



Executive Summary	
CalHFA Project Number	24003
Project Name	Vera Avenue Apts.
Type of Development	New Construction
Type of Project	Family
Total Units [MIP Restricted Units]	178 [176 restricted]
Street Address	112 Vera Avenue
City, County, Zip Code	Redwood City, San Mateo County
Borrower (Legal entity name)	112 Vera Ave., L.P.
Developer(s)	Summix LLC
Co-Developer	Corporation for Better Housing
Approved Conduit Issuances	
Conduit T/E Issuance [CDLAC Meeting: 8/6/2024]	\$55,000,000 (Includes 10% cushion and rounded to nearest \$1m) (assuming current need \$49,815,000)
Conduit Taxable Issuance	\$40,000,000 (Includes 10% cushion and rounded to nearest \$1m) (assuming current need \$35,500,000)
Recycled Bond Volume Cap to be utilized, if available at conversion by CalHFA	\$9,000,000 (Includes 10% cushion and rounded to nearest \$1m) (assuming current need \$8,000,000) Expected Conversion: 12/1/27
Requested CalHFA Financing for Approval	
CalHFA Tax-Exempt Permanent Loan Amount	\$28,538,000 UW Rate and Loan Term: Est. 6.67%, fixed; 1 st lien; 40/17
CalHFA Taxable Permanent Loan Amount (if any)	\$0 UW Rate and Loan Term: N/A
HUD Risk Sharing Requirement (1 st lien loan)	Yes
CalHFA Subordinate/Subsidy Financing Type	Mixed-Income Program (MIP) 2024
CalHFA Subordinate/Subsidy Financing Amount	\$4,000,000 UW Rate and Loan Term: 3.00%, fixed; 2 nd lien; residual receipts; principal and accrued interest due in 17 years
Key Dates and Approvals	
SLC Initial Commitment Approval Declaration of Intent Date – 2/21/2024	4/22/2024
SLC Final Commitment Approval Date	5/7/2025
CDLAC Volume Cap Award Date	8/6/2024
CTCAC Tax Credit Award Date	8/6/2024
CDLAC Closing Deadline	7/11/2025
Construction Loan Closing Date [Est.]	6/30/2025
Est. CalHFA Loan Closing (perm conversion) Date	12/1/2027
Federal Tax Credits (LIHTC) Requested	Federal LIHTC Amount: \$46,926,320 (\$0.88/credit) (\$266,627/restricted unit)
State Tax Credits Requested	State Tax Credit Amount: \$23,969,101 (\$0.88/credit) (\$136,188/restricted unit)



1	Project Summary		
1a	Project Description		
<p>Vera Avenue Apts. (the "Project") is a new construction, family, mixed-income project. The total development site area is 0.6 acres and is located in Redwood City, San Mateo County. The Project will consist of one, 7-story high-rise, elevator serviced building. The Project will have a total of 178 residential units, of which 176 units will be restricted between 30% and 70% of the San Mateo County Area Median Income (AMI). There will be 25 studio units (411 sq. ft.) and 153 one-bedroom units (450 sq. ft.). In addition, 2 of the one-bedroom units will serve as the managers' units. The Project will have 6 spaces for residential parking which complies with the Redwood City parking requirements as well as density bonus requirements as described in sections 1b and 3b.</p> <p>The site is currently occupied by 5 partially built single family residential structures that are vacant and will be demolished during construction. These structures began construction in 2019 and do not pose any environmental risks.</p> <p>The Project's financing structure includes financing from: Tax-exempt (T/E) bonds, Taxable bonds, Recycled T/E bonds, 4% Federal Low Income Housing Tax Credit (LIHTC) equity, State Housing Tax Credit Equity, calHFA Tax-Exempt Permanent Loan, and CalHFA Subordinate financing through Mixed-Income (MIP) Subsidy Loan.</p>			
Residential Areas		Commercial Areas (If Mixed-use)	
Land Area (Acres)	0.6	Land Area (Acres)	N/A
Residential Units / Acre	297	Number of Lease spaces	N/A
Residential Area (Sq. Ft)	93,870	Commercial Area (Sq. Ft)	N/A
Community Area (Sq. Ft)	3,580	Commercial Parking Spaces	N/A
Supportive Services Area	N/A	Master Lease?	N/A
Residential Parking Space	6	Condo Structure	N/A
Notes (if any):			
1b	Project Location Geocoder Information		
<p>The Project is in Redwood City, San Mateo County. The project will be subject to a density bonus agreement ("DBA"), required by the city, at construction closing. The DBA is expected to restrict 176 units at or below 70% AMI. In exchange for these restrictions, the DBA will allow for reduced parking requirements, increased building height, and reduced setback requirements. The DBA will be subject to CalHFA subordination or standstill agreement at permanent loan closing.</p>			
Inside Principal City?	Yes	Underserved or Distressed Tract?	No
Census Tract (CT)	06-081-6102.03	% Population Below Poverty Line	12.82%
CT Minority Population %	89.46%	Rural Area?	No
CT Income Level	Low	2024 Est. CT Median Family Income	\$184,200
CDLAC/TCAC Opportunity Area Category		Low Resource	
CDLAC/TCAC Geographic Region		South and West Bay Region: San Mateo and Santa Clara Counties	
Project is located in DDA?		No	
Project is located in Federally-designated Qualified Census Tract (QCT) for LIHTC purposes?		Yes	



2		Development and Financing Team			
Developer (Sponsor): Summix, LLC			Co-developer (if any): Corporation for Better Housing		
	New to CalHFA?	Yes		New to CalHFA?	No
	Affordable Housing/LIHTC experience?	Yes		Affordable Housing/LIHTC experience?	Yes
	Has Projects in California?	No		Has Projects in California?	Yes
Borrower (Legal entity): 112 Vera Ave., L.P.			Co-Borrower (if any): N/A		
Construction (Senior) Lender: 1) Banc of California			Construction Subordinate Lender(s): N/A		
Permanent 1st lien Lender: 1) CalHFA			Permanent Subordinate Lender(s): 1) CalHFA (2 nd lien)		
Federal LIHTC Investor: Palm Drive Associates, LLC			State LIHTC Investor: Palm Drive Associates, LLC		
	Tax Credit Amount	\$46,926,320		Tax Credit Amount	\$23,969,101
Solar Tax Credit Investor: N/A					
	Tax Credit Amount	\$194,363			
General Contractor: BLH Construction			Management Company (Property Manager): WinnResidential California LP		
	Is an affiliate of Developer?	Yes		Is an affiliate of Developer?	No
	Experience with CalHFA?	Yes		Total number of properties managed	237
Architect: AO Architects			Service Provider: LifeSteps		
	Has worked with GC? (Two projects in pre-dev)	Yes		Required by TCAC or other Funding sources?	Yes
	Has experience designing and managing similar projects?	Yes		Terms of service (on-site, number of years)	15
				Support Services Cost (per Operating budget)	\$24,000
	Has housing projects in CA?	Yes		Per unit cost of services meets USRM req.?	Yes
Financial Advisor:			Project Consultant:		
Notes (if any): <ol style="list-style-type: none"> 1. Tax credit pricing based on executed Letter of Interest from Palm Drive Associates, LLC dated 2/27/2025. 2. Summix LLC ("Summix") is an emerging developer that was formed in 2015 and is wholly owned by its CEO, Justin Hardt. Summix has not been the lead developer on any prior projects, though its CEO has been in the housing development industry since 2004. To meet development team requirements, Summix has partnered with Corporation for Better Housing, which has extensive experience in developing LIHTC projects and meets CalHFA's development team requirements. 3. The Borrower will add an additional administrative general partner, AC Redwood GP, LLC. The developer fee split is to be determined and an updated organizational chart is to come. The timing for this is expected to be post construction closing due to the time needed to obtain the 					



HUD 2530.

