CalHFA MULTIFAMILY PROGRAMS DIVISION

Final Commitment Staff Report & Request for Loan Approval of Permanent Take-Out Loan for Tax Exempt financing with Mixed Income Program Subsidy Financing

Senior Loan Committee "Approval": 10/5/2022 for Board Meeting on 10/20/2022

Project Name, County:	La Vista Residential, Alameda County	
Address:	NE of Tennyson Road & Mission Boulevard, Hayward, 94544	
Type of Project:	New Construction	
CalHFA Project Number:	21-033-A/X/N	**Total Units:** 176 (Family)
Requested Financing by Loan Program:	$50,000,000	**CalHFA Tax-Exempt Bond – Conduit Issuance Amount (allocated by CDLAC on 6/15/22)**
	$2,000,000	**CalHFA Tax-Exempt Bond (Supplemental) – Conduit Issuance Amount (allocated by CDLAC on 9/1/22)**
	Up to $6,000,000	**CalHFA Tax-Exempt Recycled Bond – Conduit Issuance Amount (includes 10% cushion)**
	Up to $10,000,000	**CalHFA Taxable Bond – Conduit Issuance Amount (a portion of which may include recycled bonds) (includes 10% cushion)**
	$24,300,000	**CalHFA Tax-Exempt or FFB Permanent Loan with HUD Risk Sharing**
	$8,270,000	**CalHFA MIP Subsidy Loan ($5,000,000 Original Allocation and $3,270,000 Supplemental Allocation)**

DEVELOPMENT/PROJECT TEAM

Co-Developers:	Pacific West Communities, Inc. / Eden Housing, Inc.	**Borrower:**	La Vista Hayward, L.P.
Permanent Lender:	CalHFA	**Construction Lender:**	JPMorgan Chase Bank, N.A. & Bonneville
Equity Investor:	CREA, LLC	**Management Company:**	Eden Housing Management, Inc.
Contractor:	Pacific West Builders, Inc.	**Architect**	Architects Orange
Loan Officer:	Kevin Brown	**Loan Specialist:**	N/A
Asset Manager:	Jessica Doan	**Loan Administration:**	Ashley Carroll
Legal (Internal):	Paul Steinke	**Legal (External):**	Orrick, Herrington, Sutcliffe
Concept Meeting Date:	09/05/2022	**Approval Expiration Date:**	180 days from Approval

LOAN TERMS

1.		**CONDUIT ISSUANCE/ JPMorgan Chase Bank, N.A. CONSTRUCTION LOAN** Bonneville	**PERMANENT LOAN**	**CalHFA MIP GAP LOAN AND SUPPLEMENTAL MIP LOAN**

		Construction to Perm		
	Total Loan Amount	$52,000,000 (Tax-Exempt) $9,461,725 (Taxable) Total Bond Issuance: $61,461,725	$24,300,000	Original MIP: $5,000,000 Supplemental MIP: $3,270,000 Total CalHFA MIP Subsidy Loan: $8,270,000 ($42,529/restricted unit)
	Loan Term & Lien Position	JPMorgan Chase Bank, N.A. 36 months- interest only; 1st and 2nd Lien Position during construction. Two 6-month extension available. Bonneville 3rd Lien Position and deferred payments during construction. Payment to commence during permanent loan term (40-year amortization due in 30 years). 3rd Lien Position during permanent loan term.	40 year – partially amortizing due in year 30; 1st Lien Position during permanent loan term.	30 year - Residual Receipts; 2nd Lien Position during permanent loan term.
	Interest Rate (subject to change and locked 30 days prior to loan closing)	Underwritten at 5.00% fixed for tax-exempt and taxable. Bonneville Multifamily Capital underwritten at 7.00% adjustable during construction 5.00% adjustable during permanent loan term.	Underwritten Rate*: 6.30% (Fixed Rate locked) Estimated rate based on a 36 month forward commitment	Greater of 1.00% Simple Interest or the Applicable Federal Rate (AFR) at time of MIP closing (3% Simple was used for underwriting purposes).
	Loan to Value (LTV)	LTV is 59% of investment value	LTV is 49% of restricted value	N/A
	Loan to Cost	60%	24%	N/A

** The Agency has determined that the Indicative Rate of 6.30%, and not the Maximum Rate, is the fixed rate that shall be locked upon Borrower's request as set forth in the Indicative Rate Lock Agreement.*

PROJECT SUMMARY

2.	**Legislative Districts**	**Congress:**	#15 Eric Swalwell	**Assembly:**	#20 Bill Quirk	**State Senate:**	#10 Bob Wieckowski
	Brief Project Description	**La Vista Residential** (the "Project") is a new construction, family, mixed-income Project. It will consist of 2 five-story elevator serviced residential buildings (Type II Construction). There will be 176 total units, 174 of which will be restricted between 30% and 80% of the Alameda County Area Median Income (AMI). There will be 38 studio units (416 s.f.), 47 one-bedroom units (547 s.f.), 44 two-bedroom units (767 s.f.) and 47 three-bedroom units (986 s.f.). Two three-bedroom units will serve as the manager's unit. The project is not in a disaster area. The site is currently vacant. The Project is part of a larger community that will be home to affordable housing, a school that will serve students from preschool through 6th grade, La Vista Park, and the Hayward Foothill Trail. This community will provide much needed affordable housing to the City of					

		Hayward. **Financing Structure:** The Project's financing structure includes financing from tax-exempt bonds, taxable bonds, 4% Federal Tax Credit Equity (4% Federal LIHTC allocation), State Housing Tax Credit equity, subordinate recycled tax-exempt bonds and CalHFA permanent loan and Mixed-Income Program (original and supplemental). The project will be income averaged, pursuant to TCAC regulations. **Tax Credits and/or CDLAC Status:** The project received an allocation for 4% federal tax credits and California state tax credits and bond cap from TCAC/CDLAC on June 15, 2022 and an allocation of supplemental tax-exempt bonds from CDLAC on September 1, 2022. The supplemental allocation was requested to add a cushion to the project's 50% aggregate basis requirement (the "50% test") which was at approximately 50% and now will increase to approximately 52%. The supplemental allocation is necessary to accommodate a potential cost increase during construction. **Ground Lease:** Not applicable. **Project Amenities:** The Project includes a community room, playground, outdoor recreational area with fitness equipment, indoor flex-room, computer lab, laundry facilities, elevators, and security features. Unit amenities will include dishwashers, disposals, and heating & air conditioning, **Local Resources and Services:** For TCAC/CDLAC purposes, the Project is located within a Low resource area per TCAC/HCD's 2022 Opportunity Area Map. The Project is in close proximity to the following local amenities and services: • Grocery stores – 0.95 miles • Pharmacy – 0.54 miles • Schools – 0.50 miles • Public Library – 1.43 miles • Public transit – 0.25 miles • Fire - 0.76 miles • Police – 2.90 miles • Park and recreation – 0.67 miles • Hospitals – 0.65 miles **Non-displacement and No Net Loss:** To the extent feasible, it is the Agency's priority to mitigate the overall effects upon affordable housing availability that may arise from multifamily developments that may result in permanent displacement of existing affordable housing residents and/or net loss of existing affordable housing units. The Project is a new construction project on vacant land, with no related demolition of existing affordable housing, hence no existing affordable housing units will be lost nor will existing residential households be displaced as a result of this development. **Commercial and/or Other (i.e., Parking) Space:** The Project does not include commercial space.

MISSION

3.	**CalHFA Mission/Goals**	
This Project and financing proposal provide 174 units of affordable housing with a range of restricted rents between 30% of AMI and 80% of AMI which will support much needed rental housing that will remain affordable for 55 years.		

ANTICIPATED PROJECT MILESTONES & SCHEDULE

4.	CDLAC/TCAC Closing Deadline:	3/12/2023*	Est. Construction Loan Closing:	12/2022
	Estimated Construction Start:	12/2022	Est. Construction Completion:	2/2025
	Estimated Conversion to Perm Loan(s):		12/2025	

* *On September 28, 2022 CDLAC approved a 90-day extension to the bond issuance deadline from 12/12/2022 to 3/12/2022 for all projects that received bond allocation on June 15, 2022.*

SOURCES OF FUNDS

5.

Construction Sources and Uses				
Sources	**Amount**	**Details (Lien Position/Rate/Debt Type)**	**Uses**	**Amount**
Citibank- Conduit- Tax Exempt	$52,000,000	1st/5.00%/Interest Only	Total Acquisition costs	$1,994,171
Citibank Conduit- Taxable	$9,461,725	2nd/5.00%/Interest Only	Construction/Rehab Costs	$69,753,295
Bonneville- Conduit- Recycled	$5,000,000	3rd/7.00%/Interest Only	Soft Costs	$1,412,500
Deferred Costs	$693,650	N/A	Hard Cost contingency	$4,000,000
Deferred Developer Fee	$11,887,186	N/A	Soft Cost contingency	$750,000
Investor Equity Contribution	$22,596,631	N/A	Financing Costs	$5,121,908
			Local Impact Fees	$3,406,677
			Operating Reserves	$1,000,000
			Developer Fees	$11,887,186
			Other Costs	$2,313,455
TOTAL	**$101,639,192**			**$101,639,192**
TOTAL PER UNIT	**$577,495**			

Permanent Sources and Uses				
Sources:	**Amount**	**Details (Lien Position/Rate/Debt Type)**	**Uses**	**Amount**
CalHFA Perm Loan	$24,300,000	1st/6.30%/40 yr amortization due in yr 30	Total Loan and Equity Payoffs (excludes Developer Fee)	$89,752,006
CalHFA MIP Loan	$5,000,000	2nd/3.00%/Residual Receipts	Developer Fee	$11,887,186
CalHFA Supplemental MIP Loan Allocation*	$3,270,000	2nd/3.00%/Residual Receipts	Financing costs	$288,850
Bonneville Perm Loan	$5,000,000	3rd/7.00%/Residual Receipts	Soft costs	$17,500
Deferred Developer Fees	$8,245,000	N/A	Operating Reserves	$761,634
Investor Equity Contributions	$56,892,176	N/A		
TOTAL	**$102,707,176**			**$102,707,176**
TOTAL PER UNIT	**$583,564**			

* Repayment of the CalHFA Supplemental MIP allocation shall have priority over the Original MIP Loan allocation in

accounting for the repayment of the MIP Loan.

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

At the time of CalHFA's initial commitment (March 2022), the developer estimated the total development cost (TDC) to be $95,182,214 or $540,808/unit. CalHFA issued an initial commitment based on these initial costs estimates for the developer to use to apply to CDLAC for tax exempt bond cap and to CTCAC for federal tax credits. On June 15, 2022, the Borrower received the related allocations from CDLAC and CTCAC. On September 1, 2022, the Borrower was awarded supplemental bond allocation from CDLAC.

On the sources side, there were cost adjustments related predominantly to; 1) market related increases driving CalHFA's higher interest rate and spreads which resulted in a $3,200,000 reduction to the permanent loan amount; 2) increase in investor equity contribution of $7,077,148; 3) increase in deferred developer's fee of $377,814. On the Uses side, cost increases were related to; 1) increased construction hard costs of $6,586,624; 2) increased financing costs of $163,573; 3) increased construction interest reserves of $502,116; 4) increases to other soft costs of $273,009. Overall, the deficit in the updated budget is $3,270,000.

The Borrower has requested a $3,270,000 increase to the MIP Subsidy Loan in an effort to offset cost increases and loan reductions outlined above and below. The summary of changes in sources and uses between initial commitment vs. current proposed are outlined below:

Summary of changes in Sources/Uses since the Initial Commitment approval					
SOURCES - Major Changes Description	**Initial Commitment Amount $**	**Current Proposed Amount $**	**Increase/ Reduction $**	**Per unit Cost Adjustment**	**% Adjustment of IC Approval**
1 - CalHFA Perm Loan (prior to removal of 25bps cushion)	$27,500,000	$23,110,000	-$4,390,000	-$24,943	-15.96%
2 - Deferred Developer Fee Note	$7,867,186	$8,245,000	$377,814	$2,147	4.80%
3 - Investor Equity Contribution	$49,815,028	$56,892,176	$7,077,148	$40,211	14.21%
Total Changes in Sources (A)	**$85,182,214**	**$88,247,176**	**$3,064,962**	**$17,415**	**3.60%**

USES - Major Cost Changes Description	**Initial Commitment Amount $**	**Current Proposed Amount $**	**Increase/ Reduction $**	**Per unit Cost Adjustment**	**% Adjustment of IC Approval**
1 - Construction Hard Cost	$62,569,731	$69,155,995	$6,586,264	$37,422	10.53%
2 – Financing Costs	$4,823,000	$4,986,573	$163,573	$929	3.39%
3 – Construction Loan Interest	$1,242,421	$1,744,537	$502,116	$2,853	40.41%
4 – Other (Soft Costs)	$6,695,705	$6,968,714	$273,009	$1,551	4.08%
Total Changes in Uses (B)	**$75,330,857**	**$82,855,819**	**$7,524,962**	$42,755	9.99%
Current Funding Gap (A-B):			**-$4,460,000**		
Gap Funding sources:					
Increase in CalHFA Perm Loan (Rate lock without 25bps cushion):			**$1,190,000**		
Supplemental MIP Request:			**$3,270,000**		
Gap funding Sources Total:			**$3,270,000**		
Remaining Funding Gap:			**$0**		

Hard Cost/Soft Cost changes: The Project experienced significant increases in the cost of construction due to COVID, labor shortages and supply chain issues that resulted in the construction costs budget increasing by $6,586,264. As reflected on the above chart, most other budget line items increased as a result of loan financing costs and other soft costs related to macroeconomic factors, such as inflation.

Deferred Developer Fee: The current budget also reflects no increase to the developer fee, however, the current deferred developer's fee (DDF) is approximately $377,814 higher than the original budget, which results in an increase of the net DDF by $377,814 (original developer fee $11,887,186 with $7,867,186 deferred and current developer fee $11,887,186 with $8,245,000 deferred).

Perm Loan Reduction & Equity Contribution Adjustment: The equity contribution adjustment is anticipated to increase by approximately $7,077,148 due to increases in eligible basis. At receipt of the Supplemental MIP application, the CalHFA permanent loan of $27,500,000 was reduced by $4,390,000 to $23,110,000. This was attributed to increases in perm loan financing costs related to macroeconomic factors, such as inflation. The interest rate of 6.55% included a 25bps underwriting cushion and is inclusive of costs associated with the Agency offering extended rate lock period of 6+ months and interest rate hedging costs incurred by the Agency.

