-
5 Bedrooms	**CTCAC**	-	-	-	-	-
	CTCAC	-	-		-	-
	CTCAC	-	-		-	-
	CTCAC	-	-		-	-
	CTCAC	-	-		-	-
	CTCAC	-	-		-	-
	CTCAC	-	-		-	-
Date Prepared:	8/21/22				Senior Staff Date:	9/1/22

SOURCES & USES OF FUNDS					Final Commitment
Anton Power Inn			Project Number	21-002-A/X/N	
SOURCES OF FUNDS	CONST/REHAB $	PERMANENT $	TOTAL PROJECT SOURCES OF FUNDS SOURCES ($)	PER UNIT ($)	%
Bank of the West- Tax-Exempt Conduit	35,269,031				0.0%
Bank of the West- Taxable Conduit	14,464,184				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
Deferred Costs	633,644				0.0%
NOI During Construction	917,980				0.0%
-	-				0.0%
Construct/Rehab Net Oper. Inc.	-				0.0%
Deferred Developer Fee	1,583,649				0.0%
Developer Equity Contribution	-				0.0%
Investor Equity Contribution	18,368,849				0.0%
Perm		23,201,000	23,201,000	119,593	32.1%
MIP		8,000,000	8,000,000	41,237	11.1%
Supplemental MIP		4,154,205	4,154,205	21,413	5.8%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
NOI During Construction		917,980	917,980	4,732	1.3%
-		-	-	-	0.0%
-		-	-	-	0.0%
Construct/Rehab Net Oper. Inc.		-	-	-	0.0%
Deferred Developer Fees		2,557,797	2,557,797	13,185	3.5%
Developer Equity Contribution		-	-	-	0.0%
Investor Equity Contributions		33,397,908	33,397,908	172,154	46.2%
TOTAL SOURCES OF FUNDS	**71,237,337**	**72,228,890**	**72,228,890**	**372,314**	**100.0%**
TOTAL USES OF FUNDS (BELOW)	**71,237,337**	**72,228,890**	**72,228,890**	**372,314**	**100.0%**
FUNDING SURPLUS (DEFICIT)	**-**	**-**	**-**		

USES OF FUNDS	CONST/REHAB $	PERMANENT $	TOTAL PROJECT USES OF FUNDS USES ($)	PER UNIT ($)	%
CONSTRUCTION/REHAB SOURCES OF FUNDS		**71,237,337**			
ACQUISITION COSTS					
Lesser of Land Cost or Appraised Value	1,225,000	-	1,225,000	6,314	1.7%
Demolition Costs	-	-	-	-	0.0%
Legal & Other Closing Costs	50,000	-	50,000	258	0.1%
Escrow & other closing costs	-	-	-	-	0.0%
Verifiable Carrying Costs	100,000	-	100,000	515	0.1%
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 (Site Acquisition)	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL ACQUISITION COSTS	**1,375,000**	**-**	**1,375,000**	**7,088**	**1.9%**
CONSTRUCTION/REHAB COSTS					
Offsite Improvements	-	-	-	-	0.0%
Environmental Remediation (Hard Costs)	-	-	-	-	0.0%
Site Work (Hard Cost)	8,326,000	-	8,326,000	42,918	11.5%
Structures (Hard Cost)	36,065,000	-	36,065,000	185,902	49.9%
General Requirements	3,807,880	-	3,807,880	19,628	5.3%
Contractor Overhead	551,992	-	551,992	2,845	0.8%
Contractor Profit	1,414,522	-	1,414,522	7,291	2.0%
Contractor Bond	-	-	-	-	0.0%
Contractor Liability Insurance	672,139	-	672,139	3,465	0.9%
Personal Property	-	-	-	-	0.0%
GC Contingency	-	-	-	-	0.0%
TOTAL CONSTRUCT/REHAB COSTS	**50,837,533**	**-**	**50,837,533**	**262,049**	**70.4%**

SOURCES & USES OF FUNDS					Final Commitment
Anton Power Inn			Project Number	21-002-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	1,065,000	-	1,065,000	5,490	1.5%
Supervision	-	-	-	-	0.0%
TOTAL ARCHITECTURAL FEES	**1,065,000**	**-**	**1,065,000**	**5,490**	**1.5%**
SURVEY & ENGINEERING FEES					
Engineering	408,000	-	408,000	2,103	0.6%
Supervision	-	-	-	-	0.0%
ALTA Land Survey	-	-	-	-	0.0%
TOTAL SURVEY & ENGINEERING FEES	408,000	-	408,000	2,103	0.6%
CONTINGENCY RESERVES					
Hard Cost Contingency Reserve	3,472,248	-	3,472,248	17,898	4.8%
Soft Cost Contingency Reserve	418,867	-	418,867	2,159	0.6%
TOTAL CONTINGENCY RESERVES	3,891,115	-	3,891,115	20,057	5.4%
CONSTRUCT/REHAB PERIOD COSTS					
Loan Interest Reserve					
Bank of the West- Tax-Exempt Conduit	4,359,220	-	4,359,220	22,470	0.060353
Bank of the West- Taxable Conduit	-	-	-	-	0
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Loan Fees					
Bank of the West- Tax-Exempt Conduit	352,690	-	352,690	1,818	0.5%
Bank of the West- Taxable Conduit	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Other Const/Rehab Period Costs					
Deficit Const/Rehab NOI (Net Operating Inc	-	-	-	-	0.0%
Credit Enhancement & Application Fees	-	-	-	-	0.0%
Owner Paid Bonds/Insurance	-	-	-	-	0.0%
CalHFA Inspection Fees	18,000	-	18,000	93	0.0%
Real Estate Taxes During Rehab	28,905	-	28,905	149	0.0%
Completion Guaranty Fee	-	-	-	-	0.0%
Wage Monitoring Fee (Davis Bacon, Prevai	-	-	-	-	0.0%
Insurance During Rehab	395,638	-	395,638	2,039	0.5%
Title & Recording Fees	80,000	-	80,000	412	0.1%
Construction Management & Testing	-	-	-	-	0.0%
Cost of Issuance	-	-	-	-	0.0%
Bond Issuer Fee	52,367	-	52,367	270	0.1%
Cost of Issuance	273,673	-	273,673	1,411	0.4%
TOTAL CONST/REHAB PERIOD COSTS	**5,560,492**	**-**	**5,560,492**	**28,662**	**7.7%**

SOURCES & USES OF FUNDS					Final Commitment
Anton Power Inn			Project Number	21-002-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	116,005	116,005	232,010	1,196	0.3%
MIP	67,500	67,500	135,000	696	0.2%
Supplemental MIP	20,771	20,771	41,542	214	0.1%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Permanent Loan Cost of Issuance Fee	-	110,000	110,000	567	0.2%
Credit Enhancement & Application Fees	-	-	-	-	0.0%
Title & Recording (closing costs)	-	20,000	20,000	103	0.0%
Year 1 - Taxes & Special Assessments and Insura	-	-	-	-	0.0%
CalHFA Fees	-	-	-	-	0.0%
Tax Exempt Bond Allocation Fee	-	-	-	-	0.0%
CalHFA Loan Fees	-	-	-	-	0.0%
TOTAL PERMANENT LOAN COSTS	**204,276**	**334,276**	**538,552**	**2,776**	**0.7%**
LEGAL FEES					
CalHFA Construction/Rehab Loan Legal Fees	-	-	-	-	0.0%
Other Construction/Rehab Loan Legal Fees	70,000	-	70,000	361	0.1%
CalHFA Permanent Loan Legal Fees	17,500	17,500	35,000	180	0.0%
Other Permanent Loan Legal Fees	-	-	-	-	0.0%
Sponsor Legal Fees	-	-	-	-	0.0%
Organizational Legal Fees	-	-	-	-	0.0%
Syndication Legal Fees	-	-	-	-	0.0%
Borrower Legal Fee	20,000	-	20,000	103	0.0%
CalHFA Bond Counsel	65,000	-	65,000	335	0.1%
TOTAL LEGAL FEES	**172,500**	**17,500**	**190,000**	**979**	**0.3%**
OPERATING RESERVES					
Operating Expense Reserve Deposit	-	639,777	639,777	3,298	0.9%
Initial Replacement Reserve Deposit	-	-	-	-	0.0%
Transition Operating Reserve Deposit	-	-	-	-	0.0%
Rent-Up Reserve Deposit	-	-	-	-	0.0%
HOME Program Replacement Reserve	-	-	-	-	0.0%
Investor Required Reserve	-	0	0	0	0.0%
Other (Specify) - additional reserve per TCAC appl	-	-	-	-	0.0%
TOTAL OPERATING RESERVES	**-**	**639,777**	**639,777**	**3,298**	**0.9%**
REPORTS & STUDIES					
Appraisal Fee	8,000	-	8,000	41	0.0%
Market Study Fee	9,500	-	9,500	49	0.0%
Physical Needs Assessment Fee	-	-	-	-	0.0%
Environmental Site Assessment Reports	771,765	-	771,765	3,978	1.1%
HUD Risk Share Environmental / NEPA Review F	-	-	-	-	0.0%
CalHFA Earthquake Waiver Review Fee	-	-	-	-	0.0%
Relocation Consultant	-	-	-	-	0.0%
Soils Reports	-	-	-	-	0.0%
Acoustical Reports	-	-	-	-	0.0%
Termite/Dry Rot	-	-	-	-	0.0%
Consultant/Processing Agent	-	-	-	-	0.0%
Other - Development Cost (to align with TCAC app	-	-	-	-	0.0%
TOTAL REPORTS & STUDIES	**789,265**	**-**	**789,265**	**4,068**	**1.1%**

SOURCES & USES OF FUNDS					Final Commitment
Anton Power Inn			Project Number	21-002-A/X/N	
USES OF FUNDS	CONST/REHAB	PERMANENT	TOTAL PROJECT USES OF FUNDS		
	$	$	USES ($)	PER UNIT ($)	%
OTHER COSTS					
TCAC Application, Allocation & Monitor Fees	228,941	-	228,941	1,180	0.3%
CDLAC Fees	17,407	-	17,407	90	0.0%
Local Permits & Fees	1,351,996	-	1,351,996	6,969	1.9%
Local Impact Fees	1,268,586	-	1,268,586	6,539	1.8%
Other Local Fees	-	-	-	-	0.0%
Syndicator/Investor Fees & Expenses	-	-	-	-	0.0%
Furnishings	200,000	-	200,000	1,031	0.3%
Accounting & Audits	90,000	-	90,000	464	0.1%
Advertising & Marketing Expenses	153,226	-	153,226	790	0.2%
Financial Consulting	-	-	-	-	0.0%
SHRA Monitoring Fee	-	-	-	-	0.0%
HUD Risk Share Insurance (First Year Prepaid)	-	-	-	-	0.0%
Other (Washer & Dryers)	88,000	-	88,000	454	0.1%
Other (Inspections)	36,000	-	36,000	186	0.0%
TOTAL OTHER COSTS	**3,434,156**	**-**	**3,434,156**	**17,702**	**4.8%**
SUBTOTAL PROJECT COSTS	**67,737,337**	**72,228,890**	**68,728,890**	**354,273**	**95.2%**
DEVELOPER FEES & COSTS					
Developer Fees, Overhead & Profit	3,500,000	-	3,500,000	18,041	4.8%
Consultant Processing Agent	-	-	-	-	0.0%
Project Administration	-	-	-	-	0.0%
Syndicator Consultant Fees	-	-	-	-	0.0%
Guarantee Fees	-	-	-	-	0.0%
Construction Oversight & Management	-	-	-	-	0.0%
Other Administration Fees	-	-	-	-	0.0%
Other (Specify) correction to balance	-	-	-	-	0.0%
CASH EQUITY OUT TO DEVELOPER	-	-	-	-	0.0%
TOTAL DEVELOPER FEES & COSTS	**3,500,000**	**-**	**3,500,000**	**18,041**	**4.8%**
TOTAL PROJECT COSTS	**71,237,337**	**72,228,890**	**72,228,890**	**372,314**	**100.0%**

PROJECTED INITIAL ANNUAL RENTAL OPERATING BUDGET			Final Commitment
Anton Power Inn	Project Number		21-002-A/X/N
INCOME	**AMOUNT**	**PER UNIT**	**%**
Rental Income			
Restricted Unit Rents	$ 2,919,264	$ 15,048	103.93%
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	37,481	193	1.33%
Parking & Storage Income	-	-	0.00%
Miscellaneous Income	-	-	0.00%
GROSS POTENTIAL INCOME (GPI)	**$ 2,956,745**	**$ 15,241**	**105.26%**
Less: Vacancy Loss	**$ 147,837**	**$ 762**	**5.26%**
EFFECTIVE GROSS INCOME (EGI)	**$ 2,808,908**	**$ 16,003**	**100.00%**
OPERATING EXPENSES	**AMOUNT**	**PER UNIT**	**%**
Administrative Expenses	$ 143,244	$ 738	$ 0
Management Fee	84,267	434	3.00%
Social Programs & Services	20,016	103	0.71%
Utilities	245,798	1,267	8.75%
Operating & Maintenance	205,903	1,061	7.33%
Ground Lease Payments	-	-	0.00%
CalHFA Monitoring Fee	7,500	39	0.27%
Other Monitoring Fees	5,225	27	0.19%
Real Estate Taxes	75,282	388	2.68%
Other Taxes & Insurance	164,254	847	5.85%
Assisted Living/Board & Care	-	-	0.00%
SUBTOTAL OPERATING EXPENSES	**$ 951,489**	**$ 4,905**	**33.87%**
Replacement Reserve	$ 48,500	$ 250	1.73%
TOTAL OPERATING EXPENSES	**$ 999,989**	**$ 5,155**	**35.60%**
NET OPERATING INCOME (NOI)	**$ 1,808,919**	**$ 9,324**	**64.40%**
DEBT SERVICE PAYMENTS	**AMOUNT**	**PER UNIT**	**%**
Perm	$ 1,559,119	$ 8,037	55.51%
Supplemental MIP	$ -	-	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	**$ 1,559,119**	**$ 8,037**	**55.51%**
EXCESS AFTER DEBT SERVICE & MONITORING FEES	**$ 249,800**	**$ 1,288**	**8.89%**
DEBT SERVICE COVERAGE RATIO (DSCR)	**1.16**	**to 1**	
Date: 8/21/22		Senior Staff Date:	09/01/22

PROJECTED PERMANENT LOAN CASH FLOWS										Anton Power Inn					
Final Commitment									Project Number	21-002-A/X/N					
	YEAR	1	2	3	4	5	6	7	8	9	10	11	12	13	14
RENTAL INCOME	CPI														
Restricted Unit Rents	2.50%	2,919,264	2,992,246	3,067,052	3,143,728	3,222,321	3,302,879	3,385,451	3,470,088	3,556,840	3,645,761	3,736,905	3,830,327	3,926,086	4,024,238
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%	37,481	38,418	39,378	40,363	41,372	42,406	43,466	44,553	45,667	46,809	47,979	49,178	50,408	51,668
Parking & Storage Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GROSS POTENTIAL INCOME (GPI)		**2,956,745**	**3,030,664**	**3,106,430**	**3,184,091**	**3,263,693**	**3,345,286**	**3,428,918**	**3,514,641**	**3,602,507**	**3,692,569**	**3,784,884**	**3,879,506**	**3,976,493**	**4,075,906**
VACANCY ASSUMPTIONS	Vacancy														
Restricted Unit Rents	5.00%	145,963	149,612	153,353	157,186	161,116	165,144	169,273	173,504	177,842	182,288	186,845	191,516	196,304	201,212
Unrestricted Unit Rents	5.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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%	1,874	1,921	1,969	2,018	2,069	2,120	2,173	2,228	2,283	2,340	2,399	2,459	2,520	2,583
Parking & Storage Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL PROJECTED VACANCY LOSS		**147,837**	**151,533**	**155,322**	**159,205**	**163,185**	**167,264**	**171,446**	**175,732**	**180,125**	**184,628**	**189,244**	**193,975**	**198,825**	**203,795**
EFFECTIVE GROSS INCOME (EGI)		**2,808,908**	**2,879,130**	**2,951,109**	**3,024,886**	**3,100,509**	**3,178,021**	**3,257,472**	**3,338,909**	**3,422,381**	**3,507,941**	**3,595,639**	**3,685,530**	**3,777,669**	**3,872,110**
OPERATING EXPENSES	CPI / Fee														
Administrative Expenses	3.50%	163,260	168,974	174,888	181,009	187,345	193,902	200,688	207,712	214,982	222,507	230,294	238,355	246,697	255,331
Management Fee	3.00%	84,267	86,374	88,533	90,747	93,015	95,341	97,724	100,167	102,671	105,238	107,869	110,566	113,330	116,163
Utilities	3.50%	245,798	254,401	263,305	272,521	282,059	291,931	302,149	312,724	323,669	334,997	346,722	358,858	371,418	384,417
Operating & Maintenance	3.50%	205,903	213,110	220,568	228,288	236,278	244,548	253,107	261,966	271,135	280,625	290,447	300,612	311,134	322,023
Ground Lease Payments	3.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Other Agency Monitoring Fee	0.00%	5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,225
Real Estate Taxes	1.25%	75,282	76,223	77,176	78,141	79,117	80,106	81,108	82,121	83,148	84,187	85,240	86,305	87,384	88,476
Other Taxes & Insurance	3.50%	164,254	170,003	175,953	182,111	188,485	195,082	201,910	208,977	216,291	223,861	231,696	239,806	248,199	256,886
Required Reserve Payments	1.00%	48,500	48,985	49,475	49,970	50,469	50,974	51,484	51,999	52,519	53,044	53,574	54,110	54,651	55,198
TOTAL OPERATING EXPENSES		**999,989**	**1,030,794**	**1,062,624**	**1,095,511**	**1,129,494**	**1,164,609**	**1,200,895**	**1,238,391**	**1,277,140**	**1,317,184**	**1,358,568**	**1,401,336**	**1,445,537**	**1,491,220**
NET OPERATING INCOME (NOI)		**1,808,919**	**1,848,336**	**1,888,485**	**1,929,375**	**1,971,015**	**2,013,412**	**2,056,577**	**2,100,517**	**2,145,241**	**2,190,757**	**2,237,072**	**2,284,194**	**2,332,131**	**2,380,890**
DEBT SERVICE PAYMENTS	Lien #														
Perm	1	1,559,119	1,559,119	1,559,119	1,559,119	1,559,119	1,559,119	1,559,119	1,559,119	1,559,119	1,559,119	1,559,119	1,559,119	1,559,119	1,559,119
Supplemental MIP	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MIP Annual Fee (applicable for MIP only deals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		**1,559,119**	**1,559,119**	**1,559,119**	**1,559,119**	**1,559,119**	**1,559,119**	**1,559,119**	**1,559,119**	**1,559,119**	**1,559,119**	**1,559,119**	**1,559,119**	**1,559,119**	**1,559,119**
CASH FLOW AFTER DEBT SERVICE		**249,800**	**289,217**	**329,367**	**370,257**	**411,896**	**454,294**	**497,459**	**541,399**	**586,122**	**631,638**	**677,953**	**725,076**	**773,013**	**821,772**
DEBT SERVICE COVERAGE RATIO		**1.16**	**1.19**	**1.21**	**1.24**	**1.26**	**1.29**	**1.32**	**1.35**	**1.38**	**1.41**	**1.43**	**1.47**	**1.50**	**1.53**
Date Prepared:	08/21/22									Senior Staff Date:	9/1/22				