3	Summary of Material Changes from Initial Commitment Approval
For any changes marked <input checked="" type="checkbox"/> please explain the changes and the impact of such changes either in CDLAC scoring, financial risk to the Agency, or any other material impact to the underwriting of the loan	
<input checked="" type="checkbox"/>	Changes in Borrower/Sponsor entities including Co-developer(s), if any
<input checked="" type="checkbox"/>	Changes in Other Development Team members: Construction Lender, Tax Credit Investor, General Contractor, Property Management Agent, Other lenders including subordinate lenders
<input type="checkbox"/>	Changes in Project Scope (for example, addition of non-residential component)
<input type="checkbox"/>	Changes in CalHFA loan amount (>10%) or changes in loan terms
<input type="checkbox"/>	Changes in construction schedule and rent-up/conversion timeline
<input type="checkbox"/>	Significant changes in project capital stack impacting project viability: DSCR, exit analysis, etc.
<input type="checkbox"/>	Significant changes in Operating budget as well as rental assistance/operating subsidy assumptions
<input type="checkbox"/>	Changes in CalHFA required reserves
<input type="checkbox"/>	Changes in Affordability Restrictions including Unit distribution for regulated units
<input checked="" type="checkbox"/>	Other material underwriting, project scope or financial structuring changes
Notes: <ul style="list-style-type: none"> Development Team Member Changes: <ul style="list-style-type: none"> Construction Lender is Banc of California (US Bank at Initial Commitment) Investor is Palm Drive Associates, LLC (Walker & Dunlop at Initial Commitment) The Borrower will add an additional administrative general partner, AC Redwood GP, LLC. 	

4	Requested CalHFA Financing for Approval		
4a	CalHFA Financing Terms		
	CalHFA 1 st Lien Perm Loan	CalHFA Subordinate Loan (MIP Subsidy Loan)	Total CalHFA Financing
Loan Amount (\$)	\$28,538,000	\$4,000,000	\$32,538,000
Loan Term (Year)	17	17	
Amort. Term (Year)	40		
Amort. Type	Partially Amortizing	Non-amortizing	
Lien Position	1 st	2 nd	
UW Interest Rate % (See Note 1)	Est. 6.67%	3.00%	
Loan to Value (%) (See Note 2)	60.60%	8.05%	
Combined LTV (CLTV) (%) (See Note 2)			69.09%
Loan to Cost (%) (See Note 3)	27.6%	3.9%	31.5%
Loan Repayment Source	Net Operating Income (NOI)	Residual Receipts	

**Notes:**

1. The interest rate spread will be locked upon Final Commitment for the CalHFA perm loan. The final rate will be locked prior to issuance of the Final Commitment Letter pursuant to the final commitment approval. A 50 bps underwriting cushion is included to account for MMD fluctuations prior to Construction Loan Close. Final CalHFA rate will be locked no more than 30 days prior to construction loan closing.
2. Maximum LTV limited to 90% and maximum CLTV to be limited to 120% of restricted appraised value based on an acceptable Appraisal. However, if the exit analysis requirements are not met per the Agency's underwriting standards, the CLTV shall not exceed 100%.
3. Loan to Cost shall not exceed 100% of the total project development cost (see construction sources/uses for total development cost).

4b	CalHFA Loan(s) Security
Select ONE	Description
<input checked="" type="checkbox"/>	The CalHFA Perm loan(s) will be secured by a first lien deed of trust (DoT) against the above-described Project site and improvements.
<input checked="" type="checkbox"/>	The CalHFA Subordinate (MIP) loan will be secured by a second lien deed of trust (DoT) against the above-described Project site and improvements.
<input type="checkbox"/>	[If ground lease owned by for-profit entity, add:] The Agency shall encumber both the fee and leasehold interests in the Development as security for its deeds of trust and regulatory agreements.
<input type="checkbox"/>	[If ground lease owned by locality/non-profit and it meets USRM requirements, add:] CalHFA loan(s) will be secured against the fee interest in the improvements and leasehold Interest in the land.
<input checked="" type="checkbox"/>	Assignment of Borrower's interest in Project improvements, Project revenues and escrows
Notes (if any):	
<ol style="list-style-type: none"> 1. Redwood City is requiring the Density Bonus Agreement to be recorded in senior position to the CalHFA Regulatory Agreements and Deeds of Trust. The Density Bonus Agreement will not have foreclosure rights. The Density Bonus Agreement will be subject to CalHFA subordination and/or standstill agreements at permanent loan closing. Redwood City is reviewing the CalHFA boilerplate standstill agreement. 	



5	Project Budget & Total Development Cost		
5a	Construction Financing		
Construction Lender		Banc of California	
CDLAC/CTCAC Construction Closing Deadline		7/11/2025	
	Bond Issuance Amount		Type of Issuance
Construction Conduit Issuance Amount	\$49,815,000		Tax-Exempt
Construction Conduit Issuance Amount	\$35,500,000		Taxable
Construction Conduit Issuance Amount	\$8,000,000		T/E Recycled
Total	\$93,315,000		
	Loan Amount	UW Rate	Loan Term
Construction Loan (T/E) (Interest-only, 1 st lien during construction)	\$57,815,000	6.83%, Fixed/Variable (See Note 1)	36-month with one 6-month extension
Construction Loan (Taxable) (Interest-only, 1 st lien during construction)	\$35,500,000	7.08%, Fixed/Variable (See Note 2)	36-month with one 6-month extension
<Other Construction loan>			
Notes:			
1. Construction Loan T/E is a variable rate [SOFR+250 bps, Index 30-day Average SOFR]. Current SOFR as of 4/20/25 is 4.33% and the all-in rate is 6.83%. The loan term includes 6 months extension at \$15,000.			
2. Construction Loan (Taxable) is a variable rate [SOFR+275 bps, Index 30-day Average SOFR]. Current SOFR as of 4/20/25 is 4.33% and the all-in rate is 7.08%. The loan term includes 6 months extension at \$15,000.			
3. Construction interest reserve may be re-sized based on the final locked rate at construction closing. Any resulting funding gaps will be covered by the Developer until permanent loan closing.			

