

**CalHFA MULTIFAMILY PROGRAMS DIVISION
 Final Commitment Staff Report & Request for Tax-Exempt Conduit Issuance and Loan Approval of
 Mixed Income Program Subsidy Financing
 Senior Loan Committee "Approval": January 14, 2021**

Project Name, County:	The Helm, San Diego County		
Address:	SE Corner of Front Street & Beech Street, San Diego 92101		
CalHFA Project Number:	20-010-A/X		
Requested Financing by Loan Program:	\$20,524,006	Tax Exempt Bond – Conduit Issuance Amount	
	\$3,785,968	Subsidy GAP Loan funded by MIP funds	

DEVELOPMENT/PROJECT TEAM

Developer:	Affirmed Housing Group, Inc.	Borrower:	Front & Beech SH, L.P.
Permanent Lender:	California Community Reinvestment Corporation, Inc. (CCRC)	Construction Lender:	US Bank
Equity Investor:	US Bancorp Community Development Corporation	Management Company:	Solari Enterprises, Inc.
Contractor:	HA Builders	Architect	Carrier Johnson + CULTURE
Loan Officer:	N/A	Loan Specialist:	Kevin Brown
Asset Manager:	Jessica Doan	Loan Administration:	Bahiyah Hillary
Legal (Internal):	Torin Heenan	Legal (External):	Orrick Herrington & Sutcliffe
Concept Meeting Date:	11/5/2020	Approval Expiration Date:	6 months from Approval

LOAN TERMS

1.		CONSTRUCTION LOAN (US Bank)	PERMANENT LOAN (CCRC)	MIP (GAP) LOAN
	Total Loan Amount	\$20,524,006 (t/e) \$5,276,344 (taxable)	\$8,671,760	\$3,785,968
	Loan Term & Lien Position	26 months- interest only. One 6-month extension available. 1 st and 2 nd Lien Position during construction	35 year – partially amortizing due in 15 years 1st Lien Position at permanent conversion	15 year - Residual Receipts; 3rd Lien Position during permanent. The MIP regulatory restriction will be recorded senior to the CCRC DOT at permanent conversion

Interest Rate (subject to change and locked 30 days prior to loan closing)	30 Day LIBOR + 1.95% Underwritten at 2.70% variable rate. tax-exempt and taxable	10 Year Treasury Index (1.30% minimum) + 2.35% spread. Underwritten at 3.70% Estimated rate based on a 35 month forward commitment.	2.75% Simple Interest
Loan to Value (LTV)	LTV is 78% of investment value	LTV is 72% of restricted value	N/A
Loan to Cost	72%	24%	N/A

ANTICIPATED PROJECT MILESTONES & SCHEDULE

2.	CDLAC/TCAC Closing Deadline:	3/15/2021	Est. Construction Loan Closing:	2/16/2021
	Estimated Construction Start:	2/2021	Est. Construction Completion:	7/2022
	Estimated Stabilization and Conversion to Perm Loan(s):	03/2023		

SOURCES OF FUNDS

3.	Construction Period Financing				
	SOURCE	AMOUNT	LIEN POSITION	INTEREST RATE	DEBT TYPE
	Conduit Construction Loan (Tax-Exempt) - US Bank	\$20,524,006	1st	2.70%	Interest Only
	Construction Loan (Taxable) – US Bank	\$5,276,344	1st	2.70%	Interest Only
	San Diego Housing Commission - HOME	\$4,037,500	2nd	4.00%	Residual Receipts
	Tax Credit Equity	\$5,336,173	N/A	N/A	N/A
	TOTAL	\$35,174,023	\$450,949	Per Unit	
	Permanent Financing				
	SOURCE	AMOUNT	LIEN POSITION	INTEREST RATE	DEBT TYPE
	Permanent Tax-Exempt (CCRC)	\$8,671,760	1st	3.70%	Balloon 35 due in 15
	San Diego Housing Commission - HOME	\$4,250,000	2nd	4.00%	Residual Receipts
	CalHFA MIP	\$3,785,968	3rd	2.75%	Residual Receipts
	Deferred Developer Fee	\$1,142,948	N/A	N/A	Cash flow
	Tax Credit Equity	\$17,816,151	N/A	N/A	N/A
	TOTAL DEVELOPMENT COST:	\$35,666,827	\$457,267	Per Unit	
	Subsidy Efficiency: \$49,168 per MIP restricted unit.				
	Tax Credit Type(s), Amount(s), Pricing(s), and per total units:				
	<ul style="list-style-type: none"> 4% Federal Tax Credits: \$10,848,267 assuming estimated pricing of \$0.90 (\$139,080 per unit). 4% State Tax Credits: \$6,967,884 assuming estimated pricing of \$0.79 (\$89,332 per unit). 				

	<p>Rental Subsidies: The Project will be subsidized by a Section 8 project-based Housing Assistance Program (HAP) contract provided by the San Diego Housing Commission (SDHC). Thirty-two (32) units will be subsidized by the HAP for a term of 15 years. The rental subsidy contract will be administered by SDHC.</p> <p>Other State Subsidies: The Project will not be funded by other state funds.</p> <p>Other Locality Subsidies: The Project will be funded by SDHC who is providing a HOME loan in the amount of \$4,250,000.</p> <p>Cost Containment Strategy: Affirmed Housing Group, Inc. is vertically integrated and has a third-party general contractor (HA Builder) to monitor the Project and control costs. HA Builder is involved in the design and value engineering process, and the same architect and engineer will be involved in the Project as is currently involved in another project in downtown San Diego. The same subcontractor pool used in the prior project will be used in the proposed Project so Affirmed has familiarity with current construction costs. This cost control structure will be even more important given the current health crisis and potential for interruption in materials supply chains.</p>
4.	Equity – Cash Out (estimate): Not applicable.

TRANSACTION SUMMARY

5.	Legislative Districts	Congress:	#52 Scott Peters	Assembly:	#78 Todd Gloria	State Senate:	#39 Toni Atkins
	Brief Project Description	<p>The Helm (the “Project”) is a family, mixed-income project, consisting of one 7-story elevator served building. There will be 77 total studio units ranging between 265 & 395 sf and one two-bedroom unit will be reserved for an on-site manager.</p> <p>Financing Structure: The Project’s financing structure includes tax-exempt bonds, 4% federal tax credits and 4% state tax credits, a qualified lender permanent loan, local HOME funds, and a MIP loan. The project qualifies as “mixed-income” through TCAC income averaging.</p> <p>Tax Credits and/or CDLAC Status: The developer received an allocation of tax-exempt bonds and 4% tax credits on September 21, 2020.</p> <p>Ground Lease: Not applicable.</p> <p>Project Amenities: Project amenities will include a leasing office, community room, central laundry facilities, computer room, business center, gated entrance, and video security surveillance. Unit amenities will include central heating & air conditioning, dishwasher, garbage disposal, and balconies.</p> <p>Local Resources and Services: The Project is located in a Moderate Resource (Rapidly Changing) per TCAC’s Opportunity Area Map. The Project is located in San Diego downtown area and are near the following local amenities and services:</p> <ul style="list-style-type: none"> • Grocery stores – 0.37 miles • Schools - 0.22 to 0.90 miles • Public Library – 0.99 miles • Public transit – 0.25 miles • Retail – 0.26 miles • Park and recreation – 0.25 miles • Hospitals – 0.30 miles 					

		<p>Non-displacement and No Net Loss: To the extent feasible, it is the Agency’s priority to mitigate multifamily developments that may result in permanent displacement of existing affordable housing residents and/or net loss of existing affordable housing units. The Project is a new construction project, with no related demolition of existing affordable housing, hence no existing affordable housing units will be lost nor will existing residential households be displaced as a result of this development.</p> <p>Commercial Space: The Project does not include commercial space.</p>
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TRANSACTION OVERVIEW