		1	2	3	4	5	6	7	8	9	10	11	12	13	14
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	10,693	11,014
LESS: Partnership Management Fee	2%	19,404	19,792	20,188	20,592	21,004	21,424	21,852	22,289	22,735	23,190	23,653	24,126	24,609	25,101
net CF available for distribution		**222,896**	**261,700**	**301,222**	**341,469**	**382,451**	**424,176**	**466,651**	**509,886**	**553,887**	**598,663**	**644,220**	**690,567**	**737,711**	**785,657**

	YEAR	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Deferred developer fee repayment	2,557,797	2,557,797	2,334,901	2,073,201	1,771,979	1,430,509	1,058,539	640,707	175,796	-	-	-	-	-	-
	100%	222,896	261,700	301,222	341,469	382,451	424,176	466,651	175,796	-	-	-	-	-	-
		2,334,901	2,073,201	1,771,979	1,430,509	1,048,058	634,363	174,055	-	-	-	-	-	-	-

Payments for Residual Receipt Payments		*50%*													
RESIDUAL RECEIPTS LOANS	*Payment %*	-	-	-	-	-	-	-	167,045	276,943	299,331	322,110	345,284	368,855	392,828
MIP	*65.82%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplemental MIP	*34.18%*	-	-	-	-	-	-	-	167,045	276,943	299,331	322,110	345,284	368,855	392,828
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Residual Receipts Payments	**100.00%**	-	-	-	-	-	-	-	167,045	276,943	299,331	322,110	345,284	368,855	392,828
Balances for Residual Receipt Payments															
RESIDUAL RECEIPTS LOANS	*Interest Rate*														
MIP---Simple	*3.00%*	8,000,000	8,240,000	8,480,000	8,720,000	8,960,000	9,200,000	9,440,000	9,680,000	9,920,000	10,160,000	10,400,000	10,640,000	10,880,000	11,120,000
Supplemental MIP---Simple	*3.00%*	4,154,205	4,278,831	4,403,457	4,528,083	4,652,710	4,777,336	4,901,962	5,026,588	4,984,169	4,831,852	4,657,147	4,459,663	4,239,005	3,994,776
0---Compounding	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
---Compounding	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0---Compounding	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0---Compounding	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0---	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Residual Receipts Payments		**12,154,205**	12,518,831	12,883,457	13,248,083	13,612,710	13,977,336	14,341,962	14,706,588	14,904,169	14,991,852	15,057,147	15,099,663	15,119,005	15,114,776

PROJECTED PERMANENT LOAN CASH FL0WS

Final Commitment

	YEAR	15	16	17
RENTAL INCOME	**CPI**			
Restricted Unit Rents	2.50%	4,124,844	4,227,965	4,333,664
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%	52,960	54,284	55,641
Parking & Storage Income	2.50%	-	-	-
Miscellaneous Income	2.50%	-	-	-
GROSS POTENTIAL INCOME (GPI)		**4,177,803**	**4,282,248**	**4,389,305**
VACANCY ASSUMPTIONS	**Vacancy**			
Restricted Unit Rents	5.00%	206,242	211,398	216,683
Unrestricted Unit Rents	5.00%	-	-	-
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%	2,648	2,714	2,782
Parking & Storage Income	50.00%	-	-	-
Miscellaneous Income	50.00%	-	-	-
TOTAL PROJECTED VACANCY LOSS		**208,890**	**214,112**	**219,465**
EFFECTIVE GROSS INCOME (EGI)		**3,968,913**	**4,068,136**	**4,169,839**
OPERATING EXPENSES	**CPI / Fee**			
Administrative Expenses	3.50%	264,268	273,517	283,091
Management Fee	3.00%	119,067	122,044	125,095
Utilities	3.50%	397,872	411,797	426,210
Operating & Maintenance	3.50%	333,294	344,959	357,033
Ground Lease Payments	3.50%	-	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500
Other Agency Monitoring Fee	0.00%	5,225	5,225	5,225
Real Estate Taxes	1.25%	89,582	90,702	91,836
Other Taxes & Insurance	3.50%	265,877	275,183	284,814
Required Reserve Payments	1.00%	55,749	56,307	56,870
TOTAL OPERATING EXPENSES		**1,538,435**	**1,587,235**	**1,637,674**
NET OPERATING INCOME (NOI)		**2,430,478**	**2,480,901**	**2,532,165**
DEBT SERVICE PAYMENTS	**Lien #**			
Perm	1	1,559,119	1,559,119	1,559,119
Supplemental MIP	2	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
MIP Annual Fee (applicable for MIP only deals)	-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		**1,559,119**	**1,559,119**	**1,559,119**
CASH FLOW AFTER DEBT SERVICE		**871,359**	**921,782**	**973,047**
DEBT SERVICE COVERAGE RATIO		**1.56**	**1.59**	**1.62**
Date Prepared:	08/21/22			

LESS: Asset Management Fee	3%	11,344	11,685	12,035
LESS: Partnership Management Fee	2%	25,603	26,115	26,638
net CF available for distribution		**834,412**	**883,982**	**934,374**

	YEAR	15	16	17
Deferred developer fee repayment	2,557,797	-		
	100%	-		
		-	-	-

Payments for Residual Receipt Payments				
RESIDUAL RECEIPTS LOANS	*Payment %*	417,206	441,991	467,187
MIP	*65.82%*	-	-	-
Supplemental MIP	*34.18%*	417,206	441,991	467,187
0	*0.00%*	-	-	-
	0.00%	-	-	-
0	*0.00%*	-	-	-
0	*0.00%*	-	-	-
0	*0.00%*	-	-	-
Total Residual Receipts Payments	**100.00%**	417,206	441,991	467,187

Balances for Residual Receipt Payments				
RESIDUAL RECEIPTS LOANS	*Interest Rate*			
MIP---Simple	*3.00%*	11,360,000	11,600,000	11,840,000
Supplemental MIP---Simple	*3.00%*	3,721,791	3,416,239	3,076,735
0---Compounding	*0.00%*	-	-	-
---Compounding	*0.00%*	-	-	-
0---Compounding	*0.00%*	-	-	-
0---Compounding	*0.00%*	-	-	-
0---	*0.00%*	-	-	-
Total Residual Receipts Payments		15,081,791	15,016,239	14,916,735

California Housing Finance Agency

MIXED-INCOME LOAN PROGRAM (2022)

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/index.htm. If the sponsor/developer is not able to meet the readiness timeline referenced below, MIP funds may be rescinded and reallocated.

AVAILABILITY:

Available to for-profit, 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 that 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 if the city or county as a rule does not issue building permits prior to the completion of grading, then 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 pursuant to CTCAC regulations designated on the CTCAC/HCD (California Department of Housing and Community Department) Opportunity Area Map.
2. **Sponsor Cap:** No sponsor (any individual, entity, affiliate and related entity) may receive more than 20% of total MIP allocation or funding of two projects, whichever is less, for the respective year.
3. **County Cap:** No one county may receive more than 25% 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 may not be limited to, 1) competitively bidding out all major subcontractor and self-performing trades and 2) engaging a 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 construction loan closing and closing of the MIP subordinate loan. 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") at year 1 ("Initial DSCR"). CalHFA may allow an initial DSCR higher than 1.20 on a case-by-case basis, if deemed necessary. The year 1 DSCR underwritten at the time of final loan approval and final commitment must be maintained through the term of the CalHFA permanent first lien loan,
- 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 shall be 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 three 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 bond cap, state tax credits, and MIP per adjusted unit shall be prioritized for MIP funding considerations. The bond cap, 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 evidence of project's receipt of CDLAC's preliminary tax-exempt bond allocations and CTCAC's tax credits reservations within the respective year, • 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 construction loans using tax-exempt bonds and 4% federal and/or state tax credits in California within the last three 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 comparable projects within the past five 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 comparable projects within the past five years. **Financial Consultants** hired to assist the Developer in meeting the minimum experience requirements must be able to provide details regarding at least three comparably financed projects over the last five years. **Architects** new to CalHFA must provide information for three comparable projects they designed that were built and occupied within the past five years in California. **General Contractor (GC)** must be licensed by the State of California. GCs new to CalHFA must provide information related to three comparable (in design) projects built in the past five years. Similar information will be required for the proposed on-site construction supervisor. The on-site construction supervisor must have overseen three comparable projects built in the past five years, and they must have overseen the projects from construction start to final completion. **Tax Credit Investors** must have closed/executed at least five investor limited partnership agreements for a comparable deal structure using tax-exempt bonds and 4% federal and/or state tax credits in California within the last three years.

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 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 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 the year 1 DSCR underwritten at the time of final loan approval and final commitment through the term of the CalHFA permanent first lien loan. The Initial DSCR must not exceed 1.20.
Construction First Lien Loan	Must be 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 (IIG), Affordable Housing and Sustainable Communities (AHSC) and Transit Oriented Development (TOD) housing programs. Inclusion of these programs is contingent upon restrictions that are compatible with the MIP program requirements outlined herein. Inclusion of other subordinate debt and subsidy will be allowed at CalHFA's sole 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 resulting from 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 subsidy 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, 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, which are based on the HUD and locality (as applicable) income and rent limits which are current at the time of MIP application, for a term of 55 years: a. 30% of total units at or below 50% of AMI. Of these, a minimum of 10% of total units must be at or below 30% of AMI, b. 10% of total units between 60% and 80% of AMI with an average of 70% of AMI or greater, subject to the Maximum Allowable Rents outlined below, and c. Remaining 60% of total units at or below 120% of AMI (with the exception of any non-restricted manager's unit(s)) OR at the affordability restrictions consistent with CTCAC requirements. d. The minimum range between the lowest and highest occupancy target levels must be at least 40%. (Deviations from the above requirements will only be considered if Market Study supports such deviations.) 2. If applicable, tax credit transactions that are income-averaged must have a maximum average affordability up to 60% of AMI across all CTCAC restricted units.
Mixed-Income Project Occupancy Requirements (Continued)	**MAXIMUM ALLOWABLE RENTS:** Rents for all restricted units must be at least 10% below market rents for the MIP affordability term as evidenced by a current market study or appraisal. This threshold will be analyzed at time of application and again at CalHFA's final commitment approval and may be monitored on an ongoing basis for the MIP affordability term. 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. For underwriting purposes, CTCAC and locality maximum rents for the respective target income limits must be used. 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 of MIP loan closing, at CalHFA's sole discretion. Any units restricted by the Agency pursuant to this program, including those units restricted in addition to the minimum requirements set forth above, shall be rented at rents not to exceed 30% of the applicable income restriction required in the Agency's Regulatory Agreement.
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 $60,000 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 pursuant to CTCAC regulations 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 (2022)

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. **Lien Position**: Second lien position, after CalHFA permanent first lien loan. 4. **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. 5. **Affordability Term**: 55 years. 6. **Prepayment**: May be prepaid at any time without penalty. 7. **Subordination**: A subordination and/or extension of MIP maturity request in conjunction with a re-syndication, refinance, or ownership transfer ("capitalization event(s)") will be considered. If MIP loan is outstanding at time of the capitalization event(s) 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. 8. **Funded**: Only at permanent loan conversion.
CalHFA Conduit Bond Program	For more information on CalHFA's Conduit Issuer Program and the fees associated with it, visit CalHFA's website: www.calhfa.ca.gov/multifamily/programs/forms/termsheet-conduit.pdf
CalHFA First Lien Permanent Rates & Terms (subject to change)	For more information on CalHFA's Permanent Loan Program and the fees associated with it, visit CalHFA's website: www.calhfa.ca.gov/multifamily/programs/forms/termsheet-perm-tax-exempt.pdf
Fees (subject to change)	**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. **Other Fees:** Refer to CalHFA First Lien Permanent Rates & Terms for first mortgage loan fees, credit enhancements, trustee fees, legal fees, inspection fees, administrative fees. www.calhfa.ca.gov/multifamily/programs/forms/termsheet-perm-tax-exempt.pdf

Last revised: 01/25/2022

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

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). If a Project includes CalHFA's subsidy loan, the maximum DSCR at year 1 shall not exceed 1.20, unless CalHFA approves a higher DSCR at its own discretion. The year 1 DSCR underwritten at the time of final loan approval and final commitment must be maintained as the minimum DSCR through the term of the Perm Loan. CalHFA may require the initial DSCR to be higher than the minimum 1.15x, if deemed necessary to meet the Agency's underwriting requirements. • 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. The applicant may be subject to a new Application Fee if the CalHFA commitment expires prior to construction loan closing. • Perm Loan Fee: 1.00%, half due at final commitment, with balance due at Perm Loan closing. • Credit Enhancement Fee: included in the interest rate. • Annual Monitoring 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. • Perm Loan Funding Fee: $110,000 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 available1 • 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 (i.e., 30% @ 60% AMI; 10% @ 50% AMI).

Occupancy Requirements (continued)	Any units restricted by the Agency pursuant to this program, including those units restricted in addition to the minimum requirements set forth above, shall be rented at rents up to 30% of the applicable income restriction using the occupancy assumptions required in the Agency's Regulatory Agreement. Rents for all restricted units must be at least 10% below market rents as evidenced by current market study or an appraisal. 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). A RRNA for a longer time period may be required if the Perm Loan term is greater than 20 years. • 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). The Purpose section of Phase I must state "a purpose of the Phase I is to document compliance with HUD policy pursuant to 24 CFR §58.5(i)(2) or §50.3(i)". • 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: 5/2022

California Housing Finance Agency

CONDUIT ISSUER PROGRAM

MULTIFAMILY HOUSING BONDS

Term sheet effective for applications submitted after March 1, 2022

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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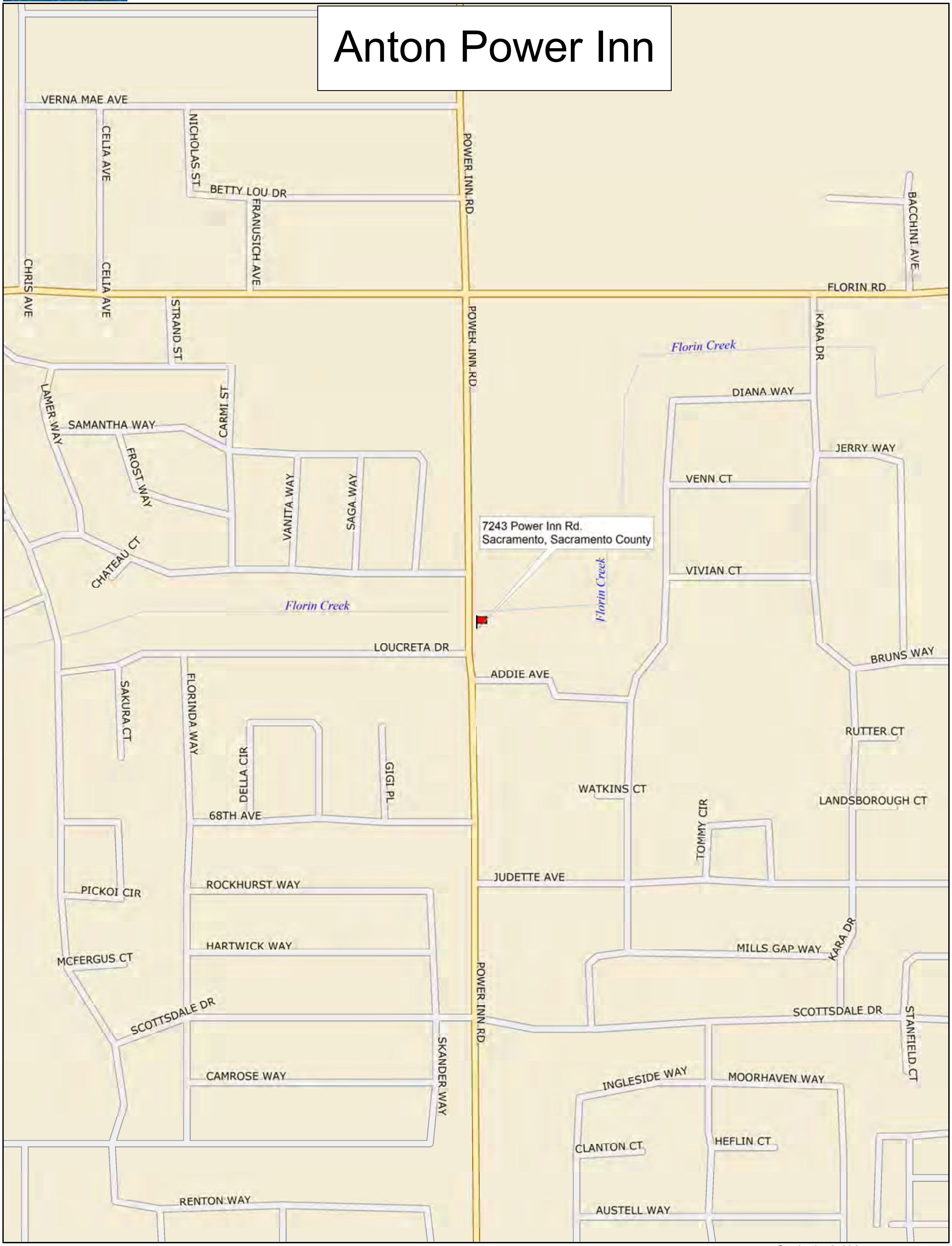
Occupancy Requirements	• Either (A) 20% of the units must be rent restricted and occupied by individuals whose incomes are 50% or less of the area median income as determined by HUD ("AMI") with adjustments for household size ("20% @ 50% AMI"), or (B) 40% or more of the units must be rent restricted 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. • Any units restricted by the Agency pursuant to this program, including those units restricted in addition to the minimum requirements set forth above, shall be rented at rents up to 30% of the applicable income restriction using the occupancy assumptions required in the Agency's Regulatory Agreement. Rents for all restricted units must be at least 10% below market rents as evidenced by a current market study or an appraisal. • 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 later of the federally-required qualified project period, repayment of the Bond funded loan, redemption of the Bonds, the full term of the CDLAC Resolution requirements or 55 years.