5b	Construction Sources	
Construction Sources:	Amount (\$)	% of Total
Banc of California TE (Loan)	\$49,815,000	53.24%
Banc of California REC (Loan)	\$8,000,000	8.55%
Banc of California TAX (Loan)	\$35,500,000	37.94%
Tax Credit Equity	\$250,000	0.27%
Total Construction Sources	\$93,565,000	100%



5c	Construction Uses		
Construction Uses:	Amount (\$)	% of Total	
Land and Improvement Value	\$6,000,000	6.41%	
Other Acquisition Costs	\$250,000	0.27%	
Construction/Rehab Costs	\$59,103,642	63.17%	
Soft Costs (A&E, Legal, Title, and Other Soft Cost)	\$5,652,031	6.03%	
Hard Cost contingency	\$2,955,183	3.16%	
Soft Cost contingency	\$1,230,000	1.31%	
Financing Costs (Interest Reserves, Fees, Taxes, and Insurance)	\$12,057,144	12.89%	
Local Impact Fees and Permit Fees	\$3,657,000	3.91%	
Deferred Developer Fee	\$0	0.00%	
Cash Portion Developer Fee	1,535,900	1.66%	
Other Costs (TCAC Fees, Furnishing, and Other Misc. Fees)	\$1,124,100	1.20%	
Operating Reserves	\$0		
Total Construction Uses	\$93,565,000	100%	
Total Construction Cost per unit	\$525,646		
Total Construction Cost per CalHFA MIP Regulated Unit	\$531,619		

Notes (if any):

1. CalHFA will require review and approval of independent third-party prepared plan and cost review report for project plans and specifications (plan & specs) and cost review prior to construction loan closing.
2. Acquisition Costs included in the budget are \$6,250,000, which complies with Agency's underwriting (USRM) standards. The total Acquisition costs include as-is land cost (per arms-length purchase and sales contract) of \$6,000,000 and demolition costs of \$250,000.
3. The total hard cost contingency in the project is 5.70% of the Hard costs, which includes the contingency in the GC Schedule of Values (SOV) and will be reviewed by the CalHFA inspector to meet the USRM requirements and project scope for completion within the stipulated budget.
4. The total soft cost contingency in the project is 3.39% of eligible costs and has been reviewed by Multifamily staff to meet the USRM requirements and project scope for completion within the stipulated budget.
5. The construction budget includes \$1,750,000 for offsite improvements. Pursuant to the USRMs the offsite improvements must be funded by non-CalHFA sources.

5d	Third-party Plan & Cost Review Summary	
General Contractor (GC) Name:		BLH Construction
GC Budget (per Schedule of Values)		\$59,103,642
% of Builder overhead, profit, and general requirements (TCAC allowable 14%)		12.3%
Type of Construction Contract:		GMP
GC Contract Executed? If not, provide status:		In process
GC Hard-Cost Contingency and Sufficiency:		5.70% - Exceeds USRM and Investor LOI minimum
Notes:		



- Banc of California has engaged Hillman to perform an independent third-party review of project plans and specifications (plan & specs) and cost review.
- The draft/final Plan and Cost Review report is in process and will be reviewed by CalHFA Inspector. The final Plan and Cost Review will be signed off by CalHFA Inspector and is a condition to construction closing.
- The project hard cost contingency in the General Contractor's Schedule of Values (SOV) as well as the project hard cost contingency included in the overall budget are sufficient per the review completed by CalHFA inspector and meets the USRM requirements for minimum contingency levels.
- The project budget includes \$40,000 in environmental remediation costs which has been reviewed by the CalHFA Inspector for its scope and sufficiency. The remediation is necessary to remove asbestos from five existing structures during demolition on the subject property.

5e	Permanent Sources and Uses	
Permanent Sources:	Amount (\$)	% of Total
CalHFA Perm (Loan)	\$28,538,000	27.6%
CalHFA MIP (Loan)	\$4,000,000	3.9%
Solar Tax Credits	\$194,693	0.2%
Deferred Developer Fee	\$8,304,100	8.0%
Tax Credit Equity	\$62,381,740	60.3%
Total Permanent Sources	\$103,418,533	100%

Permanent Uses:	Amount (\$)	% of Total
Total Loan Payoffs	\$93,565,000	90.5%
Other Acquisition Costs	\$0	0.0%
Equity	\$0	0.0%
Financing costs	\$468,070	0.5%
Soft costs	\$0	0.0%
Operating Reserves	\$1,095,637	1.1%
Cash Developer Fee paid at Perm Conversion	\$0	0.0%
Deferred Developer Fees paid from cashflow	\$8,304,100	8.0%
Total Permanent Uses	\$103,418,533	100%
Total Development Cost per unit	\$581,003	
Total Development Cost per CalHFA MIP Restricted Unit	\$587,605	
Notes (if any):		



5f	Federal and State Tax Credits			
Federal LIHTC Tax Credit Investor /Syndicator	Palm Drive Associates, LLC			
State Housing Tax Credit Investor /Purchaser	Palm Drive Associates, LLC			
Other Tax Credit Investor/Purchaser	N/A			
Tax Credit Type	Tax Credits Amount (\$)	Pricing (per Credit)	Tax Credit Equity (\$)	Tax Credit Equity per CTCAC Restricted Unit (\$)
Federal Tax Credits (New Const/Rehab)	\$46,926,320	\$0.88	\$41,291,032	\$234,608
Federal Tax Credits (Acq.)	\$0		\$0	\$0
State Housing Tax Credits	\$23,969,101	\$0.88	\$21,090,707	\$119,834
<Other Tax Credits: Solar>	\$194,363	\$0.88	\$194,363	\$1,092
Total	\$71,089,784		\$62,576,102	\$355,534
Notes (if any):				
<ol style="list-style-type: none"> The Project was awarded volume cap for bonds and Federal LIHTC tax credit allocation in the CDLAC/TCAC meeting on 8/6/2024. The Project has been awarded State Housing Tax Credits by TCAC. 				

50% Aggregate Basis Test Requirements	
Accountant prepared Draft Financial Projections date	September 30, 2024
Accounting firm name	Bowman
T/E Private-Activity Bond Volume Cap Allocated	\$49,815,000
Aggregate Basis of building and land costs considered	\$97,145,925
% of Aggregate basis financed by T/E Bonds	51.28%
50% Test met per IRC Sec. 42 (h) for LIHTC?	Yes
Notes (if any):	

5g	Developer Fee	
Developer fee category:	TCAC Maximum Limit	Actual Amount in Project Budget
Upfront Cash Developer Fee (a)	\$4,686,812	\$1,535,900
Deferred Developer Fee (DDF) paid from project cash-flow (b)	N/A	\$8,304,100
Total Developer Fee (a) + (b)		\$9,840,000
Excess Developer Fee above TCAC Maximum Limit as General Partner (GP) contribution		\$0
Notes (if any):		
<ol style="list-style-type: none"> For the Final Commitment underwriting, the Borrower must provide evidence that the DDF repayment structure is required pursuant to the Tax Credit Investor's requirements (LOI) and/or Limited Partnership Agreement (LPA). Any outstanding Deferred Developer Fee remaining at Year 15, even if within TCAC Maximum Limit, will be paid from Borrower's 50% share surplus cash distribution. Any outstanding Deferred Developer Fee remaining in Year 15 and above TCAC Maximum Limit will be treated as a developer contribution. The Limited Partnership Agreement (LPA) and the Tax Credit Investor written approval evidencing that any outstanding deferred developer fee remaining in Year 15 will be treated as a GP contribution will be required prior to construction closing. 		
Note (if any):		