At final underwriting, to mitigate the funding gap of $4,460,000, CalHFA was able to increase the perm loan by allowing the removal of 25 bps underwriting cushion which was possible by entering into an early rate lock agreement and hedge, locking the maximum rate at 6.30% fixed interest rate for loan closing (perm conversion at 36-month forward from construction loan closing). This resulted in a permanent loan increase of $1,700,000 to $24,300,000, which reduced the overall funding gap to $3,270,000 as shown above.

The estimated funding gap after exhausting all resources available to the project totals approximately $3,270,000. The Borrower has requested an increase to the MIP Subsidy Loan of $3,270,000 to fund the remaining gap. Pursuant to the TCAC/CDLAC requirements, this project must begin construction by March 2023. A $3,270,000 increase in the MIP supplemental subsidy ($18,793/unit) results in an overall MIP Regulated Unit amount of $47,529 per restricted unit. The original MIP and Supplemental MIP total is therefore $8,270,000.

Subsidy Efficiency: The Initial MIP commitment for this Project was $5,000,000 ($28,736 per MIP restricted units). The current proposed MIP commitment is $8,270,000 ($47,529 per MIP restricted units) including the requested Supplemental MIP funding. Staff is recommending exceptions to the per project Allocation Limit of $8,000,000. Approval of these exceptions are further detailed in the "Underwriting Standards or Term Sheet Variations" section 9 below.

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

- 4% Federal Tax Credits: $50,962,680 ($292,889 per TCAC restricted unit).
- State Tax Credits: $12,210,000 ($70,172 per TCAC restricted unit).

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

Other State Subsidies: The Project will not be funded by other state funds.

Other Locality Subsidies: The Project will not be funded by locality funds.

Cost Containment Strategy: The developer is using its affiliated company, Pacific West Buildings, Inc., as its General Contractor. The developer established cost containment strategies that include: 1) engaging the General Contractor to provide pre-construction services including: conceptual design review, estimating, value engineering, and a critical path schedule, 2) reviewing the GMP contract for any exclusions or exceptions to mitigate project cost increases, and 3) requiring that the General Contractor provide a minimum of 3 bids for each major trade and all other trades, if available.

High-Cost Explanation: The total development cost per unit is $581,730. The Project is in a HUD high cost-designated area of the San Francisco Bay Area, which ranks as one of the most expensive places in the nation to develop and operate real estate. Other contributing factors are as follows:

- Construction costs are based on a cost estimate assuming a December 2022 construction start, though the developer has seen unprecedented hard cost escalation in recent years

	• As required by the City, significant off-site improvements, including new pedestrian sidewalks, curbs, gutters, and roads are required, which total $3,520,000. • Significant onsite improvements, including earthwork, wet/dry utilities, concrete, and roads and parking, which total $10,809,700. • Local development Impact Fees include an additional Foothill Trail Improvement fee of $326,500. Deducting these costs results in an adjusted total development cost of approximately $498,456 per unit.
6.	Equity – Cash Out (estimate): Not Applicable.

TRANSACTION OVERVIEW

7.	**Proposal and Project Strengths**

- The Project has received 4% federal and state tax credits which is projected to generate equity representing 55.4% of total financing sources.
- The developer/sponsor has extensive experience in developing similar affordable housing projects and has experience with CalHFA.
- The Project will serve low-income families ranging between 30% to 80% of AMI. On average, the rents are between 10% to 65% below market rents based on current appraisal.
- The Loan-to-Value will be 49%, which is well below the Agency's maximum allowable LTV of 90% LTV. This results in less risk to the Agency.
- The exit analysis assumes a 2% increase (6.50%) cap rate and a 3% increase (9.30%) of the underwriting interest rate at loan maturity. Based on these assumptions, the Project will have the ability to fully repay the balance of Agency's permanent first lien and subsidy loans if the project is refinanced or re-syndicated at CalHFA loan maturity.

8.	**Project Weaknesses with Mitigants:**

- The total estimated deferred developer's fee is not anticipated to be fully repaid by year 15. The developer has confirmed that they will forgo any outstanding developer fee in year 15 and treat the amount as a developer's contribution. This condition will be documented in the investor commitment letter and/or LPA.
- The Project budget indicates a deficit of approximately $3,700,000. The Borrower has requested an increase to the initially committed MIP subsidy loan to facilitate the progression of this shovel ready project to construction. Refer to section 5 for detailed explanation.
- The Project was previously owned by the California Department of Transportation (Caltrans) and was sold to the City of Hayward pursuant to a Director's Deed Grant. Such deed includes a Power of Termination, which requires that certain conditions be met by the City, otherwise the fee simple interest in the Project would revert back to Caltrans. Prior to construction loan closing, all conditions of the Director's Deed Grant must have been met, and a Relinquishment of Power of Termination, or such other document approved by the Agency, must be recorded against the property at construction loan closing, relinquishing Caltrans' Power of Termination and all other conditions placed on the Project by the Director's Deed Grant.

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

Pursuant to the MIP loan term sheet, no project may receive more than the lesser of (i) $8 million project cap, (ii) the aggregate MIP loan amount based on up to $50k per MIP regulated unit for a project, or (iii) MIP loan not to exceed 50% of the CalHFA perm loan. Based on the project economics, the combined original and supplemental MIP is $8,270,000 ($47,529/restricted unit), which exceeds the per project threshold. This is an exception to the MIP term sheet and is recommended by Multifamily Underwriting and Credit Staff for approval to facilitate the progression of a shovel ready project without delay; the project received tax credit and bond cap allocations from TCAC/CDLAC on June 15, 2022 and is ready to proceed to construction loan closing by December 2022.

10.	**Project Specific Conditions of Approval**

Approval is conditioned upon:

- No site work or construction commenced prior to the issuance of a HUD Firm Approval Letter.
- Prior to construction closing, receipt of seismic report confirming Probable Maximum Loss (PLM) below 20%, and/or other reports as deemed necessary by CalHFA.
- The total deferred developer's fee of $8,245,000 will not be fully repaid by year 15 per project cashflow, therefore the owner must provide evidence of investors approval of the total deferred developer's fee structure.
- The Borrower has requested that 100% of surplus cash be available for the repayment of the deferred developer's fee (DDF) until the earlier of year 15 of operations is complete or full repayment of the DDF. Thereafter, the surplus cash split shall be 50% to Borrower and 50% to Residual Receipt lender(s). As a condition of this approval, the Borrower must provide evidence that the DDF repayment structure is required pursuant to the Limited Partnership Agreement (LPA). In addition, the owner must provide evidence of investor and all residual receipt lender(s) approvals of the total deferred developer's fee structure and residual receipt split. Residual receipt lenders must also agree to defer the payments on their loans.
- 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.
- The CalHFA subsidy (including the supplemental MIP subsidy loan) will be, in the Agency's sole discretion, the lesser of 1) the principal amount as stated on hereto or 2) an amount as determined by the Agency in the event the financial assumptions change prior to construction loan closing and/or permanent loan closing.
- All MIP Loan principal and interest will be due and payable at maturity. Outstanding Supplemental MIP loan funds will have first repayment priority whether the source of repayment is cash flow during the term of the loan or repayment via refinance, partner contribution, or other source at loan maturity.
- Any default as to any loan by the Agency for the Development shall constitute a default under any other loan by the Agency for the Development.
- In the event of cost savings at permanent loan conversion, 100% of cost savings will be used to reduce the supplemental portion of the MIP loan amount first (may be shared with other residual receipt lenders on a pro rata basis, if applicable). Once the supplemental portion of the MIP loan amount is fully reduced, the remaining cost savings will be split 50% between reducing the original MIP loan amount (or may be shared with other residual receipt lenders on a pro rata basis, if applicable) and reducing the Deferred Developer Fee.
- Project includes approximately $3.5 Million of offsite improvement costs which are anticipated to be paid for with a taxable construction loan and tax credit equity at permanent conversion. Funds from the CalHFA permanent loan and/or the subsidy loan shall not be used to fund or offset any portion of the offsite improvement costs.
- Prior to construction loan closing, all conditions of the Director's Deed Grant must have been met, and a Relinquishment of Power of Termination, or such other document approved by the Agency, must be recorded against the property at construction loan closing, relinquishing Caltrans' Power of Termination and all other conditions placed on the Project by the Director's Deed Grant.

11.	**Staff Conclusion/Recommendation:**

The Multifamily Lending Division supports approval of the described financing in the amount(s) requested, subject to the above proposed terms and conditions. As noted earlier, the supplemental MIP subsidy loan allocation of $3,270,000 was not part of the Initial Commitment approved by SLC, and hence approval is being sought for this financing through the subject Final Commitment Approval.

AFFORDABILITY

12.	**CalHFA Affordability (Occupancy and Rent) Restrictions**

The CalHFA Permanent Financing Regulatory Agreement will restrict a minimum of 40% of the total units at or below 60% of AMI; with 30% of the total units (53 units) at or below 60% AMI and 10% of the total units (18 units) at 50% of AMI for 55 years.

The CalHFA MIP Subsidy Regulatory Agreement requires 10% of total units (18 units) be restricted at or below 30% of AMI, 20% of total units (36 units) be restricted at or below 50% of AMI, and 10% of total units (18 units) be restricted between 60% and 80% of AMI with a minimum average of 70% of AMI for a term of 55 years. The rents for the 60% to 80% tranche will be determined by the minimum income limit of 70% of AMI, not to exceed 80% of AMI. The remaining 102 restricted units will be restricted at or below 120% of AMI. For underwriting purposes, the initial rents at permanent loan closing must be no less than the underwriting rent levels outlined on the "Unit Mix and Rent Summary" enclosed as part of the project's staff report package. The CalHFA permanent loan agreement will require minimum underwriting rent levels as outlined in the Rent Limit Summary Table Below.

Rent Limit Summary Table

AMI	Total	Studio	1-bdrm	2-bdrm	3-bdrm	4-bdrm	% of Total
30%	21	4	8	4	5	-	11.9%
40%	0	-	-	-	-	-	0.0%
50%	38	4	14	10	10	-	21.6%
60%	65	19	16	15	15	-	36.9%
80%	50	11	9	15	15	-	28.4%
Manager's Unit	2	-	-	-	2	-	1.1%
Total	**176**	**38**	**47**	**44**	**47**	**0**	**100.0%**

CalHFA requires net rents to be at least 10% below market rents. To meet this requirement, the rents for the 50 units restricted at 80% AMI are underwritten approximately 11% below TCAC maximum rents and are 90% of market rents according to the appraisal dated 8/24/2022.

NUMBER OF UNITS AND AMI RENTS RESTRICTED BY EACH AGENCY

Regulatory Source	Recordation Priority of Recorded Document	Term of Agrmt (years)	Number of Units Restricted For Each AMI Category								
			30% AMI	40% AMI	50% AMI	60% AMI	70% AMI	80% AMI	120% AMI	Total Units Regulated	% of Regulated Units
CalHFA Bond/Risk Share	1	**55**	-	-	18	53	-	-	-	71	40%
CalHFA MIP	2	**55**	18	-	36	-	18	-	102	174	99%
Tax Credits	3	**55**	21	-	38	65	50	-	-	174	99%
DDA	4	**55**	-	-	2	2	-	170	-	174	99%

13. Geocoder Information

Central City:	No	Underserved:	No
Low/Mod Census Tract:	Moderate	Below Poverty line:	5.42%
Minority Census Tract:	89.98%	Rural Area:	No

FINANCIAL ANALYSIS SUMMARY

14. Capitalized Reserves:

Replacement Reserves (RR): N/A.

	Operating Expense Reserve (OER):	$759,715 OER amount is size based on 3 months of operating expenses, first lien debt service, and annual replacement reserves deposits. CalHFA will hold this reserve for the term of the CalHFA permanent loan and in the event the OER is drawn down during the term of the loan, the OER must be replenished over a 12-month period to the original level. *A minimum of 3 to 6 months operating expenses, reserves, and debt service ("OER") is required to be held for the life of the CalHFA permanent loan. The OER may be based on 3 months of total operating expenses, reserves, and debt service if the developer provides evidence that, within the last 2 years, they have received allocations from TCAC or provide a certification from a third- party accountant that they met TCAC's general partner and management experience pursuant to CTCAC regulations. The developer has submitted supporting documentation that they've met this requirement.
	Transitional Operating Reserve (TOR):	N/A.

15.	**Cash Flow Analysis**			
	1st Year DSCR:	1.15	**Project-Based Subsidy Term:**	N/A
	End Year DSCR:	1.93	**Annual Replacement Reserve Per Unit:**	$250/unit
	Residential Vacancy Rate: **Subsidy Vacancy Rate:**	5% N/A	**Rental Income Inflation Rate:** **Subsidy Income Inflation Rate:**	2.50% N/A
	Non-residential Vacancy Rate:	N/A	**Project Expenses Inflation Rate:** **Property Tax Inflation Rate:**	3.50% 1.25%

16.	**Loan Security**

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

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

The exit analysis assumes a 2% increase (6.50%) cap rate and a 3% increase (9.30%) of the underwriting interest rate at loan maturity. Based on these assumptions, the Project will have the ability to fully repay the balance of Agency's permanent first lien and subsidy loans if the project is refinanced or re-syndicated at CalHFA loan maturity.

APPRAISAL AND MARKET ANALYSIS

18.	**Appraisal Review**	**Dated: 9/17/2022**

- The Appraisal dated 9/17/2022, prepared by Pacific Real Estate Appraisal, values the land at $4,360,000.
- The cap rate of 4.50% and projected $2,247,123 of net operating income, which is approximately $330,354 higher than the developer proposed budget. This is attributed to the appraiser using TCAC maximum rents for the units restricted at 80% AMI where CalHFA and developer projections are underwriting these units 11% below TCAC maximums as described in section 12. Additionally, the appraisal estimates higher management costs than Developer projections. Eden Housing Management, Inc. has certified the project operating expenses and has calculated expenses based on similar projects they manage in the project area.
- The as-restricted stabilized value is $49,940,000, which results in the Agency's permanent first lien loan to value (LTV) of 49%. The combined LTV, including MIP subsidy loan is 65%.
- The project capture rate is 4.98% of eligible households in the immediate market area, which is slightly lower than the market study dated 11/3/21.
- The project is expected to achieve stabilized occupancy within 7 months after construction completion which is approximately three months longer than market study estimates.

	Market Study:	Laurin & Associates	**Dated:** November 3, 2021

Regional Market Overview

- The Primary Market Area is the Central City of Hayward (population of 132,001). The Market Study deemed a Secondary Market Area "unnecessary due to the demand and wait lists for affordable units in the Central Hayward Primary Market Area." However, the area most appropriate for an SMA would include: the western portion of the City of Hayward, the southwestern portion of the City of San Leandro, and the Community of San Lorenzo.
- The general population in the PMA is anticipated to increase by 2.4% by 2025. The general populations in the entire City of Hayward and Alameda County are anticipated to increase by 2.6% and 3.0% (respectively) by 2025.
- Unemployment in the City of Hayward was 7.4% in 2021, down from 9.0% in 2020. Per the appraisal, the unemployment rate in August was 2.8%. At the time of the Market Study, the City has generally experienced higher unemployment due to the effects of the pandemic as services account for the largest employment sector in the City. Unemployment is expected to return to a more normal level in 2025 when the project is in lease-up.