Last revised: 03/2022

Anton Power Inn



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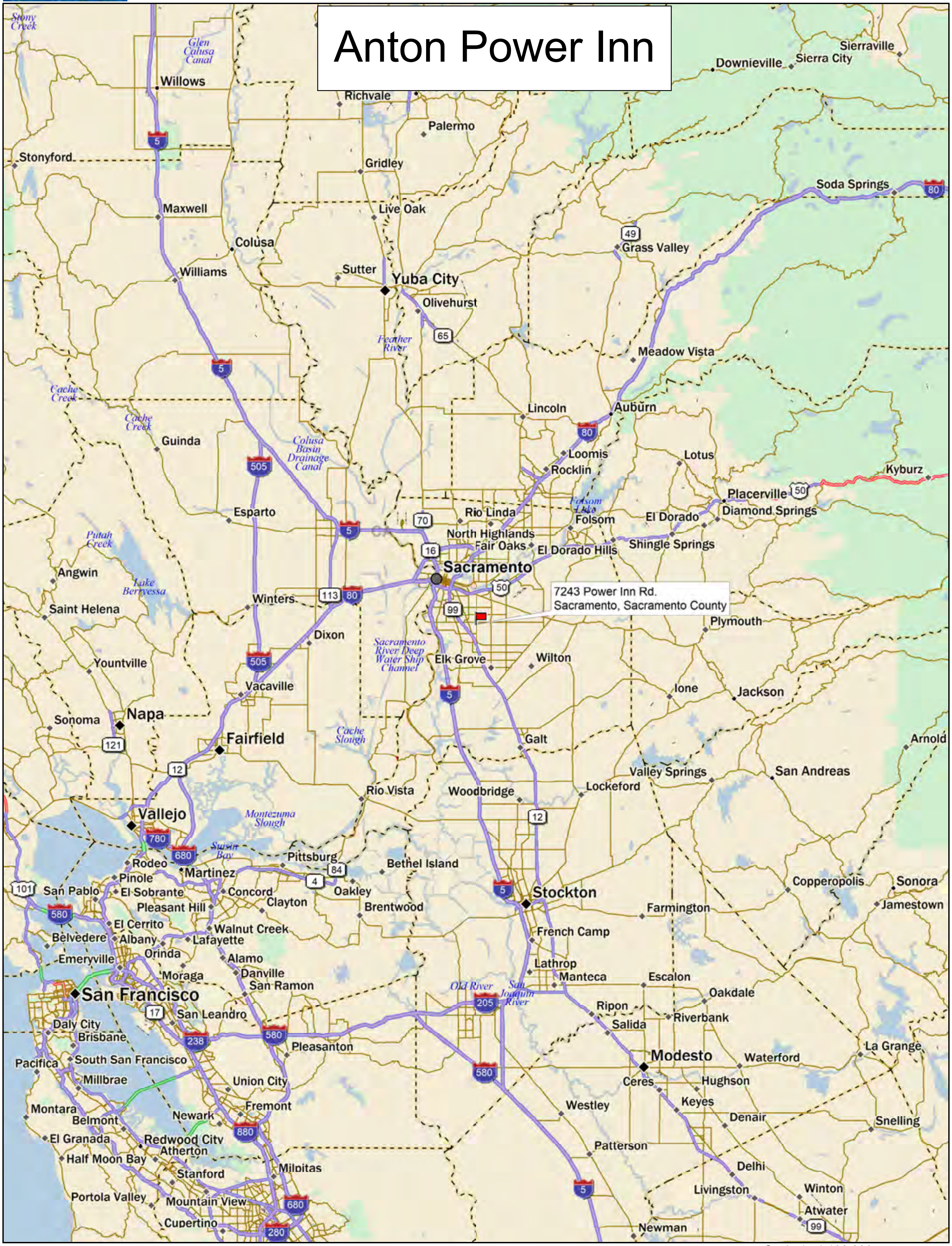
Anton Power Inn



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BOARD OF DIRECTORS
OF THE CALIFORNIA HOUSING FINANCE AGENCY

RESOLUTION NO. 22-26

RESOLUTION AUTHORIZING A FINAL LOAN COMMITMENT

WHEREAS, the California Housing Finance Agency (the "Agency") has received a loan application on behalf of Power Inn Sacramento 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 unincorporated area of the County of Sacramento, California, to be known as Anton Power Inn (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 February 16, 2022, 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	
21-002-A/X/N	ANTON POWER INN Sacramento, Sacramento County California	$23,201,000.00	Tax-Exempt Permanent 1st Lien Loan with HUD Risk Sharing
		$12,154,205.00	Total MIP 2nd Lien Subsidy Loan
			($8,000,000.00 MIP Allocation; $4,154,205.00 Supplemental MIP Allocation)

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. 22-26 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 22nd day of September 2022, 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 22nd day of September 2022.

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:** September 1, 2022

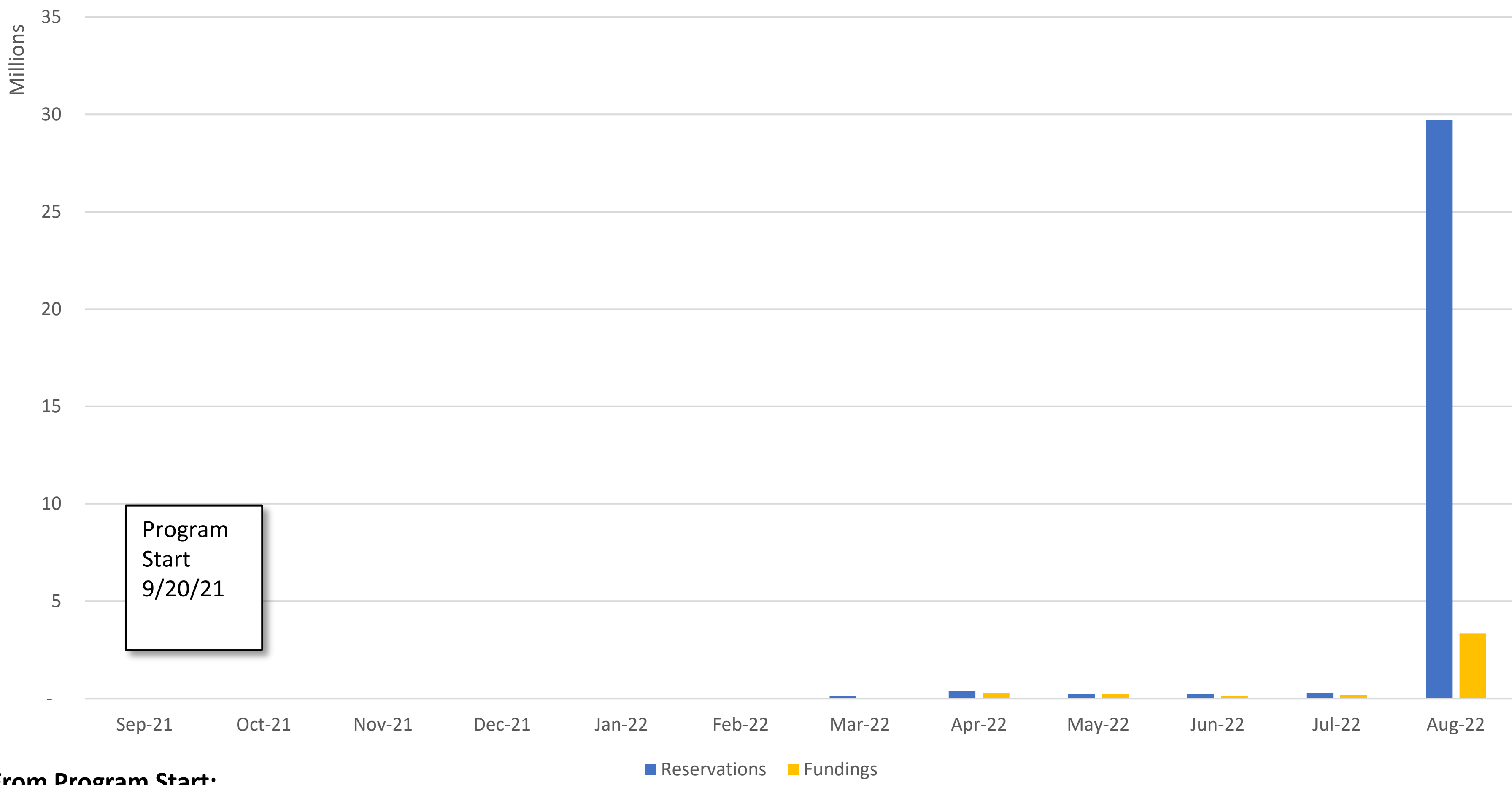
From: **CALIFORNIA HOUSING FINANCE AGENCY**

Subject: Single Family Loan Production Report (August 2022)

Highlights:

- Reservations Fiscal Year 2022-23: 1600+
- Securitization Fiscal Year 2022-23: 900+ ($330Mn)
- About 1/3 of our production are from 3 counties:
    - San Bernardino
    - Kern
    - Sacramento

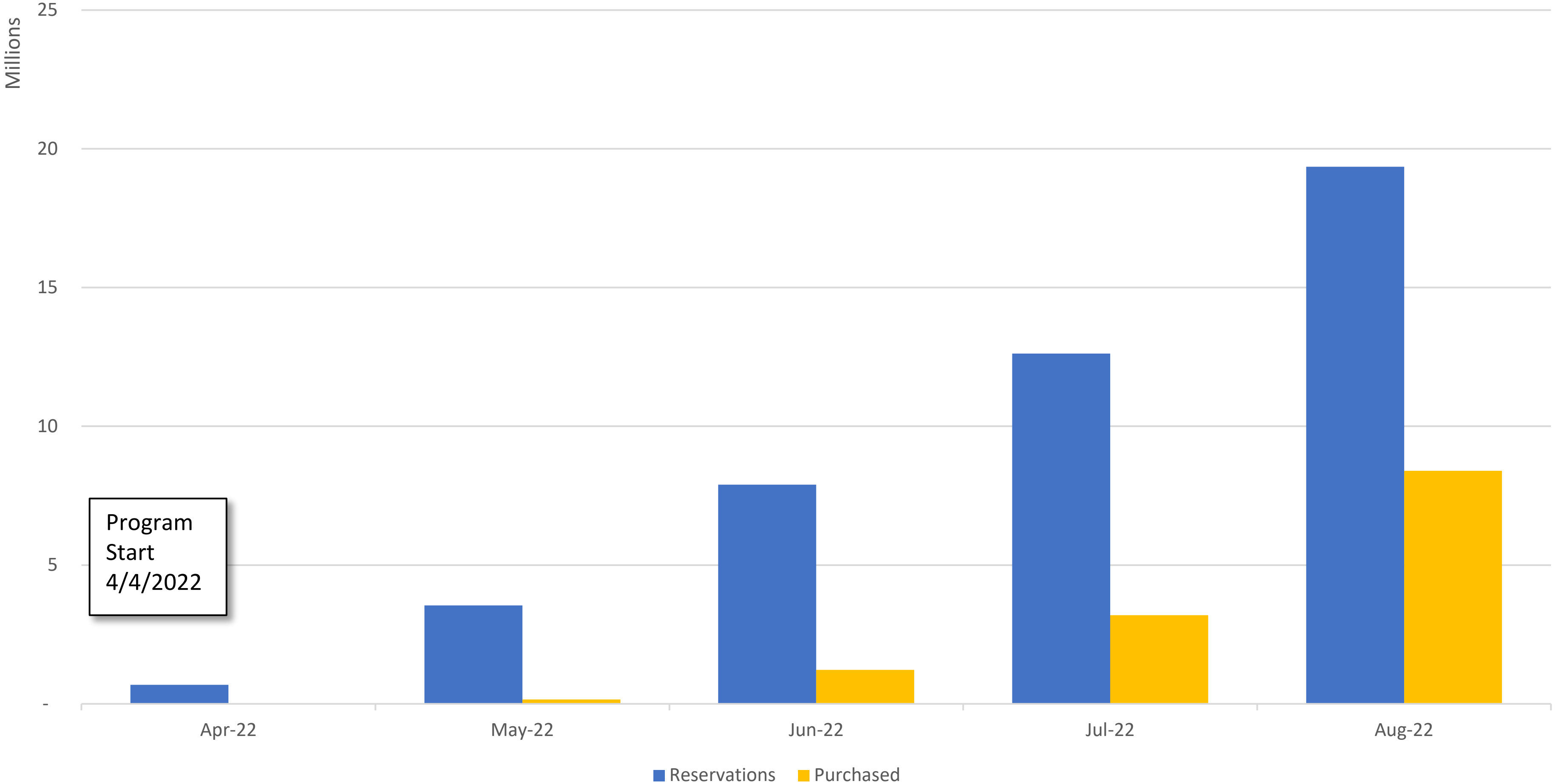
ADU Grant Program



From Program Start:

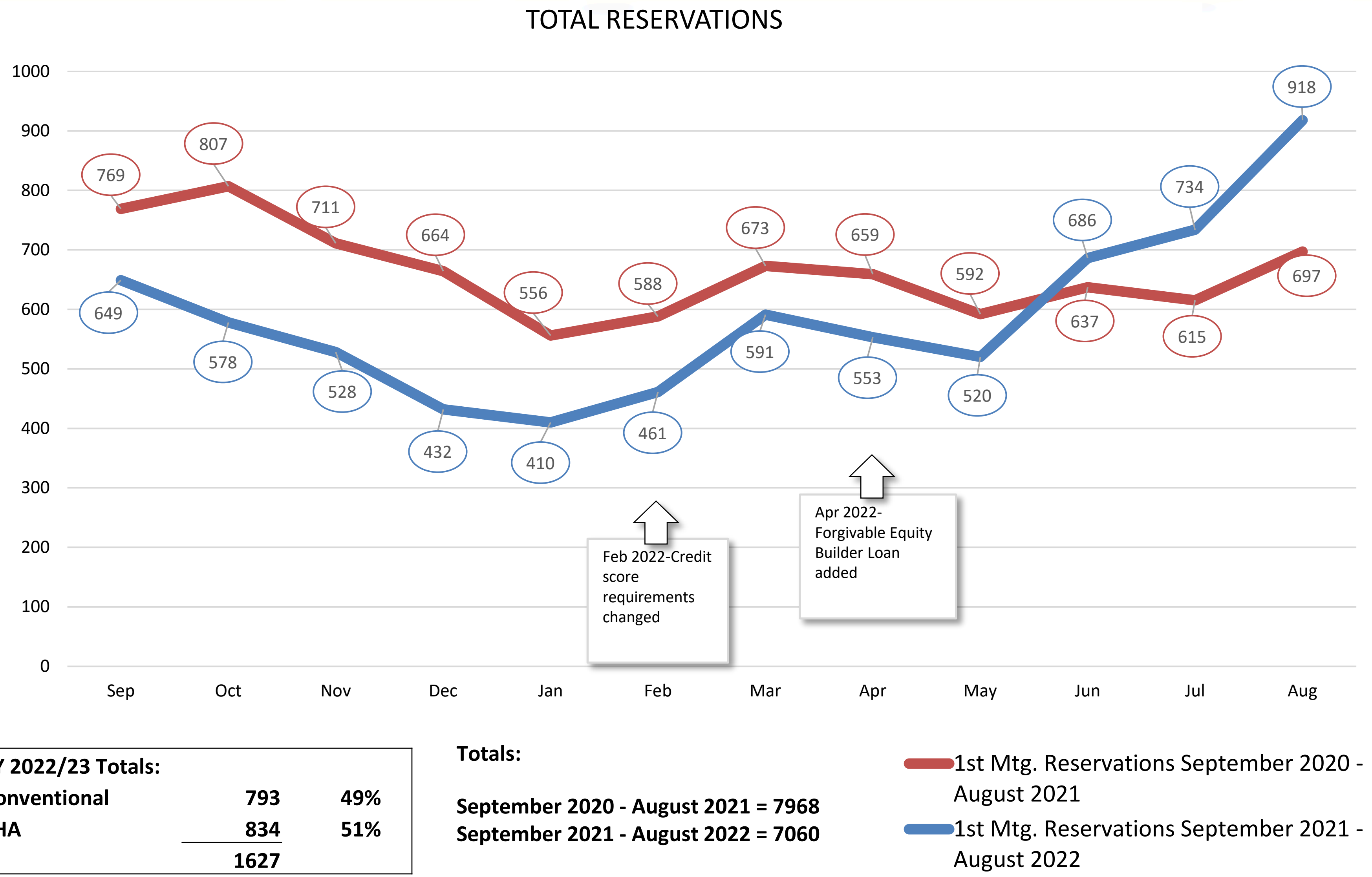
	Count	Amount
Reservations	814	31,930,893
Fundings	187	7,446,021

Forgivable Equity Builder Loan Program



From Program Start:

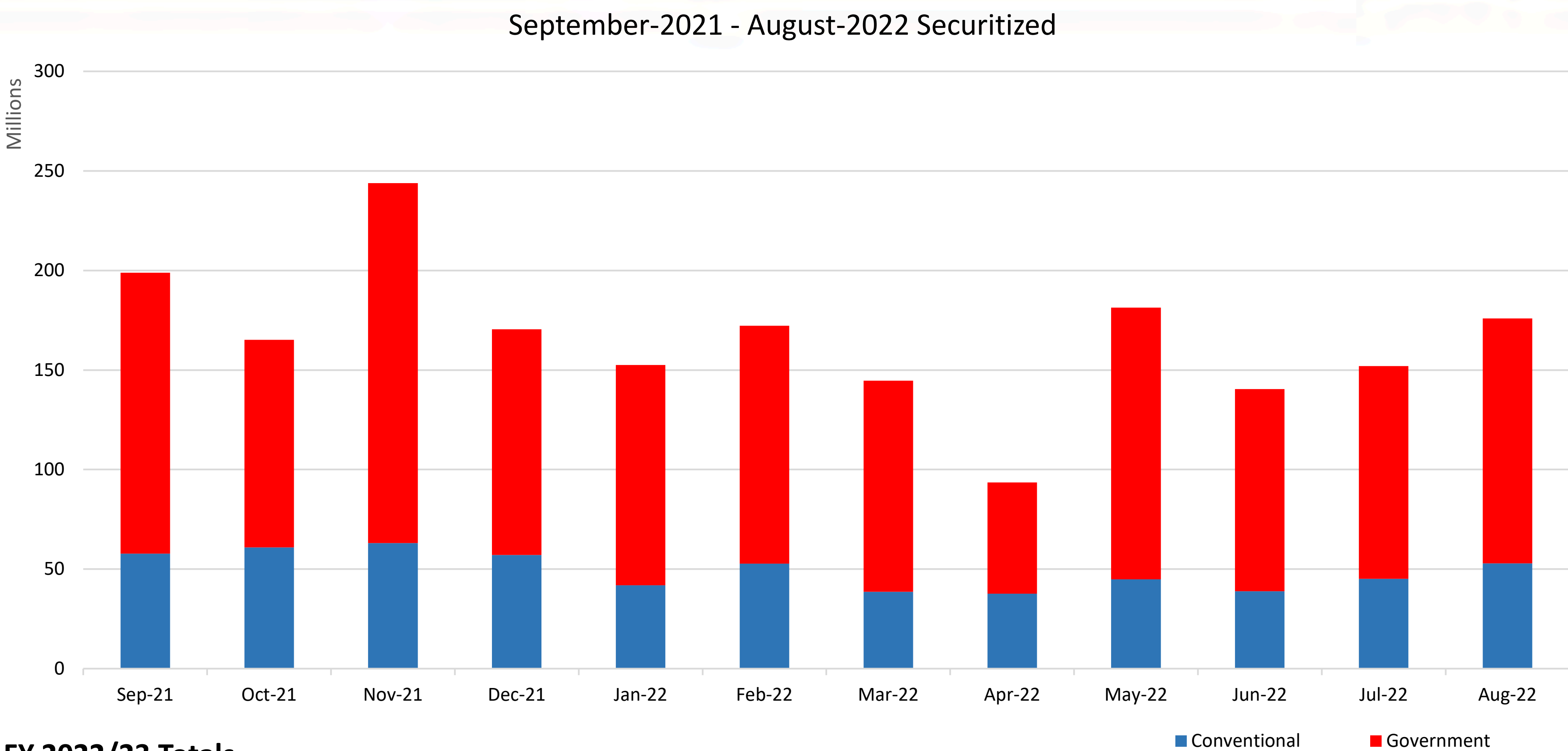
	Count	Amount
Reservations	1149	45,240,182
Purchased	377	14,314,318