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5h	Evidence of Cost Containment for projects seeking subsidy
Cost Containment Certification received from Developer?	Yes
Cost Containment Certification acceptable to CalHFA?	Yes
<p><u>Comments on Cost Containment Strategy:</u> The Developer certified that below cost containment measures have been implemented to minimize construction costs:</p> <ol style="list-style-type: none"> 1. All major subcontractor and self-performing trades have been competitively bid out. 2. Value engineering firm will be engaged during the design process to help identify potential cost savings. 3. GC will be required to provide a minimum of 3 bids (when available) for each trade, particularly for all major trades. 4. The developer and contractor will develop a critical path method to ensure key construction milestones are met. 	
Note (if any):	

5i	Evidence of Subsidy Efficiency
<p>Per the CalHFA Term Sheet requirement, a subsidy efficiency analysis is completed at Initial Commitment, Final Commitment, prior to construction loan closing, and at closing of the CalHFA subordinate financing (perm conversion). Based on the final subsidy efficiency analysis, the CalHFA subsidy loan may be reduced prior to construction closing or perm conversion.</p>	
Parameters of Subsidy Efficiency Analysis [Verify with the FA and check all that apply]	
<input checked="" type="checkbox"/>	Year 1 DSCR is 1.20x maximum
<input checked="" type="checkbox"/>	Confirmed that the on-going minimum DSCR of 1.15x through the term of the CalHFA 1 st lien permanent loan based on the Financial Analysis completed at final commitment per Agency's underwriting standards (USRM). A final check will be completed at construction closing and at perm conversion.
<input checked="" type="checkbox"/>	Cash-flow after debt service is limited to (i) Higher of 25% of the anticipated annual must pay debt service payment, or (ii) 8% of gross income, during each of the first 3 years project operation.
<input checked="" type="checkbox"/>	Inflation factors and vacancy rates are consistent with the Agency's underwriting standards (USRM)
<input checked="" type="checkbox"/>	Developer Fee requirements consistent with CalHFA underwriting standards and/or CTCAC Regulation 10327(c)2(B)
<input checked="" type="checkbox"/>	Confirmed the reasonableness of the Capitalized Reserves to be consistent with Agency's underwriting standards (USRM) and the verified with the Investor Limited Partnership Agreement.
<input checked="" type="checkbox"/>	State Tax Credits (STC) maximum requested amount is consistent with CTCAC Regulations 10317
<input checked="" type="checkbox"/>	<p>Confirmed that the Acquisition Cost (if applicable) is the lesser of:</p> <ol style="list-style-type: none"> i. Purchase price pursuant to a current purchase and sales agreement between unrelated parties, or ii. Purchase price of an arm's length transaction executed within the past 10 years plus reasonable carrying costs, or iii. Appraised "as-is" value based on a current 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.
<input checked="" type="checkbox"/>	CalHFA Loan Agreement has the requirement that Construction cost savings funds evidenced by the Final Cost Certification will be used to reduce the CalHFA subsidy (MIP) loan prior to CalHFA MIP loan closing.



5j	High-Cost Explanation	
Total Development Cost (TDC)		\$103,418,533
Total Units		178
TDC/Unit		\$581,003
High-Cost Explanation provided by Developer per CDLAC Regs Section 5233?		N/A
High-Cost explanation acceptable to CalHFA?		N/A
Summary of Project-specific factors contributing to high cost:		
i.	Project located in HUD high-cost designated area?	<input type="checkbox"/>
ii.	State Prevailing Wage (PW) applicable to the project?	<input type="checkbox"/>
iii.	Increase in development cost due to demolition of existing building or structures?	<input type="checkbox"/>
iv.	Increase in development cost due to high environmental remediation costs?	<input type="checkbox"/>
v.	Increase in development cost due to significant off-site improvements due to site specific conditions?	<input type="checkbox"/>
vi.	Increase in development cost due to additional parking spaces or Type 1 podium garage or other commercial space requirements by City, community feedback or other?	<input type="checkbox"/>
vii.	Other atypical costs included in the development cost budget?	<input type="checkbox"/>
viii.	Additional critical factors noted in the Certification from Developer	<input type="checkbox"/>
Comments (for any <input checked="" type="checkbox"/> response, please indicate the costs per the Development Budget line-items)		



6	Affordability Requirements									
6a	CalHFA Regulatory Agreement Requirements									
The CalHFA Permanent Financing Bond Regulatory Agreement will restrict a minimum of 40% of the total units at or below 60% AMI; with 30% of the total units (54 units) at or below 60% AMI and 10% of the total units (18 units) at 50% AMI for 55 years.										
The CalHFA Subsidy Regulatory Agreement will restrict 176 units between 30% and 120% of AMI for a term of 55 years.										
Number of Regulated Units and AMI Restrictions by Each Agency										
Number of Units and Percentage of AMI Rents Restricted by each Agency										
Regulating Agency		Number of Units Restricted for Each AMI Category						Total Units	Percentage	
		Lien	30%	50%	60%	70%	80%	120%	Regulated	Regulated
CalHFA Bond		2nd		18	53				71	40%
CalHFA MIP		3rd	18	36		18		104	176	100%
CTCAC		4th	31	75	51	19			176	100%
Density Bonus		1st		9			152	15	176	100%
Ground Lease									0	0%
Other									0	0%
	TOTALS		31	75	51	19	0	0	176	100%
Notes (if any):										
1. The CalHFA MIP Subsidy Regulatory Agreement requires 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 (18 units at 30% AMI and 36 units at 50% AMI). An additional 10% of total units (18 units) must be restricted between 60% and 80% of AMI with a minimum average of 70% of AMI for a term of 55 years.										
2. 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 104 restricted units will be restricted at or below 120% of AMI.										
3. In addition, Redwood City is requiring a Density Bonus Agreement which will be subject to CalHFA review and approval and further subjected to a CalHFA subordination or standstill agreement at permanent loan closing.										

6b	Unit Distribution for each AMI category						
The table below outlines the distribution of units for each unit size by AMI category.							
AMI Category	Total	Studio	1-bdrm	2-bdrm	3-bdrm	4-bdrm	% of Total
30% AMI	31	5	26				17%
50% AMI	75	11	64				42%
60% AMI	51	6	45				29%
70% AMI	19	3	16				11%
Manager's Unit	2	0	2				1%
Total	178	25	153				100%
Note (if any):							



- The initial rents at permanent loan closing and in subsequent years must not be less than the underwritten rent levels outlined in the “Rent Summary Table” of the Financial Analysis enclosed as part of this Staff Report.
- The CalHFA regulatory agreement(s) will require minimum underwriting rent levels as outlined above.