6.	Proposal and Project Strengths	<ul style="list-style-type: none"> • The Project anticipates receiving 4% federal and state tax credits which is projected to generate equity representing 50% of total financing sources. • The developer/sponsor and property management company have extensive experience in developing similar affordable housing projects and/or have experience with CalHFA. • The Project will serve low-income families ranging from 30% to 80% of AMI. • The Project will be subsidized by a Section 8 project-based Housing Assistance Program (HAP) contract provided by the San Diego Housing Commission (SDHC). Thirty-two (32) units will be subsidized by the HAP for a term of 15 years. The rental subsidy contract will be administered by SDHC. • SDHC has invested in the success of the Project as demonstrated by a commitment of \$4,250,000 (12% of total financing) in HOME funds. • The projected portion of the developer’s fee that will be collected at or prior to permanent loan conversion is \$2,499,411, which could be available to cover cost overruns and/or unforeseen issues during construction. • The City of San Diego strongly supports the Project as evidenced by the Locality Contribution letter dated 4/28/20.
7.	Project Weaknesses with Mitigants:	<ul style="list-style-type: none"> • In accordance to the appraisal dated 11/17/20 by Pacific Real Estate Appraisal, the Project only supports the market rent at 84% of AMI, therefore the Project rents are underwritten at 30% and 80% of AMI. • The exit analysis assumes 6.5% cap rate and 3% increase of the underwriting interest rate at loan maturity. Based on these assumptions, the Project will have the ability to fully repay the balance of the permanent loan but may only have the ability to repay a portion of the Agency’s subsidy MIP loan in the estimated amount of \$720,953, leaving an outstanding balance of \$4,440,412. This is as expected by CalHFA given the requirement that the MIP loan be co-terminus with the permanent first mortgage. The primary source of repayment for both the first mortgage and the MIP subsidy loan is refinance of the project first mortgage. To the extent such a refinance is insufficient to fully repay the MIP loan, it is contemplated that any remaining balance will be paid from a general partner contribution as part of the final close out of partnership obligations to allow re-syndication. • The SDHC HAP contract is for 15 years with no automatic extension language to the HAP or float-up language in the event that a HAP extension does not occur. The MIP loan term runs with the HAP contract term and the perm loan balloon payment schedule so no transitional reserves are required to mitigate the possibility that the HAP contract is not extended. In addition, SDHC HAP contract rents are contemplated to be subject to annual appropriations. Although it is not expected that there will be a lack of rental subsidy during the term of 15 years, however, in the event there are, the capitalized operating reserve of \$174,268 will be available to cover potential shortfalls.

8.	Underwriting Standards or Term Sheet Variations
<ul style="list-style-type: none"> The MIP term sheet requires repayment of the MIP loan to be a pro rata share of 50% of residual receipts between the MIP and other subordinate residual receipts lenders. The Developer has requested, the investor is requiring, and the Multifamily Lending Division recommends, a deferment of payments to the MIP loan until the earlier of year 15 or full repayment of the deferred developer fee, which is estimated to be in year 12. Due to loan size, SDHC requires their deed of trust to be senior to MIP deed of trust, however, CalHFA MIP regulatory restrictions will be recorded senior to all others. 	
9.	Project Specific Conditions of Approval
<p>Approval is conditioned upon:</p> <ul style="list-style-type: none"> The Project must meet the readiness requirements within 180 days from TCAC/CDLAC allocation. The existing Century Housing GSAF loan Regulatory Agreement shall be terminated at or before construction loan closing. Receipt of an updated Centre City Development Permit that restricts all units in the Project to 80% AMI and below, to be recorded at or before construction loan closing. The CalHFA subsidy will be, in the Agency's sole discretion, the lesser of 1) the principal amount as state on hereto or 2) an amount as determined by the Agency in the event the financial assumptions change prior to construction loan closing. For instance, if the permanent loan interest rate decreased, then the subsidy may be reduced due to additional debt generated by the lower interest rate. The debt service coverage ratio ("DSCR") shall be a maximum of 1.20. An increase of the subsidy loan will not be allowed and will be subject to Agency's approval. Closing on construction financing will be subject to final LPA being substantially consistent to the assumptions made at time of final commitment and that it is acceptable to CalHFA. Receipt of final commitment or approval letter from CCRC of a 35-month forward commitment. Evidence of TCAC approval to changes of the unit affordability mix. Investor requires 4 units to be reduced from 80% AMI to 60% AMI for income averaging cushion. Project still meets MIP requirements with 57% restricted at 80% AMI. Written confirmation from the property manager, Solari, that they can operate within the proposed operating expense. Prior to construction closing, receipt of updated Phase I Environmental Site Assessment report including CalHFA reliance. 	
10.	Staff Conclusion/Recommendation:
<p>The Multifamily Lending Division supports approval of the described financing in the amount requested, subject to the above proposed terms and conditions.</p>	

MISSION & AFFORDABILITY

11.	CalHFA Mission/Goals
<p>This Project and financing proposal provide 77 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.</p>	

12. CalHFA Affordability & Occupancy Restrictions

The CalHFA Bond Regulatory Agreement will restrict a minimum of 40% (24 units) of the total units at or below 60% AMI with 10% (8 units) of these units at 50% of AMI for 55 year(s).

The CalHFA MIP Subsidy Regulatory Agreement will restrict 10% of total units (8 units) at or below 50% of AMI and 10% of total units (8 units) between 60% and 80% of AMI with a minimum average of 70% AMI. The remaining 61 restricted units will be restricted at or below 120% of AMI. The affordability restrictions for the Mixed Income Program require at least 10% of the units be restricted to 81% to 120% of AMI, with an average of 100% of AMI, if supported by a market study. However, per an appraisal dated 11/17/2020, the Project can only support rents at a maximum of 80% AMI and still comply with the requirement that rents be 10% below market. Therefore, this project will comply with affordability requirement of 60% to 80% of AMI with an average of 70% of AMI.

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

- The City will restrict 77 units at or below 80% AMI for a minimum term of 55 years pending issuance of an updated Centre City Development Permit (reflected in the tables below). The permit issued in Feb 2019 restricts 57 units at 40% AMI and 19 units at 50% AMI.
- SDHC will restrict 32 units at 30% AMI for a term of 15 years under a HAP contract.
- SDHC HOME loan will restrict 20 units at 50% AMI.

Rent Limit Summary Table					
Restrictions @ AMI	Total	Studio	1-bdrm	2-bdrm	% of Total
30%	32	32	-	-	41.0%
60%	4	4	-	-	5.1%
80%	41	45	-	-	52.6%
Manager's Unit	1		-	1	1.3%
Total	78	77	0	1	100.0%

The average affordability restrictions is 58% of AMI.

NUMBER OF UNITS AND AMI RENTS RESTRICTED BY EACH AGENCY

Regulatory Source	Recordation Priority if Recorded Document	Term of Agrmt (years)	Number of Units Restricted For Each AMI Category								
			30% AMI	50% AMI	60% AMI	80% AMI *(60% to 80% Tranche)	<= 120% AMI	Mgrs Unit	Total Units Regulated	% of Regulated Units	
CalHFA Bond/Risk Share	1 st (During Const)	55		8	24				1	32	41%
SDHC HOME	2 nd	55		20					1	20	26%
CalHFA MIP	3 rd	55		8		8	61		1	77	99%
Centre City Development	4 th	Minimum of 55 years				77			1	77	99%
Tax Credit	5 th	55	32		4	41			1	77	99%
SDHC HAP	6 th	15	32						1	32	41%

- The vacancy rate of LIHTC properties in the area are all near zero with extensive waiting lists. For this reason, the 5% vacancy figure in the underwriting is a conservative estimate.
- The proposed operating expense is consistent with and is reasonable based on the appraisal report.
- The capture rate and absorption rate are 20.1% and 20 units per month which translates to a lease-up period of approximately four months. These figures are generally consistent with the market study.
- The project only has 7 (0.09 per unit) which is typical for new affordable LIHTC projects in this area. There will be one space for an ADA tenant, the remaining 6 spaces are reserved for staff. The Centre City Development Permit allows for this ratio stating “no off-street parking is required for this residential development” citing the project’s proximity to public transit and shopping/community services.

	Market Study: Prepared by Raney Planning & Management, Inc.	Dated: 2/7/2020
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Regional Market Overview

- The Primary Market Area is the Downtown San Diego Market Area which encompasses the central portion of San Diego. The PMA contains 68,294 persons, or 4.8 percent of the City of San Diego total population. A secondary market area was deemed unnecessary for the purposes of the study and encompasses the section of Downtown San Diego immediately to the east of the PMA.
- The general population in the PMA is anticipated to increase by 5% over the next two years.
- Unemployment in the PMA at the time of the study was 2.8%, which evidences a strong employment area. The current unemployment rate is expected to be higher due to the impact of COVID-19; it is difficult to project the effects of COVID-19 when the project is scheduled to complete in July 2022.
- The vacancy rate for affordable units in the PMA is only at 0.3% for affordable housing projects with many having zero vacancies.
- Per the appraisal, The unemployment rate in San Diego county has risen to 9%. Appraisal sites the pandemic for the increased unemployment rate. The unemployment rate is expected to return to a more normal level in 2023 when the project is in lease-up.