FY 2022/23 Totals:		
Conventional	**793**	**49%**
FHA	**834**	**51%**
	1627	

Totals:

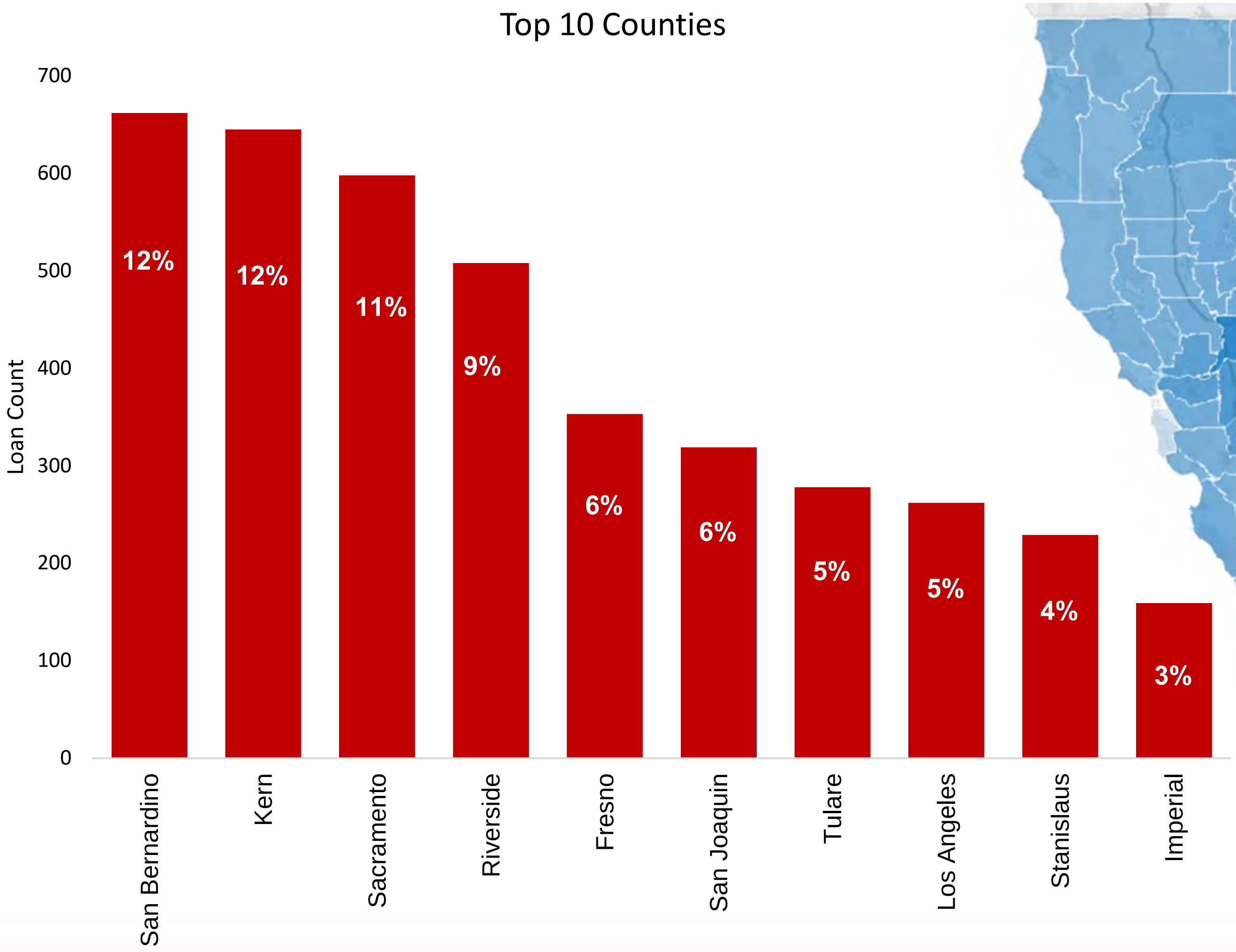
September 2020 - August 2021 = 7968
September 2021 - August 2022 = 7060

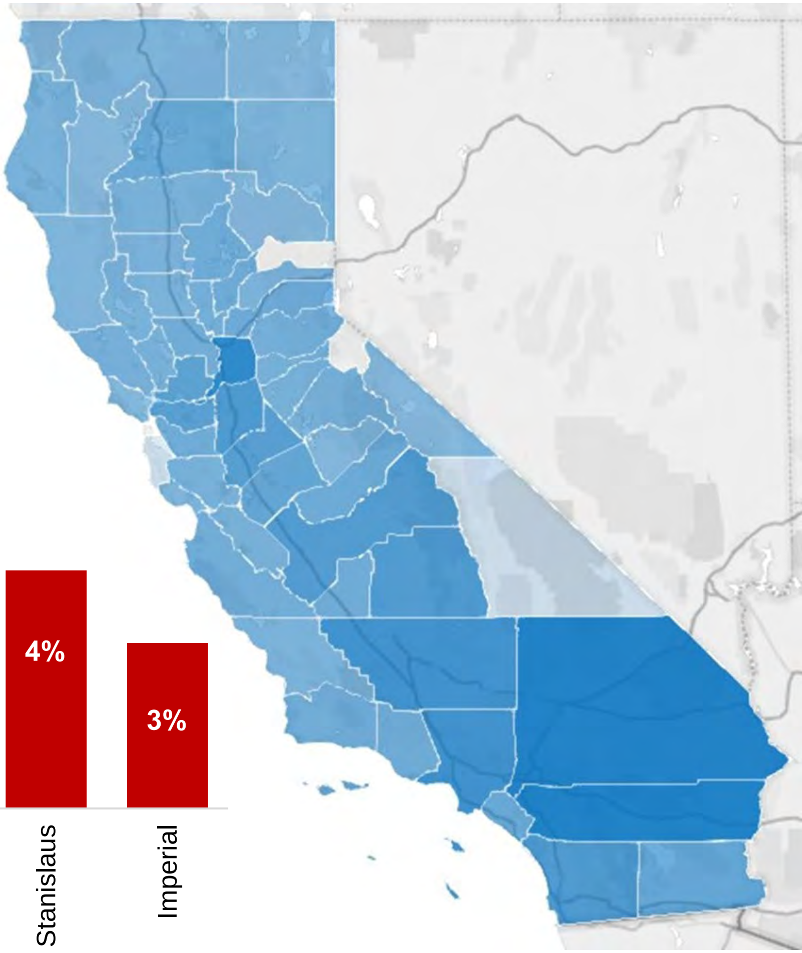


FY 2022/23 Totals

Government (67%)			Conventional (31%)		
FHA with ZIP	361	132,973,971	Conventional with ZIP	35	13,511,612
FHA no ZIP	244	94,193,173	Conventional no ZIP	72	28,832,956
VA	7	2,790,638	LI/VLI Conventional with ZIP	3	688,610
USDA	9	2,418,228	LI/VLI Conventional no ZIP	172	54,876,735
	621	232,376,010		282	97,909,913
Total	**903**	**330,285,923**			

Where are our borrowers?





State of California

M E M O R A N D U M

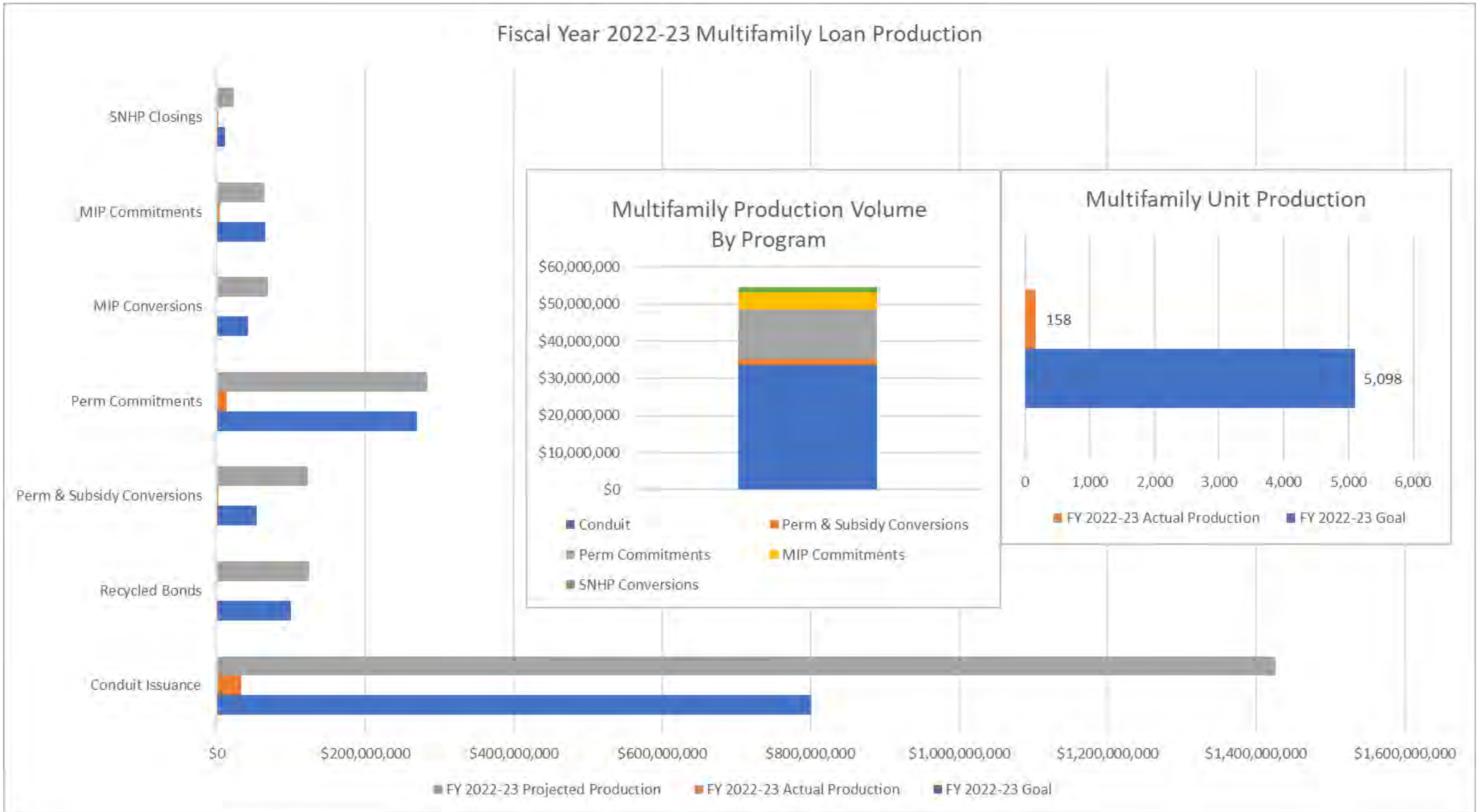
To: Board of Directors Date: September 22, 2022

Kate Ferguson, Director of Multifamily
From: **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 August 31, 2022



	Conduit Issuance	Recycled Bonds	Perm & Subsidy Conversions	Perm Commitments	MIP Conversions	MIP Commitments	SNHP Closings	Total All Programs
FY 2022-23 Goal	$800,000,000	$100,000,000	$54,114,902	$270,000,000	$42,435,968	$65,000,000	$11,368,956	$1,342,919,826
FY 2022-23 Actual Production	$33,500,000	$0	$1,690,000	$13,300,000	$0	$4,600,000	$1,500,000	$54,590,000
FY 2022-23 Projected Production	$1,426,595,144	$124,138,580	$122,847,848	$283,396,048	$68,398,000	$64,037,840	$22,198,622	$2,111,612,082
Percent of Goal Complete	4%	0%	3%	5%	0%	7%	13%	4%

FY 2022-23 Conduit Issuance as of August 31, 2022

Multifamily Conduit Transactions
(Closed)

	Project Name	Underwriting Type	City	Project Type	Closing Date	Units	Tax Exempt Loan	Taxable Loan	Recycled Bonds	Total
1	Kelsey Ayer Station	Conduit - MIP & Perm	San Jose	Family/Individual	7/8/2022	0	33,500,000	-	-	$ 33,500,000.00
						0	$ 33,500,000.00	$ -	$ -	$ 33,500,000.00

Multifamily Conduit (Projected Closings) - FY 22-23
Q2 - 10/01/2022 - 12/31/2022

Project Name	Underwriting Type	City	Project Type	Closing Date	Units	Tax Exempt Loan	Taxable Loan	Recycled Bonds	Total
Shiloh Crossing	Conduit - MIP & Perm	Windsor	Family/Individual	10/1/2022	0	$ 39,880,000.00	$ 26,500,000.00	-	$ 66,380,000.00
8181 Allison	Conduit - MIP & Perm	La Mesa	Family/Individual	10/3/2022	0	$ 31,000,000.00	$ 10,000,000.00	-	$ 41,000,000.00
Anton Power Inn Apartments	Conduit - MIP & Perm	Sacramento	Family/Individual	10/14/2022	0	$ 33,646,558.00	$ 10,534,860.00	-	$ 44,181,418.00
Serra Apartments	Conduit - MIP & Perm	Fremont	Family/Individual	10/24/2022	0	$ 46,650,000.00	$ 22,950,000.00	-	$ 69,600,000.00
Mainline North	Conduit - MIP & Perm	Santa Clara	Family/Individual	11/1/2022	0	$ 36,000,000.00	$ 18,000,000.00	-	$ 54,000,000.00
Sarah's Court Apartments	Conduit - MIP & Perm	Fresno	Family/Individual	11/1/2022	0	$ 18,149,352.00	$ 2,270,583.00	-	$ 20,419,935.00
West La Va - Bulding 404	Conduit - Reg Only	Los Angeles	Veterans	11/9/2022	73	$ 23,286,160.00	$ 13,008,936.00	-	$ 36,295,096.00
Mirasol Village Block D	Conduit - MIP & Perm	Sacramento	Family/Individual	11/15/2022	0	$ 30,757,773.00	$ 5,477,352.00	-	$ 36,235,125.00
California Grand Manor	Conduit - MIP & Perm	Atascadero	Senior	11/15/2022	0	$ 13,423,479.00	$ 4,863,178.00	-	$ 18,286,657.00
West Carson	Conduit - Reg Only	Torrance	Family/Individual	12/1/2022	230	$ 55,500,000.00	$ 23,700,000.00	$ 10,800,000.00	$ 90,000,000.00
Residency at the Empire I	Conduit - Reg Only	Burbank	Family/Individual	12/1/2022	148	$ 61,000,000.00	$ 8,000,000.00	$ 20,000,000.00	$ 89,000,000.00
MacArthur Field A	Conduit - Reg Only	Los Angeles	Homeless, Special Needs	12/1/2022	75	$ 21,000,000.00	-	-	$ 21,000,000.00
Alves Lane Apartments	Conduit - MIP & Perm	Bay Point	Family/Individual	12/1/2022	0	$ 28,325,000.00	$ 13,600,000.00	$ 4,700,000.00	$ 46,625,000.00
Fiddyment Apartments	Conduit - MIP & Perm	Roseville	Family/Individual	12/1/2022	0	$ 63,000,000.00	$ 28,610,877.00	-	$ 91,610,877.00
515 Pioneer	Conduit - MIP & Perm	Glendale	Family/Individual	12/1/2022	0	$ 74,970,489.00	$ 6,938,999.00	-	$ 81,909,488.00
La Vista Residential	Conduit - MIP & Perm	Hayward	Family/Individual	12/12/2022	0	$ 52,000,000.00	$ 17,089,601.00	$ 5,000,000.00	$ 74,089,601.00
					526	$ 628,588,811.00	$ 211,544,386.00	$ 40,500,000.00	$ 880,633,197.00

Multifamily Conduit (Projected Closings) - FY 22-23
Q3 - 01/01/2023 - 03/31/2023

Project Name	Underwriting Type	City	Project Type	Closing Date	Units	Tax Exempt Loan	Taxable Loan	Recycled Bonds	Total
Crest on Imperial	Conduit - Reg Only	San Diego	Family/Individual	3/1/2023	100	$ 21,710,227.00	$ 5,677,593.00	$ 4,362,431.00	$ 31,750,251.00
Courtyards at Cottowood II	Conduit - Reg Only	Moreno Valley	Family/Individual	3/1/2023	32	$ 8,152,225.00	$ 2,005,326.00	-	$ 10,157,551.00
Navajo Family Apartments	Conduit - Reg Only	San Diego	Family/Individual	3/1/2023	45	$ 13,951,229.00	-	$ 6,125,989.00	$ 20,077,218.00
Seaward	Conduit - Reg Only	San Ysidro	Senior	3/1/2023	195	$ 22,378,695.00	$ 1,566,459.00	$ 4,519,386.00	$ 28,464,540.00
Vista Lane Affordable Apartments	Conduit - Reg Only	San Ysidro	Senior	3/1/2023	148	$ 24,352,220.00	$ 3,140,498.00	$ 5,014,296.00	$ 32,507,014.00
Epoca Neighborhood L Apartments	Conduit - Reg Only	San Diego	Family/Individual	3/1/2023	120	$ 22,380,479.00	$ 6,334,285.00	$ 4,811,047.00	$ 33,525,811.00
Aero Drive	Conduit - Reg Only	San Diego	Senior	3/1/2023	400	$ 62,920,084.00	$ 10,154,047.00	$ 12,716,275.00	$ 85,790,406.00
Modica	Conduit - Reg Only	San Diego	Family/Individual, Special	3/1/2023	94	$ 29,200,000.00	-	$ 10,442,768.00	$ 39,642,768.00
					1,134	$ 205,045,159.00	$ 28,878,208.00	$ 47,992,192.00	$ 281,915,559.00