7	Financial Analysis
7a	Market Study Summary
Market Study firm: Novogradac	Market Study Date: 2/12/2024
Market Study date within 180 days?	No
Proposed Market Rents for subject property	Studio- \$3,020, 1BR- \$3,148 CalHFA staff has confirmed that the underwritten rents are currently at least 10% below market rents, which is a CalHFA Term Sheet requirement, and will be verified per CalHFA ordered appraisal.
Targeted population income range	30% - 70% AMI
Absorption Period	5 months
Absorption rate	40 units per month
Project Amenities appropriate and sufficient for market and intended tenants?	Yes
Special Needs Housing – demand/need for Special Needs population, availability of area service providers and sufficiency of on-site services at subject property	N/A
Utility allowance schedule included in market study report?	Yes
<u>Regional Market Overview</u> <ul style="list-style-type: none"> • The Primary Market Area generally consists of the communities of Redwood City, Emerald Hills, North Fair Oaks, Atherton, and Menlo Park (population of 134,784) and the Secondary Market Area (“SMA”) is San Francisco-Oakland-Berkeley, CA Metropolitan Statistical Area (population of 4,788,510) • The general population in the PMA is anticipated to increase by 0.5% per year and the population in the SMA will increase by 0.1% per year. • Unemployment in the SMA is 3.6%, which evidences a strong employment area. • Median home value in the PMA is \$1,700,000. 	
<u>Local Market Area Analysis</u> <ul style="list-style-type: none"> • Supply: <ul style="list-style-type: none"> ○ There are currently 13 affordable family projects in the PMA and they are 96% occupied with long wait lists. ○ There are 4 affordable family projects under construction. ○ There are 7 affordable and affordable/market family projects with a total of 1,249 estimated units that have been proposed to the locality that have yet to start construction. • Demand/Absorption: <ul style="list-style-type: none"> ○ The Project will need to capture 11.6% of the total demand for family units in the PMA. The affordable units are anticipated to lease up at a rate of 40 units per month and reach full occupancy within 5 months of opening. 	



- **Summary:**
 - The Market Study absorption and lease-up timelines are in alignment in the Developer's lease-up plan and operating proforma assumptions.

7b	Appraisal Summary	
Appraiser firm: Colliers International	Appraisal Date: TBD. CalHFA provided report comments 1/14/25 and updated report is pending. CalHFA approval of final appraisal is required prior to construction loan closing and included in the conditions of approval.	
Engaged by: Banc of California	Reliance by CalHFA (if co-engaged): Yes	
Appraisal within 90 days of Final Commitment?	Yes	
Appraisal premise	Interest appraised	Valuation
Market Value as-is	Fee Simple	\$7,980,000
Market Value upon completion/stabilization as if unencumbered by restricted rents	Fee Simple	\$108,800,000
Market Value upon completion/stabilization as encumbered by restricted rents	Fee Simple	\$49,600,000
Land Value – net of demolition costs	Fee Simple	\$8,230,000
	Underwritten NOI	Appraisal NOI
Appraiser Firm	Colliers International	Colliers International
Appraisal Date	TBD	TBD
Appraised As-is Value	\$7,980,000	\$7,980,000
Appraised Land Value	\$8,230,000	\$8,230,000
Appraised As-Completed Value (Restricted)	\$49,629,958	\$49,629,958
Appraisal Investment Value	\$108,800,000	\$108,800,000
Appraisal Cap rate	5.00%	4.75%
NOI (Stabilized Year)	\$2,354,753	\$2,357,423
Appraisal Cap rate	N/A	4.75%
As-completed Restricted Value Calculated for UW NOI	\$47,095,068	\$49,629,958
1st Lien Loan	\$28,538,000	\$28,538,000
	-	-
Does the Perm loan include Cash equity payment?	No	No
LTV	60.60%	57.50%
Max LTV allowed	90.00%	90.00%
LTV Check	TRUE	TRUE
Total CalHFA loans	\$32,538,000	\$32,538,000
	-	-
CLTV calculated	69.09%	65.56%
Max CLTV allowed	120%	120%



CLTV Check	OK	OK
LTV Stress Test for HUD Risk Share Underwriting Requirements		
Cap Rate Stress %	0.50%	0.50%
Cap Rate for Stress Test 1	5.50%	5.25%
1st Lien Loan	\$28,538,000	\$28,538,000
Restricted Value	\$42,813,698	-
LTV (Stress Test 1)	\$36,438,000	66.66%
	63.55%	
Total CalHFA loans	\$32,538,000	\$32,538,000
	-	-
CLTV (Stress Test 1)	76.00%	72.46%
	OK	OK
Comments: The Borrower's estimated NOI is \$2,354,753 which is approximately \$2,670 (~0.11%) lower than the estimated NOI on the appraisal report: <ul style="list-style-type: none"> The proposed operating expense is consistent with and is reasonable based on the appraisal report. Considering the deviation, the proposed operating expenses are reasonable based on the developer's experience with operating a similar project in the area and per the management agreement. The capture rate and absorption rate are 40 units per month and should equal a 5-month lease-up period, which is generally consistent with the market study. <u>Cap Rate comments:</u> The cap rate of 4.75% is based on the most recent information on comparable properties, which is six months old. Assuming an increase in cap rates due to current market conditions by 50 basis-points (5.25%), the LTV would be 72.46% which is within underwriting standards. 		

7c	Project Operating Budget Assumptions		
Total Units	178	Construction Start Date	7/1/2025
Regulated Units	176	Construction Completion Date	7/1/2027
Manager Units (Market Rate)	2	Construction Period (months)	24
Total Residential Square Feet	93,870	Lease-up Commencement Date	8/1/2027
Avg Sq Ft/Unit	445	Lease-up Completion Date	9/1/2027
Rental Subsidies?	0	Lease-up Period (months)	5
No. of Units with Rental Subsidies	0	Est. Stabilization /Perm Conversion Date	3/31/2028
Rental Subsidy Contract Term (Initial)	0	Lease-up Completion to Stabilization (months)	6



7d	Project Operating Cash-flow Summary				
Operating Budget and Reserve Balances					
	Year 1	Year 5	Year 10	Year 15	Terminal Year (17)
Adjusted Gross Income	3,762,972	4,153,617	4,699,436	5,316,981	5,586,153
Other Income/Subsidies	21,360	23,577	26,676	30,181	31,709
Projected Vacancy and Discount Loss	189,217	208,860	236,306	267,358	280,893
Effective Gross Income (EGI)	3,595,115	3,968,335	4,489,806	5,079,804	5,336,969
Total Operating Expenses	1,240,362	1,417,317	1,675,365	1,981,499	2,119,380
Reserve For Replacement	44,500	46,307	48,669	51,152	52,180
Net Operating Income (NOI)	2,354,753	2,551,018	2,814,442	3,098,305	3,217,589
Total Debt Service & Other Payments	2,046,549	2,046,549	2,046,549	2,046,549	2,046,549
Cash Flow After Debt Service	308,204	504,468	767,892	1,051,756	1,171,040
Debt Service Coverage Ratio	1.15	1.25	1.38	1.51	1.57
Income/Expense Ratio	2.90	2.80	2.68	2.56	2.52
Less:					
LP Management Fee*	15,000	16,883	19,572	22,689	0
GP Partnership Management Fee (See Note 2)	20,000	22,510	26,095	30,252	0
Other CalHFA approved Partnership Fee					
Total Fees	\$35,000	\$39,393	\$45,667	\$52,941	\$ 0.00
Annual Cap Limit	\$38,000	\$42,769	\$49,581	\$57,478	\$60,979
[*Note: Any Fees above the Annual Cap to be paid from Developer Distribution % below]					
Cashflow for Distribution					
Developer Distribution %	89%	89%	89%	86%	50%
Cumulative Developer Distribution	243,152	1,639,283	4,388,558	8,304,100	9,445,115
Residual Receipts %	11%	11%	11%	14%	50%
Cumulative Residual Receipts Repayment	30,052	202,608	542,406	1,059,982	2,200,997
Unpaid/Accrued CalHFA loan Balance					
Perm Loan	28,390,480	27,691,715	26,511,523	24,865,679	24,037,976
MIP Loan	4,000,000	4,328,550	4,617,039	4,759,821	4,304,523
Reserves Balances					
Operating Reserve	1,095,637	1,095,637	1,095,637	1,095,637	1,095,637