Local Market Area Analysis

- **Supply:**
 - There are currently 7 LIHTC rental projects within a two-mile radius of the project site and they are 100% occupied with long wait lists.
 - There are currently two affordable project(s) under construction in the PMA which are anticipated to bring an additional 171 units when completed.
- **Demand/Absorption:**
 - The project will need to capture 20.1% of the total demand for LIHTC rental units in the PMA.
 - Stabilized occupancy overall is estimated within 4 months of completion.

DEVELOPMENT SUMMARY

19.	Site Description	Requires Flood Insurance: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<ul style="list-style-type: none"> • The subject site is located on the southeast corner of Front and Beech Street within the city of San Diego. The subject site is in the Downtown area of the City of San Diego within ½ block of the Little Italy neighborhood. • The site is currently vacant and level, being one-foot above street grade, measuring approximately 0.23 acres and is generally rectangular in shape. The site consists of a paved parking lot and no structures. • The site consists of three rectangular contiguous parcels that will be merged prior to start of construction. • The site is zoned CCPD-RE which allows for multi-family residential use. A Centre City Development Permit (CCDP) was obtained in February 2019 with the necessary land use approvals to proceed with construction. • The Flood Insurance Rate Map dated 12/20/19, published by FEMA, indicates that the site is located in Flood Zone X (an area of minimal flood hazard). Zone X is the area determined to be outside the 500-year flood and protected by levee from 100-year flood, therefore the Project will not be required to have flood insurance. 		

20.	Form of Site Control & Expiration Date
The Project purchased the site from Central Auto Parks LLC for \$3.75 million in 2018 in an arm's length transaction.	
21.	Current Ownership Entity of Record
Title is currently vested in Front & Beech SH, L.P., the Borrower, as the fee owner.	
22.	Environmental Review Findings
A Phase I Environmental Site Assessment performed by Advantage Environmental Consultants, LLC, dated February 7, 2020 revealed no evidence of recognized environmental conditions in connection with the project site, so no additional investigation was recommended.	
23.	Seismic Requires Earthquake Insurance: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
This new Project will be built to State and City of San Diego Building Codes so no seismic review is required.	
24.	Relocation Requires Relocation: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> Not Applicable
Although the project is a new construction, there is a \$35,500 figure budgeted as a concession to a billboard operator who had a billboard on the site.	

PROJECT DETAILS

25.	Residential Areas:												
	<table border="1"> <tr> <td>Residential Square Footage:</td> <td>26,120</td> <td>Residential Units per Acre:</td> <td>339</td> </tr> <tr> <td>Community Area Sq. Ftg:</td> <td>2,522</td> <td>Total Parking Spaces:</td> <td>7</td> </tr> <tr> <td>Supportive Service Areas:</td> <td>0</td> <td>Total Building Sq. Footage:</td> <td>28,642</td> </tr> </table>	Residential Square Footage:	26,120	Residential Units per Acre:	339	Community Area Sq. Ftg:	2,522	Total Parking Spaces:	7	Supportive Service Areas:	0	Total Building Sq. Footage:	28,642
Residential Square Footage:	26,120	Residential Units per Acre:	339										
Community Area Sq. Ftg:	2,522	Total Parking Spaces:	7										
Supportive Service Areas:	0	Total Building Sq. Footage:	28,642										
26.	Mixed-Use Project: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No This project is not a mixed-use project and does not include any commercial space as a part of it.												
	<table border="1"> <tr> <td>Non-Residential Sq. Footage:</td> <td>N/A</td> <td>Number of Lease Spaces:</td> <td>0</td> </tr> <tr> <td>Master Lease:</td> <td><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</td> <td>Number of Parking Spaces:</td> <td>N/A</td> </tr> </table>	Non-Residential Sq. Footage:	N/A	Number of Lease Spaces:	0	Master Lease:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Number of Parking Spaces:	N/A				
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Master Lease:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Number of Parking Spaces:	N/A										
27.	Construction Type: The proposed subject property consists of one residential building, five stories, with wood framing and stucco construction, over a two-story concrete podium (seven stories total). The building will include two central elevators serving all seven floors.												
28.	Construction/Rehab Scope Requires Demolition: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No												
<ul style="list-style-type: none"> The subject site is new construction. The Contractor, HA Builder Group, is an affiliate of Affirmed Housing, the developer, and borrower on this project. The contract will be structured as a Guaranteed Maximum Price (GMP) contract with a 13.75% for builder overhead, profit and general requirements. The city of San Diego does not require any offsite improvements to the site. 													
29.	Construction Budget Comments:												
CalHFA will require an independent review of the costs by a 3 rd Party consultant prior to construction loan closing.													

ADDITIONAL DEVELOPMENT/ PROJECT TEAM INFORMATION

30.	Borrower Affiliated Entities
<ul style="list-style-type: none"> Managing General Partner: Nexus MGP LLC (0.1% interest); managing member Nexus for Affordable Housing, a California based 501(c)3 nonprofit corporation. Administrative General Partner: AHG Front & Beech, LLC (0.9% interest); managing member Affirmed Housing Group, Inc., a California for-profit. Investor Limited Partner: US Bancorp Community Development Corporation, 99% interest 	
31.	Developer/Sponsor
<p>The Managing General Partner’s managing member is NEXUS for Affordable Housing, a California based nonprofit founded in 1998. NEXUS is the managing general partner in partnerships that own and operate 16 properties, totaling over 1,050 units throughout Southern California, including multiple properties in San Diego County. Currently they have two properties under construction and two in the predevelopment stage. They do not have any properties in the CalHFA portfolio, and this is their first experience with CalHFA.</p> <p>The Administrative General Partner’s managing member and developer for the project is Affirmed Housing Group, a for-profit development company based out of San Diego. Founded in 1990, the company has financed over \$1.4 billion in affordable development, with 53 projects (4,181 units) involving bond financing. The principals for Affirmed Housing Group have decades of experience working in the affordable housing sector in California. Affirmed Housing also has its own construction group and general contracting firm, HA Builders, which is engaged in the construction of over 300 units and is the proposed GC for this project.</p> <p>Affirmed Housing has one project, Connections Housing, in the CalHFA portfolio. CalHFA has not had any issues with the project. In addition, they currently have seven projects under construction and nine projects in the pipeline in addition to this one.</p>	
32.	Management Agent
<p>The Project will be managed by Solari Enterprises, Inc., a California based property management company (PM) that maintains an office in San Diego, and which has extensive experience managing affordable housing projects in both San Diego and other parts of California. Their portfolio includes senior housing, special needs housing and Section-8 housing, along with deeply affordable housing projects. The PM has over 30 years of experience in multifamily affordable housing and currently manages five properties that are in CalHFA’s portfolio that have been in regular compliance. A request was made to Solari on 12/23/20 to ascertain their ability to successfully perform property management duties according to the proposed operating budget.</p>	
33.	Service Provider Required by TCAC or other funding source? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>Compass for Affordable Housing will be providing the following services: financial literacy, computer training, resume building, ESL, nutrition, exercise, health information/awareness, art, parenting, on-site food cultivation & preparation, and smoking cessation classes. There will also be a program coordinator onsite to assist with the provision of these services.</p> <p>The Agreement shall be in effect for two (2) years commencing from the date executed (11/21/19) and shall be automatically extended for one (1) year periods thereafter, subject to certain conditions. Health and wellness services and programs will be provided to residents on an individual resident basis for at least 100 hours annually.</p>	
34.	Contractor Experienced with CalHFA? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>The general contractor, HA Builders, was established in 2015 and is a general contracting subsidiary of Affirmed Housing. HA Builders serves as the general contractor for several of Affirmed Housing and its affiliate properties. The contractor has not worked with CalHFA. The GC has completed four projects in California since 2015, two rehab projects and two new</p>	

construction projects that are of comparable size and scale to the current project. There are also two projects under construction in California (5% and 10% complete, respectively) which the GC is managing. Based on the qualifications submitted, the GC has not completed the prerequisite of three new construction projects within the past five years, though the resumes of the principals and key staff provides evidence that the GC has assigned to the project people who are experienced in projects similar to this proposal and it has been confirmed the construction supervisor assigned to the project has completed 3 similar projects within the past 5 years. Therefore, the GC generally meets CalHFA’s underwriting standards.