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

Multifamily Conduit (Projected Closings) - FY 22-23									
Q4 - 04/01/2023 - 06/30/2023									
	Project Name	Underwriting Type	City	Project Type	Closing Date	Units	Tax Exempt Loan	Taxable Loan	Recycled Bonds	Total
	Aloe Palm Canyon Apartments	Conduit - Reg Only	Palm Springs	Family/Individual	5/1/2023	71	$ 19,700,000.00	-	-	$ 19,700,000.00
	Alvarado Creek Apartments	Conduit - Reg Only	San Diego	Family/Individual	5/1/2023	227	$ 69,000,000.00	$ 34,000,000.00	$ 10,000,000.00	$ 113,000,000.00
	Taormina	Conduit - Reg Only	San Diego	Family/Individual	5/1/2023	136	$ 42,700,000.00	-	$ 11,646,388.00	$ 54,346,388.00
	5626 Naranja	Conduit - Reg Only	San Diego	Family/Individual	5/1/2023	138	$ 26,500,000.00	$ 3,000,000.00	$ 14,000,000.00	$ 43,500,000.00
						572	$ 157,900,000.00	$ 37,000,000.00	$ 35,646,388.00	$ 230,546,388.00

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

Total Conduit Issuance Closed: $33,500,000

FY 2022-23 Permanent & Subsidy Loan Conversions as of August 31, 2022

Multifamily Permanent & Subsidy Transactions									
(Closed)									
	Project Name	**Underwriting Type**	**City**	**Project Type**	**Closing Date**	**Units**	**Permanent Loan Amount**	**Subsidy Loan Amount**	**Total**
1	Reedley Village	Perm	Reedley	Family/Individual	8/30/2022	32	$ 1,050,000.00	$ 640,000.00	$ 1,690,000.00
						32	$ 1,050,000.00	$ 640,000.00	$ 1,690,000.00
Multifamily Permanent & Subsidy (Projected Closings) - FY 22-23									
Q1 - 7/01/2022 - 9/31/2022									
	Project Name	**Underwriting Type**	**City**	**Project Type**	**Closing Date**	**Units**	**Permanent Loan Amount**	**Subsidy Loan Amount**	**Total**
	Bernal Dwellings	Conduit - PTO	San Francisco	Family/Individual	9/23/2022	160	$ 22,937,000.00	$ 3,500,000.00	$ 26,437,000.00
	Peterson Place	Conduit - MIP & Perm	Folsom	Family/Individual	9/29/2022	72	$ 8,025,000.00	-	$ 8,025,000.00
						232	$ 30,962,000.00	$ 3,500,000.00	$ 34,462,000.00
Multifamily Permanent & Subsidy (Projected Closings) - FY 22-23									
Q2 - 10/01/2022 - 12/31/2022									
	Project Name	**Underwriting Type**	**City**	**Project Type**	**Closing Date**	**Units**	**Permanent Loan Amount**	**Subsidy Loan Amount**	**Total**
	Blackstone McKinley TOD	Conduit - PTO	Fresno	Family/Individual	10/3/2022	88	$ 3,305,000.00	$ 1,760,000.00	$ 5,065,000.00
	Linnaea Villas	Perm	Kingsburg	Senior, Veterans	10/28/2022	47	$ 1,500,000.00	$ 676,617.00	$ 2,176,617.00
	Hayes Valley South	Conduit - PTO	San Francisco	Family/Individual	10/28/2022	110	$ 25,475,329.00	$ 3,500,000.00	$ 28,975,329.00
	The Redwood Apartments	Conduit - MIP & Perm	Santa Rosa	Family/Individual	11/1/2022	96	$ 15,000,000.00	-	$ 15,000,000.00
	Frishman Hollow II	Conduit - MIP & Perm	Truckee	Family/Individual	11/1/2022	68	$ 6,610,000.00	-	$ 6,610,000.00
						409	$ 51,890,329.00	$ 5,936,617.00	$ 57,826,946.00

Note: Units associated with Permanent & Subsidy Conversion projects that appear in **Bold** text are counted in FY 2022-23 production. Otherwise, the units for the Permanent & Subsidy loan conversions were counted in previous fiscal years.

Multifamily Permanent & Subsidy (Projected Closings) - FY 22-23								
Q3 - 01/01/2023 - 03/31/2023								
Project Name	**Underwriting Type**	**City**	**Project Type**	**Closing Date**	**Units**	**Permanent Loan Amount**	**Subsidy Loan Amount**	**Total**
Brand Haven Senior Apartments	Conduit - MIP & Perm	Fresno	Senior	2/28/2023	180	$ 10,459,902.00	-	$ 10,459,902.00
Fitch Mountain Terrace II	Perm-Refi	Healdsburg	Senior	3/1/2023	**20**	$ 1,150,000.00	-	$ 1,150,000.00
Springs Village	Perm-Refi	Sonoma	Family/Individual	3/1/2023	**80**	$ 3,900,000.00	-	$ 3,900,000.00
West Avenue	Perm-Refi	Santa Rosa	Family/Individual	3/1/2023	**40**	$ 1,980,000.00	-	$ 1,980,000.00
Iamesi Village	Conduit - PTO	San Jose	Family/Individual, Special Needs	3/1/2023	135	$ 17,655,000.00	-	$ 17,655,000.00
The Monarch at Chinatown	Conduit - PTO	Fresno	Family/Individual	3/1/2023	57	$ 1,885,000.00	$ 775,000.00	$ 2,660,000.00
					512	$ 37,029,902.00	$ 775,000.00	$ 37,804,902.00

Multifamily Permanent & Subsidy (Projected Closings) - FY 22-23								
Q4 - 04/01/2023 - 06/30/2023								
Project Name	**Underwriting Type**	**City**	**Project Type**	**Closing Date**	**Units**	**Permanent Loan Amount**	**Subsidy Loan Amount**	**Total**
Arden Way Apartments	Conduit - MIP & Perm	Sacramento	Family/Individual	4/6/2023	120	$ 12,435,000.00	-	$ 12,435,000.00
Beacon Villa	Conduit - MIP & Perm	Pittsburg	Family/Individual	6/1/2023	54	$ 13,091,000.00	-	$ 13,091,000.00
					174	$ 25,526,000.00	$ -	$ 25,526,000.00

Note: Units associated with Permanent & Subsidy Conversion projects that appear in **Bold** text are counted in FY 2022-23 production. Otherwise, the units for the Permanent & Subsidy loan conversions were counted in previous fiscal years.

Total Permanent & Subsidy Loan Conversions Closed: $1,690,000

FY 2022-23 Permanent & Subsidy Loan Commitments as of August 31, 2022

Multifamily Permanent & Subsidy Transactions									
(Closed)									
	Project Name	**Underwriting Type**	**City**	**Project Type**	**Closing Date**	**Units**	**Permanent Loan Amount**	**Subsidy Loan Amount**	**Total**
1	Kelsey Ayer Station	Conduit - MIP & Perm	San Jose	Family/Individual	7/8/2022	0	$ 13,300,000.00	-	$ 13,300,000.00
						0	$ 13,300,000.00	$ -	$ 13,300,000.00
Multifamily Permanent & Subsidy (Commitments) - FY 22-23									
Q2 - 10/01/2022 - 12/31/2022									
	Project Name	**Underwriting Type**	**City**	**Project Type**	**Closing Date**	**Units**	**Permanent Loan Amount**	**Subsidy Loan Amount**	**Total**
	Shiloh Crossing	Conduit - MIP & Perm	Windsor	Family/Individual	10/1/2022	0	$ 25,897,000.00	-	$ 25,897,000.00
	8181 Allison	Conduit - MIP & Perm	La Mesa	Family/Individual	10/3/2022	0	$ 20,895,000.00	-	$ 20,895,000.00
	Anton Power Inn Apartments	Conduit - MIP & Perm	Sacramento	Family/Individual	10/14/2022	0	$ 22,553,000.00	-	$ 22,553,000.00
	Serra Apartments	Conduit - MIP & Perm	Fremont	Family/Individual	10/24/2022	0	$ 27,179,522.00	-	$ 27,179,522.00
	Mainline North	Conduit - MIP & Perm	Santa Clara	Family/Individual	11/1/2022	0	$ 28,635,000.00	-	$ 28,635,000.00
	Sarah's Court Apartments	Conduit - MIP & Perm	Fresno	Family/Individual	11/1/2022	0	$ 5,700,000.00	-	$ 5,700,000.00
	Mirasol Village Block D	Conduit - MIP & Perm	Sacramento	Family/Individual	11/15/2022	0	$ 13,482,852.00	-	$ 13,482,852.00
	California Grand Manor	Conduit - MIP & Perm	Ataascadero	Senior	11/15/2022	0	$ 6,200,000.00	-	$ 6,200,000.00
	Alves Lane Apartments	Conduit - MIP & Perm	Bay Point	Family/Individual	12/1/2022	0	$ 21,122,000.00	-	$ 21,122,000.00
	Fiddyment Apartments	Conduit - MIP & Perm	Roseville	Family/Individual	12/1/2022	0	$ 36,000,000.00	-	$ 36,000,000.00
	515 Pioneer	Conduit - MIP & Perm	Glendale	Family/Individual	12/1/2022	0	$ 34,931,674.00	-	$ 34,931,674.00
	La Vista Residential	Conduit - MIP & Perm	Hayward	Family/Individual	12/12/2022	0	$ 27,500,000.00	-	$ 27,500,000.00
						0	$ 270,096,048.00	$ -	$ 270,096,048.00

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

Total Permanent & Subsidy Loan Commitments Closed: $13,300,000

FY 2022-23 Mixed Income Program Loan Conversions as of August 31, 2022

Mixed Income Program Transactions (Projected Closings) - FY 22-23:							
Q1 - 07/01/2022 - 09/30/2022							
	Project Name	**Underwriting Type**	**City**	**Project Type**	**Closing Date**	**Units**	**MIP Loan**
	Peterson Place	Conduit - MIP & Perm	Folsom	Family/Individual	9/29/2022	72	$ 3,350,000.00
						72	$ 3,350,000.00
Mixed Income Program Transactions (Projected Closings) - FY 22-23:							
Q2 - 10/01/2022 - 12/31/2022							
	Project Name	**Underwriting Type**	**City**	**Project Type**	**Closing Date**	**Units**	**MIP Loan**
	The Redwood Apartments	Conduit - MIP & Perm	Santa Rosa	Family/Individual	11/1/2022	96	$ 4,750,000.00
	Frishman Hollow II	Conduit - MIP & Perm	Truckee	Family/Individual	11/1/2022	68	$ 4,388,000.00
	Valencia Pointe	Conduit - MIP	San Diego	Family/Individual	12/30/2022	102	$ 4,040,000.00
						266	$ 13,178,000.00
Mixed Income Program Transactions (Projected Closings) - FY 22-23:							
Q3 - 01/01/2023 - 03/31/2023							
	Project Name	**Underwriting Type**	**City**	**Project Type**	**Closing Date**	**Units**	**MIP Loan**
	Brand Haven Senior Apartments	Conduit - MIP & Perm	Fresno	Senior	2/28/2023	180	$ 4,500,000.00
	1717 S Street	Conduit - MIP	Sacramento	Family/Individual	3/1/2023	159	$ 7,900,000.00
						339	$ 12,400,000.00
Mixed Income Program Transactions (Projected Closings) - FY 22-23:							
Q4 - 04/01/2023 - 06/30/2023							
	Project Name	**Underwriting Type**	**City**	**Project Type**	**Closing Date**	**Units**	**MIP Loan**
	Arden Way Apartments	Conduit - MIP & Perm	Sacramento	Family/Individual	4/6/2023	120	$ 7,610,000.00
	Courtyards at Kimball	Conduit - MIP	National City	Family/Individual	5/1/2023	131	$ 6,500,000.00
	Beacon Villa	Conduit - MIP & Perm	Pittsburg	Family/Individual	6/1/2023	54	$ 6,350,000.00
	Glen Loma Ranch	Conduit - MIP	Gilroy	Family/Senior	6/1/2023	158	$ 7,850,000.00
	Twin Oaks Senior Apartments	Conduit - MIP	Oakley	Senior	6/1/2023	130	$ 5,160,000.00
	Antioch Senior & Family Apartments	Conduit - MIP	Antioch	Family/Senior	6/30/2023	394	$ 6,000,000.00
						987	$ 39,470,000.00

Total Mixed Income Loan Conversions Closed: $0

FY 2022-23 Mixed Income Program Loan Commitments as of August 31, 2022

Mixed Income Program (Commitments) - FY 22-23:							
Q1 - 07/01/2022 - 09/30/2022							
	Project Name	**Underwriting Type**	**City**	**Project Type**	**Closing Date**	**Units**	**MIP Loan**
1	Kelsey Ayer Station	Conduit - MIP & Perm	San Jose	Family/Individual	7/8/2022	115	$ 4,600,000.00
						115	$ 4,600,000.00

Mixed Income Program (Commitments) - FY 22-23:							
Q2 - 10/01/2022 - 12/31/2022							
	Project Name	**Underwriting Type**	**City**	**Project Type**	**Closing Date**	**Units**	**MIP Loan**
	Shiloh Crossing	Conduit - MIP & Perm	Windsor	Family/Individual	10/1/2022	173	$ 8,000,000.00
	8181 Allison	Conduit - MIP & Perm	La Mesa	Family/Individual	10/3/2022	147	$ 4,500,000.00
	Anton Power Inn Apartments	Conduit - MIP & Perm	Sacramento	Family/Individual	10/14/2022	194	$ 8,000,000.00
	Serra Apartments	Conduit - MIP & Perm	Fremont	Family/Individual	10/24/2022	179	$ 8,000,000.00
	Mainline North	Conduit - MIP & Perm	Santa Clara	Family/Individual	11/1/2022	151	$ 3,000,000.00
	Sarah's Court Apartments	Conduit - MIP & Perm	Fresno	Family/Individual	11/1/2022	120	$ 2,850,000.00
	Mirasol Village Block D	Conduit - MIP & Perm	Sacramento	Family/Individual	11/15/2022	116	$ 1,687,840.00
	California Grand Manor	Conduit - MIP & Perm	Ataascadero	Senior	11/15/2022	76	$ 2,900,000.00
	Alves Lane Apartments	Conduit - MIP & Perm	Bay Point	Family/Individual	12/1/2022	100	$ 2,500,000.00
	Fiddyment Apartments	Conduit - MIP & Perm	Roseville	Family/Individual	12/1/2022	330	$ 8,000,000.00
	515 Pioneer	Conduit - MIP & Perm	Glendale	Family/Individual	12/1/2022	340	$ 5,000,000.00
	La Vista Residential	Conduit - MIP & Perm	Hayward	Family/Individual	12/12/2022	176	$ 5,000,000.00
						2,102	$ 59,437,840.00

Total Mixed Income Loan Commitments Closed: $4,600,000

Please visit https://www.calhfa.ca.gov/multifamily/mixedincome/approved/index.htm to see the complete list of approved MIP projects.

FY 2022-23 Special Needs Housing Program Loan Conversions as of August 31, 2022

Multifamily Special Needs Housing Program Transactions							
(Closed)							
	Project Name	**Underwriting Type**	**City**	**Project Type**	**Closing Date**	**Units**	**SNHP Loan**
1	Post 310	SNHP/MHSA	San Diego	Family/Individual, Special Needs	8/5/2022	43	$ 1,500,000.00
						43	$ 1,500,000.00
Multifamily Special Needs Housing Program (Projected Closings) FY 22-23							
Q1 - 07/01/2022 - 09/31/2022							
	Project Name	**Underwriting Type**	**City**	**Project Type**	**Closing Date**	**Units**	**SNHP Loan**
	Desert Haven	SNHP/MHSA	Victorville	Family/Individual, Homeless, Special Needs	9/15/2022	32	$ 2,173,669.00
	Whittier & Downey NW	SNHP/MHSA	Los Angeles	Family/Individual, Homeless, Special Needs	9/28/2022	42	$ 1,995,000.00
	McCadden Plaza Youth Housing	SNHP/MHSA	Los Angeles	Special Needs/ TAY	9/30/2022	26	$ 560,000.00
	Rose Apartments	SNHP/MHSA	Venice	Family/Individual, Special Needs	9/30/2022	35	$ 3,307,101.00
						135	$ 8,035,770.00
Multifamily Special Needs Housing Program (Projected Closings) FY 22-23							
Q2 - 10/01/2022 - 12/31/2022							
	Project Name	**Underwriting Type**	**City**	**Project Type**	**Closing Date**	**Units**	**SNHP Loan**
	FX Residence	SNHP/MHSA	Santa Ana	Family/Individual, Special Needs	10/3/2022	17	$ 2,047,253.00
	Villages at Broadway	SNHP/MHSA	Fresno	Family/Individual, Special Needs	10/27/2022	26	$ 2,368,706.00
	Villa St. Joseph	SNHP/MHSA	Orange	Senior, Special Needs	11/30/2022	50	$ 3,696,893.00
	Huntington Square	SNHP/MHSA	Huntington Park	Special Needs/ TAY	12/1/2022	54	$ 2,000,000.00
	McCadden Campus Senior Housing	SNHP/MHSA	Los Angeles	Senior, Special Needs	12/31/2022	98	$ 1,000,000.00
	FLOR 401 Lofts	SNHP/MHSA	Los Angeles	Family/Individual, Homeless, Special Needs	12/31/2022	99	$ 500,000.00
	Liberty Lane	SNHP/MHSA	Redlands	Family/Individual, Special Needs	12/31/2022	80	$ 1,050,000.00
						424	$ 12,662,852.00

Total Special Needs Housing Program Loan Conversions Closed: $1,500,000

State of California
M E M O R A N D U M

To: Board of Directors **Date:** August 24, 2022

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, CalHFA's bonds outstanding have decreased by $68 million from $137 million to $69 million, all of which are fixed rate. Additionally, the Agency's swap notional amount outstanding increased by $245 million, from $458 to $703 million.

1) We currently have $337mn long-term swap notional currently held in our two primary indentures, HMRB and MHRBIII. This is due to our successful strategy of aggressively de-leveraging the balance sheet by redeeming variable rate bonds.

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

3) We are actively seeking to reduce the Agency's swap exposure through opportunistic termination of Pre-2014 swaps in the current market.

4) We are also entering new swaps to hedge interest rate risk on new forward multifamily commitments not adequately covered by our current swap portfolio. The Agency will cash-settle these swaps at the financing of the permanent loans. We currently have $366mn in swap notional hedging these commitments.