Rent Reserve					
Transition Operating Reserve					
Replacement Reserve					
Other Reserve					
Notes: None					

7e	Rental Assistance and Other Subsidy			
N/A				
Type of Rental Subsidy	Subsidy Administrator	Initial Term of Rental Subsidy Contract	Eligible Units	Renewal/Additional Term for Subsidy Contract
Project-based Vouchers	HUD/County/Other	N/A	N/A	N/A
Section 8	HUD/County/Other	N/A	N/A	N/A
Other rental assistance	HUD/County/Other	N/A	N/A	N/A
Other Operating Subsidy	HUD/County/Other	N/A	N/A	N/A
Notes (if any): Project does not include rental or operating subsidies.				

7f	Reserve Requirements	
Name of Reserve	Amount	Comments
Operating Expense Reserve (OER)	\$1,095,637	4 months of operating expense will be funded at perm closing and will be held and maintained at that level for the term of the CalHFA permanent loan. The reserve will be held by CalHFA 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.
Replacement Reserves (RR)	\$0 (capitalized) \$44,500 (annually)	A capitalized RR is not required for new construction projects. The annual RR amount is sized based on \$250 per unit per year. CalHFA will hold this reserve.
Transitional Operating Reserve (TOR)	N/A	N/A

7g	Exit Analysis Requirements		
Exit Year	2041	Assumed Refi Year	2041
Cap Rate Increase	2%	Interest Rate Increase	3%
UW Loan Amount	\$28,538,000	Max. Refi Loan Size	\$25,676,448
Appraised Value	\$45,070,639	Max LTV at Refi	57%



Unpaid Principal Balance (1st Lien)	\$24,465,586	Unpaid Principal Balance (MIP Subsidy Loan)	\$3,093,661
<p>Notes:</p> <ul style="list-style-type: none"> The primary source of repayment for both the CalHFA 1st lien loan and the MIP subsidy loan is the refinance of the Project's first mortgage. The Exit analysis test for refinancing indicates that the Project will have the ability to fully repay the balance of the Agency's 1st lien loan, but only a portion of the MIP Subsidy loan leaving an outstanding balance of \$3,093,661 (Principal and accrued interest). Hence, the refinancing is insufficient to fully repay the CalHFA debt. <p>Mitigation:</p> <ul style="list-style-type: none"> To mitigate the refinance risk, the Developer will be required to repay any remaining balance from General Partner contribution as part of the final close-out of the partnership obligations to allow re-syndication. 			

8	Insurance Requirements	
8a	Seismic Review and Earthquake Insurance	
Seismic Review Required?	Yes	
Earthquake Insurance Required?	No	
<ul style="list-style-type: none">• This new construction Project will be built to State and City of Redwood City Building Codes. The developer engaged ENGTEGRITY to perform a PML study dated 2/14/25 which showed a loss estimate of 12%. This is below the 20% threshold so the Project will not be subject to Earthquake Insurance.		

8b	Flood Designation and Insurance		
Flood Zone Designation:	X	Flood Insurance Required?	No
<p>The subject is located in Flood Zone X or C (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, however HUD now requires that the project floor level be at least two feet above Base Flood Elevation. The Project design shows that it will be built well above the Base Flood Elevation and the developer will obtain from FEMA a Letter of Map Adjustment (LOMA) substantiating this. Therefore, the Project will not be subject to flood insurance.</p>			

8c	Other Insurance Requirements
None	

9	Third-party reports and diligence		
9a	Environmental Review Summary		
Environmental Phase I Site Assessment Firm:	EBA Engineering		
Phase I ESA Report Date:	4/29/2024	Reliance Letter with CalHFA as relying party?	Yes



Phase II ESA Report Date:	N/A		
NEPA Review Completed?	Yes	NEPA review Date of completion:	2/20/25
<ul style="list-style-type: none"> A Phase I Environmental Site Assessment identified no evidence of Recognized Environmental Conditions (RECs) and did not recommend any additional investigation. The report is dated 1-29-24 and may be stale dated if the FCL is not issued prior to 5-29-25. If so, an updated report will be provided prior to construction close confirming no new REC's exist. 			
Other Environmental Reports			
Asbestos-containing Material (ACM) Survey Required?	No		
Date of Survey:	4/29/24		
Lead-Based Paint (LBP) Survey Required?	No		
Date of Survey:	4/29/24		
Other Environmental Reports /studies completed:	Geotechnical, 1/16/2024		

10	Risk Identification and Mitigations	
10a	Underwriting and Term Sheet Variations	
Select all that applies <u>AND</u> add any other applicable deviations from USRM or Term Sheet that are not listed		
<input type="checkbox"/>	i.	Initial DSCR greater than 1.20x?
<input type="checkbox"/>	ii.	Deviation from LTV and CLTV requirements per Agency’s underwriting standards
	iii.	The Project’s proposed operating expenses are below CTCAC minimum
	iv.	Utility Allowance less than HUD’s allowance?
<input type="checkbox"/>	v.	Affordability restrictions (rent and income limits) are NOT in compliance with CalHFA Term Sheets and CalHFA Regulatory Agreement
<input type="checkbox"/>	vi.	Deviation in Agency’s underwriting standards (USRM) requirements for CalHFA regulated unit sizes (by bedroom count) to be distributed substantially on a pro rata basis across income ranges proportionately to their availability in the development?
<input type="checkbox"/>	vii.	Maximum allowable rents for all restricted units is NOT in compliance with CalHFA Term Sheets
<input checked="" type="checkbox"/>	viii.	Variation in CalHFA Loan(s) requirements for lien position recordation per Program Term Sheets (Redwood City Density Bonus Agreement)
<input type="checkbox"/>	ix.	Variation in CalHFA Loan(s) requirement for loan security and repayment per Agency’s underwriting standards (USRM) and Program Term Sheets
<input type="checkbox"/>	x.	CalHFA Regulatory Agreements (MIP affordability covenants) are not recorded in senior position to all foreclosable debt.
<input type="checkbox"/>	xi.	Exceptions related to the Development Team experience or qualifications including deficiency in diligence obtained or lack of supporting evidence, per the requirements in the Agency’s underwriting standards
<input type="checkbox"/>	xii.	Exceptions related to Ground Lease structure requirements not meeting the minimum: the ground lease structure is acceptable to Legal and satisfies the requirement that the first lien perm loan is secured against both fee and leasehold interests in the subject property. The ground lease term exceeds any CalHFA subsidy or perm loan term(s) by 10 years or more. The term of the ground lease is equal to or longer than the term of the CalHFA Regulatory Agreement.
<input type="checkbox"/>	xiii.	Failure to meet CalHFA Exit Analysis test requirements
<input checked="" type="checkbox"/>	xiv.	Deviation from the CalHFA Program Term Sheet requirement for surplus cash distribution allowing higher than 50% distribution to the Developer