35. Architect Experienced with CalHFA? Yes No

The architect is Carrier Johnson + CULTURE which has experience designing and constructing similar affordable housing projects in California for at least the past 5 years. The architect has completed four comparable projects within the past five years along with multiple mixed-use developments with an affordable housing component. CalHFA however does not have experience in working with the architect. Resumes of the Partner and project manager indicate that the team’s qualifications generally meet CalHFA underwriting standards.

36. Local Review via Locality Contribution Letter

The City of San Diego strongly supports the Project as evidenced by the Locality Contribution letter dated 4/28/20.

EXHIBITS: Detailed Financial Analysis and applicable Term Sheets

PROJECT SUMMARY			Final Commitment			
Acquisition, Rehab, Construction & Permanent Loans			Project Number 20-010-A/X			
Project Full Name	The Helm	Borrower Name:	Front & Beech SH, L.P.			
Project Address	SE Corner Front Street & Beech Street	Managing GP:	NEXUS for Affordable Housing Inc.			
Project City	San Diego	Developer Name:	Affirmed Housing Group, Inc.			
Project County	San Diego	Investor Name:	US Bancorp Community Development			
Project Zip Code	92101	Prop Management:	Solari Enterprises, Inc.			
		Tax Credits:	4			
Project Type:	Permanent Loan Only	Total Land Area (acres):	0.23			
Tenancy/Occupancy:	Individuals/Families	Residential Square Footage:	26,120			
Total Residential Units:	78	Residential Units Per Acre:	339.13			
Total Number of Buildings:	1					
Number of Stories:	7	Covered Parking Spaces:	7			
Unit Style:	Flat	Total Parking Spaces:	7			
Elevators:	2					
Acq/Construction/Rehab Financing		Loan Amount (\$)	Loan Fees	Loan Term (Mo.)	Amort. Period (Yr.)	Starting Interest Rate
Conduit Tax-Exempt (US Bank)		20,524,006	1.260%	29	--	2.700%
Taxable Construction Loan		5,276,344	--	29	--	2.700%
SDHC- HOME		4,037,500	--	660	--	4.000%
Investor Equity Contribution		5,336,173	--	--	--	--
Permanent Financing		Loan Amount (\$)	Loan Fees	Loan Term (Yr.)	Amort. Period (Yr.)	Starting Interest Rate
MIP		3,785,968	1.000%	15	55	2.750%
Permanent Loan (CCRC)		8,671,760	1.000%	15	35	3.700%
SDHC- HOME		4,250,000	2.060%	55	55	4.000%
Deferred Developer Fees		1,142,948	NA	NA	NA	NA
--		--	NA	NA	NA	NA
Investor Equity Contributions		17,816,151	NA	NA	NA	NA
Appraised Values Upon Completion of Rehab/Construction						
Appraisal Date:	11/19/20	Capitalization Rate:	4.50%			
Investment Value (\$)	33,025,000	Restricted Value (\$)	12,075,000			
Construct/Rehab LTC	N/A	CalHFA Permanent Loan to Cost	--			
Construct/Rehab LTV	N/A	CalHFA 1st Permanent Loan to Value	--			
		Combined CalHFA Perm Loan to Value	31%			
Additional Loan Terms, Conditions & Comments						
<u>Construction/Rehab Loan</u>						
Payment/Performance Bond	Waived					
Completion Guarantee Letter of Credit	N/A					
<u>Permanent Loan</u>						
Operating Expense Reserve Deposit	\$0	Cash				
Initial Replacement Reserve Deposit	\$0	Cash				
Annual Replacement Reserve Per Unit	\$300	Cash				
Date Prepared:	1/12/21	Senior Staff Date:	1/14/21			

UNIT MIX AND RENT SUMMARY

Final Commitment

The Helm

Project Number 20-010-A/X

PROJECT UNIT MIX					
Unit Type of Style	Number of Bedrooms	Number of Baths	Average Size (Sq. Ft.)	Number of Units	Est. No. of Tenants
Flat	-	1	265	32	48
Flat	-	1	370	35	0
Flat	-	1	379	4	0
Flat	-	1	395	6	0
Flat	2	1	804	1	3
-	-	-	-	-	0
				78	51

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%	Market
CalHFA Bond/RiskShare			8	24			
CalHFA MIP			8		8	61	
Tax Credit	32			4	41		
SDHC - HOME			20				
SDHC HAP	32						
City Center Development Permit					77		
-							

COMPARISON OF AVERAGE MONTHLY RESTRICTED RENTS TO AVERAGE MARKET RENTS							
Unit Type	Restricting Agency	% of Area Median Income	Average Restricted Rents		Average Market Rents	Average Monthly Savings	% of Market Rents
			Number of Units	Unit Rent			
Studios	CTCAC				\$1,700		
	CTCAC	30%	32	\$554	\$ 1,475	\$1,146	38%
	CTCAC	80%	1	\$1,096	\$ 1,500	\$604	73%
	CTCAC	80%	11	\$1,150	\$ 1,525	\$550	75%
	CTCAC	80%	19	\$1,258	\$ 1,550	\$442	81%
	CTCAC	80%	3	\$1,376	\$ 1,625	\$324	85%
	CTCAC	80%	11	\$1,439	\$ 1,700	\$261	85%
Date Prepared:		1/12/21		Senior Staff Date:		1/14/21	

SOURCES & USES OF FUNDS			Final Commitment		
The Helm			Project Number 20-010-A/X		
SOURCES OF FUNDS	CONST/REHAB \$	PERMANENT \$	TOTAL PROJECT SOURCES OF FUNDS		
			SOURCES (\$)	PER UNIT (\$)	%
Conduit Tax-Exempt (US Bank)	20,524,006				0.0%
-	-				0.0%
-	-				0.0%
Taxable Construction Loan	5,276,344				0.0%
SDHC- HOME	4,037,500				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	5,336,173				0.0%
-	-				0.0%
MIP		3,785,968	3,785,968	48,538	10.6%
-	-				0.0%
-	-				0.0%
Permanent Loan (CCRC)		8,671,760	8,671,760	111,176	24.3%
SDHC- HOME		4,250,000	4,250,000	54,487	11.9%
-	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
Construct/Rehab Net Oper. Inc.	-				0.0%
Deferred Developer Fees		1,142,948	1,142,948	14,653	3.2%
Developer Equity Contribution		-			0.0%
Investor Equity Contributions		17,816,151	17,816,151	228,412	50.0%
TOTAL SOURCES OF FUNDS	35,174,023	35,666,827	35,666,827	457,267	100.0%
TOTAL USES OF FUNDS (BELOW)	35,174,023	35,666,827	35,666,827	457,267	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		35,174,023			
ACQUISITION COSTS					
Lesser of Land Cost or Appraised Value	3,750,000	-	3,750,000	48,077	10.5%
Demolition Costs	-	-	-	-	0.0%
Legal & Other Closing Costs	-	-	-	-	0.0%
Escrow & other closing costs	-	-	-	-	0.0%
Verifiable Carrying Costs	507,662	-	507,662	6,508	1.4%
Existing Improvements Value	-	-	-	-	0.0%
Delinquent Taxes Paid @ Closing	-	-	-	-	0.0%
CalHFA Yield Maintenance Paid @ Closing	-	-	-	-	0.0%
Existing Replacement Reserve	-	-	-	-	0.0%
Broker Fees Paid to Related Party	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL ACQUISITION COSTS	4,257,662	-	4,257,662	54,585	11.9%
CONSTRUCTION/REHAB COSTS					
Offsite Improvements	-	-	-	-	0.0%
Environmental Remediation (Hard Costs)	-	-	-	-	0.0%
Site Work (Hard Cost)	1,070,000	-	1,070,000	13,718	3.0%
Structures (Hard Cost)	15,450,000	-	15,450,000	198,077	43.3%
General Requirements	800,000	-	800,000	10,256	2.2%
Contractor Overhead	775,000	-	775,000	9,936	2.2%
Contractor Profit	750,000	-	750,000	9,615	2.1%
Contractor Bond	-	-	-	-	0.0%
Contractor Liability Insurance	550,000	-	550,000	7,051	1.5%
Personal Property	-	-	-	-	0.0%
HVAC/Resident Damage	-	-	-	-	0.0%
TOTAL CONSTRUCT/REHAB COSTS	19,395,000	-	19,395,000	248,654	54.4%