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

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

This report is organized programmatically by indenture as follows: HMRB (Home Mortgage Revenue Bonds–CalHFA's single family indenture), MHRB (Multifamily Housing Revenue Bonds III–CalHFA's largest multifamily indenture), and Stand Alone (four Multifamily deals funded with limited/special obligation bonds).

1) BONDS OUTSTANDING

Below is the Agency's outstanding debt position. This table does not include any pass-thru or conduit financings which make up an additional $4.54 billion. For the purposes of this report, this conduit/pass-thru amount will not be included in the tables or calculations.

BONDS OUTSTANDING
As of August 1, 2022
($ in millions)

Indenture	Amount Outstanding
HMRB (SF)	23
MHRB (MF)	0
Stand Alone (MF)	45
Total	**68**

2) Interest Rate Swaps

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.

Currently, we have a total of 62 "fixed-payer" swaps with 13 different counterparties and 12 different guarantors for a combined notional amount of $703 million. For fixed-payer swaps, we receive floating rate payments in exchange for a fixed-rate obligation. The Agency makes net payments to the counterparties. In certain cases, the counterparties have guarantors, which would provide payments should the counterparty be unable to fulfill their obligations.

CalHFA's current hedging strategy includes new interest rate swaps to hedge multifamily loan commitments. To date, CalHFA has 22 interest rate swaps under this strategy. The table below provides a summary of our swap notional amounts.

SWAPS
($ in millions)

Source	Current Notional
MF Loan Commitments	366
MHRB (MF)	266
HMRB (SF)	71
Total	**703**

In the current interest rate environment, CalHFA pays a net amount to each of its counterparties. For example, on August 1, 2022, the Agency made a total of $6 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.

	Actual Swap Par Options Exercised ($ in thousands)		Future Swap Par Options ($ in thousands)
2004	12,145	2022	6,050
2005	35,435	2023	18,985
2006	20,845	2024	19,080
2007	28,120		no call options after 2024
2008	18,470		44,115
2009	370,490		
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	48,460		
2022	1,810		
	2,225,770		

3) FINANCING RISK FACTORS

A) TERMINATION/GUARANTOR 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. The table has been updated from last report to include the new swaps hedging our multifamily commitments.

TERMINATION VALUE

Date	Termination Value $ in millions
12/30/2020	(104.1)
03/30/2021	(89.4)
06/30/2021	(83.5)
09/30/2021	(74.9)
12/30/2021	(73.3)
03/30/2022	(60.0)
06/30/2022	(22.4)

Additionally, the following table provides information on how much we would owe each counterparty in the event of a swap termination.

SWAP COUNTERPARTIES

Counterparty	Mark-To-Market $ in millions
Bank of America, N.A.**	(18.29)
Goldman Sachs Mitsui Marine Derivative Products, L.P.	(9.69)
Deutsche Bank AG	(6.24)
JPMorgan Chase Bank, N.A.	(4.10)
Merrill Lynch Capital Services**	(3.36)
AIG Financial Products, Corp.	(1.66)
Dexia Credit Local New York Agency	(1.01)
BNP Paribas	(0.67)
UBS AG	(0.47)
Wells Fargo Bank, N.A.	(0.38)
Citigroup Financial Products, Inc.	(0.01)
Bank of New York Mellon	1.64
Total*	**(44.25)**

* $29Mn of Basis Swaps not included in totals; (recent payments have been positive to the Agency, though they have been comparatively small)

** Merrill Lynch Derivative Products is the guarantor of all the Merrill Lynch Capital Servies swaps and (15.2) of value in Bank of America N.A. swaps.

Guarantor risk is a type of termination risk where the Agency's swap guarantor 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 guarantors

The following table shows the diversification of our fixed payer swaps among the 12 firms acting as our swap guarantors.

SWAP GUARANTORS

Swap Guarantor	Credit Ratings Moody's	SP	Notional $ in millions	Number of Swaps
Bank of America, N.A.	Aa2	A+	233.9	17
Merrill Lynch Derivative Products	Aa3	AA	167.0	24
Bank of New York Mellon	Aa2	AA-	124.4	4
JPMorgan Chase Bank, N.A.	Aa2	A+	47.5	4
Deutsche Bank AG	A2	A-	46.0	5
Goldman Sachs Mitsui Marine Derivative Products, L.P.	Aa2	AA-	35.2	2
AIG Financial Products, Corp.	Baa2	BBB+	18.1	1
BNP Paribas	Aa3	A+	9.4	1
Dexia Credit Local New York Agency**	Baa3	BBB	7.8	1
Wells Fargo Bank, N.A.	A1	BBB+	7.7	1
UBS AG	Aa3	A+	4.8	1
Citigroup Financial Products, Inc.	A3	BBB+	1.0	1
Total*			**702.8**	**62**

* $29Mn of Basis Swaps not included in totals; (recent payments have been positive to the Agency, though they have been comparatively small)

** 1 Swap counterparty's rating has triggered Additional Termination Event (ATE); Agency has right to terminate the associated swaps; additionally, the rating agencies no longer consider these swaps to be effective hedges see 'Termination Risk' section of report

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, 2022 and August 1, 2022, the Agency's collateral posting requirements have ranged between $17 million and $22 million.

The table below shows collateral amounts we are currently required to post to swap counterparties.

Swap Collateral Posting
As of 08/24/2022
$ in millions

BoA/Merrill Lynch	2.06
JPMorgan	15.00
Total	**17.06**

State of California

M E M O R A N D U M

To: Board of Directors **Date:** August 31, 2022

Erwin Tam, Director of Financing

From: **CALIFORNIA HOUSING FINANCE AGENCY**

Subject: ANNUAL INVESTMENT REPORT

In 2022, the Board adopted an amended and restated Investment and Debt Management Policy (the "Policy"). Section XXIII of the Policy requires an annual report prepared by the Financing Division to the Board of Directors on the Agency's investments.

Due to delays in receipt of certain financial information on the Agency's allocated CalPERS and OPEB liability, CalHFA completed its audit for the fiscal year ending June 30, 2021, on July 22, 2022.

Attached for your information is an investment report as of June 30, 2021, the end date for the most recent fiscal year audit. 81% of the Agency's funds are invested in the Surplus Money Investment Fund, held in the Pooled Money Investment Account administered by the State Treasurer. 16% of the Agency's funds are invested in Mortgage-backed securities insured by either the Federal National Mortgage Association (FNMA) or the Government National Mortgage Association (GNMA). The remaining 3% of the funds are invested in commercial paper, money market funds, or in a collateralized account. These investments are eligible investments in the Policy (Sections XI and XII). This report and its supporting tables detail how CalHFA moneys continue to be invested in accordance with the Policy.

ANNUAL INVESTMENT REPORT
JUNE 30, 2021

SUMMARY

Invested accounts include restricted or encumbered funds, such as CalHFA's operating reserve fund, CalHFA's hedge reserve account, mortgage impound accounts, assets pledged to secure bondholders through CalHFA's bond indentures, and funds administered by CalHFA for state mandated programs. As of June 30, 2021, CalHFA had $1.5 billion of cash, cash equivalents and investments (together "investments"), see Table 1 on page 4.

In total, CalHFA's investments are heavily concentrated in the State Investment Pool (81% of the total).

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

As shown in the Table 1 on page 4, we have $1.25 billion invested in the State Investment Pool, also referred to as Surplus Money Investment Fund ("SMIF"), which, over time, has given us security, a relatively competitive return (relative to similar investment vehicles such as Money Market Funds), complete liquidity, and administrative simplicity.

As stated in the Policy, we invest most of the non-bond indenture moneys (funds invested under our Housing Assistance Trust, Contract Administration Programs, money received from HUD for the Section 8 projects, servicing impound account moneys, funds held in the Agency's operating account and general reserves of the Agency), in SMIF (Table 1).

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

The State Investment Pool's yield for the fiscal year ending June 30, 2021, was 0.500%.

SECURITIES

Tables 2-4 provide additional information about the $255.1 million (fair market value) of securities held by the Agency, which are Fannie Mae and Ginnie Mae securities backed by loans originated for our single family and multifamily programs.

U.S. BANK N.A. COMMERCIAL PAPER

The Agency invests funds under the Residential Mortgage Revenue Bond and the Affordable Multifamily Housing Revenue Bond indentures in U.S. Bank Open Commercial Paper (CP). On these transactions, U.S. Bank also serves as the bond trustee. The Open CP agreements are unsecured promissory notes issued by U.S. Bank National Association and are not insured by Federal Deposit Insurance Corporation ("FDIC") or guaranteed by any governmental agency or authority, or by U.S. Bank N.A. The Open CP has a short-term rating of A1+/P1 and a long-term rating of AA- . On June 30, 2021, the amount deposited in CP was $0.1 million (Table 1).

MONEY MARKET AND BANK DEPOSITS

Occasionally the Agency will have on deposit, with our bond trustee, bond (indenture) funds which the bond trustee sweeps, nightly, into a U.S. Treasury money market fund. On June 30, 2021, the amount deposited in the MMF was $6.2 million (Table 1).

CalHFA Investments Summary

Table 1: Amount Invested ($ in millions)				
Investment Type	**Bond Indentures**	**CalHFA G-O**	**Admin**	**Total**
State Investment Pool	95.5	245.7	906.1	1247.3
Securities (market value)	15.6	239.5	0.0	255.1
U.S. Bank Open CP	0.1	0.0	0.0	0.1
Money Market Funds	4.0	2.2	0.0	6.2
Cash	1.5	24.4	9.5	35.4
Totals	$ 116.7	$ 511.8	$ 915.6	$ 1,544.1

Table 2: Investments in Securities by Type

June 30, 2021

Type of Investment	Par Value Program	Par Value Reserve	Par Value Unencumbered	Par Value Total	Book Value	Market Value
GNMA Securities	$ -	$ 3,021,213	$ 104,226,897	$ 107,248,110	$ 107,248,110	$ 111,599,404
FNMA Securities	$ -	$ 11,666,380	$ 120,039,387	$ 131,705,767	$ 131,705,767	$ 143,436,044
Totals	$ -	$ 14,687,593	$ 224,266,284	$ 238,953,876	$ 238,953,876	$ 255,035,449

Table 3: Securities Detail by Type

June 30, 2021

Type of Investment	Par Value	Market Value	Yearly Interest	Dollar Days	Weighted Avg Coupon	Weighted Avg Remaning Mat
GNMA Securities	$ 107,248,110	$ 111,599,404	$ 3,289,265	$ 1,011,306,561,684	3.07%	25.82
FNMA Securities	$ 131,705,767	$ 143,436,044	$ 4,727,388	$ 1,042,577,812,495	3.59%	21.67
Totals	$ 238,953,876	$ 255,035,449	$ 8,016,653	$ 2,053,884,374,178		

Table 4: Investments in Securities by Account

June 30, 2021

Indenture or Account Description	Par Value Program Account Assets	Par Value Reserve Account Assets	Par Value Unencumbered Assets	Total Par Value	Market Value
Home Mortgage Revenue Bonds	$ -	$ 14,687,593	$ -	$ 14,687,593	$ 15,576,448
Housing Assistance Trust	$ -	$ -	$ 203,203,460	$ 203,203,460	$ 216,215,940
Federal Home Loan Bank	$ -	$ -	$ 522,011	$ 522,011	$ 545,352
Emergency Reserve Account	$ -	$ -	$ 20,540,813	$ 20,540,813	$ 22,697,708
Totals	$ -	$ 14,687,593	$ 224,266,284	$ 238,953,876	$ 255,035,449

State of California

M E M O R A N D U M

To: Board of Directors Date: September 22, 2022

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 728 projects with a balance of $1.234 billion in financing as of June 30, 2022. The CalHFA portfolio consists of 16,486 affordable home units throughout the State of California.

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

10	Section 8 (Contract Administrator)
96	CalHFA Permanent (Risk Share)
204	CalHFA Permanent (Non-Risk Share)
196	Mental Health Services Act/Special Needs Housing Program
70	Conduit
37	Section 811 (Contract Administrator)
115	School Facility Fee Reimbursement Program
728	Total

The portfolio has a low delinquency rate of 0.08%, which is only one project. There is one project on the Watch List for various issues such as untimely submission of annual financial 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 on 41 projects (one project has two CalHFA 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.

California Housing Finance Agency

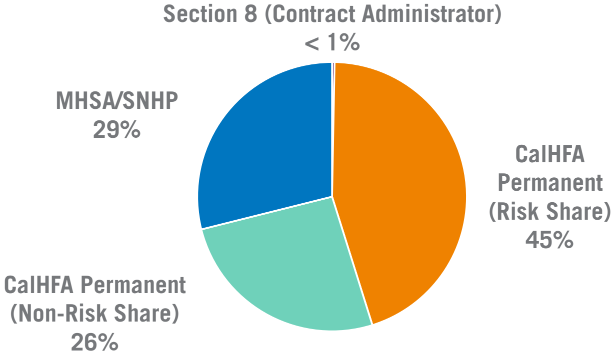
ASSET MANAGEMENT QUARTERLY PORTFOLIO REPORT

As of June 30, 2022

PROGRAMS

Type	# Projects	UPB	%
Section 8 (Contract Administrator)	10	$3,975,264	0.3%
CalHFA Permanent (Risk Share)	96	$555,638,513	45.0%
CalHFA Permanent (Non-Risk Share)	204	$317,980,668	25.8%
MHSA/SNHP	196	$356,749,149	28.9%
Conduit	70	-	0%
Section 811 (Contract Administrator)	37	-	0%
School Facility Fee Reimbursement Program	115	-	0%
TOTAL*	**728**	**$1,234,343,595**	

PROJECT TYPE



* The unpaid principal balance is based on 459 existing projects with loan balances. The portfolio continues to maintain projects without loan balances for purposes of affordability requirements and compliance. 269 projects are being reviewed and maintained for compliance purposes only.

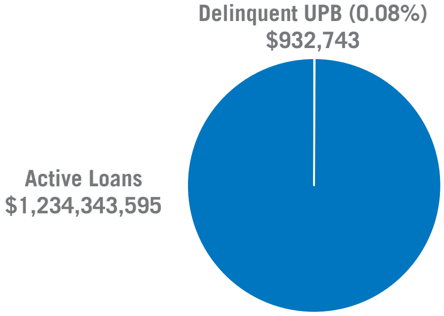
PRESERVATION RISK INDICATORS

Type	# Projects	UPB	%
Regulatory Agreement Expires <= 5 yrs.	52	$39,370,433	3.19%
Loans Mature <= 5 yrs.	41	$20,848,970	1.69%
Yield Maintenance Requests (last quarter)	16	$82,408,937	6.68%

FINANCIAL RISK INDICATORS

Type	# Projects	UPB	%
Projects w/ DSCR < 1.0	22	$59,262,830	4.80%
Watch List	1	$299,627	0.02%
Delinquencies	1	$932,743	0.08%

DELINQUENCIES

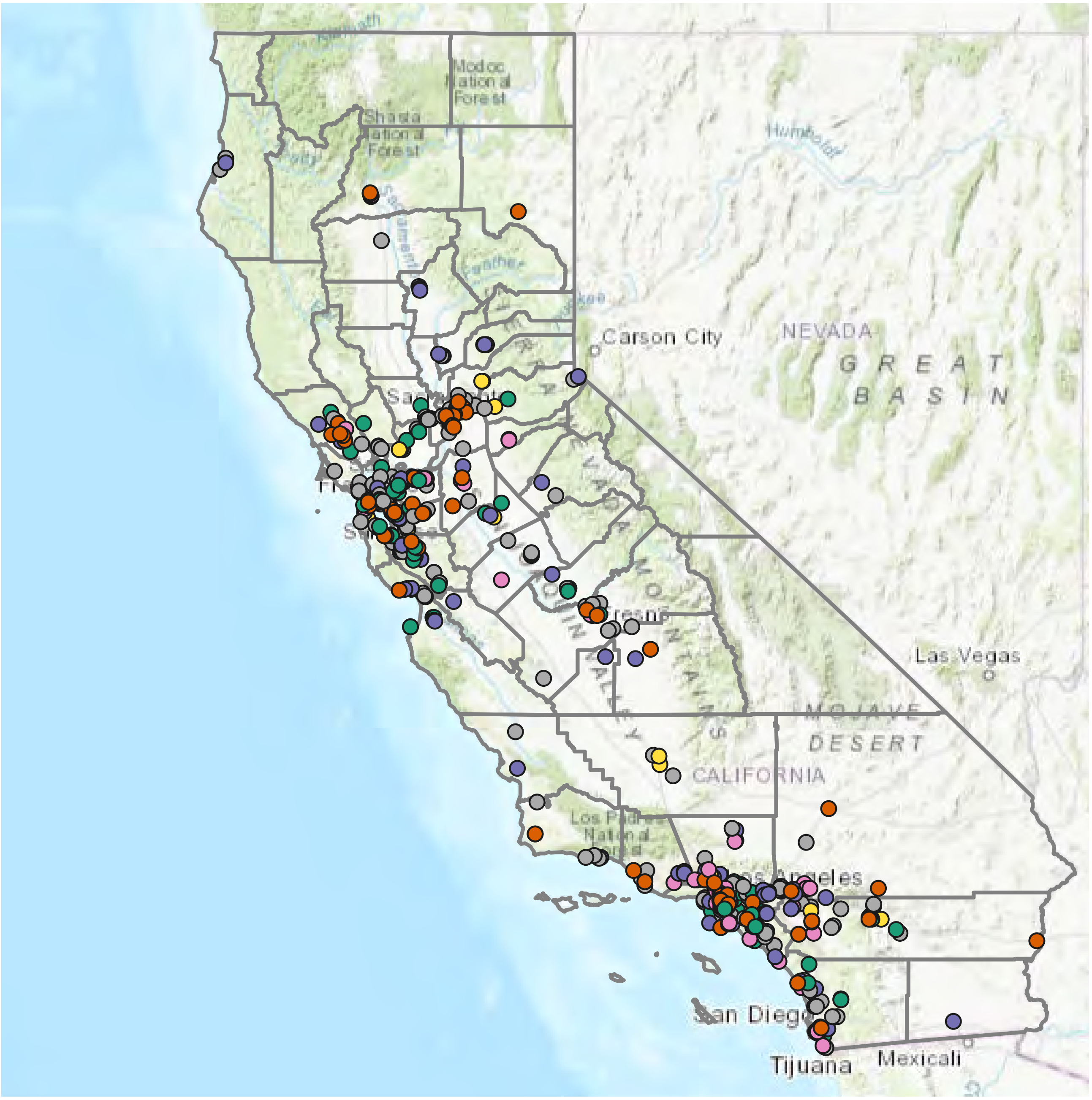


Cal HFA
California Housing Finance Agency

ASSET MANAGEMENT QUARTERLY PORTFOLIO REPORT

As of June 30, 2022

MAP OF CALHFA MULTIFAMILY PROJECTS IN CALIFORNIA



State of California

M E M O R A N D U M

To: CalHFA Board of Directors **Date:** September 7, 2022

From: Francesc Martí, Director of Strategy, Policy and Legislative Affairs
CALIFORNIA HOUSING FINANCE AGENCY

Subject: STATE LEGISLATIVE UPDATE

The State legislative Session ended on August 31st and the Governor has until the end of September to sign or veto bills that have been sent to his desk. Only a handful of bills directly affect CalHFA:

- AB 2006, which calls for an MOU across state housing entities to streamline compliance monitoring regimes. CalHFA has engaged the author and sponsors of this bill and secured amendments that ensure this process will not interfere with its existing obligations.