<input type="checkbox"/>	xv.	Project-based rental subsidy contract term is less than Agency's 1 st lien perm loan and/or the proposed rental subsidy contract does not contain an automatic renewal provision.
<input type="checkbox"/>	xvi.	Deviation from the Agency's underwriting standards and/or CDLAC/TCAC regulations related to maximum Developer Fee including cash/upfront fee and Deferred Developer fee requirements
<input type="checkbox"/>	xvii.	Deviations from the Agency's underwriting standards related to Construction Cost budget concerns, contingency requirements below minimum, sources/uses imbalance, sources for environmental remediation and/or off-site improvements not identified or finalized, etc.
<input type="checkbox"/>	xviii.	<Other>

For any response that is ☒ checked, please explain below and discuss potential mitigation strategies:

- i. Redwood City will record a Density Bonus Agreement senior to the CalHFA documents and CalHFA will record a standstill agreement.
- ii. To pay the deferred developer fee down by Year 15 pursuant to tax credit investor requirements, up to 100% of residual receipts will be needed. The Borrower will pay off the outstanding balance of the MIP loan at refinancing.

11	Supplementary Project Information	
11a	Form of Site Control and Expiration	
Current Ownership of Entity of Record:	Scott Galet, as Conservator of the Estate of Robert J. Galet, Conservatee	
The current owner, Scott Galet, as Conservator of the Estate of Robert J. Galet, Conservatee, of the site and the Project developer, Corporation for Better Housing, entered into an arms-length transaction Purchase and Sale Agreement dated 9/27/2023 which expires on 9/30/2024 for an amount of \$6,000,000. The developer obtained from the seller an extension to the agreement dated 2/28/25 that expires beyond the anticipated construction closing date. The developer deposited another \$88,995 into escrow of which \$50,000 will be applied to the purchase price.		

11b	Ground Lease (if applicable)		
Ground Lessor	N/A	Capitalized Ground Lease Payment and Source	N/A
Ground Lease Term	N/A	On-going Ground Lease Payment and Source	N/A



11c	Displacement and Relocation of existing tenants
<ul style="list-style-type: none"> The Project is new construction and existing structures are vacant. Therefore, relocation is not applicable. 	

11d	Net Loss of Affordable 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 because of this development.	

11e	Project Amenities		
	<u>Project Amenities:</u>	Present?	<u>Unit Amenities</u>
	Community Room	<input checked="" type="checkbox"/>	Central Heating
	Fitness Room	<input checked="" type="checkbox"/>	Central A/C
	Computer Room	<input checked="" type="checkbox"/>	Microwave
	Gym	<input type="checkbox"/>	Washer/Dryer Hookups
	Central Laundry Facilities	<input checked="" type="checkbox"/>	Dishwasher
	<Other>	<input type="checkbox"/>	Garbage Disposal
	<Other>	<input type="checkbox"/>	Free Internet Service
	<Other>	<input type="checkbox"/>	<Other>
	<Other>	<input type="checkbox"/>	<Other>
	<Other>	<input type="checkbox"/>	<Other>
	<Other>	<input type="checkbox"/>	<Other>
Notes (if any):			

11f	Legislative Districts & Local Support	
	Congress:	#15 Kevin Mullin
	Assembly:	#21 Diane Papan
	State Senate	#13 Josh Becker
Local Support:		
The City of Redwood City sent a locality contribution letter dated 4/5/2024 indicating there is support for the project.		

12	Development Team Experience		
12a	Developer / Project Sponsor		
	Name	Experience with CalHFA	If new, describe if minimum development experience requirements are met per USRM
	Summix, LLC	1 project in the pipeline (subject project) 0 projects completed	Emerging developer and does not meet the min 7-point requirements and is listed as a Co-Developer/Sponsor to demonstrate its Share of Developer Fee.



Developer Relationship Summary [Pipeline]						
Project Name		Project Status	Construction Loan Closing	Est. conversion	Perm Loan Amount	CalHFA Subsidy Amount
Vera Avenue Apartments		Initial Commitment	6/30/2025	12/1/2027	\$28,538,000	\$4,000,000
				Grand Total	\$32,538,000	
Co-Developer / Project Sponsor						
Name		Experience with CalHFA		If new, describe if minimum development experience requirements are met per USRM		
Corporation for Better Housing		4 projects in pipeline 5 projects completed		N/A		
Co-Developer Relationship Summary [Pipeline]						
Project Name		Project Status	Construction Loan Closing	Est. conversion	Perm Loan Amount	CalHFA Subsidy Amount
The Atchison		Under Construction	12/1/2020	6/15/2025	\$0	\$10,000,000
Kawana Springs		Under Construction	11/30/2020	6/1/2025	\$0	\$7,450,000
Santa Rosa Avenue Apts.		Under Construction	11/29/21	11/15/2025	\$0	\$7,600,000
Shiloh Crossing		Under Construction	12/21/2022	2/1/2026	\$21,696,000	\$15,442,362
				Grand Total	\$62,188,362	



Co-Developer Relationship Summary [Portfolio]								
Project Name	Project Status	Loan Origination Date	Loan Maturity Date	Loan Amount	UPB as of [date]	Most Recent DSCR	Most Recent Occ. (%)	Most Recent Risk Rating
Blackstone McKinley TOD	Active - AM	11/9/22	12/1/62 12/1/77	\$3,305,000 \$1,760,000	\$3,232,217 \$1,760,000	2.4	97	N/A
Crenshaw Family Apartments	Active - AM	9/28/2017	10/1/2057	\$1,880,000 \$300,000	\$1,715,478 \$300,000	0.21	92	Watchlist
Oak Creek Apartments	Active - AM	12/19/2019	3/1/2060 12/1/2074	\$10,000,000 \$1,500,000	\$9,491,180 \$1,488,304	0.82	85	Watchlist
Woodlake Terrace	Active - AM	11/16/2021	12/1/2061 11/1/2076	\$1,600,000 \$494,121	\$1,551,380 \$494,121	0.70	91	Watchlist
Reedley Village	Active - AM	8/30/2022	9/1/2052 9/1/2077	\$1,050,000 \$640,000	\$1,023,684 \$640,000	2.15	99	N/A
Notes: Asset Management is working with the Borrower on the Watchlist projects to understand the circumstances and identify ways to Improve cashflow to increase DSCR. The Developer has responsibility for 76 projects of which 30 (40%) do not break even. This is mitigated by the Developer's overall DSCR being 1.30X, indicating sufficient cash flow exists to support the underperforming projects in their portfolio.								