Local Market Area Analysis

- **Supply:**
  - There are currently sixteen (16) affordable family projects in the Central Hayward Market Area, and they are 99.8% occupied with long wait lists.
  - There are two (2) affordable projects under construction that are expected to have a total of 380 units.
- **Demand/Absorption:**
  - The project will need to capture 5.3% of the total demand for family units in the PMA. The affordable units are anticipated to lease up at a rate of 44 units per month.
  - Stabilized occupancy overall is estimated within four months of completion.

DEVELOPMENT SUMMARY

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

- The property is located near the northeast intersection of Tennyson Road and Mission Boulevard in Hayward, Alameda County.
- The site is currently vacant, with level topography at street grade, measuring approximately 4.55 acres and is generally rectangular in shape.
- The 4.55 acres are part of a 28.5-acre parcel that will be separately developed with affordable housing, school, and public park.
- The site is zoned RMB4 (Medium Density Residential), with permitted multifamily residential use.
- The subject is located in Flood Zone X (area of minimum flood hazard). Zone X is the area determined to be outside the 500-year floodplain and protected by levee from 100-year floodplain, therefore the Project will not be subject to flood insurance.

20. Form of Site Control & Expiration Date

In November 2021 the City of Hayward (the current owner) and Pacific West Communities, Inc. and Eden Housing, Inc. (together, the "buyer") entered into a Disposition and Development Agreement, which expires on December 31, 2022, to purchase approximately 8.5 of the 28.5 acres located northeast of the Tennyson Road and Mission Boulevard intersection. The City intends to retain 20 acres and then collaborate with the developer on a subdivision of the entire 28.5 acres which will remove the subject affordable housing site from the overall 28.5 acres prior to construction loan closing. The purchase price for the Affordable Housing Site shall be in the amount of $1,989,171 and the close of escrow is no later than December 31, 2022.

21. Current Ownership Entity of Record

Title is currently vested in the City of Hayward as the fee owner.

22.	**Environmental Review Findings**	**Dated:** November 16, 2021

A Phase I Environmental Site Assessment performed by Adanta, Inc., dated November 16, 2021 revealed no evidence of recognized environmental conditions, so no additional investigation was recommended.

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

This new Project will be built to State and City of Hayward Building Codes therefore earthquake insurance is expected not to be required. A seismic report is being ordered by the equity investor and will be used to verify that the project meets CalHFA requirements for earthquake insurance waiver of Probable Maximum Loss (PML) below 20%. Additional seismic report(s) may be required, if deemed necessary by CalHFA.

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

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

PROJECT DETAILS

25. Residential Areas:

Residential Square Footage:	121,607	**Residential Units per Acre:**	38.68
Community Area Sq. Ftg:	38,065	**Total Parking Spaces:**	183
Supportive Service Areas:	1,800	**Total Building Sq. Footage:**	159,672

26. Mixed-Use Project: ☐ **Yes** ☒ **No**

Non-Residential Sq. Footage:	N/A	**Number of Lease Spaces:**	N/A
Master Lease:	☐ **Yes** ☒ **No**	**Number of Parking Spaces:**	N/A

27.	**Construction Type:**	The Project will consist of two five-story (Type III) framed residential buildings with surface parking.

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

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

29. Construction Budget Comments:

- CalHFA will require an independent review of the costs by a 3rd Party consultant prior to construction loan closing.
- The Developer is currently looking for cost saving design options to reduce construction costs and minimize the amount of deferred developer fee.
- The developer has established cost containment strategies, which are outlined in Section 5 above.
- During construction, the cost of the offsite improvements will be paid by the taxable loan from Chase Bank. At permanent loan closing, the sidewalks, gutters, curbs, and roads will be paid off by investor equity as follows:

	Construction	**Permanent**
Offsite Improvements	$3,520,000	$3,520,000
Chase – Taxable Loan	$3,520,000	$0
Tax Credit Equity	$0	$3,520,000

ADDITIONAL DEVELOPMENT/ PROJECT TEAM INFORMATION

30. Borrower Affiliated Entities

- Managing General Partner: La Vista Hayward LLC, a California limited liability company; 0.005% interest

- Sole Member/Manager: Eden Investments, Inc., a California nonprofit public benefit corporation
- Administrative General Partner: TPC Holdings IX, LLC, an Idaho limited liability company; 0.005% interest
  - Manager: Pacific West Communities, Inc.
  - Sole Member: TPC Enterprise Holdings, LLC
  - Sole Shareholder: Caleb Roope
- Investor Limited Partner: CREA La Vista Hayward, LLC; 99.989% interest
- Special Limited Partner: CREA SLP, LLC 0.001% interest

31. Co-Developers/Sponsors

Pacific West Communities, Inc. and Eden Housing, Inc. are co-developers of the Project. Pacific West Communities, Inc. (PWC) is a vertically integrated for-profit developer that has extensive experience developing and constructing affordable housing projects similar to this Project across the western United States. PWC currently has 22 projects (20 affordable) with a total of 1,850 units in their pipeline and 27 projects (25 affordable) with a total of 2,700 units that are under construction. PWC has completed 37 projects (36 affordable) with a total of 3,750 units in CA within the last five years, and 1 of these projects (The Aspens at South Lake Tahoe MHSA) is in the CalHFA Asset Management portfolio.

PWC has 9 projects including CalHFA financing in various stages of development and 1 project in the CalHFA Asset Management portfolio as described in the chart below.

Projects In CalHFA Pipeline	Total Units	Perm Loan Amount	MIP/Other Subsidy Loan Amount	Target Construction Closing	Target Perm Closing	Under Construction?	Progressing as Expected?	Notes
1. Fiddyment Apts	330	$37,400,000	$8,000,000	12/31/2022	12/31/2025	No	N/A	Pending CalHFA board approval 10/20/2022.
2. La Vista Residential	176	$24,300,000	$8,270,000	12/31/2022	12/31/2025	No	N/A	Subject Property. Pending CalHFA board approval 10/20/22.
3. Alamo Street Apts	271	$52,000,000	$7,000,000	6/15/2022	6/15/2025	Yes	Yes	
4. Courtyards at Kimball	131	$0	$6,500,000	5/1/2020	5/1/2023	Yes	Yes	
5. Frishman Hollow II	68	$6,610,000	$4,388,000	8/19/2020	12/31/2022	Yes	Yes	
6. Glen Loma Ranch	158	$0	$7,850,000	4/8/2020	6/1/2023	Yes	Yes	
7. Peterson Place (fka Parkway Apts)	72	$7,875,000	$3,350,000	9/8/2020	10/14/2022	Yes	Yes	
8. The Redwood Apts	96	$15,000,000	$4,750,000	7/28/2020	12/31/2022	Yes	Yes	
9. Village at Burlingame	132	$0	$9,700,000	10/14/2020	12/30/2023	Yes	Yes	
Subtotal:	**1434**	**$143,185,000**	**$59,808,000**					

Project In CalHFA Portfolio	Total Units	Original Perm Loan Amount	Origination Date	Current Perm Loan Balance Amount	Current MIP/Other Subsidy Loan Amount	Maturity Date	Regulatory Restriction Exp. Date	Operating as Expected?	RR Balance	OER Balance	Notes
1. The Aspens at South Lake Tahoe- MHSA	48	$948,770	4/2/2013	$948,770	$0	4/1/2068	4/1/2068	Yes	$0	$0	Reserves held by senior lender.
Subtotal:	**48**	**$948,770**		**$948,770**	**$0**						
Aggregate Total:	**1482**			**$144,133,770**	**$59,808,000**						

Eden Housing, Inc. (Eden) is a 501(c)3 non-profit developer that has extensive experience in developing, constructing, and managing affordable housing projects similar to this project throughout California. Eden currently has 171 projects, with a total of 11,951 units in their portfolio including 20 projects (a combination of CalHFA first lien lending and MHSA) that are in CalHFA's portfolio that are performing as expected. Eden has 7 projects currently under construction, none of which include CalHFA financing. Eden has 40 projects in their development pipeline, of which, the subject property is the only project that includes CalHFA financing. Eden has 17 projects in CalHFA's Asset Management portfolio as described in the chart below.

Projects In CalHFA Pipeline	Total Units	Perm Loan Amount	MIP/Other Subsidy Loan Amount	Target Construction Closing	Target Perm Closing	Under Construction?	Progressing as Expected?	Notes
1. La Vista Residential	176	$24,300,000	$8,270,000	12/31/2022	12/31/2025	No	N/A	Subject Property. Pending CalHFA board approval 10/20/22.
Subtotal:	**176**	**$24,300,000**	**$8,270,000**					

Project In CalHFA Portfolio	Total Units	Original Perm Loan Amount	Origination Date	Current Perm Loan Balance Amount	Current MIP/Other Subsidy Loan Amount	Maturity Date	Regulatory Restriction Exp. Date	Operating as Expected?	RR Balance	OER Balance
1. Alta Mira Senior-MHSA	151	$850,000	11/10/2014	$850,000	$0	11/1/2069	11/1/2069	Yes	$0	$0
2. Arroyo Vista	156	$7,000,000	4/17/1996	$0	$0	Paid in Full	5/1/2041	Yes	$0	$0
3. Cranes Landing-MHSA	80	$740,000	3/17/2016	$740,000	$0	3/1/2071	3/1/2071	Yes	$0	$0
4. Emerson Arms	32	$2,480,000	6/24/2005	$0	$0	Paid in Full	7/1/2035	Yes	$0	$0
5. Fireside Apts	50	$1,600,000	1/3/2007	$719,205	$1,375,000	2/1/2066	2/1/2062	Yes	$137,706	$31,823
6. Ford Road Plaza-MHSA	75	$855,000	6/25/2015	$885,000	$0	6/1/2070	6/1/2070	Yes	$0	$0
7. Gilroy Sobrato Family Apts- MHSA	26	$1,839,599	10/31/2012	$0	$1,839,599	10/1/2067	10/1/2067	Yes	$0	$67,064
8. Hillview Glen	138	$12,000,000	6/9/2005	$8,744,466	$0	7/1/2037	7/1/2037	Yes	$108,318	$0
9. Monticelli	52	$2,990,000	2/3/2003	$1,596,661	$0	3/1/2033	3/1/2033	Yes	$135,761	$20,380
10. Owl's Landing	72	$4,800,000	12/22/2000	$3,071,691	$0	1/1/2036	1/1/2036	Yes	$104,650	$0
11. Seacliff Highliands	40	$1,385,000	9/28/2005	$946,825	$200,000	2/1/2037	2/1/2037	Yes	$152,016	$0
12. Sobrato Family Apts	60	$287,867	2/28/2014	$140,719	$0	3/1/2029	3/1/2029	Yes	$86,760	$25
13. Sycamore Square Apts	26	$2,200,000	12/11/2001	$1,099,561	$0	12/1/2031	12/1/2031	Yes	$136,132	$0
14. The Surf	46	$2,825,000	3/2/2005	$2,246,659	$0	4/1/2035	4/1/2035	Yes	$320,524	$17
15. Union Court Apts	68	$1,295,000	8/18/2003	$738,012	$0	9/1/2033	9/1/2033	Yes	$45,799	$0
16. Victoria Green	132	$9,455,000	9/1/2004	$5,596,992	$0	10/1/2034	10/1/2034	Yes	$295,369	$37,120
17. Villa Springs	66	$3,100,000	6/3/2008	$2,306,058	$0	12/1/2039	12/1/2039	Yes	$105,904	$0
Subtotal:	**1270**	**$55,702,466**		**$29,681,849**	**$3,414,599**				**$1,628,940**	**$156,429**
Aggregate Total:	**1446**			**$53,981,849**	**$11,684,599**					

32. Management Agent

The Project will be managed by Eden Housing Management, Inc. which has extensive experience in managing similar affordable housing projects in the area and manages 20 projects in CalHFA's portfolio that are performing as expected.

33. Service Provider

Required by TCAC or other funding source? ☒ **Yes** ☐ **No**

The Borrower has elected to provide a Service Coordinator to meet the City of Hayward's and TCAC requirements for a term of 15 years and the expense for these services is currently within the approved line-item operating budget. Eden Housing Management, Inc. will be providing the services onsite, at no cost to the residents. Supportive services will include instructor-led adult educational classes, skill building classes, and health and wellness classes and programs.

34. Contractor

Experienced with CalHFA? ☒ **Yes** ☐ **No**

The general contractor (GC) is Pacific West Buildings, Inc., an affiliated entity to the Co-Developer, which has extensive experience in constructing similar affordable housing projects in California and is familiar with CalHFA. Pacific West

Buildings, Inc. is the construction arm of the developer, The Pacific Companies. The GC currently has 26 projects (25 affordable) under construction and 36 projects (35 affordable) completed in CA within the last five years. The GC and developer have completed 120+ projects and have 36 currently in development stage.	
35.	**Architect** **Experienced with CalHFA?** ☒ **Yes** ☐ **No**
The architect is Architects Orange, 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 currently has 48 projects (5 affordable) under construction and 210 (10 affordable) completed projects within the last five years. The architect and the developer have worked on 30 project(s) that have been completed and is working on 5 projects that are in development stage.	
36.	**Local Review via Locality Contribution Letter**
The locality, City of Hayward, returned the local contribution letter stating they strongly support the project.	