SOURCES & USES OF FUNDS			Final Commitment		
The Helm			Project Number 20-010-A/X		
USES OF FUNDS	CONST/REHAB \$	PERMANENT \$	TOTAL PROJECT USES OF FUNDS		
			USES (\$)	PER UNIT (\$)	%
RELOCATION COSTS					
Relocation Expense	35,500	-	35,500	455	0.1%
Relocation Compliance Monitoring	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL RELOCATION COSTS	35,500	-	35,500	455	0.1%
ARCHITECTURAL FEES					
Design	1,165,463	-	1,165,463	14,942	3.3%
Supervision	39,800	-	39,800	510	0.1%
TOTAL ARCHITECTURAL FEES	1,205,263	-	1,205,263	15,452	3.4%
SURVEY & ENGINEERING FEES					
Engineering	316,600	-	316,600	4,059	0.9%
Supervision	50,000	-	50,000	641	0.1%
ALTA Land Survey	-	-	-	-	0.0%
TOTAL SURVEY & ENGINEERING FEES	366,600	-	366,600	4,700	1.0%
CONTINGENCY RESERVES					
Hard Cost Contingency Reserve	1,358,000	-	1,358,000	17,410	3.8%
Soft Cost Contingency Reserve	317,805	-	317,805	4,074	0.9%
TOTAL CONTINGENCY RESERVES	1,675,805	-	1,675,805	21,485	4.7%
CONSTRUCT/REHAB PERIOD COSTS					
Loan Interest Reserve					
Conduit Tax-Exempt (US Bank)	510,150	84,850	595,000	7,628	1.7%
-	-	-	-	-	0.0%
Taxable Construction Loan	-	-	-	-	0.0%
SDHC- HOME	25,585	6,415	32,000	410	0.1%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Loan Fees					
Conduit Tax-Exempt (US Bank)	258,602	-	258,602	3,315	0.7%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Taxable Construction Loan	-	-	-	-	0.0%
SDHC- HOME	-	-	-	-	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	14,500	-	14,500	186	0.0%
Real Estate Taxes During Rehab	120,000	-	120,000	1,538	0.3%
Completion Guaranty Fee	-	-	-	-	0.0%
Wage Monitoring Fee (Davis Bacon, Preva	-	-	-	-	0.0%
Insurance During Rehab	390,000	-	390,000	5,000	1.1%
Title & Recording Fees	35,000	15,000	50,000	641	0.1%
Construction Management & Testing	185,000	-	185,000	2,372	0.5%
Predevelopment Interest Expense	-	-	-	-	0.0%
Bond Issuer Fee	37,762	-	37,762	484	0.1%
Cost of Issuance	140,282	-	140,282	1,798	0.4%
TOTAL CONST/REHAB PERIOD COSTS	1,716,881	106,265	1,823,146	23,374	5.1%

SOURCES & USES OF FUNDS			Final Commitment		
The Helm			Project Number 20-010-A/X		
USES OF FUNDS	CONST/REHAB \$	PERMANENT \$	TOTAL PROJECT USES OF FUNDS		
			USES (\$)	PER UNIT (\$)	%
PERMANENT LOAN COSTS					
Loan Fees					
CalHFA Application Fee	-	-	-	-	0.0%
-	-	-	-	-	0.0%
MIP	37,860	-	37,860	485	0.1%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Permanent Loan (CCRC)	-	86,718	86,718	1,112	0.2%
SDHC- HOME	-	87,550	87,550	1,122	0.2%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Credit Enhancement & Application Fees	-	-	-	-	0.0%
Title & Recording (closing costs)	-	-	-	-	0.0%
Year 1 - Taxes & Special Assessments and Insura	-	-	-	-	0.0%
CalHFA 1st Year MIP Fees	-	30,273	30,273	388	0.1%
Tax Exempt Bond Allocation Fee	-	-	-	-	0.0%
Other (Specify): Post Construction Loan Interest	208,589	84,766	293,355	3,761	0.8%
TOTAL PERMANENT LOAN COSTS	246,449	289,307	535,756	6,869	1.5%
LEGAL FEES					
CalHFA Construction/Rehab Loan Legal Fees	-	-	-	-	0.0%
Other Construction/Rehab Loan Legal Fees	-	-	-	-	0.0%
CalHFA Permanent Loan Legal Fees	15,000	-	15,000	192	0.0%
Other Permanent Loan Legal Fees	-	-	-	-	0.0%
Sponsor Legal Fees	-	-	-	-	0.0%
Organizational Legal Fees	-	-	-	-	0.0%
Syndication Legal Fees	85,000	-	85,000	1,090	0.2%
Borrower Legal Fee	32,500	-	32,500	417	0.1%
CalHFA Bond Counsel	55,000	-	55,000	705	0.2%
TOTAL LEGAL FEES	187,500	-	187,500	2,404	0.5%
OPERATING RESERVES					
Operating Expense Reserve Deposit	174,268	89,732	264,000	3,385	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	174,268	89,732	264,000	3,385	0.7%
REPORTS & STUDIES					
Appraisal Fee	10,000	-	10,000	128	0.0%
Market Study Fee	10,000	-	10,000	128	0.0%
Physical Needs Assessment Fee	-	-	-	-	0.0%
Environmental Site Assessment Reports	22,000	-	22,000	282	0.1%
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 (Specify)	-	-	-	-	0.0%
TOTAL REPORTS & STUDIES	42,000	-	42,000	538	0.1%

SOURCES & USES OF FUNDS			Final Commitment		
The Helm			Project Number 20-010-A/X		
USES OF FUNDS	CONST/REHAB \$	PERMANENT \$	TOTAL PROJECT USES OF FUNDS		
			USES (\$)	PER UNIT (\$)	%
OTHER COSTS					
TCAC Application, Allocation & Monitor Fees	95,000	-	95,000	1,218	0.3%
CDLAC Fees	7,183	-	7,183	92	0.0%
Local Permits & Fees	352,000	-	352,000	4,513	1.0%
Local Impact Fees	1,276,753	-	1,276,753	16,369	3.6%
Other Local Fees	-	-	-	-	0.0%
Site Security	-	-	-	-	0.0%
Furnishings	300,300	-	300,300	3,850	0.8%
Accounting & Audits	17,500	7,500	25,000	321	0.1%
Advertising & Marketing Expenses	65,000	-	65,000	833	0.2%
Financial Consulting	-	-	-	-	0.0%
Miscellaneous Administrative Fees	-	-	-	-	0.0%
HUD Risk Share Insurance (First Year Prepaid)	-	-	-	-	0.0%
Other: Community Outreach	65,000	-	65,000	833	0.2%
Other (Specify): Lease-Up Fees	50,000	-	50,000	641	0.1%
TOTAL OTHER COSTS	2,228,736	7,500	2,236,236	28,670	6.3%
SUBTOTAL PROJECT COSTS					
	31,531,664	35,666,827	32,024,468	410,570	89.8%
DEVELOPER FEES & COSTS					
Developer Fees, Overhead & Profit	3,642,359	-	3,642,359	46,697	10.2%
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 (Construction Loan paydown)	-	-	-	-	0.0%
CASH EQUITY OUT TO DEVELOPER	-	-	-	-	0.0%
TOTAL DEVELOPER FEES & COSTS	3,642,359	-	3,642,359	46,697	10.2%
TOTAL PROJECT COSTS					
	35,174,023	35,666,827	35,666,827	457,267	100.0%