- AB 157 has Trailer Bill language which requires CalHFA to convene a working group of stakeholders tasked with examining the ADU space and making program recommendations.

- AB 179 has Budget Bill language which clarifies that ADU funds can also be used for factory built ADU products, in partnerships with local agencies and qualified non-profit entities and in matching funds for loans.

A number of other prominent housing bills have been enacted this session, including AB 2011 (Wicks) and SB 6 (Caballero), which will make it easier to build residential housing on commercially zoned land; SB 679 (Kamlager), which creates a regional HFA in Los Angeles, AB 2097 (Friedman), which curbs parking requirements, and AB 2334 (Wicks), which enhances Density Bonuses for low vehicle miles traveled (VMT) projects.

Below is a non-exhaustive list of bills that have either passed or are currently enrolled.

AB 157 (Committee on Budget) State government
Current Status: 8/31/22 Senate amendments concurred in. To Engrossing and Enrolling. Enrolled and presented to the Governor at 9:30 p.m.
Current Location: 8/31/22 A-ENROLLMENT
Summary: Requires CalHFA to convene a working group of stakeholders tasked with examining the ADU space and making program recommendations.

AB 179 (Ting D) Budget Act of 2022
Current Status: 8/31/22 Read third time. Passed. Ordered to the Assembly. Assembly Rule 63 suspended. Senate amendments concurred in. To Engrossing and Enrolling. Enrolled and presented to the Governor at 9:30 p.m.
Current Location: 8/31/22 A-ENROLLMENT
Summary: Contains Budget Bill language which clarifies that ADU funds can also be used for factory built ADU products, in partnerships with local agencies and qualified non-profit entities and in matching funds for loans

AB 682 (Bloom D) Planning and zoning: density bonuses: shared housing buildings
Current Status: 8/30/22 Senate amendments concurred in. To Engrossing and Enrolling.
Current Location: 8/30/22 A-ENROLLMENT
Summary: This bill would provide that a housing development eligible for a density bonus be includes a shared housing building that will contain 10% of the total units for lower income households; contain or 5% of the total units for very low income households; is a senior housing development; or in which 100% of all the units are for lower income households. The bill would prohibit the city, county, or city and county from requiring any minimum unit size requirements or minimum bedroom requirements in conflict with the bill's provisions with respect to a shared housing building eligible for a density bonus under these provisions.

AB 1206 (Bennett D) Property taxation: affordable housing: welfare exemption
Current Status: 8/31/22 Enrolled and presented to the Governor at 4 p.m.
Current Location: 8/25/22 A-ENROLLMENT
Summary: Requires, for the 2022-23 fiscal year (FY) through the 2027-28 FY that a residential unit continue to be treated as occupied by a lower income household, as specified, if the owner is a community land trust (CLT) whose land is leased to low-income households, subject to a contract that complies with specified requirements.

AB 1288 (Quirk-Silva) Income tax credits: low-income housing: California Debt Limit Allocation Committee rulemaking
Current Status: 8/30/22 Senate amendments concurred in. To Engrossing and Enrolling.
Current Location: 8/30/22 A-ENROLLMENT
Summary: Allows TCAC in any calendar year in which CDLAC has declared a competition for the award of tax-exempt bond authority for qualified residential rental projects, to reallocate some of the $500 million in enhanced state low-income housing tax credits that is made available from 4% federal credit projects to 9% federal credit projects

AB 1654 (Rivas D) Low-income housing: insurance tax: income tax: credits: farmworker housing
Current Status: 8/30/22 Senate amendments concurred in. To Engrossing and Enrolling.
Current Location: 8/30/22 A-ENROLLMENT

Summary: This bill would require the HCD to commission a study of farmworker housing conditions, needs, and solutions. The bill would also require the department to develop a comprehensive strategy for meeting the housing needs of the state's farmworkers based on that study.

AB 1695 (Santiago D) Affordable housing loan and grant programs: adaptive reuse
Current Status: 8/30/22 In Assembly. Concurrence in Senate amendments pending. Senate amendments concurred in. To Engrossing and Enrolling.
Current Location: 8/30/22 A-ENROLLMENT
Summary: This bill would provide that any notice of funding availability issued by HCD for an affordable multifamily housing loan program shall state that adaptive reuse of a property for affordable housing purposes is an eligible activity. The bill would define "adaptive reuse" for these purposes to mean the retrofitting and repurposing of an existing building to create new residential units, as specified.

AB 1738 (Boerner Horvath D) Building standards: installation of electric vehicle charging stations: existing buildings
Current Status: 8/31/22 Enrolled and presented to the Governor at 4 p.m.
Current Location: 8/25/22 A-ENROLLMENT
Summary: This bill would, commencing with the next triennial edition of the California Building Standards Code, require the commission and HCD to research and develop, and authorize the commission and department to propose for adoption, mandatory building standards for the installation of electric vehicle charging stations with low power level 2 or higher electric vehicle chargers in existing multifamily dwellings, hotels, motels, and nonresidential development during certain retrofits, additions, and alterations to existing parking facilities.

AB 1837 (Bonta D) Residential real property: foreclosure
Current Status: 8/30/22 To Engrossing and Enrolling.
Current Location: 8/30/22 A-ENROLLMENT
Summary: Adds provisions addressing fraud, operational improvements, and affordable housing preservation to a statute that facilitates acquisition of homes in foreclosure by prospective owner-occupants, tenants, nonprofits, and public entities.

AB 1933 (Friedman D) Property taxation: welfare exemption: nonprofit corporation: low-income families
Current Status: 8/31/22 Enrolled and presented to the Governor at 4 p.m.
Current Location: 8/24/22 A-ENROLLMENT
Summary: Expands the property tax welfare exemption to eligible nonprofit corporations that build and rehabilitate affordable housing units for sale, subject to certain limitations, to low-income families.

AB 1978 (Ward D) HCD: Powers
Current Status: 8/31/22 Enrolled and presented to the Governor at 4 p.m.
Current Location: 8/24/22 A-ENROLLMENT
Summary: Requires HCD to establish a tracking system for all programs that, at a minimum, includes the deadlines for each step of a program application. Requires the tracking system to be on the HCD's internet website. Authorizes HCD to do any of the following in administering federally funded grant programs: a) Publish a notice of funding availability and application deadlines ahead of, and contingent upon, the availability of funding; b) Issue funding to an award

recipient up-front rather than as a reimbursement, as specified; and c) Provide technical assistance to applicants that meet program submission deadlines to correct technical errors or provide missing information, as specified.

AB 2006 (Berman D) Regulatory agreements: compliance monitoring
Current Status: 8/31/22 Enrolled and presented to the Governor at 4 p.m.
Current Location: 8/24/22 A-ENROLLMENT
Summary: Requires HCD, CalHFA and TCAC to enter into a Memorandum of Understanding (MOU) by July 1, 2024 to streamline the compliance monitoring of affordable housing developments that are subject to a regulatory agreement with more than one of these entities.

AB 2011 (Wicks D) Affordable Housing and High Road Jobs Act of 2022
Current Status: 8/29/22 To Engrossing and Enrolling.
Current Location: 8/29/22 A-ENROLLMENT
Summary: Enacts the "Affordable Housing and High Road Jobs Act of 2022" to create a ministerial, streamlined approval process for 100% affordable housing projects in commercial zones and for mixed-income housing projects along commercial corridors, as specified. The bill would also impose specified labor standards on those projects, including requirements that contractors pay prevailing wages, participate in apprenticeship programs, and make specified healthcare expenditures.

AB 2094 (Rivas D) General plan: annual report: extremely low-income housing
Current Status: 8/30/22 Senate amendments concurred in. To Engrossing and Enrolling.
Current Location: 8/30/22 A-ENROLLMENT
Summary: Requires cities to include progress towards meeting their share of regional housing needs for extremely low-income (ELI) households in their annual progress report (APR) submitted to HCD.

AB 2170 (Grayson D) Residential real property: foreclosure sales
Current Status: 8/31/22 Enrolled and presented to the Governor at 4 p.m.
Current Location: 8/24/22 A-ENROLLMENT
Summary: Provides tenants, prospective owner-occupants, and nonprofit affordable housing providers an initial 30-day window to purchase properties acquired by institutions through foreclosure. Further bans institutions from bundling such properties for sale.

AB 2179 (Grayson D) COVID-19 relief: tenancy
Current Status: 3/31/22 Chaptered by Secretary of State - Chapter 13, Statutes of 2022.
Current Location: 3/31/22 A-CHAPTERED
Summary: Extended COVID-19 tenancy relief laws until June 30, 2022.

AB 2217 (Reyes D) CalHome Program: grant allocation.
Current Status: 8/29/22 Approved by the Governor. Chaptered by Secretary of State - Chapter 207, Statutes of 2022
Current Location: 8/29/22 A-CHAPTERED
Summary: Requires HCD to consider setting higher per-unit and total project allocations for CalHome funding recipients based on local development costs when appropriate.

AB 2221 (Quirk-Silva D) ADUs

Current Status: 8/30/22 Senate amendments concurred in. To Engrossing and Enrolling.
Current Location: 8/30/22 A-ENROLLMENT
Summary: Would specify that an accessory dwelling unit that is detached from the proposed or existing primary dwelling may include a detached garage.

AB 2233 (Quirk-Silva D) Excess state land: development of affordable housing
Current Status: 8/30/22 Senate amendments concurred in. To Engrossing and Enrolling.
Current Location: 8/30/22 A-ENROLLMENT
Summary: Requires the Department of General Services (DGS) to develop a plan to facilitate development of affordable housing on state-owned excess land.

AB 2234 (Rivas D) Planning and zoning: housing: post-entitlement phase permits
Current Status: 9/6/22 Enrolled and presented to the Governor at 4 p.m.
Current Location: 9/6/22 A-ENROLLED
Summary: This bill requires a local agency to post information related to post-entitlement phase permits for housing development projects, process those permits in a specified time period depending on the size of the housing development and establish a digital permitting system if the local agency meets a specific population threshold.

AB 2295 (Rivas D) Local educational agencies: housing development projects
Current Status: 8/30/22 Senate amendments concurred in. To Engrossing and Enrolling.
Current Location: 8/30/22 A-ENROLLMENT
Summary: Authorizes a housing development project to be an allowable use on any real property owned by a local educational agency (LEA), as specified.

AB 2319 (Bonta D) Surplus land: former military base land
Current Status: 8/30/22 Senate amendments concurred in. To Engrossing and Enrolling.
Current Location: 8/30/22 A-ENROLLMENT
Summary: Creates an exemption from the Surplus Lands Act (SLA) for the Alameda Naval Air Station (Alameda Point).

AB 2334 (Wicks D) Density Bonus Law: affordability: incentives or concessions in very low vehicle travel areas: parking standards: definitions
Current Status: 8/30/22 Senate amendments concurred in. To Engrossing and Enrolling.
Current Location: 8/30/22 A-ENROLLMENT
Summary: Allows a housing development project in 17 specified counties to receive added height and unlimited density if the project is located in an urbanized very low vehicle travel area, at least 80 percent of the units are restricted to lower income households, and no more than 20 percent are for moderate income households.

AB 2339 (Bloom D) Housing element: emergency shelters: regional housing need
Current Status: 8/30/22 To Engrossing and Enrolling.
Current Location: 8/30/22 A-ENROLLMENT
Summary: Adds additional specificity to where emergency shelters must be zoned in a city's housing element and amends the "no net loss" policy in housing element law to factor in the portion of the regional housing need that the local government failed to accommodate through rezoning in the prior planning period.

AB 2483 (Maienschein D) Housing for individuals experiencing homelessness

Current Status: 8/31/22 Enrolled and presented to the Governor at 4 p.m.
Current Location: 8/24/22 A-ENROLLMENT
Summary: Requires the Department of Housing and Community Development (HCD) to provide incentives in the Multi-family Housing Program (MHP) to developments that set aside a percentage of units for people experiencing homelessness who are receiving specified Medi-Cal services

AB 2503 (Garcia D) Landlords and tenants: California Law Revision Commission: study
Current Status: 9/6/22 Enrolled and presented to the Governor at 4 p.m.
Current Location: 9/6/22 A-ENROLLED
Summary: Directs the California Law Revision Commission to study how to establish consistent, modern, reasonably-concise terminology in statutes governing the rental of residential real property without undermining existing caselaw and contracts.

AB 2651 (Petrie-Norris D) Property taxes: welfare exemption: community land trust
Current Status: 8/30/22 Enrolled and presented to the Governor at 4 p.m.
Current Location: 8/30/22 A-ENROLLED
Summary: This bill extends by two years several dates in the Community Land Trust welfare exemption from property tax.

AB 2653 (Santiago D) Planning and Zoning Law: housing elements
Current Status: 8/30/22 To Engrossing and Enrolling.
Current Location: 8/30/22 A-ENROLLMENT
Summary: Authorizes the Department of Housing and Community Development (HCD) to reject the housing element portion of a planning agency's annual progress report (APR) if the report is not in substantial compliance with the law.

AB 2668 (Grayson D) Planning and zoning
Current Status: 8/31/22 To Engrossing and Enrolling.
Current Location: 8/31/22 A-ENROLLMENT
Summary: Adds parameters for determining a project's compliance with the streamlined, ministerial process created by SB 35 (Wiener), Chapter 366, Statutes of 2017.

AB 2873 (Jones-Sawyer D) California Tax Credit Allocation Committee: low-income housing credit: women, minority, disabled veteran, and LGBT business enterprises
Current Status: 8/31/22 Enrolled and presented to the Governor at 9:30 p.m.
Current Location: 8/24/22 A-ENROLLMENT
Summary: Requires housing sponsors that receive an allocation of Low Income Tax Credits (LIHTC) to report on the use of women, minority, disabled veteran, and LGBT business enterprises

SB 6 (Caballero D) Local planning: housing: commercial zones
Current Status: 9/6/22 Enrolled and presented to the Governor at 3:30 p.m.
Current Location: 9/6/22 S-ENROLLED
Summary: Would enact, until January 1, 2033, the Middle Class Housing Act of 2022, which establishes housing as an allowable use on any parcel zoned for office or retail uses.

SB 561 (Dodd D) State surplus property: digital inventory: affordable housing

Current Status: 8/31/22 Ordered to engrossing and enrolling.
Current Location: 8/31/22 S-ENROLLMENT
Summary: Requires DGS, in consultation with HCD to develop criteria to evaluate the suitability of excess state-owned parcels for affordable housing.

SB 649 (Cortese D) Local governments: affordable housing: local tenant preference
Current Status: 9/6/22 Enrolled and presented to the Governor at 3:30 p.m.
Current Location: 9/6/22 S-ENROLLED
Summary: The bill would require any local government adopting a local tenant preference policy to create a webpage on its internet website containing the ordinance and its supporting materials, and to annually submit a link to its tenant preference webpage to HCD. The bill would require the department to post on its internet website a list of jurisdictions that have tenant preference policies. The bill would repeal these provisions on January 1, 2033.

SB 679 (Kamlager) Los Angeles County: affordable housing
Current Status: 8/31/22 Ordered to engrossing and enrolling.
Current Location: 8/31/22 S-ENROLLMENT
Summary: Would establish the Los Angeles County Affordable Housing Solutions Agency (LACAHSA) for the purpose of preserving and producing affordable housing in Los Angeles County.

SB 852 (Dodd D) Climate resilience districts: formation: funding mechanisms
Current Status: 8/23/22 Enrolled and presented to the Governor at 12:30 p.m.
Current Location: 8/23/22 S-ENROLLED
Summary: This bill allows cities and counties to create climate resilience districts and provides these new districts various financing powers.

SB 886 (Wiener D) California Environmental Quality Act: exemption: public universities: university housing development projects
Current Status: 8/30/22 Enrolled and presented to the Governor at 3 p.m.
Current Location: 8/30/22 S-ENROLLED
Summary: This bill exempts, until January 1, 2030, faculty and staff housing projects and student housing projects meeting specified requirements from the California Environmental Quality Act (CEQA).

SB 897 (Wieckowski D) Accessory dwelling units: junior accessory dwelling units
Current Status: 8/31/22 Ordered to engrossing and enrolling.
Current Location: 8/31/22 S-ENROLLMENT
Summary: Requires a local agency to ministerially approve, within 60 days, in an area zoned for residential or mixed-use, an application for a building permit to create an ADU and a JADU as specified.

SB 948 (Becker D) Housing finance programs: development reserves
Current Status: 8/30/22 Enrolled and presented to the Governor at 3 p.m.
Current Location: 8/30/22 S-ENROLLED
Summary: This bill replaces individual project transition reserves for the development of affordable housing to a pooled reserve model, as specified, operated by HCD.

SB 959 (Portantino D) Surplus residential property: use of funds: priorities and

procedures: City of Pasadena
Current Status: 8/31/22 Ordered to engrossing and enrolling.
Current Location: 8/31/22 S-ENROLLMENT
Summary: Makes changes to the Roberti Act to encourage the sale of homes owned by the California Department of Transportation for low- and moderate-income housing in the State Route 710 corridor in the City of Pasadena.

SB 971 (Newman D) Housing: pets
Current Status: 9/2/22 Approved by the Governor. Chaptered by Secretary of State. Chapter 241, Statutes of 2022.
Current Location: 9/2/22 S-CHAPTERED
Summary: This bill requires HCD and TCAC to authorize a resident to own or otherwise maintain one or more common household pets within the resident's dwelling unit, subject to applicable laws, as specified.

SB 1177 (Portantino D) Joint powers authorities: Cities of Burbank, Glendale, and Pasadena
Current Status: 8/22/22 Approved by the Governor. Chaptered by Secretary of State. Chapter 173, Statutes of 2022.
Current Location: 8/22/22 S-CHAPTERED
Summary: Authorizes the cities of Burbank, Glendale, and Pasadena to form a Regional Housing Trust.

SB 1203 (Becker D) Net-zero emissions of greenhouse gases: state agency operations
Current Status: 8/30/22 Ordered to engrossing and enrolling.
Current Location: 8/30/22 S-ENROLLMENT
Summary: This bill declares the intent of the Legislature that state agencies aim to achieve zero net emissions of greenhouse gasses (GHGs) resulting from their operations no later than January 1, 2035; requires each state agency to develop and publish a plan that describes its current GHG inventory, its planned actions for achieving net zero emissions, and an estimate of the costs associated with the planned actions.