EXHIBITS: Detailed Financial Analysis and applicable Term Sheets

PROJECT SUMMARY — Final Commitment

Acquisition, Rehab, Construction & Permanent Loans — **Project Number 21-033-A/X/N**

Project Full Name	La Vista Residential	**Borrower Name:**	La Vista Hayward, L.P.
Project Address	NE of Tennyson Road & Mission Boulevard	**Managing GP:**	La Vista Hayward, LLC
Project City	Hayward	**Developer Name:**	Pacific West Communities, Inc.
Project County	Alameda	**Investor Name:**	CREA, LLC
Project Zip Code	94544	**Prop Management:**	Eden Housing Management, Inc.
		Tax Credits:	4
Project Type:	Permanent Loan Only	**Total Land Area (acres):**	4.55
Tenancy/Occupancy:	Individuals/Families	**Residential Square Footage:**	121,607
Total Residential Units:	176	**Residential Units Per Acre:**	38.68
Total Number of Buildings:	2		
Number of Stories:	5	**Covered Parking Spaces:**	0
Unit Style:	Flat	**Total Parking Spaces:**	183
Elevators:	4		

Acq/Construction/Rehab Financing	Loan Amount ($)	Loan Fees	Loan Term (Mo.)	Amort. Period (Yr.)	Starting Interest Rate
JP Morgan Chase- Conduit- Tax Exempt	52,000,000	0.500%	36	--	5.000%
JP Morgan Chase Conduit- Taxable	9,461,725	0.500%	36	--	5.000%
Bonneville- Conduit- Recycled	5,000,000	--	36	--	7.000%
Deferred Developer Fee	11,887,186	NA	NA	NA	NA
Deferred Costs	693,650	NA	NA	NA	NA
Investor Equity Contribution	22,596,631	NA	NA	NA	NA
Total	**101,639,192**	NA	NA	NA	NA

Permanent Financing	Loan Amount ($)	Loan Fees	Loan Term (Yr.)	Amort. Period (Yr.)	Starting Interest Rate
Perm	24,300,000	1.000%	30	40	6.300%
MIP	5,000,000	1.000%	30	NA	3.000%
Supplemental MIP	3,270,000	1.000%	30.00	NA	3.000%
Bonneville Perm Loan	5,000,000	--	30	45	5.000%
Deferred Developer Fees	8,245,000	NA	NA	NA	NA
Investor Equity Contributions	56,892,176	NA	NA	NA	NA
Total	**102,707,176**	NA	NA	NA	NA

Appraised Values Upon Completion of Rehab/Construction

Appraisal Date:	8/24/22	**Capitalization Rate:**	4.50%
Investment Value ($)	104,780,000	**Restricted Value ($)**	49,940,000
Construct/Rehab LTC	60%	**CalHFA Permanent Loan to Cost**	24%
Construct/Rehab LTV	59%	**CalHFA 1st Permanent Loan to Value**	49%
		Combined CalHFA Perm Loan to Value	65%

Additional Loan Terms, Conditions & Comments

Construction/Rehab Loan

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

Permanent Loan

Operating Expense Reserve Deposit	$759,715	Cash
Initial Replacement Reserve Deposit	$0	Cash
Annual Replacement Reserve Per Unit	$250	Cash

Date Prepared: 9/27/22 — Senior Staff Date: 10/5/22

UNIT MIX AND RENT SUMMARY — Final Commitment

La Vista Residential — **Project Number 21-033-A/X/N**

PROJECT UNIT MIX					
Unit Type of Style	Number of Bedrooms	Number of Baths	Average Size (Sq. Ft.)	Number of Units	Est. No. of Tenants
Flat	-	1	416	38	57
Flat	1	1	547	47	70.5
Flat	2	1	767	44	132
Flat	3	2	986	47	211.5
-	-	-	-	-	0
-	-	-	-	-	0
				176	471

NUMBER OF UNITS AND PERCENTAGE OF AMI RENTS RESTRICTED BY EACH AGENCY							
Agency	Number of Units Restricted For Each AMI Category						
	30%	40%	50%	60%	70%	80%	120%
FA Bond/RiskShare	0	0	18	53	0	0	0
CalHFA MIP	18	0	36	0	18	0	102
Tax Credit	21	0	38	65	50	0	0
opment Agreement	0	0	2	2	0	170	0
-	0	0	0	0	0	0	0
-	0	0	0	0	0	0	0
-	0	0	0	0	0	0	0

COMPARISON OF AVERAGE MONTHLY RESTRICTED RENTS TO AVERAGE MARKET RENTS							
Unit Type	Restricting Agency	% of Area Median Income	Average Restricted Rents Number of Units	Average Restricted Rents Unit Rent	Average Market Rents	Average Monthly Savings	% of Market Rents
Studios	CTCAC	30%	4	$687	$1,875	$1,188	37%
	CTCAC	50%	4	$1,187		$688	63%
	CTCAC	60%	19	$1,437		$438	77%
	CTCAC	80%	11	$1,688		$187	90%
	HCD	100%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	80%	-	-		-	-
1 Bedroom	CTCAC	30%	8	$727	$2,050	$1,323	35%
	CTCAC	50%	14	$1,263		$787	62%
	CTCAC	60%	16	$1,531		$519	75%
	CTCAC	80%	9	$1,845		$205	90%
	HCD	100%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	80%	-	-		-	-
2 Bedrooms	CTCAC	30%	4	$858	$2,400	$1,542	36%
	CTCAC	50%	10	$1,501		$899	63%
	CTCAC	60%	15	$1,823		$577	76%
	CTCAC	80%	15	$2,160		$240	90%
	HCD	100%	-	-		-	-
	CTCAC	80%	-	-		-	-
	CTCAC	-	-	-		-	-
3 Bedrooms	CTCAC	30%	5	$988	$2,800	$1,812	35%
	CTCAC	50%	10	$1,731		$1,069	62%
	CTCAC	60%	15	$2,101		$699	75%
	CTCAC	80%	15	$2,520		$280	90%
	HCD	100%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	80%	-	-		-	-
4 Bedrooms	CTCAC	30%	-	-	-	-	-
	CTCAC	50%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	80%	-	-		-	-
	HCD	100%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	80%	-	-		-	-
5 Bedrooms	CTCAC	30%	-	-	-	-	-
	CTCAC	50%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	80%	-	-		-	-
	HCD	100%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	80%	-	-		-	-

Date Prepared: 9/27/22 Senior Staff Date: 10/5/22

SOURCES & USES OF FUNDS					Final Commitment
La Vista Residential			Project Number		21-033-A/X/N
SOURCES OF FUNDS	CONST/REHAB $	PERMANENT $	TOTAL PROJECT SOURCES OF FUNDS		
			SOURCES ($)	PER UNIT ($)	%
JP Morgan Chase- Conduit- Tax Exempt	52,000,000				0.0%
JP Morgan Chase Conduit- Taxable	9,461,725				0.0%
Bonneville- Conduit- Recycled	5,000,000				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
Deferred Costs	693,650				0.0%
-	-				0.0%
-	-				0.0%
Construct/Rehab Net Oper. Inc.	-				0.0%
Deferred Developer Fee	11,887,186				0.0%
Developer Equity Contribution	-				0.0%
Investor Equity Contribution	22,596,631				0.0%
Perm		24,300,000	24,300,000	138,068	23.7%
MIP		5,000,000	5,000,000	28,409	4.9%
Supplemental MIP		3,270,000	3,270,000	18,580	3.2%
-		-	-	-	0.0%
Bonneville Perm Loan		5,000,000	5,000,000	28,409	4.9%
Construct/Rehab Net Oper. Inc.		-	-	-	0.0%
Deferred Developer Fees		8,245,000	8,245,000	46,847	8.0%
Developer Equity Contribution		-	-	-	0.0%
Investor Equity Contributions		56,892,176	56,892,176	323,251	55.4%
TOTAL SOURCES OF FUNDS	**101,639,192**	**102,707,176**	**102,707,176**	**583,564**	**100.0%**
TOTAL USES OF FUNDS (BELOW)	**101,639,192**	**102,707,176**	**102,707,176**	**583,564**	**100.0%**
FUNDING SURPLUS (DEFICIT)	**-**	**-**	**-**		

USES OF FUNDS	CONST/REHAB $	PERMANENT $	TOTAL PROJECT USES OF FUNDS		
			USES ($)	PER UNIT ($)	%
CONSTRUCTION/REHAB SOURCES OF FUNDS		**101,639,192**			
ACQUISITION COSTS					
Lesser of Land Cost or Appraised Value	1,989,171	-	1,989,171	11,302	1.9%
Demolition Costs	-	-	-	-	0.0%
Legal & Other Closing Costs	5,000	-	5,000	28	0.0%
Escrow & other closing costs	-	-	-	-	0.0%
Verifiable Carrying Costs	-	-	-	-	0.0%
Existing Improvements Value	-	-	-	-	0.0%
Delinquent Taxes Paid @ Closing	-	-	-	-	0.0%
CalHFA Yield Maintenance Paid @ Closing	-	-	-	-	0.0%
Existing Replacement Reserve	-	-	-	-	0.0%
Broker Fees Paid to Related Party	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL ACQUISITION COSTS	**1,994,171**	**-**	**1,994,171**	**11,331**	**1.9%**
CONSTRUCTION/REHAB COSTS					
Offsite Improvements	3,520,000	-	3,520,000	20,000	3.4%
Environmental Remediation (Hard Costs)	-	-	-	-	0.0%
Site Work (Hard Cost)	10,809,700	-	10,809,700	61,419	10.5%
Structures (Hard Cost)	46,079,100	-	46,079,100	261,813	44.9%
General Requirements	3,624,528	-	3,624,528	20,594	3.5%
Contractor Overhead	1,280,667	-	1,280,667	7,277	1.2%
Contractor Profit	3,842,000	-	3,842,000	21,830	3.7%
Contractor Bond	-	-	-	-	0.0%
Contractor Liability Insurance	597,300	-	597,300	3,394	0.6%
Personal Property	-	-	-	-	0.0%
HVAC/Resident Damage	-	-	-	-	0.0%
TOTAL CONSTRUCT/REHAB COSTS	**69,753,295**	**-**	**69,753,295**	**396,326**	**67.9%**

SOURCES & USES OF FUNDS					Final Commitment
La Vista Residential			Project Number		21-033-A/X/N
USES OF FUNDS	CONST/REHAB $	PERMANENT $	TOTAL PROJECT USES OF FUNDS		
			USES ($)	PER UNIT ($)	%
RELOCATION COSTS					
Relocation Expense	-	-	-	-	0.0%
Relocation Compliance Monitoring	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL RELOCATION COSTS	**-**	**-**	**-**	**-**	**0.0%**
ARCHITECTURAL FEES					
Design	700,000	-	700,000	3,977	0.7%
Supervision	200,000	-	200,000	1,136	0.2%
TOTAL ARCHITECTURAL FEES	**900,000**	**-**	**900,000**	**5,114**	**0.9%**
SURVEY & ENGINEERING FEES					
Engineering	250,000	-	250,000	1,420	0.2%
Supervision	50,000	-	50,000	284	0.0%
ALTA Land Survey	-	-	-	-	0.0%
TOTAL SURVEY & ENGINEERING FEES	300,000	-	300,000	1,705	0.3%
CONTINGENCY RESERVES					
Hard Cost Contingency Reserve	4,000,000	-	4,000,000	22,727	3.9%
Soft Cost Contingency Reserve	750,000	-	750,000	4,261	0.7%
TOTAL CONTINGENCY RESERVES	4,750,000	-	4,750,000	26,989	4.6%
CONSTRUCT/REHAB PERIOD COSTS					
Loan Interest Reserve					
JP Morgan Chase- Conduit- Tax Exempt	3,852,691	-	3,852,691	21,890	0.037511
JP Morgan Chase Conduit- Taxable	-	-	-	-	0
Bonneville- Conduit- Recycled	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Loan Fees					
JP Morgan Chase- Conduit- Tax Exempt	260,000	-	260,000	1,477	0.3%
JP Morgan Chase Conduit- Taxable	47,309	-	47,309	269	0.0%
Bonneville- Conduit- Recycled	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Other Const/Rehab Period Costs					
Deficit Const/Rehab NOI (Net Operating In	-	-	-	-	0.0%
Credit Enhancement & Application Fees	-	-	-	-	0.0%
Owner Paid Bonds/Insurance	-	-	-	-	0.0%
CalHFA Inspection Fees	18,000	-	18,000	102	0.0%
Real Estate Taxes During Rehab	80,000	-	80,000	455	0.1%
Completion Guaranty Fee	-	-	-	-	0.0%
Wage Monitoring Fee (Davis Bacon, Preva	-	-	-	-	0.0%
Insurance During Rehab	500,000	-	500,000	2,841	0.5%
Title & Recording Fees	80,000	-	80,000	455	0.1%
-	-	-	-	-	0.0%
Construction Lender Costs (Legal, Etc)	70,570	-	70,570	401	0.1%
Bond Issuer Fee	60,731	-	60,731	345	0.1%
Other Cost of Issuance Related Fees	5,758	-	5,758	33	0.0%
TOTAL CONST/REHAB PERIOD COSTS	**4,975,058**	**-**	**4,975,058**	**28,267**	**4.8%**
USES OF FUNDS	CONST/REHAB $	PERMANENT $	TOTAL PROJECT USES OF FUNDS		
			USES ($)	PER UNIT ($)	%

SOURCES & USES OF FUNDS					Final Commitment
La Vista Residential			Project Number	21-033-A/X/N	
PERMANENT LOAN COSTS					
Loan Fees					
CalHFA Application Fee	-	-	-	-	0.0%
Perm	105,500	137,500	243,000	1,381	0.2%
MIP	25,000	25,000	50,000	284	0.0%
Supplemental MIP	16,350	16,350	32,700	186	0.0%
-	-	-	-	-	0.0%
Bonneville Perm Loan	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Permanent Loan Cost of Issuance Fee	-	110,000	110,000	625	0.1%
Credit Enhancement & Application Fees	-	-	-	-	0.0%
Title & Recording (closing costs)	-	-	-	-	0.0%
Year 1 - Taxes & Special Assessments and Insura	-	-	-	-	0.0%
CalHFA Fees	-	-	-	-	0.0%
Tax Exempt Bond Allocation Fee	-	-	-	-	0.0%
CalHFA Perm Loan & MIP Fees & Costs	-	-	-	-	0.0%
TOTAL PERMANENT LOAN COSTS	**146,850**	**288,850**	**435,700**	**2,476**	**0.4%**
LEGAL FEES					
CalHFA Construction/Rehab Loan Legal Fees	-	-	-	-	0.0%
Other Construction/Rehab Loan Legal Fees	-	-	-	-	0.0%
CalHFA Permanent Loan Legal Fees	17,500	17,500	35,000	199	0.0%
Other Permanent Loan Legal Fees	-	-	-	-	0.0%
Sponsor Legal Fees	-	-	-	-	0.0%
Organizational Legal Fees	-	-	-	-	0.0%
Syndication Legal Fees	-	-	-	-	0.0%
Borrower Legal Fee	65,000	-	65,000	369	0.1%
CalHFA Bond Counsel	90,000	-	90,000	511	0.1%
TOTAL LEGAL FEES	**172,500**	**17,500**	**190,000**	**1,080**	**0.2%**
OPERATING RESERVES					
Operating Expense Reserve Deposit	-	759,715	759,715	4,317	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%
Post Construction Interest Reserve	1,000,000	-	1,000,000	5,682	1.0%
Investor Required Reserve	-	1,919	1,919	11	0.0%
TOTAL OPERATING RESERVES	**1,000,000**	**761,634**	**1,761,634**	**10,009**	**1.7%**
REPORTS & STUDIES					
Appraisal Fee	10,000	-	10,000	57	0.0%
Market Study Fee	10,000	-	10,000	57	0.0%
Physical Needs Assessment Fee	-	-	-	-	0.0%
Environmental Site Assessment Reports	20,000	-	20,000	114	0.0%
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	**40,000**	**-**	**40,000**	**227**	**0.0%**
USES OF FUNDS	**CONST/REHAB**	**PERMANENT**	**TOTAL PROJECT USES OF FUNDS**		
	$	**$**	**USES ($)**	**PER UNIT ($)**	**%**
OTHER COSTS					