12b	General Contractor
General Contractor name:	BLH Construction Co.
Affiliated entity of the Developer/Borrower?	Yes
Experience with CalHFA?	Yes
The general contractor (GC) is BLH Construction Co., which has extensive experience in constructing similar affordable housing projects in California and is familiar with CalHFA. The GC and the developer have worked on 78 projects that have been completed and are working on 4 projects that are in the development stage.	

12c	Architect and Engineering (A&E) firm
Architect name:	AO Architects
Affiliated entity of the GC?	No
Affiliated entity of the Developer/Borrower?	No
Experience with CalHFA?	Yes
The architect is AO Architects, 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 developer have not worked on any projects to date and are working on 2 projects that are in the development stage.	



12d	Management Agent (Property Manager)
Name of the Firm	WinnResidential California LP
Third-party or Borrower Affiliate?	No
Management Fee (Annual fee %)	4.5%
Management Fee (Other incentives)	None
Total number of properties managed by the Property Manager (PM)	183 affordable projects in CA
Total number of properties managed for the Developer	89
Total number of properties the PM has in CalHFA portfolio	14
Any property management issues for CalHFA portfolio projects under the management of the Property Manager?	No – Asset Management reports that experience with Winn has been positive.
Notes (if any):	



12e	Borrower Affiliated Entities	
Borrower Legal Entity	112 Vera Ave., L.P.	
Borrower Entity Type	A California limited partnership	
<u>Member</u>	<u>% interest</u>	<u>Legal Entity Name:</u>
Managing General Partner	0.048%	Corporation for Better Housing
Administrative General Partner	0.052%	Summix, LLC
Investor Limited Partner	99.90%	Palm Drive Associates, LLC
	100.00%	
Managing General Partner	Corporation for Better Housing	
Type of Legal Entity	A California nonprofit public benefit corporation	
Ownership		100% interest
		0%
		0%
Administrative General Partner	Summix, LLC	
Type of Legal Entity	A California limited liability Company	
Ownership		% interest
Sole Member: Justin Hardt		100%
Investor Limited Partner	Palm Drive Associates, LLC	
Comments on Tax Credit Investor:		
Comments on LPA nuances/concerns:		
Notes (if any): An additional administrative general partner, AC Redwood GP, LLC, will be admitted. Documentation, HUD 2530 and a revised organizational chart will be submitted to CalHFA post construction closing. The developer fee split is under negotiation.		

12f	Support Service Provider(s)	
Name of Service Provider	LifeSTEPS	
Required by TCAC or other funding sources?	Yes	
Term of Services (on-site, number of years)	15	
Support Services Budget included in the Operating Budget	\$22,200	
Per unit cost of support services meets USRM thresholds?	Yes	
The Borrower has elected to provide supportive services to the residents through LifeSteps. Services will include 84 hours/week of adult education, health, and skill building classes and 106 hours/week of health and wellness services and programs.		



12g	Other Development Team Members (if applicable)
Name of Firm:	
Role:	
Experience	

13	Conditions for Approval
<p>Approval is conditioned upon:</p> <ol style="list-style-type: none"> 1. Subject to all MIP program requirements pursuant to applicable term sheets. 2. The CalHFA MIP loan subsidy 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. 3. All MIP Loan principal and interest will be due and payable at maturity. 4. No site work or construction commenced prior to the issuance of a HUD Firm Approval Letter, per the HUD Risk Sharing program requirements. 5. CalHFA requires that MIP affordability covenants be recorded in senior position to all foreclosable debt. 6. 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 construction costs, except to the extent such costs are attributable to improvements for the exclusive use by the tenants of the Project. 7. The Borrower has requested that higher than 50% 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. 8. Any default as to any loans by the Agency for the Development shall constitute a default under any other loans by the Agency for the Development. 9. The draft appraisal has been submitted and the final appraisal will be subject to Agency's review and approval prior to construction loan closing. 10. The total deferred developer's fee of \$8,304,100 will not be fully repaid by year 15 per project cashflow, therefore the owner must provide evidence of investor approval of the total deferred developer's fee structure. 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 will be required prior to construction closing. 11. 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. 12. Prior to final CalHFA approval, developer must provide evidence that the expiration of the Purchase and Sales Agreement has been extended beyond the anticipated construction loan closing date. 	



13. The draft appraisal has been submitted and the final appraisal will be subject to the Agency's review and approval prior to the execution of the CalHFA forward rate lock when an analysis of the appraisal NOI will be completed. In the event the appraisal NOI is less than the NOI used for this approval, the CalHFA loan amount may be reduced to meet CalHFA underwriting standards prior to execution of the forward rate lock.
14. At all times, appraised NOI will serve as the maximum for underwriting and loan sizing.
15. Receipt of a certification by the engineer on record that Project has been built to current seismic code acceptable to the Agency prior to permanent closing.
16. A Letter of Map Adjustment (LOMA) must be obtained from FEMA prior to permanent loan closing if the Project is to be exempt from flood insurance.
17. The LPA is not final, and this submission is based on the LOI provided by the investor. The LPA will be finalized prior to construction loan closing and reviewed to assure that it is acceptable to the Agency and consistent with the assertions made in the LOI.
18. The Phase I environmental report dated 1/29/24 may be stale dated if the FCL is not issued by 5/29/25. If so, then an update will be required confirming that no RECs exist, consistent with the existing report.
19. The site work monitoring agreement with the Muwekma Ohlone and Tamien Tribes must be executed prior to construction closing.

14	Approval Recommendation and Action
14a	Staff Recommendation and Approval Authorizing the Issuance of a Final Commitment
<p>The Multifamily Lending Division supports approval of the described financing in the amount(s) requested, subject to the above proposed terms and conditions.</p> <p>The Final Commitment of the Agency is subject to all CalHFA underwriting standards, applicable Term Sheet and CalHFA regulatory requirements, and any other applicable requirements. Any material deviation from the original financing structure, project changes, underwriting assumptions, or the failure of a condition of the Final Commitment Letter, if issued, can result in the Agency's decision to not proceed with the financing of the project at any stage during underwriting and prior to the closing of the Agency's financing.</p>	



14b	Senior Loan Committee Action
<p>Senior Loan Committee recommends approval of the Final Commitment of the described financing in the amount(s) requested, subject to the above proposed terms and conditions.</p>	
<p>  Date: <u>5/7/2025</u> </p> <p> Erwin Tam Director of Financing & Senior Loan Committee Chairperson </p>	
<p>Approved by:</p> <p>  </p> <p> Digitally signed by Rebecca Franklin DN: OU=Executive Office, O=California Housing Finance Agency, CN=Rebecca Franklin, E=rfranklin@calhfa.ca.gov Location: Foxit PDF Editor Version: 2024.4.1 </p> <p> Date: <u>05/08/2025</u> </p> <p> Rebecca Franklin Chief Deputy Director CalHFA </p>	