SB 1214 (Jones R) Planning and zoning: local planning
Current Status: 8/29/22 Approved by the Governor. Chaptered by Secretary of State. Chapter 226, Statutes of 2022.
Current Location: 8/29/22 S-CHAPTERED
Summary: This bill requires a local planning agency to ensure architectural drawings that contain copyright-protected material are made available to the public in a manner that does not facilitate copying.

SB 1421 (Jones R) California Interagency Council on Homelessness
Current Status: 8/31/22 Ordered to engrossing and enrolling.
Current Location: 8/31/22 S-ENROLLMENT
Summary: This bill would add a current or formerly homeless person with a developmental disability to the advisory committee.

SB 1444 (Allen D) Joint powers authorities: South Bay Regional Housing Trust
Current Status: 8/31/22 Ordered to engrossing and enrolling.
Current Location: 8/31/22 S-ENROLLMENT

Summary: The act specifically authorizes the establishment of specified joint powers authorities, including the San Gabriel Valley Regional Housing Trust, for the purposes of funding housing specifically assisting the homeless population and persons and families of extremely low, very low, and low income.

SB 1482 (Allen D) Building standards: electric vehicle charging infrastructure
Current Status: 8/31/22 Ordered to engrossing and enrolling.
Current Location: 8/31/22 S-ENROLLMENT
Summary: This bill requires access to an electric vehicle (EV) charging infrastructure for each dwelling unit with access to a parking space in a multifamily dwelling.

State of California

M E M O R A N D U M

To: Board of Directors
California Housing Finance Agency

Date: September 22, 2022

From:
California Housing Finance Agency

Subject: FY 2021-22 YEAR-END BUDGET REPORT

In May 2021, the Board approved the FY 2021-22 Operating Budget in conjunction with the adoption of the FY 2021-22 Business Plan. The approved operating budget included a resource budget of $89 million and expenditure budget of $39 million.

Subsequently, in March of 2022 we presented to the Board our revised projections for fiscal year 2021-22. The revised projections included a resource budget of $70 million and expenditure budget of $35 million. These budget adjustments were necessary to adapt and align to market fluctuations in interest rates, investor activities and real estate trends.

CALIFORNIA HOUSING FINANCE AGENCY MID-YEAR 2021-22 BUDGET UPDATE (DOLLARS IN THOUSANDS)									
	Approved Budget	Mid-Year Budget	Mid-Year Actuals	Variance	%	Projected 2021-22	Year-End Actuals	Variance	%
RESOURCES									
Single Family Lending									
Lending Fees	52,500	26,250	16,650	(9,600)	-36.6%	29,610	26,058	(3,552)	-12.0%
Interest Income	9,638	4,819	4,660	(159)	-3.3%	7,377	8,286	909	12.3%
Servicing Income	1,845	923	1,192	270	29.2%	2,145	1,857	(288)	-13.4%
Other Administrative Fees	4,500	2,250	1,807	(443)	-19.7%	3,282	3,348	66	2.0%
Multifamily Lending									
Lending Fees	4,268	2,134	2,093	(41)	-1.9%	6,991	5,365	(1,626)	-23.3%
Interest Income	13,030	6,515	6,512	(3)	0.0%	13,735	13,408	(327)	-2.4%
Servicing Income	1,305	653	697	45	6.8%	1,254	1,417	163	13.0%
Other Administrative Fees	2,333	1,167	2,293	1,127	96.6%	6,016	3,382	(2,634)	-43.8%
TOTALS	**89,419**	**44,710**	**35,904**	**(8,806)**	**-19.7%**	**70,410**	**63,121**	**(7,289)**	**-10.4%**
OPERATING BUDGET									
Salaries and Wages	16,447	8,224	7,653	571	6.9%	15,400	15,184	216	1.4%
Temp	198	99	164	(65)	-65.7%	325	300	25	7.7%
Benefits	9,160	4,580	4,125	455	9.9%	8,500	10,252	(1,752)	-20.6%
General Expense	951	476	196	280	58.8%	625	732	(107)	-17.1%
Communications	384	192	104	88	45.8%	275	281	(6)	-2.2%
Travel	363	182	66	116	63.6%	125	153	(28)	-22.4%
Training	242	121	27	94	77.7%	80	146	(66)	-82.5%
Facilities Operation	2,894	1,447	1,342	105	7.3%	2,900	2,801	99	3.4%
Consulting & Professional Services	4,311	2,156	1,068	1,088	50.5%	3,100	2,810	290	9.4%
Central Administrative Services	2,083	1,042	1,213	(172)	-16.5%	2,085	2,049	36	1.7%
Information Technology	1,750	875	479	396	45.3%	1,500	1,751	(251)	-16.7%
Equipment	220	110	1	109	99.1%	150	65	85	56.7%
TOTALS	**39,003**	**19,502**	**16,438**	**3,064**	**15.7%**	**35,065**	**36,524**	**(1,459)**	**-4.2%**
NET SURPLUS/(EXPENDITURE)	**50,416**	**25,208**	**19,466**	**(5,742)**	**-22.8%**	**35,345**	**26,597**	**(8,748)**	**-24.8%**

RESOURCES:

CalHFA's year-end Resources were $63 million or 90% of the $70 million mid-year revised projections.

Lending volume and revenues for our Single Family program are slightly lower than the revised projection due primarily to rising interest rates and the general lack of housing supply which has cut its way through the entire homeownership market and has been especially tough on the first-time homebuyer market. At year-end, the Single Family Lending program securitized $2 billion in first mortgage loan volume representing 5,661 first-time homebuyers and 97% of the revised fiscal year lending goal of $2.1 billion. The Single Family fee income for year-end was $26 million which was short of the $29.1 million, or 88%, of the revised projections and was due to excessive market volatility in the secondary market

The Multifamily program continued to produce strong results in large part due to the continued oversubscription of the Mixed-Income Program (MIP) and the growth of the Conduit Issuance program. Additionally, there is growing interest is CalHFA's Bond Recycling program which has deployed over $178 million in recycled bonds on preservation and new constructions projects at the mid-year mark. As a result, revenues are stable and growing. At year-end, Multifamily programs financed $1.5 billion in lending activity representing 3,576 affordable housing units and 87% of the revised lending goal for the year. The fee income for year-end was $5.3 million which was short of the $7 million, or 77%, of the revised projections. The reduced volume and fee income was largely a result of 13 projects which were delayed until FY 22/23 due to COVID supply and labor disruptions, as well as local permitting issues.

OPERATING BUDGET:

CalHFA's Operating Expenses finished the year at $37 million or 104% of the $35 million mid-year revised projection but was well within the Board adopted operating budget of $39 million. The added expenses to close out the year were attributable to one-time investments in technology and increased benefit costs incurred due to the Agency's shared obligation for the repayment of a CalPERS supplemental loan, as laid out in SB 84.

Salary and benefit costs made up 69% of the operating budget for both permanent and temporary positions. The fiscal year 2021-22 budget authorized 223.2 full time equivalent (FTE) positions (221 regular positions and 2.6 temporary positions). At year-end the Agency had 183 full time equivalent (FTE) positions (173 regular positions and 10 temporary positions).

California Housing Finance Agency
Quarterly Report

LENDING PROGRAM ACTIVITY FISCAL YEAR 2021/22														
RESOURCES	**Approved Budget**	**FY Quarter 1**		**FY Quarter 2**		**Projected Year-End Totals**	**FY Quarter 3**		**FY Quarter 4**		**Actuals**		**% of Initial Budget**	**% of YE Projection**
Single Family Lending Volume		*SF Volume*	*SF Units*	*SF Volume*	*SF Units*		*SF Volume*	*SF Units*	*SF Volume*	*SF Units*	*SF Volume*	*SF Units*		
First Mortgage Programs	$ 3,000,000,000	$ 559,599,481	1,611	$ 581,196,579	1,626	$ 2,100,000,000	$ 473,625,915	1,292	$ 418,489,628	1,132	$ 2,032,911,603	5,661	68%	97%
Down Payment Programs	$ 157,500,000	$ 31,009,756	--	$ 33,385,941	--	$ 119,150,000	$ 26,121,973	--	$ 22,041,284	--	$ 112,558,954	--	71%	94%
Total SF Volume	**$ 3,157,500,000**	**$ 590,609,237**	**1611**	**$ 614,582,520**	**1,626**	**$ 2,219,150,000**	**$ 499,747,888**	**1292**	**$ 440,530,912**	**1132**	**$ 2,145,470,557**	**5,661**	**68%**	**97%**
Single Family Revenue		*SF Revenue*		*SF Revenue*			*SF Revenue*		*SF Revenue*		*SF Revenue*			
First Mortgage Programs	$ 52,500,000	$ 8,736,094		$ 7,913,858		$ 29,610,000	$ 5,267,407		$ 4,140,230		$ 26,057,589		50%	88%
Down Payment Programs	$ 4,500,000	$ 848,505		$ 945,990		$ 3,282,000	$ 777,173		$ 700,232		$ 3,271,900		73%	100%
Other Fee Income	$ -	$ 7,030		$ 5,129		n/a	$ 44,133		$ 19,454		$ 75,746		n/a	
Total SF Revenue	**$ 57,000,000**	**$ 9,591,629**		**$ 8,864,977**		**$ 32,892,000**	**$ 6,088,713**	**n/a**	**$ 4,859,916**		**$ 29,405,235**		**52%**	**89%**
Multifamily Lending Volume		*MF Volume*	*MF Units*	*MF Volume*	*MF Units*		*MF Volume*	*MF Units*	*MF Volume*	*MF Units*	*MF Volume*	*MF Units*		
Conduit Issuance	$ 1,500,000,000	$ 12,525,186	254	$ 192,579,928	748	$ 975,039,332	$ 289,579,559	48	$ 323,313,108	255	$ 817,997,781	1,305	55%	84%
Recycled Bonds	$ -	$ 46,677,000		$ 110,500,000		$ 197,231,908	$ 4,000,000		$ 17,000,000		$ 178,177,000		n/a	90%
Permanent Loan Conversions*	$ 51,000,000	$ 12,195,691	0	$ 32,806,000	199	n/a	$ -	0	$ 15,831,000	141	$ 60,832,691	340	119%	
Permanent Loan Commitments**	$ 225,000,000	$ -	0	$ 72,048,000	0	$ 430,867,691	$ 157,680,000	0	$ 104,904,500	0	$ 334,632,500	-	149%	78%
Subsidy Loan Perm Conversion	$ 6,400,000	$ 11,850,000		$ 494,121		n/a	$ -		$ -		$ 12,344,121		193%	
Subsidy Loan Commitments	$ -	$ -		$ -		$ 17,604,121	$ -		$ -		$ -		n/a	0%
MIP Subsidy Loan Commitments	$ 60,000,000	$ -	0	$ 2,000,000	225	$ 49,837,674	$ 24,687,000	840	$ 18,550,674	623	$ 45,237,674	1,688	75%	91%
SNHP Permanent Loan Conversions	$ 20,000,000	$ 2,362,215	58	$ 2,459,848	120	$ 12,075,428	$ -	0	$ 2,519,696	65	$ 7,341,759	243	37%	61%
Total MF Volume	**$ 1,862,400,000**	**$ 85,610,092**	**312**	**$ 412,887,897**	**1,292**	**$ 1,682,656,154**	**$ 475,946,559**	**888**	**$ 482,118,978**	**1084**	**$ 1,456,563,526**	**3,576**	**78%**	**87%**
Multifamily Revenue		*MF Revenue*		*MF Revenue*			*MF Revenue*		*MF Revenue*		*MF Revenue*			
Conduit Issuance	$ 1,000,000	$ 177,787		$ 373,527		$ 1,107,052	$ 78,195		$ 141,038		$ 770,547		77%	70%
Permanent Loan Conversions	$ 333,000	$ 413,093		$ 536,781		$ 1,819,677	$ -		$ 507,091		$ 1,456,964		438%	80%
Permanent Loan Commitments	$ 1,286,000	$ -		$ -		$ -	$ -		$ -		$ -		0%	
MIP Subsidy Loan Commitments	$ 1,364,000	$ -		$ 492,623		$ 3,834,537	$ 1,430,494		$ 1,077,683		$ 3,000,800		220%	78%
SNHP Permanent Loan Conversions	$ 285,000	$ 55,952		$ 43,473		$ 230,707	$ -		$ 37,447		$ 136,872		48%	59%
Total MF Revenue	**$ 4,268,000**	**$ 646,832**		**$ 1,446,403**		**$ 6,991,973**	**$ 1,508,689**		**$ 1,763,259**		**$ 5,365,183**		**126%**	**77%**
TOTAL AGENCY VOLUME	**$ 5,019,900,000**	**$ 676,219,329**		**$ 1,027,470,417**		**$ 3,901,806,154**	**$ 975,694,447**		**$ 922,649,890**		**$ 3,602,034,083**		**72%**	**92%**
TOTAL AGENCY REVENUE	**$ 61,268,000**	**$ 10,238,461**		**$ 10,311,380**		**$ 39,883,973**	**$ 7,597,402**		**$ 6,623,175**		**$ 34,770,418**		**57%**	**87%**

* Units counted in a previous Fiscal year

**Units for Perm Loans tied to MIP subsidies are reported under the MIP subsidy Loan

As of June 30, 2022

California Housing Finance Agency
Quarterly Report

	CalHFA BUDGET UPDATE FISCAL YEAR 2021/22								
TOTAL AGENCY REVENUES*	**Approved Budget**	**FY Quarter 1**	**FY Quarter 2**	**Projected Year-End Totals**	**FY Quarter 3**	**FY Quarter 4**	**Actuals****	**% of Initial Budget**	**% of YE Projection**
Single Family Lending									
Lending Fees *(1st mortgage)*	$ 52,500,000	$ 8,736,094	$ 7,913,858	$ 29,610,000	$ 5,267,407	$ 4,140,230	$ 26,057,589	50%	88%
Interest *(mortgages/securities/cash)*	$ 9,638,000	$ 2,889,406	$ 1,770,657	$ 7,377,342	$ 1,923,778	$ 1,702,508	$ 8,286,349	86%	112%
Servicing Income	$ 1,845,000	$ 691,976	$ 499,958	$ 2,145,481	$ 386,970	$ 278,263	$ 1,857,168	101%	87%
Other Admin Fee Income *(2nds & other)*	$ 4,500,000	$ 855,535	$ 951,119	$ 3,282,000	$ 821,306	$ 719,686	$ 3,347,646	74%	102%
SF Subtotal	$ 68,483,000	*$ 13,173,011*	*$ 11,135,592*	*$ 42,414,823*	*$ 8,399,461*	*$ 6,840,687*	*$ 39,548,751*	58%	93%
Multifamily Lending									
Lending Fees	$ 4,268,000	$ 646,832	$ 1,446,403	$ 6,991,973	$ 1,508,689	$ 1,763,259	$ 5,365,183	126%	77%
Interest *(mortgages/securities/cash)*	$ 13,030,000	$ 3,085,787	$ 3,426,270	$ 13,734,659	$ 3,495,593	$ 3,400,060	$ 13,407,711	103%	98%
Servicing Income	$ 1,305,000	$ 349,909	$ 346,916	$ 1,254,285	$ 346,680	$ 373,728	$ 1,417,233	109%	113%
Other Admin Fee Income	$ 2,333,000	$ 639,921	$ 1,653,280	$ 6,016,474	$ 632,872	$ 455,606	$ 3,381,679	145%	56%
MF Subtotal	$ 20,936,000	*$ 4,722,449*	*$ 6,872,870*	*$ 27,997,390*	*$ 5,983,834*	*$ 5,992,653*	*$ 23,571,806*	113%	84%
TOTAL REVENUES	**$ 89,419,000**	**$ 17,895,460**	**$ 18,008,462**	*$ 70,412,214*	**$ 14,383,295**	**$ 12,833,340**	**$ 63,120,557**	**71%**	**90%**
OPERATING BUDGET									
Salaries	$ 16,447,000	$ 3,977,389	$ 3,675,758	$ 15,400,000	$ 3,333,867	$ 4,196,930	$ 15,183,944	92%	99%
Temp Services/Other	$ 198,000	$ 77,955	$ 86,905	$ 325,000	$ 40,041	$ 95,520	$ 300,421	152%	92%
Benefits	$ 9,160,000	$ 2,120,504	$ 2,004,258	$ 8,500,000	$ 2,139,733	$ 3,987,326	$ 10,251,821	112%	121%
Personal Services	$ 25,805,000	*$ 6,175,848*	*$ 5,766,921*	*$ 24,225,000*	*$ 5,513,641*	*$ 8,279,776*	*$ 25,736,186*	*100%*	106%
General Expense	$ 951,000	$ 130,263	$ 65,927	$ 625,000	$ 103,405	$ 432,518	$ 732,113	77%	117%
Communications	$ 384,000	$ 76,714	$ 27,175	$ 275,000	$ 80,864	$ 96,702	$ 281,455	73%	102%
Travel	$ 363,000	$ 35,254	$ 30,530	$ 125,000	$ 28,950	$ 58,511	$ 153,245	42%	123%
Training	$ 242,000	$ 19,211	$ 7,998	$ 80,000	$ 42,921	$ 75,667	$ 145,797	60%	182%
Facilities Operation	$ 2,894,000	$ 894,893	$ 447,099	$ 2,900,000	$ 666,344	$ 792,423	$ 2,800,759	97%	97%
Consulting & Professional Services	$ 4,311,000	$ 467,562	$ 600,686	$ 3,100,000	$ 468,107	$ 1,274,131	$ 2,810,486	65%	91%
Central Administrative Services	$ 2,083,000	$ 378,014	$ 834,798	$ 2,085,000	$ -	$ 835,994	$ 2,048,806	98%	98%
Information Technology	$ 1,750,000	$ 293,103	$ 186,116	$ 1,500,000	$ 494,634	$ 777,140	$ 1,750,993	100%	117%
Equipment	$ 220,000	$ 364	$ -	$ 150,000	$ 350	$ 63,916	$ 64,630	29%	43%
Operating Expenses	$ 13,198,000	*$ 2,295,378*	*$ 2,200,329*	*$ 10,840,000*	*$ 1,885,575*	*$ 4,407,002*	*$ 10,788,284*	*82%*	100%
TOTAL EXPENSES	**$ 39,003,000**	**$ 8,471,226**	**$ 7,967,250**	$ 35,065,000	**$ 7,399,216**	**$ 12,686,778**	**$ 36,524,470**	**94%**	**104%**
NET SURPLUS/(LOSS)	**$ 50,416,000**	**$ 9,424,234**	**$ 10,041,212**	$ 35,347,214	**$ 6,984,079**	**$ 146,562**	**$ 26,596,087**	**53%**	**75%**

* Represents revenues from current & legacy lending activites.

** Unaudited numbers

As of June 30, 2022