SOURCES & USES OF FUNDS				Final Commitment	
La Vista Residential			Project Number	21-033-A/X/N	
TCAC Application, Allocation & Monitor Fees	124,303	-	124,303	706	0.1%
CDLAC Fees	21,512	-	21,512	122	0.0%
Local Permits & Fees	1,800,000	-	1,800,000	10,227	1.8%
Local Impact Fees	3,406,677	-	3,406,677	19,356	3.3%
Other Local Fees	-	-	-	-	0.0%
Syndicator/Investor Fees & Expenses	-	-	-	-	0.0%
Furnishings	50,000	-	50,000	284	0.0%
Accounting & Audits	10,000	-	10,000	57	0.0%
Advertising & Marketing Expenses	307,640	-	307,640	1,748	0.3%
Financial Consulting	-	-	-	-	0.0%
Miscellaneous Administrative Fees	-	-	-	-	0.0%
HUD Risk Share Insurance (First Year Prepaid)	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL OTHER COSTS	**5,720,132**	**-**	**5,720,132**	**32,501**	**5.6%**
SUBTOTAL PROJECT COSTS	**89,752,006**	**102,707,176**	**90,819,990**	**516,023**	**88.4%**
DEVELOPER FEES & COSTS					
Developer Fees, Overhead & Profit	11,887,186	-	11,887,186	67,541	11.6%
Consultant Processing Agent	-	-	-	-	0.0%
Project Administration	-	-	-	-	0.0%
Syndicator Consultant Fees	-	-	-	-	0.0%
Guarantee Fees	-	-	-	-	0.0%
Construction Oversight & Management	-	-	-	-	0.0%
Other Adminstration Fees	-	-	-	-	0.0%
Other (Specify) correction to balance	-	-	-	-	0.0%
CASH EQUITY OUT TO DEVELOPER	-	-	-	-	0.0%
TOTAL DEVELOPER FEES & COSTS	**11,887,186**	**-**	**11,887,186**	**67,541**	**11.6%**
TOTAL PROJECT COSTS	**101,639,192**	**102,707,176**	**102,707,176**	**583,564**	**100.0%**

PROJECTED INITIAL ANNUAL RENTAL OPERATING BUDGET			Final Commitment
La Vista Residential	**Project Number**		**21-033-A/X/N**
INCOME	**AMOUNT**	**PER UNIT**	**%**
Rental Income			
Restricted Unit Rents	$ 3,452,616	$ 19,617	104.73%
Unrestricted Unit Rents	-	-	0.00%
Commercial Rents	-	-	0.00%
Rental & Operating Subsidies			
Project Based Rental Subsidy	-	-	0.00%
Other Project Based Subsidy	-	-	0.00%
Income during renovations	-	-	0.00%
Other Subsidy (Specify)	-	-	0.00%
Other Income			
Laundry Income	17,600	100	0.53%
Parking & Storage Income	-	-	0.00%
Miscellaneous Income	-	-	0.00%
GROSS POTENTIAL INCOME (GPI)	**$ 3,470,216**	**$ 19,717**	**105.26%**
Less: Vacancy Loss	**$ 173,511**	**$ 986**	**5.26%**
EFFECTIVE GROSS INCOME (EGI)	**$ 3,296,705**	**$ 20,703**	**100.00%**
OPERATING EXPENSES	**AMOUNT**	**PER UNIT**	**%**
Administrative Expenses	$ 113,740	$ 646	$ 0
Management Fee	147,523	838	4.47%
Social Programs & Services	40,380	229	1.22%
Utilities	259,100	1,472	7.86%
Operating & Maintenance	599,950	3,409	18.20%
Ground Lease Payments	-	-	0.00%
CalHFA Monitoring Fee	7,500	43	0.23%
Other Monitoring Fees	-	-	0.00%
Real Estate Taxes	22,500	128	0.68%
Other Taxes & Insurance	138,350	786	4.20%
Assisted Living/Board & Care	-	-	0.00%
SUBTOTAL OPERATING EXPENSES	**$ 1,329,043**	**$ 7,551**	**40.31%**
Replacement Reserve	$ 44,000	$ 250	1.33%
TOTAL OPERATING EXPENSES	**$ 1,373,043**	**$ 7,801**	**41.65%**
NET OPERATING INCOME (NOI)	**$ 1,923,662**	**$ 10,930**	**58.35%**
DEBT SERVICE PAYMENTS	**AMOUNT**	**PER UNIT**	**%**
Perm	$ 1,665,817	$ 9,465	50.53%
Supplemental MIP	$ -	-	0.00%
-	$ -	-	0.00%
Bonneville Perm Loan	$ -	-	0.00%
-	$ -	-	0.00%
-	$ -	-	0.00%
-	$ -	-	0.00%
MIP Annual Fee (applicable for MIP only deals)	$ -	-	0.00%
TOTAL DEBT SERVICE & OTHER PAYMENTS	**$ 1,665,817**	**$ 9,465**	**50.53%**
EXCESS AFTER DEBT SERVICE & MONITORING FEES	**$ 257,845**	**$ 1,465**	**7.82%**
DEBT SERVICE COVERAGE RATIO (DSCR)	**1.15**	**to 1**	
Date: 9/27/22		Senior Staff Date:	10/05/22

PROJECTED PERMANENT LOAN CASH FLOWS — **La Vista Residential**

Final Commitment — Project Number 21-033-A/X/N

	YEAR	1	2	3	4	5	6	7	8	9	10	11	12	13	14
RENTAL INCOME	**CPI**														
Restricted Unit Rents	2.50%	3,452,616	3,538,931	3,627,405	3,718,090	3,811,042	3,906,318	4,003,976	4,104,075	4,206,677	4,311,844	4,419,640	4,530,131	4,643,385	4,759,469
Unrestricted Unit Rents	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Rents	2.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Based Rental Subsidy	1.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Project Based Subsidy	1.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income during renovations	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Laundry Income	2.50%	17,600	18,040	18,491	18,954	19,428	19,913	20,411	20,921	21,444	21,980	22,530	23,093	23,671	24,262
Parking & Storage Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GROSS POTENTIAL INCOME (GPI)		**3,470,216**	**3,556,972**	**3,645,896**	**3,737,044**	**3,830,470**	**3,926,231**	**4,024,387**	**4,124,997**	**4,228,122**	**4,333,825**	**4,442,170**	**4,553,225**	**4,667,055**	**4,783,732**
VACANCY ASSUMPTIONS	**Vacancy**														
Restricted Unit Rents	5.00%	172,631	176,947	181,370	185,904	190,552	195,316	200,199	205,204	210,334	215,592	220,982	226,507	232,169	237,973
Unrestricted Unit Rents	7.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Rents	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Based Rental Subsidy	5.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Project Based Subsidy	3.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income during renovations	20.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Laundry Income	5.00%	880	902	925	948	971	996	1,021	1,046	1,072	1,099	1,126	1,155	1,184	1,213
Parking & Storage Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL PROJECTED VACANCY LOSS		**173,511**	**177,849**	**182,295**	**186,852**	**191,523**	**196,312**	**201,219**	**206,250**	**211,406**	**216,691**	**222,109**	**227,661**	**233,353**	**239,187**
EFFECTIVE GROSS INCOME (EGI)		**3,296,706**	**3,379,123**	**3,463,601**	**3,550,191**	**3,638,946**	**3,729,920**	**3,823,168**	**3,918,747**	**4,016,716**	**4,117,134**	**4,220,062**	**4,325,563**	**4,433,702**	**4,544,545**
OPERATING EXPENSES	**CPI / Fee**														
Administrative Expenses	3.50%	154,120	159,514	165,097	170,876	176,856	183,046	189,453	196,084	202,947	210,050	217,401	225,011	232,886	241,037
Management Fee	4.47%	147,523	151,211	154,991	158,866	162,837	166,908	171,081	175,358	179,742	184,236	188,841	193,562	198,402	203,362
Utilities	3.50%	259,100	268,169	277,554	287,269	297,323	307,730	318,500	329,648	341,185	353,127	365,486	378,278	391,518	405,221
Operating & Maintenance	3.50%	599,950	620,948	642,681	665,175	688,456	712,552	737,492	763,304	790,020	817,670	846,289	875,909	906,566	938,295
Ground Lease Payments	3.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Other Agency Monitoring Fee	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real Estate Taxes	1.25%	22,500	22,781	23,066	23,354	23,646	23,942	24,241	24,544	24,851	25,162	25,476	25,795	26,117	26,443
Other Taxes & Insurance	3.50%	138,350	143,192	148,204	153,391	158,760	164,316	170,067	176,020	182,181	188,557	195,156	201,987	209,056	216,373
Required Reserve Payments	1.00%	44,000	44,440	44,884	45,333	45,787	46,244	46,707	47,174	47,646	48,122	48,603	49,089	49,580	50,076
TOTAL OPERATING EXPENSES		**1,373,043**	**1,417,755**	**1,463,978**	**1,511,764**	**1,561,166**	**1,612,239**	**1,665,041**	**1,719,631**	**1,776,071**	**1,834,423**	**1,894,754**	**1,957,131**	**2,021,625**	**2,088,308**
NET OPERATING INCOME (NOI)		**1,923,663**	**1,961,368**	**1,999,623**	**2,038,427**	**2,077,780**	**2,117,681**	**2,158,127**	**2,199,116**	**2,240,645**	**2,282,711**	**2,325,308**	**2,368,433**	**2,412,078**	**2,456,237**
DEBT SERVICE PAYMENTS	**Lien #**														
Perm	1	1,665,817	1,665,817	1,665,817	1,665,817	1,665,817	1,665,817	1,665,817	1,665,817	1,665,817	1,665,817	1,665,817	1,665,817	1,665,817	1,665,817
Supplemental MIP	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonneville Perm Loan	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MIP Annual Fee (applicable for MIP only deals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		**1,665,817**	**1,665,817**	**1,665,817**	**1,665,817**	**1,665,817**	**1,665,817**	**1,665,817**	**1,665,817**	**1,665,817**	**1,665,817**	**1,665,817**	**1,665,817**	**1,665,817**	**1,665,817**
CASH FLOW AFTER DEBT SERVICE		**257,845**	**295,551**	**333,805**	**372,610**	**411,963**	**451,863**	**492,309**	**533,298**	**574,828**	**616,893**	**659,491**	**702,615**	**746,260**	**790,420**
DEBT SERVICE COVERAGE RATIO		**1.15**	**1.18**	**1.20**	**1.22**	**1.25**	**1.27**	**1.30**	**1.32**	**1.35**	**1.37**	**1.40**	**1.42**	**1.45**	**1.47**
Date Prepared:	09/27/22									Senior Staff Date:	10/5/22				

		1	2	3	4	5	6	7	8	9	10	11	12	13	14
LESS: Asset Management Fee	3%	7,500	7,725	7,957	8,195	8,441	8,695	8,955	9,224	9,501	9,786	10,079	10,382	10,693	11,014
LESS: Partnership Management Fee	2%	19,404	19,792	20,188	20,592	21,004	21,424	21,852	22,289	22,735	23,190	23,653	24,126	24,609	25,101
net CF available for distribution		**230,941**	**268,034**	**305,661**	**343,823**	**382,518**	**421,745**	**461,502**	**501,785**	**542,592**	**583,918**	**625,758**	**668,107**	**710,958**	**754,305**

	YEAR	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Deferred developer fee repayment	8,245,000	8,245,000	8,014,059	7,746,025	7,440,364	7,096,542	6,714,024	6,292,279	5,830,777	5,328,992	4,786,400	4,202,482	3,576,724	2,908,617	2,197,659
	100%	230,941	268,034	305,661	343,823	382,518	421,745	461,502	501,785	542,592	583,918	625,758	668,107	710,958	754,305
		8,014,059	7,746,025	7,440,364	7,096,542	6,714,024	6,292,279	5,830,777	5,328,992	4,786,400	4,202,482	3,576,724	2,908,617	2,197,659	1,443,354

Payments for Residual Receipt Payments		*50%*													
RESIDUAL RECEIPTS LOANS	*Payment %*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MIP	*37.68%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplemental MIP	*24.64%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonneville Perm Loan	*37.68%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Residual Receipts Payments	**100.00%**	**-**	-	-	-	-	-	-	-	-	-	-	-	-	-

Balances for Residual Receipt Payments															
RESIDUAL RECEIPTS LOANS	*Interest Rate*														
MIP---Simple	*3.00%*	5,000,000	5,150,000	5,300,000	5,450,000	5,600,000	5,750,000	5,900,000	6,050,000	6,200,000	6,350,000	6,500,000	6,650,000	6,800,000	6,950,000
Supplemental MIP---	*3.00%*	3,270,000	3,368,100	3,466,200	3,564,300	3,662,400	3,760,500	3,858,600	3,956,700	4,054,800	4,152,900	4,251,000	4,349,100	4,447,200	4,545,300
0---Compounding	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonneville Perm Loan---Compounding	*5.00%*	5,000,000	5,250,000	5,500,000	5,750,000	6,000,000	6,250,000	6,500,000	6,750,000	7,000,000	7,250,000	7,500,000	7,750,000	8,000,000	8,250,000
0---Simple	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0---Compounding	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0---	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-