PROJECTED INITIAL ANNUAL RENTAL OPERATING BUDGET			Final Commitment
The Helm	Project Number	20-010-A/X	
INCOME			
	AMOUNT	PER UNIT	%
Rental Income			
Restricted Unit Rents	\$ 903,996	\$ 11,590	79.03%
Unrestricted Unit Rents	-	-	0.00%
Commercial Rents	-	-	0.00%
Rental & Operating Subsidies			
Project Based Rental Subsidy	290,688	3,727	25.41%
Other Project Based Subsidy	-	-	0.00%
Income during renovations	-	-	0.00%
Other Subsidy (Specify)	-	-	0.00%
Other Income			
Laundry Income	9,360	120	0.82%
Parking & Storage Income	-	-	0.00%
Miscellaneous Income	-	-	0.00%
GROSS POTENTIAL INCOME (GPI)	\$ 1,204,044	\$ 15,436	105.26%
Less: Vacancy Loss	\$ 60,202	\$ 772	5.26%
EFFECTIVE GROSS INCOME (EGI)	\$ 1,143,842	\$ 16,208	100.00%
OPERATING EXPENSES			
	AMOUNT	PER UNIT	%
Administrative Expenses	\$ 96,500	\$ 1,237	\$ 0
Management Fee	68,059	873	5.95%
Social Programs & Services	40,000	513	3.50%
Utilities	83,000	1,064	7.26%
Operating & Maintenance	187,000	2,397	16.35%
Ground Lease Payments	-	-	0.00%
CalHFA Monitoring Fee	7,500	96	0.66%
Mixed Income Loan Fee	30,273	388	2.65%
Other Monitoring Fees	11,550	148	1.01%
Real Estate Taxes	5,677	73	0.50%
Other Taxes & Insurance	56,500	724	4.94%
SUBTOTAL OPERATING EXPENSES	\$ 586,059	\$ 7,514	51.24%
Operating Reserves	\$ 23,400	\$ 300	2.05%
TOTAL OPERATING EXPENSES	\$ 609,459	\$ 7,814	53.28%
NET OPERATING INCOME (NOI)	\$ 534,383	\$ 6,851	46.72%
DEBT SERVICE PAYMENTS			
	AMOUNT	PER UNIT	%
-	\$ -	\$ -	0.00%
-	\$ -	-	0.00%
-	\$ -	-	0.00%
Permanent Loan (CCRC)	\$ 442,220	5,669	38.66%
SDHC Mandatory Debt Service	\$ 10,000	128	0.87%
-	\$ -	-	0.00%
-	\$ -	-	0.00%
-	\$ -	-	0.00%
TOTAL DEBT SERVICE & OTHER PAYMENTS	\$ 452,220	\$ 5,798	39.54%
EXCESS AFTER DEBT SERVICE & MONITORING FEES	\$ 82,163	\$ 1,053	7.18%
DEBT SERVICE COVERAGE RATIO (DSCR)	\$ 1 to 1		
Date: 1/12/21	Senior Staff Date: 01/14/21		

PROJECTED PERMANENT LOAN CASH FLOWS											The Helm	
Final Commitment		Project Number									20-010-A/X	
	YEAR	1	2	3	4	5	6	7	8	9	10	11
RENTAL INCOME	CPI											
Restricted Unit Rents	2.50%	903,996	926,596	949,761	973,505	997,842	1,022,788	1,048,358	1,074,567	1,101,431	1,128,967	1,157,191
Unrestricted Unit Rents	2.50%	-	-	-	-	-	-	-	-	-	-	-
Commercial Rents	2.00%	-	-	-	-	-	-	-	-	-	-	-
Project Based Rental Subsidy	1.50%	290,688	295,048	299,474	303,966	308,526	313,154	317,851	322,619	327,458	332,370	337,355
Other Project Based Subsidy	1.50%	-	-	-	-	-	-	-	-	-	-	-
Income during renovations	0.00%	-	-	-	-	-	-	-	-	-	-	-
Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-	-
Laundry Income	2.50%	9,360	9,594	9,833	10,079	10,331	10,590	10,854	11,126	11,404	11,689	11,981
Parking & Storage Income	2.50%	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	2.50%	-	-	-	-	-	-	-	-	-	-	-
GROSS POTENTIAL INCOME (GPI)		1,204,044	1,231,238	1,259,068	1,287,550	1,316,699	1,346,532	1,377,063	1,408,311	1,440,293	1,473,026	1,506,528
VACANCY ASSUMPTIONS	Vacancy											
Restricted Unit Rents	5.00%	45,200	46,330	47,488	48,675	49,892	51,139	52,418	53,728	55,072	56,448	57,860
Unrestricted Unit Rents	7.00%	-	-	-	-	-	-	-	-	-	-	-
Commercial Rents	50.00%	-	-	-	-	-	-	-	-	-	-	-
Project Based Rental Subsidy	5.00%	14,534	14,752	14,974	15,198	15,426	15,658	15,893	16,131	16,373	16,618	16,868
Other Project Based Subsidy	3.00%	-	-	-	-	-	-	-	-	-	-	-
Income during renovations	20.00%	-	-	-	-	-	-	-	-	-	-	-
Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-	-
Laundry Income	5.00%	468	480	492	504	517	529	543	556	570	584	599
Parking & Storage Income	50.00%	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	50.00%	-	-	-	-	-	-	-	-	-	-	-
TOTAL PROJECTED VACANCY LOSS		60,202	61,562	62,953	64,378	65,835	67,327	68,853	70,416	72,015	73,651	75,326
EFFECTIVE GROSS INCOME (EGI)		1,143,841	1,169,676	1,196,115	1,223,173	1,250,864	1,279,205	1,308,210	1,337,896	1,368,278	1,399,374	1,431,201
OPERATING EXPENSES	CPI / Fee											
Administrative Expenses	3.50%	136,500	141,278	146,222	151,340	156,637	162,119	167,793	173,666	179,744	186,035	192,547
Management Fee	5.95%	68,059	69,596	71,169	72,779	74,426	76,113	77,839	79,605	81,413	83,263	85,156
Utilities	3.50%	83,000	85,905	88,912	92,024	95,244	98,578	102,028	105,599	109,295	113,120	117,080
Operating & Maintenance	3.50%	187,000	193,545	200,319	207,330	214,587	222,097	229,871	237,916	246,243	254,862	263,782
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
Mixed Income Loan Fee	0.00%	30,273	30,097	29,916	29,727	29,531	29,328	29,117	28,898	28,671	28,436	28,191
Other Agency Monitoring Fee	0.00%	11,550	11,550	11,550	11,550	11,550	11,550	11,550	11,550	11,550	11,550	11,550
Real Estate Taxes	1.25%	5,677	5,748	5,820	5,893	5,966	6,041	6,116	6,193	6,270	6,349	6,428
Health Insurance & Other Benefits (above)	3.50%	56,500	58,478	60,524	62,643	64,835	67,104	69,453	71,884	74,400	77,004	79,699
Property and Liability Insurance	0.00%	-	-	-	-	-	-	-	-	-	-	-
Required Reserve Payments	1.00%	23,400	23,634	23,870	24,109	24,350	24,594	24,840	25,088	25,339	25,592	25,848
TOTAL OPERATING EXPENSES		609,459	627,330	645,802	664,894	684,627	705,024	726,107	747,899	770,425	793,711	817,781
NET OPERATING INCOME (NOI)		534,383	542,346	550,313	558,279	566,237	574,181	582,104	589,997	597,853	605,664	613,420
DEBT SERVICE PAYMENTS	Lien #											
Permanent Loan (CCRC)	1	442,220	442,220	442,220	442,220	442,220	442,220	442,220	442,220	442,220	442,220	442,220
SDHC Mandatory Debt Service	3	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
TOTAL DEBT SERVICE & OTHER PAYMENTS		452,220	452,220	452,220	452,220	452,220	452,220	452,220	452,220	452,220	452,220	452,220
CASH FLOW AFTER DEBT SERVICE		82,163	90,126	98,093	106,059	114,018	121,962	129,884	137,777	145,633	153,444	161,201
DEBT SERVICE COVERAGE RATIO		1.18	1.20	1.22	1.23	1.25	1.27	1.29	1.30	1.32	1.34	1.36
Date Prepared:	01/12/21										Senior Staff Date:	1/14/21

LESS: Asset Management Fee	3%	20,000	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335	26,095	26,878
LESS: Partnership Management Fee	3%	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720
net CF available for distribution		57,163	64,376	71,571	78,741	85,880	92,980	100,033	107,030	113,964	120,825	127,603
Deferred developer fee repayment	1,142,948 100%	1,142,948	1,085,785	1,021,409	949,838	871,097	785,217	692,237	592,204	485,174	371,210	250,385
		57,163	64,376	71,571	78,741	85,880	92,980	100,033	107,030	113,964	120,825	127,603
		1,085,785	1,021,409	949,838	871,097	785,217	692,237	592,204	485,174	371,210	250,385	122,783