PROJECTED PERMANENT LOAN CASH FLOWS						La Vista Residential								
Final Commitment						Project Number	21-033-A/X/N							
	YEAR	15	16	17	18	19	20	21	22	23	24	25	26	27
RENTAL INCOME	CPI													
Restricted Unit Rents	2.50%	4,878,456	5,000,417	5,125,428	5,253,564	5,384,903	5,519,525	5,657,513	5,798,951	5,943,925	6,092,523	6,244,836	6,400,957	6,560,981
Unrestricted Unit Rents	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Rents	2.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Based Rental Subsidy	1.50%	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Project Based Subsidy	1.50%	-	-	-	-	-	-	-	-	-	-	-	-	-
Income during renovations	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
Laundry Income	2.50%	24,869	25,491	26,128	26,781	27,451	28,137	28,840	29,561	30,300	31,058	31,834	32,630	33,446
Parking & Storage Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-
GROSS POTENTIAL INCOME (GPI)		**4,903,325**	**5,025,908**	**5,151,556**	**5,280,345**	**5,412,353**	**5,547,662**	**5,686,354**	**5,828,512**	**5,974,225**	**6,123,581**	**6,276,670**	**6,433,587**	**6,594,427**
VACANCY ASSUMPTIONS	Vacancy													
Restricted Unit Rents	5.00%	243,923	250,021	256,271	262,678	269,245	275,976	282,876	289,948	297,196	304,626	312,242	320,048	328,049
Unrestricted Unit Rents	7.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Rents	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Based Rental Subsidy	5.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Project Based Subsidy	3.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
Income during renovations	20.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
Laundry Income	5.00%	1,243	1,275	1,306	1,339	1,373	1,407	1,442	1,478	1,515	1,553	1,592	1,632	1,672
Parking & Storage Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL PROJECTED VACANCY LOSS		**245,166**	**251,295**	**257,578**	**264,017**	**270,618**	**277,383**	**284,318**	**291,426**	**298,711**	**306,179**	**313,834**	**321,679**	**329,721**
EFFECTIVE GROSS INCOME (EGI)		**4,658,159**	**4,774,613**	**4,893,978**	**5,016,327**	**5,141,736**	**5,270,279**	**5,402,036**	**5,537,087**	**5,675,514**	**5,817,402**	**5,962,837**	**6,111,908**	**6,264,706**
OPERATING EXPENSES	CPI / Fee													
Administrative Expenses	3.50%	249,473	258,205	267,242	276,595	286,276	296,296	306,666	317,400	328,509	340,006	351,907	364,223	376,971
Management Fee	4.47%	208,446	213,657	218,998	224,473	230,085	235,837	241,733	247,776	253,971	260,320	266,828	273,499	280,336
Utilities	3.50%	419,404	434,083	449,276	465,000	481,275	498,120	515,554	533,599	552,275	571,604	591,610	612,317	633,748
Operating & Maintenance	3.50%	971,136	1,005,126	1,040,305	1,076,716	1,114,401	1,153,405	1,193,774	1,235,556	1,278,800	1,323,558	1,369,883	1,417,829	1,467,453
Ground Lease Payments	3.50%	-	-	-	-	-	-	-	-	-	-	-	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Other Agency Monitoring Fee	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
Real Estate Taxes	1.25%	26,774	27,109	27,448	27,791	28,138	28,490	28,846	29,206	29,571	29,941	30,315	30,694	31,078
Other Taxes & Insurance	3.50%	223,946	231,785	239,897	248,293	256,984	265,978	275,287	284,922	294,895	305,216	315,898	326,955	338,398
Required Reserve Payments	1.00%	50,577	51,083	51,593	52,109	52,630	53,157	53,688	54,225	54,767	55,315	55,868	56,427	56,991
TOTAL OPERATING EXPENSES		**2,157,256**	**2,228,546**	**2,302,259**	**2,378,478**	**2,457,289**	**2,538,782**	**2,623,049**	**2,710,185**	**2,800,288**	**2,893,461**	**2,989,810**	**3,089,444**	**3,192,476**
NET OPERATING INCOME (NOI)		**2,500,903**	**2,546,067**	**2,591,719**	**2,637,849**	**2,684,446**	**2,731,497**	**2,778,987**	**2,826,902**	**2,875,226**	**2,923,941**	**2,973,027**	**3,022,464**	**3,072,230**
DEBT SERVICE PAYMENTS	Lien #													
Perm	1	1,665,817	1,665,817	1,665,817	1,665,817	1,665,817	1,665,817	1,665,817	1,665,817	1,665,817	1,665,817	1,665,817	1,665,817	1,665,817
Supplemental MIP	2	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonneville Perm Loan	3	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MIP Annual Fee (applicable for MIP only deals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		**1,665,817**	**1,665,817**	**1,665,817**	**1,665,817**	**1,665,817**	**1,665,817**	**1,665,817**	**1,665,817**	**1,665,817**	**1,665,817**	**1,665,817**	**1,665,817**	**1,665,817**
CASH FLOW AFTER DEBT SERVICE		**835,086**	**880,249**	**925,902**	**972,032**	**1,018,629**	**1,065,679**	**1,113,170**	**1,161,085**	**1,209,409**	**1,258,123**	**1,307,209**	**1,356,646**	**1,406,412**
DEBT SERVICE COVERAGE RATIO		**1.50**	**1.53**	**1.56**	**1.58**	**1.61**	**1.64**	**1.67**	**1.70**	**1.73**	**1.76**	**1.78**	**1.81**	**1.84**
Date Prepared:	09/27/22					Senior Staff Date:	10/5/22							

		15	16	17	18	19	20	21	22	23	24	25	26	27
LESS: Asset Management Fee	3%	11,344	11,685	12,035	12,396	12,768	13,151	13,546	13,952	14,371	14,802	15,246	15,703	16,174
LESS: Partnership Management Fee	2%	25,603	26,115	26,638	27,170	27,714	28,268	28,833	29,410	29,998	30,598	31,210	31,834	32,471
net CF available for distribution		**798,138**	**842,449**	**887,229**	**932,465**	**978,147**	**1,024,260**	**1,070,790**	**1,117,723**	**1,165,040**	**1,212,723**	**1,260,753**	**1,309,109**	**1,357,767**

	YEAR	15	16	17	18	19	20	21	22	23	24	25	26	27
Deferred developer fee repayment	8,245,000	1,443,354			-	-	-	-	-	-	-	-	-	-
	100%	798,138			-	-	-	-	-	-	-	-	-	-
		645,216	-	-	-	-	-	-	-	-	-	-	-	-

Payments for Residual Receipt Payments														
RESIDUAL RECEIPTS LOANS	*Payment %*	-	421,225	443,614	466,233	489,073	512,130	535,395	558,861	582,520	606,362	630,377	654,554	678,883
MIP	*37.68%*	-	-	-	175,672	184,278	192,965	201,731	210,573	219,488	228,471	237,519	246,629	255,796
Supplemental MIP	*24.64%*	-	262,512	276,465	290,561	304,796	319,165	333,664	348,288	363,032	377,891	392,857	407,925	423,087
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonneville Perm Loan	*37.68%*	-	158,713	167,149	175,672	184,278	192,965	201,731	210,573	219,488	228,471	237,519	246,629	255,796
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Residual Receipts Payments	**100.00%**	-	421,225	443,614	641,904	673,351	705,095	737,127	769,435	802,007	834,832	867,896	901,184	934,680

Balances for Residual Receipt Payments														
RESIDUAL RECEIPTS LOANS	*Interest Rate*													
MIP---Simple	*3.00%*	7,100,000	7,250,000	7,400,000	7,550,000	7,524,328	7,490,050	7,447,085	7,395,354	7,334,780	7,265,293	7,186,822	7,099,303	7,002,673
Supplemental MIP---	*3.00%*	4,643,400	4,741,500	4,577,088	4,437,936	4,280,513	4,104,133	3,908,092	3,691,671	3,454,133	3,194,725	2,912,676	2,607,199	2,277,490
0---Compounding	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonneville Perm Loan---Compounding	*5.00%*	8,500,000	8,750,000	8,841,287	8,924,137	8,998,466	9,064,188	9,121,223	9,169,491	9,208,918	9,239,430	9,260,960	9,273,440	9,276,811
0---Simple	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-
0---Compounding	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-
0---	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-

PROJECTED PERMANENT LOAN CASH FLOWS				La Vista Residential
Final Commitment			Project Number	21-033-A/X/N
	YEAR	28	29	30
RENTAL INCOME	CPI			
Restricted Unit Rents	2.50%	6,725,006	6,893,131	7,065,459
Unrestricted Unit Rents	2.50%	-	-	-
Commercial Rents	2.00%	-	-	-
Project Based Rental Subsidy	1.50%	-	-	-
Other Project Based Subsidy	1.50%	-	-	-
Income during renovations	0.00%	-	-	-
Other Subsidy (Specify)	0.00%	-	-	-
Laundry Income	2.50%	34,282	35,139	36,018
Parking & Storage Income	2.50%	-	-	-
Miscellaneous Income	2.50%	-	-	-
GROSS POTENTIAL INCOME (GPI)		6,759,288	6,928,270	7,101,476
VACANCY ASSUMPTIONS	Vacancy			
Restricted Unit Rents	5.00%	336,250	344,657	353,273
Unrestricted Unit Rents	7.00%	-	-	-
Commercial Rents	50.00%	-	-	-
Project Based Rental Subsidy	5.00%	-	-	-
Other Project Based Subsidy	3.00%	-	-	-
Income during renovations	20.00%	-	-	-
Other Subsidy (Specify)	0.00%	-	-	-
Laundry Income	5.00%	1,714	1,757	1,801
Parking & Storage Income	50.00%	-	-	-
Miscellaneous Income	50.00%	-	-	-
TOTAL PROJECTED VACANCY LOSS		337,964	346,413	355,074
EFFECTIVE GROSS INCOME (EGI)		6,421,323	6,581,856	6,746,403
OPERATING EXPENSES	CPI / Fee			
Administrative Expenses	3.50%	390,165	403,821	417,955
Management Fee	4.47%	287,345	294,528	301,891
Utilities	3.50%	655,929	678,887	702,648
Operating & Maintenance	3.50%	1,518,814	1,571,972	1,626,991
Ground Lease Payments	3.50%	-	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500
Other Agency Monitoring Fee	0.00%	-	-	-
Real Estate Taxes	1.25%	31,466	31,860	32,258
Other Taxes & Insurance	3.50%	350,242	362,501	375,188
Required Reserve Payments	1.00%	57,561	58,137	58,718
TOTAL OPERATING EXPENSES		3,299,022	3,409,205	3,523,149
NET OPERATING INCOME (NOI)		3,122,301	3,172,651	3,223,253
DEBT SERVICE PAYMENTS	Lien #			
Perm	1	1,665,817	1,665,817	1,665,817
Supplemental MIP	2	-	-	-
Bonneville Perm Loan	3	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
MIP Annual Fee (applicable for MIP only deals	-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		1,665,817	1,665,817	1,665,817
CASH FLOW AFTER DEBT SERVICE		1,456,483	1,506,834	1,557,436
DEBT SERVICE COVERAGE RATIO		1.87	1.90	1.93
Date Prepared:	09/27/22		Senior Staff Date:	10/5/22

LESS: Asset Management Fee	3%	16,660	17,159	17,674
LESS: Partnership Management Fee	2%	33,120	33,783	34,458
net CF available for distribution		1,406,703	1,455,891	1,505,303

	YEAR	28	29	30
Deferred developer fee repayment	8,245,000	-	-	-
	100%	-	-	-
		-	-	-

Payments for Residual Receipt Payments				
RESIDUAL RECEIPTS LOANS	*Payment %*	703,352	727,946	752,652
MIP	37.68%	265,016	274,282	283,591
Supplemental MIP	24.64%	438,336	453,663	469,060
0	0.00%	-	-	-
Bonneville Perm Loan	37.68%	265,016	274,282	283,591
0	0.00%	-	-	-
0	0.00%	-	-	-
0	0.00%	-	-	-
Total Residual Receipts Payments	**100.00%**	968,367	1,002,228	1,036,243

Balances for Residual Receipt Payments				
RESIDUAL RECEIPTS LOANS	*Interest Rate*			
MIP---Simple	3.00%	6,896,877	6,781,861	6,657,579
Supplemental MIP---	3.00%	1,922,728	1,542,073	1,134,673
0---Compounding	0.00%	-	-	-
Bonneville Perm Loan---Compounding	5.00%	9,271,014	9,255,999	9,231,716
0---Simple	0.00%	-	-	-
0---Compounding	0.00%	-	-	-
0---	0.00%	-	-	-

MIXED-INCOME LOAN PROGRAM (2022)

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

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

Qualifications

APPLICATION:

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

AVAILABILITY:

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

USES:

MIP subsidy loans must be used in conjunction with CalHFA's Conduit Bond Issuance Program and a construction loan from a CalHFA Mixed-Income Qualified Construction Lender. MIP subsidy loans must also be used in conjunction with CalHFA's permanent first-lien mortgage financing. CalHFA Mixed-Income Qualified Construction Lender is defined in that section below.

FINANCING STRUCTURE:

Projects accessing the MIP subsidy loan funds must be structured as one of the following:

1. Tax-exempt bond and 4% tax credit project where at least 51% of the units in the project must be tax-credit-financed

   OR

2. Qualified mixed-income project through income averaging pursuant to Internal Revenue Code Section 42 (g)(1)(C).

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Qualifications (continued)

READINESS:

Projects must have site control and be prepared to submit for a bond and tax credit allocation and will only receive funds if bonds are issued within the issuance timeframes specified in the California Debt Limit Allocation Committee's (CDLAC) Regulations Section 5100.

1. **Site:** The site must be ready for construction (all potential environmental issues have been identified, mitigation plan is in place, and costs associated with the mitigation plan have been incorporated in the development budget). Environmental issues may include, but not be limited to, receipt of clearances for CEQA, NEPA, and applicable tribal land environmental reviews. Pursuant to HUD-Risk Sharing requirements, sponsor is expected to start the NEPA process shortly after CalHFA verifies application completeness and determines that the project is ready to move forward with an initial commitment ("notification date"). The NEPA clearance and HUD's firm approval letter will be required prior to construction loan closing.
2. **General Contractor and/or Third Party Construction Services Engagement:** At the time of application, applicant must provide evidence that the applicant or developer has engaged a general contractor or third-party construction services company to provide construction services including, but not limited to, value engineering, bid/budget services, and constructability review of plans and designs. In addition, the proposed construction budget is based on the general contractor's or third-party construction services company's preliminary bid estimates pursuant to the current plans and designs.
3. **Disposition and Development Agreement:** Applicant must provide a copy of the disposition and development agreement, if applicable.
4. **Construction Start:** All projects must commit to begin construction 180 days from the earlier of the date of the tax-exempt bond allocation or 4% federal/state tax credit reservation, unless an extension has been approved by California Tax Credit Allocation Committee (CTCAC), CDLAC, and CalHFA, as applicable. Within the 180-day period, the following items must be submitted to CalHFA in their final form:
    a. A complete, updated application form along with a detailed explanation of any changes from the initial application,
    b. An executed construction contract,
    c. Recorded deeds of trust for all construction financing (unless a project's location on tribal trust land precludes this),
    d. Binding commitments for any other financing required to complete project construction,
    e. Copy of a limited partnership agreement executed by the general partner/sponsor and the investor limited partner/equity provider,
    f. Payment of all construction lender fees,
    g. Copies of buildings permits (a grading permit does not suffice to meet this requirement, except if the city or county as a rule does not issue building permits prior to the completion of grading, then a grading permit shall suffice; if the project is a design build project in which the city or county does not issue building permits until designs are fully complete, the city or county shall have approved construction to begin) or the applicable tribal documents,
    h. Copy of the notice to proceed delivered to the contractor,
    i. If no construction lender is involved, evidence must be submitted within 180 days, as applicable, that the equity partner has been admitted to the ownership entity, and that an initial disbursement of funds has occurred,
    j. Other documentation and information required by CalHFA to close construction financing.

Qualifications (continued)

MIP ALLOCATION LIMITS:
(Exceptions may be considered by Agency in its sole discretion)

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

EVIDENCE OF COST CONTAINMENT:

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

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

EVIDENCE OF SUBSIDY EFFICIENCY:

A Subsidy Efficiency Analysis will be completed as part of the application review. The analysis will be completed again prior to construction loan closing and closing of the MIP subordinate loan. The MIP loan amount may be reduced based on the final analysis. Parameters of the analysis may include, but are not limited to, the following:

- A maximum of 1.20 Debt Service Coverage Ratio ("DSCR") at year 1 ("Initial DSCR"). CalHFA may allow an initial DSCR higher than 1.20 on a case-by-case basis, if deemed necessary. The year 1 DSCR underwritten at the time of final loan approval and final commitment must be maintained through the term of the CalHFA permanent first lien loan,
- A project cash flow that supports the residential component of the project based on the required CalHFA permanent first lien annual debt service coverage ratio,
- A separate project cash flow that supports any commercial component of a mixed-use project,
- A cash flow after debt service shall be limited to the higher of 25% of the anticipated annual must pay debt service payment or 8% of gross income, during each of the first three years of project operation,
- Inflation factors and vacancy rates consistent with the Agency's Underwriting Standards,
- Developer Fee requirements matching those required under the 4% federal and/or state tax credit reservation,
- Capitalized reserves subject to approval by Agency for reasonableness consistent with the Agency's Underwriting Standards and the Investor Limited Partnership Agreement (ILPA),

Qualifications (continued)	• Review of Excess Sources over final Uses as approved by CalHFA resulting from any of the following: · An increase in tax credit equity, · An increase in permanent loan debt due to a combination of permanent loan rate reduction and/or reduction to operating expense assumptions; • Construction Cost Savings as evidenced by final cost certification, funds shall be used to reduce the MIP loan prior to CalHFA MIP loan closing or if required by other subordinate lenders, funds may be split on a pro rata basis between CalHFA and other subordinate lenders, • State tax credit request is expected to be within a range of $50,000 to $75,000 per unit. The projects that evidence the most efficient use of bond cap, state tax credits, and MIP per adjusted unit shall be prioritized for MIP funding considerations. The bond cap, state tax credits, and MIP per adjusted unit calculation shall be consistent with CDLAC Regulation Section 5231(g)(1) and 5231(g)(2). MIP final commitment shall be subject to evidence of project's receipt of CDLAC's preliminary tax-exempt bond allocations and CTCAC's tax credits reservations within the respective year, • Acquisition cost shall be the lesser of 1) the purchase price pursuant to a current purchase and sales agreement between unrelated parties, 2) the purchase price of an arm's length transaction executed within the past 10 years plus reasonable carrying costs, or 3) the appraised "as-is" value based on an Appraisal acceptable to CalHFA in its sole discretion. The appraised value of the real estate may be considered if the arm's length transaction exceeds 10 years.
CalHFA Mixed-Income Qualified Construction Lender	A CalHFA Qualified Construction Lender is defined as a Construction Lender that has closed at least five construction loans using tax-exempt bonds and 4% federal and/or state tax credits in California within the last three years and satisfies the requirement set forth within the application.
CalHFA Mixed-Income Development Team Qualifications	The **Developer/Co-Developer/General Partner** must be registered to do business and in good standing in the state of California. A CalHFA Qualified Developer/Co-Developer/General Partner must have developed at least three comparable projects within the past five years or meet the requirements to receive a minimum of 7 points under the CDLAC General Partner Experience category pursuant to CDLAC Regulations Section 5230(f). The proposed **Project Manager** must have personally managed the development of at least two comparable projects within the past five years. **Financial Consultants** hired to assist the Developer in meeting the minimum experience requirements must be able to provide details regarding at least three comparably financed projects over the last five years. **Architects** new to CalHFA must provide information for three comparable projects they designed that were built and occupied within the past five years in California. **General Contractor (GC)** must be licensed by the State of California. GCs new to CalHFA must provide information related to three comparable (in design) projects built in the past five years. Similar information will be required for the proposed on-site construction supervisor. The on-site construction supervisor must have overseen three comparable projects built in the past five years, and they must have overseen the projects from construction start to final completion. **Tax Credit Investors** must have closed/executed at least five investor limited partnership agreements for a comparable deal structure using tax-exempt bonds and 4% federal and/or state tax credits in California within the last three years.

CalHFA Mixed-Income Development Team Qualifications (Continued)	**Management Company** must have a local presence or a field office in Northern or Southern CA (depending on the location of the Project) and have experience managing at least 10 low- to moderate-income, rent-restricted comparable (size and tenant types) projects. Also required is a resume for the proposed on-site Property Manager, reflecting prior experience during the past five years managing onsite project operations and compliance with rent-restricted units or meet the requirements to receive a minimum of 3 points under the CDLAC Management Company Experience category pursuant to CDLAC Regulations Section 5230(f).
Permanent First Lien Loan	Must be provided by CalHFA. The permanent loan must meet an initial minimum DSCR of at least 1.15 and must maintain the year 1 DSCR underwritten at the time of final loan approval and final commitment through the term of the CalHFA permanent first lien loan. The Initial DSCR must not exceed 1.20.
Construction First Lien Loan	Must be provided by a CalHFA Mixed-Income Qualified Construction Lender. All parties shall permit the Agency to, in its sole and absolute discretion, recycle all or a portion of any bond volume cap related to a paydown of the bond-financed loans, at the conversion of the construction financing to permanent financing and payoff of the construction loan, pursuant to the authority provided in Section 146(i)(6) of the Internal Revenue Code of 1986 and CDLAC Regulation Section 5060 (the "Bond Recycling"). The bond documents, loan documents and any other documents related to the financing of the Development shall contain any necessary approvals and permit all actions necessary to accomplish a Bond Recycling.
Limitations	1. MIP cannot be combined with the CTCAC 9% program. 2. MIP cannot be combined with other state subordinate debt and/or subsidy programs (this does not include state tax credits) with the exception of the Infill Infrastructure Grant (IIG), Affordable Housing and Sustainable Communities (AHSC) and Transit Oriented Development (TOD) housing programs. Inclusion of these programs is contingent upon restrictions that are compatible with the MIP program requirements outlined herein. Inclusion of other subordinate debt and subsidy will be allowed at CalHFA's sole discretion so long as any restrictions of subordinate debt or subsidy are compatible with MIP program requirements outlined herein. 3. Projects that have a below market rate component resulting from an inclusionary obligation or are 100% below market as a result of an inclusionary obligation must demonstrate master developer commitment through a dollar-for-dollar match of CalHFA's subsidy resources. Match can be obtained through a monetary match or equivalent in-kind contributions (e.g., land donation, land use fee concessions.) 4. At the time of MIP application, a project must not have already received an allocation of 4% federal and/or state tax credits from CTCAC or a tax-exempt bond allocation from CDLAC. 5. Projects will not be eligible for other subsidy resources from CalHFA in addition to MIP.
Mixed-Income Project Occupancy Requirements	**BOND REGULATORY AGREEMENT REQUIREMENTS (ALL PROJECTS):** Must maintain either (a) 20% of the units must be rent restricted and occupied by individuals whose incomes are 50% or less of AMI with adjustments for household size ("20% @ 50% AMI"), OR (b) 40% or more of the units must be both rent restricted and occupied by individuals whose incomes are 60% or less of AMI with adjustments for household size ("40% @ 60% AMI"): in the latter case, CDLAC requires a minimum of 10% of the unit types must be at 50% or less of AMI ("10% @ 50% AMI").

Mixed-Income Project Occupancy Requirements (Continued)	**MIXED INCOME REGULATORY AGREEMENT REQUIREMENTS (ALL PROJECTS):** **Affordability Requirements:** 1. To qualify, a project must meet the following affordability restrictions, which are based on the HUD and locality (as applicable) income and rent limits which are current at the time of MIP application, for a term of 55 years: a. 30% of total units at or below 50% of AMI. Of these, a minimum of 10% of total units must be at or below 30% of AMI, b. 10% of total units between 60% and 80% of AMI with an average of 70% of AMI or greater, subject to the Maximum Allowable Rents outlined below, and c. Remaining 60% of total units at or below 120% of AMI (with the exception of any non-restricted manager's unit(s)) OR at the affordability restrictions consistent with CTCAC requirements. d. The minimum range between the lowest and highest occupancy target levels must be at least 40%. (Deviations from the above requirements will only be considered if Market Study supports such deviations.) 2. If applicable, tax credit transactions that are income-averaged must have a maximum average affordability up to 60% of AMI across all CTCAC restricted units.
Mixed-Income Project Occupancy Requirements (Continued)	**MAXIMUM ALLOWABLE RENTS:** Rents for all restricted units must be at least 10% below market rents for the MIP affordability term as evidenced by a current market study or appraisal. This threshold will be analyzed at time of application and again at CalHFA's final commitment approval and may be monitored on an ongoing basis for the MIP affordability term. The report shall be current within 180 days of Agency's final commitment and may be subject to required updating if the report expires prior to construction loan closing. For underwriting purposes, CTCAC and locality maximum rents for the respective target income limits must be used. Any proposed rent adjustments above 5% of the approved rents subsequent to construction loan closing may be considered if supported by a recent or updated market study or appraisal that is dated within 180 days of MIP loan closing, at CalHFA's sole discretion. Any units restricted by the Agency pursuant to this program, including those units restricted in addition to the minimum requirements set forth above, shall be rented at rents not to exceed 30% of the applicable income restriction required in the Agency's Regulatory Agreement.
Mixed-Income Subordinate Loan	1. Maximum loan amount for each project shall not exceed the lesser of $8 million or the aggregate MIP loan amount calculated based on up to $60,000 per MIP regulated units, unless an exception is approved by Agency in its sole discretion. a. Maximum loan per restricted (tax credit or CalHFA) units between 30%-120% AMI shall be up to $50,000. b. Projects located within the Highest or High Resource areas pursuant to CTCAC regulations designated on the CTCAC/HCD Opportunity Area Map shall be eligible for an additional amount up to $10,000 per MIP regulated unit. Opportunity Map Home Page: www.treasurer.ca.gov/ctcac/opportunity.asp 2. Loan size based on project need but cannot be more than 50% of the permanent loan amount.

Mixed-Income Subordinate Loan Rates & Terms	1. **Interest Rate**: Greater of 1% simple interest or the applicable federal rate (AFR) at time of MIP closing. 2. **Loan Term**: The MIP loan term shall be coterminous with the CalHFA permanent first lien loan. 3. **Lien Position**: Second lien position, after CalHFA permanent first lien loan. 4. **Loan Payment**: Residual receipt repayment based on cash flow analysis and split 50% to Owner and 50% to CalHFA and other residual receipt lenders. Residual receipt is defined as 50% of surplus cash which is determined as net operating income minus total debt service and other Agency approved payments. Payments shall be applied to the current and/or accrued interest and then principal of the MIP loan. Deviation from the net cash flow split may be granted 1) to meet equity investor's deferred developer's fee requirement as evidence by the limited partnership agreement, and 2) is subject to approval(s) by other residual receipt lender(s), as applicable. 5. **Affordability Term**: 55 years. 6. **Prepayment**: May be prepaid at any time without penalty. 7. **Subordination**: A subordination and/or extension of MIP maturity request in conjunction with a re-syndication, refinance, or ownership transfer ("capitalization event(s)") will be considered. If MIP loan is outstanding at time of the capitalization event(s) and requires subordination at the time of such event, the surplus cash split between borrower and CalHFA and other residual receipt lenders may be altered to reflect an increased percentage of residual receipts to CalHFA out of Borrower's share until such time as the MIP loan is paid in full. The remaining residual receipts may be split between other residual receipt lenders. 8. **Funded**: Only at permanent loan conversion.
CalHFA Conduit Bond Program	For more information on CalHFA's Conduit Issuer Program and the fees associated with it, visit CalHFA's website: www.calhfa.ca.gov/multifamily/programs/forms/termsheet-conduit.pdf
CalHFA First Lien Permanent Rates & Terms (subject to change)	For more information on CalHFA's Permanent Loan Program and the fees associated with it, visit CalHFA's website: www.calhfa.ca.gov/multifamily/programs/forms/termsheet-perm-tax-exempt.pdf
Fees (subject to change)	**Loan Fee:** 1.00% of the loan amount (50% due at final commitment and 50% due at CalHFA MIP loan closing). **Conduit Bond Program Fees:** Refer to CalHFA Conduit Bond Program www.calhfa.ca.gov/multifamily/programs/forms/termsheet-conduit.pdf **CDLAC Fees:** Refer to CDLAC regulations for all applicable fees. **Other Fees:** Refer to CalHFA First Lien Permanent Rates & Terms for first mortgage loan fees, credit enhancements, trustee fees, legal fees, inspection fees, administrative fees. www.calhfa.ca.gov/multifamily/programs/forms/termsheet-perm-tax-exempt.pdf

Last revised: 01/25/2022

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

TAX-EXEMPT PERMANENT LOAN PROGRAM

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

Qualifications	• Available to for-profit, non-profit, and public agency sponsors. • Tax-exempt bond authority must be obtained from the California Debt Limit Allocation Committee (CDLAC) or through a 501(c)(3) exemption. • The Tax-Exempt Permanent Loan may be used with or without 4% low income housing tax credits. • If a lender other than CalHFA is providing short-term, first-lien debt, CalHFA shall be used as the bond issuer (for more information, review the Conduit Issuer Program Term Sheet). • For Section 8 Projects, a final commitment is conditioned upon review and acceptance by CalHFA of the HAP or AHAP contract. • The Perm Loan will be credit-enhanced through CalHFA's HUD/FHA Risk Sharing Program. • For existing CalHFA portfolio loans, the current owner is required to pay off all outstanding CalHFA debt. Visit www.calhfa.ca.gov for the CalHFA Portfolio Loan Prepayment Policy.
Loan Amount	• Minimum Perm Loan amount of $5,000,000. • Minimum 1.15x for initial debt service coverage ratio (include any financing with amortizing debt). If a Project includes CalHFA's subsidy loan, the maximum DSCR at year 1 shall not exceed 1.20, unless CalHFA approves a higher DSCR at its own discretion. The year 1 DSCR underwritten at the time of final loan approval and final commitment must be maintained as the minimum DSCR through the term of the Perm Loan. CalHFA may require the initial DSCR to be higher than the minimum 1.15x, if deemed necessary to meet the Agency's underwriting requirements. • Lesser of 90% of restricted value or 100% of development costs. For Projects with equity being cashed out, the Perm Loan amount will be restricted to no more than 80% of the restricted value.
Fees (subject to change)	• Application Fee: $10,000 non-refundable, due at time of application submittal, and is credited toward the CalHFA Legal Fee at Perm Loan closing. The applicant may be subject to a new Application Fee if the CalHFA commitment expires prior to construction loan closing. • Perm Loan Fee: 1.00%, half due at final commitment, with balance due at Perm Loan closing. • Credit Enhancement Fee: included in the interest rate. • Annual Monitoring Fee: $7,500 annually (not to be duplicated if used in conjunction with CalHFA's Conduit Program). • Inspection fees should be estimated at $500 per month for the term of the construction (reports and fees can be shared with other construction lenders) • Legal Fee: $35,000, half due at final commitment, with balance due at Perm Loan closing. • Perm Loan Funding Fee: $110,000 at Perm Loan closing. • Administrative Fee: $1,000 at Perm Loan closing. • Letter of Interest Fee: $5,000 at LOI request, and is credited toward the CalHFA Perm Loan Fee See CalHFA standard Conduit Issuer Program Term Sheet for information on conduit issuance fees.