Payments for Residual Receipt Payments		100%										
RESIDUAL RECEIPTS LOANS	Payment %											
MIP	47.00%	-	-	-	-	-	-	-	-	-	-	-
0	0.00%	-	-	-	-	-	-	-	-	-	-	-
SDHC- HOME	53.00%	-	-	-	-	-	-	-	-	-	-	-
Total Residual Receipts Payments	100.00%	-	-	-	-	-	-	-	-	-	-	-

Balances for Residual Receipt Payments												
RESIDUAL RECEIPTS LOANS	Interest Rate											
MIP---Simple	2.75%	3,785,968	3,890,082	3,994,196	4,098,310	4,202,424	4,306,539	4,410,653	4,514,767	4,618,881	4,722,995	4,827,109
SDHC- HOME---Simple	4.00%	4,250,000	4,420,000	4,590,000	4,760,000	4,930,000	5,100,000	5,270,000	5,440,000	5,610,000	5,780,000	5,950,000
Total Residual Receipts Payments		8,035,968	8,310,082	8,584,196	8,858,310	9,132,424	9,406,539	9,680,653	9,954,767	10,228,881	10,502,995	10,777,109

PROJECTED PERMANENT LOAN CASH FLOWS					
Final Commitment					
	YEAR	12	13	14	15
RENTAL INCOME	CPI				
Restricted Unit Rents	2.50%	1,186,121	1,215,774	1,246,168	1,277,323
Unrestricted Unit Rents	2.50%	-	-	-	-
Commercial Rents	2.00%	-	-	-	-
Project Based Rental Subsidy	1.50%	342,416	347,552	352,765	358,057
Other Project Based Subsidy	1.50%	-	-	-	-
Income during renovations	0.00%	-	-	-	-
Other Subsidy (Specify)	0.00%	-	-	-	-
Laundry Income	2.50%	12,281	12,588	12,902	13,225
Parking & Storage Income	2.50%	-	-	-	-
Miscellaneous Income	2.50%	-	-	-	-
GROSS POTENTIAL INCOME (GPI)		1,540,817	1,575,914	1,611,836	1,648,604
VACANCY ASSUMPTIONS	Vacancy				
Restricted Unit Rents	5.00%	59,306	60,789	62,308	63,866
Unrestricted Unit Rents	7.00%	-	-	-	-
Commercial Rents	50.00%	-	-	-	-
Project Based Rental Subsidy	5.00%	17,121	17,378	17,638	17,903
Other Project Based Subsidy	3.00%	-	-	-	-
Income during renovations	20.00%	-	-	-	-
Other Subsidy (Specify)	0.00%	-	-	-	-
Laundry Income	5.00%	614	629	645	661
Parking & Storage Income	50.00%	-	-	-	-
Miscellaneous Income	50.00%	-	-	-	-
TOTAL PROJECTED VACANCY LOSS		77,041	78,796	80,592	82,430
EFFECTIVE GROSS INCOME (EGI)		1,463,776	1,497,118	1,531,244	1,566,174
OPERATING EXPENSES	CPI / Fee				
Administrative Expenses	3.50%	199,286	206,261	213,480	220,952
Management Fee	5.95%	87,095	89,079	91,109	93,187
Utilities	3.50%	121,177	125,419	129,808	134,352
Operating & Maintenance	3.50%	273,014	282,570	292,460	302,696
Ground Lease Payments	3.50%	-	-	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500	7,500
Mixed Income Loan Fee	0.00%	27,938	27,674	27,401	27,118
Other Agency Monitoring Fee	0.00%	11,550	11,550	11,550	11,550
Real Estate Taxes	1.25%	6,508	6,590	6,672	6,755
Health Insurance & Other Benefits (above)	3.50%	82,488	85,375	88,364	91,456
Property and Liability Insurance	0.00%	-	-	-	-
Required Reserve Payments	1.00%	26,107	26,368	26,631	26,898
TOTAL OPERATING EXPENSES		842,663	868,385	894,975	922,464
NET OPERATING INCOME (NOI)		621,113	628,733	636,269	643,710
DEBT SERVICE PAYMENTS	Lien #				
Permanent Loan (CCRC)	1	442,220	442,220	442,220	442,220
SDHC Mandatory Debt Service	3	10,000	10,000	10,000	10,000
TOTAL DEBT SERVICE & OTHER PAYMENTS		452,220	452,220	452,220	452,220
CASH FLOW AFTER DEBT SERVICE		168,894	176,513	184,049	191,490
DEBT SERVICE COVERAGE RATIO		1.37	1.39	1.41	1.42
Date Prepared: 01/12/21					

LESS: Asset Management Fee	3%	27,685	28,515	29,371	30,252
LESS: Partnership Management Fee	3%	6,921	7,129	7,343	7,563
net CF available for distribution		134,288	140,869	147,336	153,675
Deferred developer fee repayment	1,142,948	122,783	-	-	-
	100%	122,783	-	-	-
		-	-	-	-
Payments for Residual Receipt Payments					
RESIDUAL RECEIPTS LOANS	Payment %				
MIP	47.00%	11,505	70,435	73,668	76,838
0	0.00%	5,407	33,104	34,624	36,114
		-	-	-	-
SDHC- HOME	53.00%	6,098	37,330	39,044	40,724
Total Residual Receipts Payments	100.00%	11,505	70,435	73,668	76,838
Balances for Residual Receipt Payments					
RESIDUAL RECEIPTS LOANS	Interest Rate				
MIP---Simple	2.75%	4,931,223	5,029,930	5,100,940	5,170,430
SDHC- HOME---Simple	4.00%	6,120,000	6,283,902	6,416,572	6,547,528
Total Residual Receipts Payments		11,051,223	11,313,832	11,517,512	11,717,958



MIXED-INCOME LOAN PROGRAM

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

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

Qualifications

APPLICATION:

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

AVAILABILITY:

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

USES:

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

FINANCING STRUCTURE:

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

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

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MIXED-INCOME LOAN PROGRAM

Qualifications (continued)

READINESS:

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

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

MIP ALLOCATION LIMITS:

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

EVIDENCE OF COST CONTAINMENT:

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

MIXED-INCOME LOAN PROGRAM

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

MIXED-INCOME LOAN PROGRAM

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

MIXED-INCOME LOAN PROGRAM

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

MIXED-INCOME LOAN PROGRAM

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

Last revised: 11/2019

The information provided in this program description is for guidance only. While we have taken care to provide accurate information, we cannot cover every circumstance nor program nuance. This program description is subject to change from time to time without prior notice. The California Housing Finance Agency does not discriminate on any prohibited basis in employment or in the admission and access to its programs or activities. Not printed at taxpayer expense.