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Rate & Terms (subject to change)	Interest Rate: • 17-Year Balloon Loans: 15-Year "AAA" Municipal Market Data (MMD) plus CalHFA spread • 30-Year Balloon and Fully Amortizing Loans: 30-Year "AAA" MMD plus CalHFA spread • Estimated CalHFA Spread: 2.00% to 3.00% • Rate may be locked up to 30 days prior to the construction loan closing. Rate may be locked for the term of the construction period, not to exceed 3 years. Amortization/Term: • Amortization: Up to 40 Year Amortization • Term: Fully Amortizing, and 17- or 30-Year Balloons available1 • Perm Loan Reduction: up to 10% reduction at Perm Loan closing permitted at no cost. • Up to two, three-month extension(s) permitted upon payment of a fee equal to 0.25% of the Perm Loan amount for each three-month extension. • Breakage Fee (if applicable): due between construction loan closing and Perm Loan closing and calculated based on hedge termination cost. 1. Balloon loans subject to agency approved exit strategy.
Loan Closing Requirements	• 90% stabilized rental housing occupancy for 90 days as evidenced by rent rolls. • 90% of tax credit investor equity shall have been paid into the Project. • Project income is sufficient to pay operating expenses, required debt service, reserves and monitoring fees. • For mixed-use Projects, 100% non-residential occupancy as evidenced by executed leases or guarantees. • Deposit Account Control Agreement between CalHFA, the Borrower and lending institution is in form and substance acceptable to all parties and ready to be executed at Perm Loan closing.
Prepayment	The Perm Loan may be prepaid at par after 15 years of the Perm Loan period. However, the Perm Loan may be prepaid after 10 years of the Perm Loan period subject to a yield maintenance calculation of: • 5% of the principal balance after the end of year 10 • 4% of the principal balance after the end of year 11 • 3% of the principal balance after the end of year 12 • 2% of the principal balance after the end of year 13 • 1% of the principal balance after the end of year 14 All prepayments require a prior written 120-day notice to CalHFA.
Subordinate Financing	Financing or grants are encouraged from local governments and third parties to achieve project feasibility. All financing, leases, development and regulatory agreements must be coterminous (or have a longer term than the combined terms of any CalHFA Acq/Rehab Loan and Perm Loan) and be subordinate to CalHFA financing. A Lien Priority/Position Estoppel in form and substance acceptable to CalHFA will be required prior to construction financing closing, if applicable.
Occupancy Requirements	Must maintain the greater of (A) existing affordability restrictions, or (B) either (i) 20% of the units must be rent restricted and occupied by individuals whose incomes are 50% or less of the area (county) median gross income as determined by HUD ("AMI") with adjustments for household size ("20% @ 50% AMI"), or (ii) 40% or more of the units must be both rent restricted and occupied by individuals whose income is 60% or less of the AMI, with adjustments for household size ("40% @ 60% AMI"): however in the latter case, a minimum of 10% of the units must be at 50% or less of AMI (i.e., 30% @ 60% AMI; 10% @ 50% AMI).

Occupancy Requirements (continued)	Any units restricted by the Agency pursuant to this program, including those units restricted in addition to the minimum requirements set forth above, shall be rented at rents up to 30% of the applicable income restriction using the occupancy assumptions required in the Agency's Regulatory Agreement. Rents for all restricted units must be at least 10% below market rents as evidenced by current market study or an appraisal. CalHFA's regulated units must represent a comparable share of the available unit sizes (by bedroom count and square feet) and be disbursed throughout the project.
Due Diligence	The following due diligence is required to be provided at the Owner/Borrower's expense (refer to the program's document checklist for a full list): • Appraisal* (a construction lender's appraisal may be acceptable). • HUD-2530 previous participation clearance. • Construction Costs Review for new construction loans (other construction lender's review is acceptable). • Physical Needs Assessment* ("PNA") for rehabilitation projects with a Replacement Reserve Needs Analysis ("RRNA") over time for the first 20-year term (other lender's PNA/RRNA may be acceptable). A RRNA for a longer time period may be required if the Perm Loan term is greater than 20 years. • Phase I and Phase II (if applicable) Environmental Site Assessment* including, but not limited to, impact reviews that meet federal environmental requirements (such as historic preservation and noise remediation). The Purpose section of Phase I must state "a purpose of the Phase I is to document compliance with HUD policy pursuant to 24 CFR §58.5(i)(2) or §50.3(i)". • Market Study* satisfactory to CalHFA. • NEPA Review. • Termite/Dry Rot reports* by licensed company. • Seismic review* and other studies may be required at CalHFA's discretion. *Note: Third party reports shall be within 180 days prior to the CalHFA's final commitment approval and may be subject to a new or updated report if the report(s) was completed more than 180 days prior to construction loan closing, in CalHFA's sole discretion.
Required Impounds and Reserves	• Replacement Reserve: Initial cash deposit required for existing Projects with annual deposits between $250 and $500 per unit/per year depending on the Project type and PNA/RRNA findings. • Operating Expense Reserve ("OER"): 3-6 months of operating expenses, reserves, debt service, and monitoring fees due at Perm Loan closing (letter of credit or cash) and held for the life of the CalHFA Perm Loan by CalHFA. In the event OER funds are drawn down during the term of CalHFA Perm Loan, it must be replenished over a period of 12 months to the original level. • Impounds held by CalHFA: One year's prepaid earthquake, hazard and liability insurance premiums, and property tax assessments are collected at loan closing. An earthquake insurance waiver is available for Projects which have met CalHFA earthquake waiver standards during rehabilitation or construction. • Transition Operating Reserve (TOR): required for Projects with state or locally administered rental subsidy contracts with contract terms that are less than 20 years or the CalHFA Perm Loan term. • Other reserves as required (at CalHFA's discretion).

Last revised: 5/2022

CONDUIT ISSUER PROGRAM

MULTIFAMILY HOUSING BONDS

Term sheet effective for applications submitted after March 1, 2022

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

Qualifications	• Available to for-profit, nonprofit or public agency sponsors. • Nonprofit borrowers may be eligible for 501(c)(3) bonds. • If bond proceeds are utilized to pay off an existing CalHFA portfolio loan visit www.calhfa.ca.gov for the CalHFA Portfolio Loan Prepayment Policy.
Bond Amount	Bond amount is determined by the loan amount of the selected construction lender.
Fees (subject to change)	• Application Fee: $5,000 non-refundable, due at time of application submittal (covers the cost of the TEFRA required for tax-exempt issuances) and is credited toward the CalHFA Issuer Fee. • Issuer Fee: 1. The greater of $15,000 or 18.75 basis points of the Bond amount if lesser than or equal to $20 million. 2. If more than $20 million: $37.500 + 5 basis points for the amount above $20 million. • Annual Administrative Fee: 5 bps of the tax-exempt bond issuance amount due at construction loan closing and due annually thereafter until permanent loan conversion. After permanent loan conversion, billed annually in advance, 5 bps of unpaid principal balance amount of tax-exempt bond financed loan(s) until bonds are fully redeemed. Minimum Annual Administrative Fee shall be $4,000 through both the Qualified Project Period and the CDLAC compliance period. For taxable only issuances, annual administrative fees above will be charged based on the taxable bond financed loan(s) for the term of the CalHFA affordability restrictions. If used in conjunction with a CalHFA permanent loan product, the annual administrative fee will not be duplicated. Please refer to the applicable permanent loan term sheet for the annual administrative fee. • Public Sale: Additional fee of $5,000 to $10,000 applies when Bonds are sold to the public. • CDLAC Allocation Fee: 0.035% of the Bond amount, $1,200 of which is due at time of CDLAC application submittal with the remaining fee due at construction loan closing and payable to CDLAC. • CDLAC Performance Deposit: 0.50% of the requested Bond amount, not to exceed $100,000, due at time of CDLAC application submittal. Deposit to be refunded after the Bond closing, upon receipt of authorization letter from CDLAC. The Borrower shall be responsible for all other costs of Bond issuance including fees of the underwriter, trustee, rating agencies, lender, compliance administrator, all Bond counsel legal fees, and any other parties required to complete the transaction.

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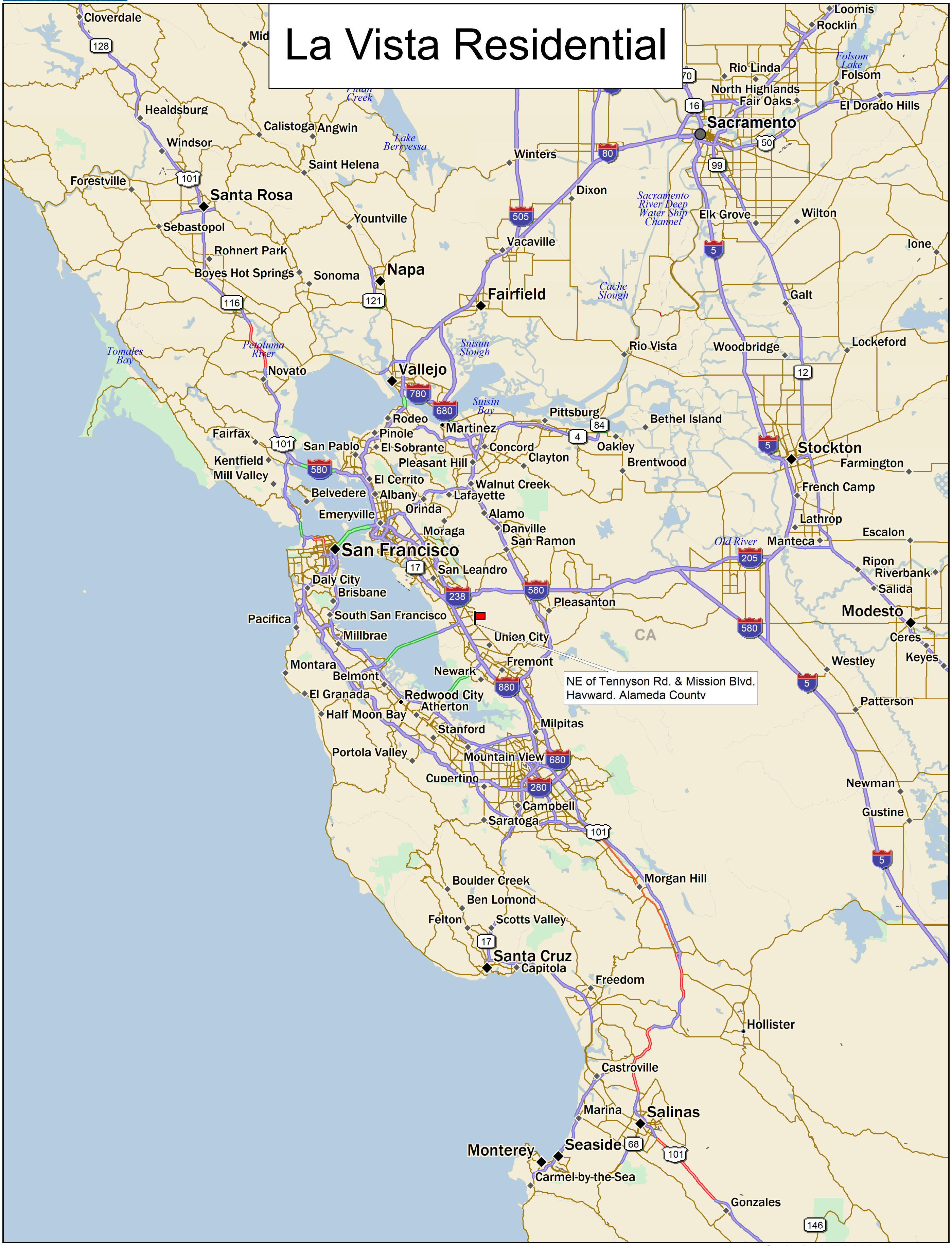
Occupancy Requirements	• Either (A) 20% of the units must be rent restricted and occupied by individuals whose incomes are 50% or less of the area median income as determined by HUD ("AMI") with adjustments for household size ("20% @ 50% AMI"), or (B) 40% or more of the units must be rent restricted and occupied by individuals whose income is 60% or less of AMI, with adjustments for household size ("40% @ 60% AMI"); however in the latter case, a minimum of 10% of the units must be at 50% or less of AMI (i.e., 30% @ 60% AMI; 10% @ 50% AMI). • Any units restricted by the Agency pursuant to this program, including those units restricted in addition to the minimum requirements set forth above, shall be rented at rents up to 30% of the applicable income restriction using the occupancy assumptions required in the Agency's Regulatory Agreement. Rents for all restricted units must be at least 10% below market rents as evidenced by a current market study or an appraisal. • Borrower will be required to enter into a Regulatory Agreement which will be recorded against the Project for the Qualified Project Period (as defined in the CalHFA Regulatory Agreement). This includes the later of the federally-required qualified project period, repayment of the Bond funded loan, redemption of the Bonds, the full term of the CDLAC Resolution requirements or 55 years.

Last revised: 05/2022

La Vista Residential

La Vista Residential



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TN

MN (12.9°E)

Scale 1 : 1,100,000

0 6 12 18 24 30 mi

0 10 20 30 40 50 km

1" = 17.36 mi

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