CONDUIT ISSUER PROGRAM

MULTIFAMILY HOUSING BONDS

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

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

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

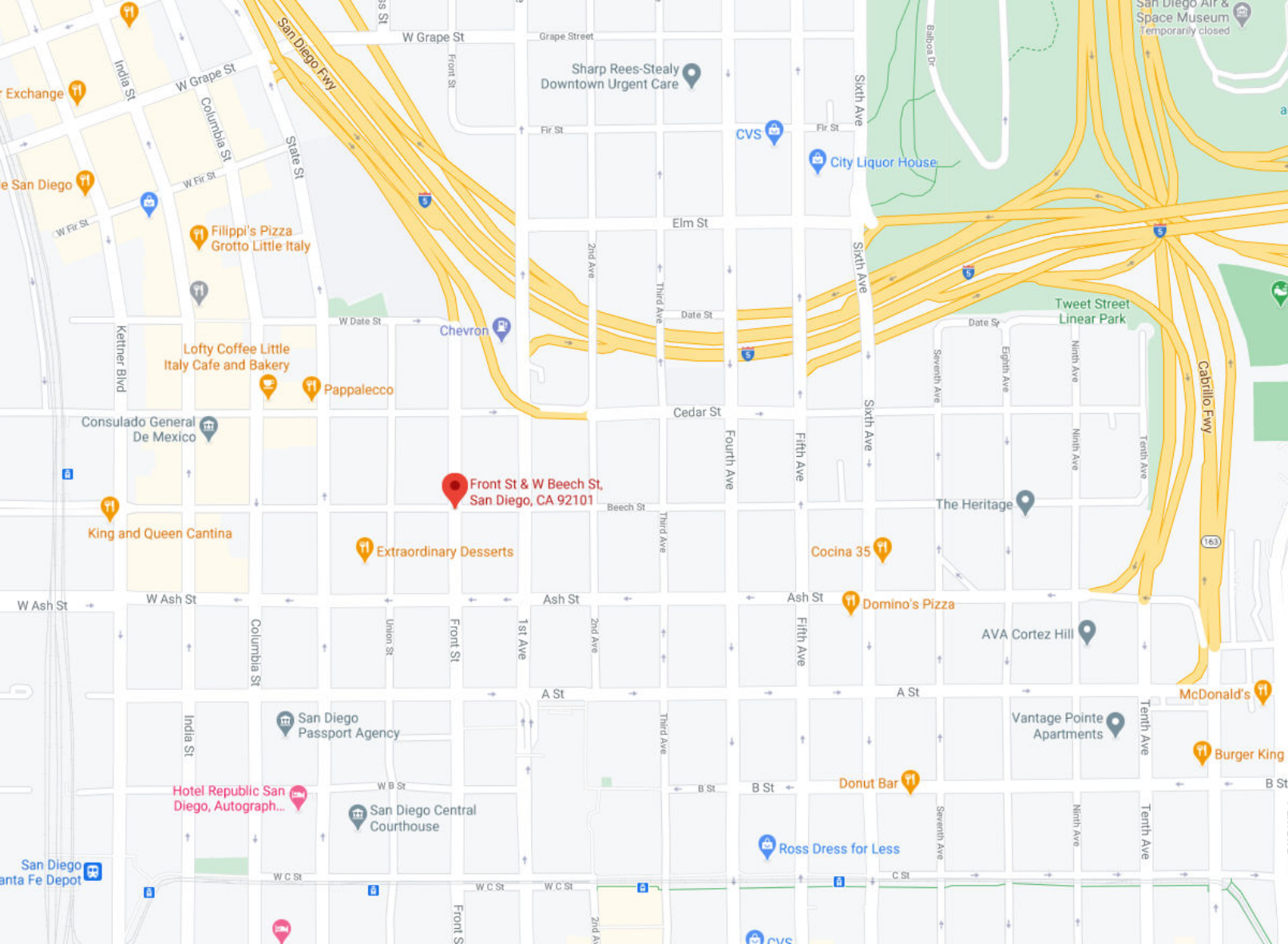
CONDUIT ISSUER PROGRAM

Occupancy Requirements

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

Last revised: 03/2019

The information provided in this program description is for guidance only. While we have taken care to provide accurate information, we cannot cover every circumstance nor program nuance. This program description is subject to change from time to time without prior notice. The California Housing Finance Agency does not discriminate on any prohibited basis in employment or in the admission and access to its programs or activities. Not printed at taxpayer expense.



Front St & W Beech St,
San Diego, CA 92101

Sharp Rees-Stealy
Downtown Urgent Care

CVS

City Liquor House

Filippi's Pizza
Grotto Little Italy

Lofty Coffee Little
Italy Cafe and Bakery

Pappalecco

Chevron

Consulado General
De Mexico

King and Queen Cantina

Extraordinary Desserts

Cocina 35

Domino's Pizza

AVA Cortez Hill

San Diego
Passport Agency

Hotel Republic San
Diego, Autograph...

San Diego Central
Courthouse

Vantage Pointe
Apartments

McDonald's

Burger King

Donut Bar

Ross Dress for Less

San Diego
Santa Fe Depot

San Diego Air &
Space Museum
temporarily closed

Tweet Street
Linear Park

Castillo Fwy

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Tenth Ave

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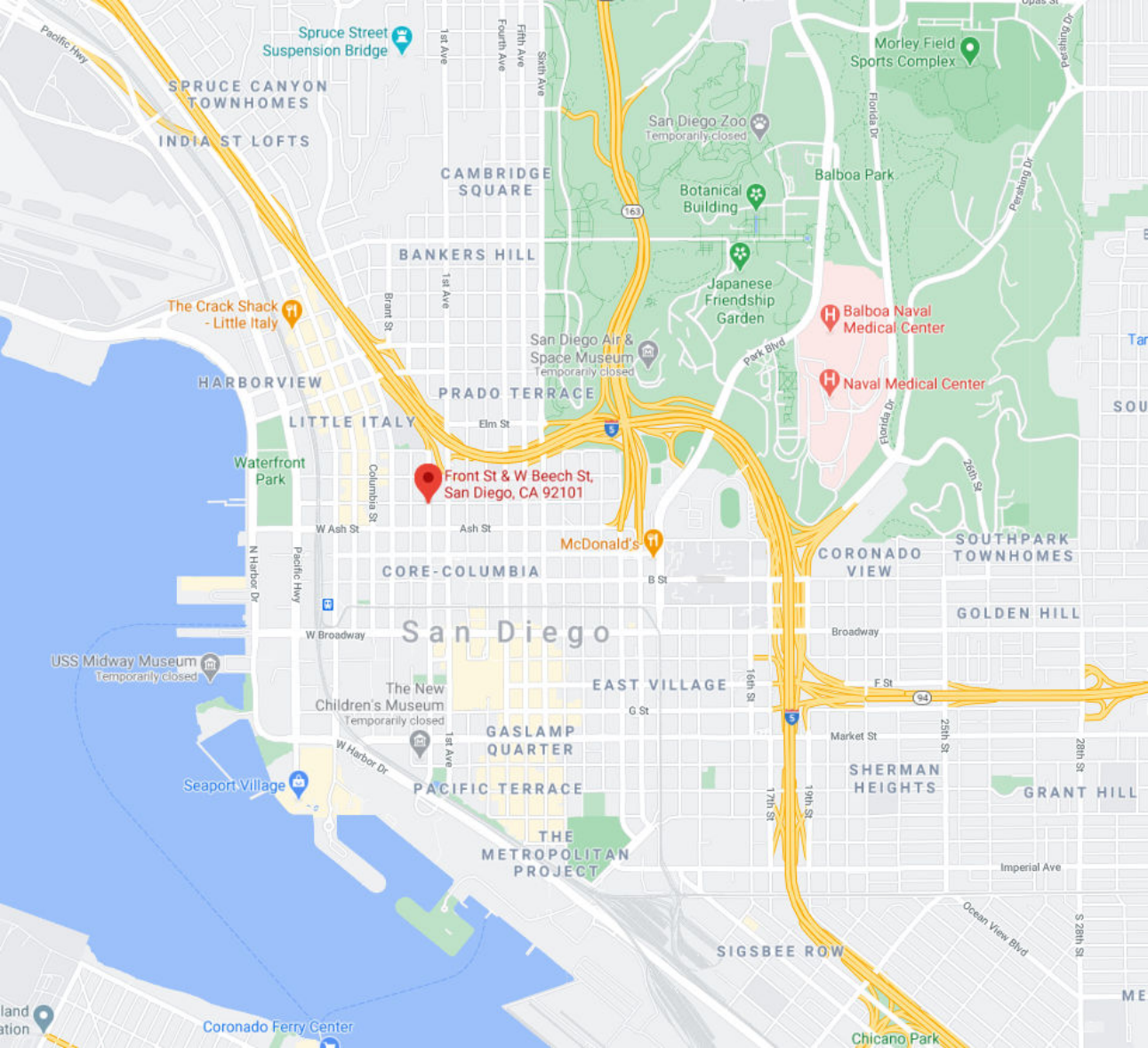
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Spruce Street
Suspension Bridge

SPRUCE CANYON
TOWNHOMES

INDIA ST LOFTS

CAMBRIDGE
SQUARE

BANKERS HILL

The Crack Shack
- Little Italy

HARBORVIEW

PRADO TERRACE

LITTLE ITALY

Front St & W Beech St,
San Diego, CA 92101

Waterfront
Park

San Diego Air &
Space Museum
Temporarily closed

San Diego Zoo
Temporarily closed

Botanical
Building

Japanese
Friendship
Garden

Balboa Park

Morley Field
Sports Complex

Balboa Naval
Medical Center

Naval Medical Center

CORE-COLUMBIA

San Diego

CORONADO
VIEW

SOUTHPARK
TOWNHOMES

GOLDEN HILL

USS Midway Museum
Temporarily closed

The New
Children's Museum
Temporarily closed

EAST VILLAGE

GASLAMP
QUARTER

PACIFIC TERRACE

SHERMAN
HEIGHTS

GRANT HILL

Seaport Village

THE
METROPOLITAN
PROJECT

SIGSBEE ROW

Coronado Ferry Center

Chicano Park