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:	**Fiddyment Apartments, Placer County**	
Address:	**2700 N. Hayden Parkway, Roseville, 95747**	
Type of Project:	**New Construction**	
CalHFA Project Number:	22-009-A/X/N	**Total Units: 330/Family**
Requested Financing by Loan Program:	**$61,000,000**	**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 $43,000,000	**CalHFA Taxable Bond – Conduit Issuance Amount (a portion of which may include recycled bonds) (includes 10% cushion)**
	$37,400,000	**CalHFA Tax-Exempt or FFB Permanent Loan with HUD Risk Sharing**
	$8,000,000	**CalHFA MIP Subsidy Loan**

DEVELOPMENT/PROJECT TEAM

Developer:	Pacific West Communities, Inc.	**Borrower:**	Roseville Pacific Associates, a California Limited Partnership
Permanent Lender:	CalHFA	**Construction Lender:**	Bank of America
Equity Investor:	Bank of America	**Management Company:**	ConAm Management Corporation
Contractor:	Pacific West Builders, Inc.	**Architect**	SDG Architects, Inc.
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/ Bank of America CONSTRUCTION LOAN**	**PERMANENT LOAN**	**CalHFA MIP SUBSIDY LOAN AND SUPPLEMENTAL MIP LOAN**
	Total Loan Amount	$63,000,000 (T/E) $38,580,297 (Taxable) Total Conduit Issuance: $101,580,297	$37,400,000	$8,000,000 ($24,540/restricted unit)
	Loan Term & Lien Position	36 months- interest only; 1st Lien Position during construction.	40 years –partially	30 year - Residual Receipts; 2nd Lien Position during

		One 6-month extension available.	amortizing due in year 30; 1st Lien Position during permanent loan term.	permanent loan term.
	Interest Rate	BSBY Daily Floating Rate + 2.50% Underwritten at 5.00% variable rate	Underwriting Rate: 6.21% (Fixed Rate locked*) Estimated rate based on a 36 month forward commitment.	Greater of 1% Simple Interest or the Applicable Federal Rate (AFR) at time of MIP closing (3% Simple was used for underwriting purposes)
	Loan to Value (LTV)	LTV is 73% of investment value	LTV is 54% of restricted value	N/A
	Loan to Cost	82%	30%	N/A

** The Agency has determined that the Indicative Rate of 6.21%, 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:**	#4 Tom McClintock	**Assembly:**	#6 Kevin Kiley	**State Senate:**	#4 Jim Nielsen

Brief Project Description

Fiddyment Apartments (the "Project") is a new construction family, mixed income Project. It consists of 11 3-story residential walk-up buildings and 1 community building. There will be 330 total units, 326 of which will be restricted between 30% and 80% of the Placer County Area Median Income (AMI). There will be 162 one-bedroom units (626 s.f.), 84 two-bedroom units (950 s.f.), and 84 three-bedroom units (1,200 s.f.). 2 two-bedroom and 2 three-bedroom units will serve as the manager's units. This project is not in a disaster relief area. The site is currently vacant land.

Financing Structure: The Project's financing structure includes financing from tax-exempt bonds, taxable construction loan, 4% Federal Tax Credit equity (4% Federal LIHTC allocation), and State Housing Tax Credit equity and Agency's tax-exempt loan program and Mixed-Income Program (no supplemental MIP allocation). The project will be income averaged, pursuant to TCAC regulations.

Tax Credits and/or CDLAC Status: The developer 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, swimming pool, playground, half basketball court, exercise room, picnic area, and central laundry facilities. Unit amenities will include central heating and air conditioning, dishwasher, garbage disposal, and potentially washer and dryer hook-ups in the units (residents will be required to provide their own laundry equipment).

Local Resources and Services: For TCAC/CDLAC purposes, the Project is located within a highest resource area per TCAC/HCD's Opportunity Area Map.

The Project is in close proximity to the following local amenities and services:

- Grocery stores – 2.3 miles
- Schools – 1-2 miles
- Public Library – 3.0 miles
- Public transit – 2.3 miles
- Park and recreation – 0.5 miles
- Hospital – 7 miles
- Pharmacy – 2.3 miles
- Post Office – 5.9 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 326 units of affordable housing with a range of restricted rents between 30% AMI and 80% of AMI which will support much needed rental housing that will remain affordable for 55 years.

ANTICIPATED PROJECT MILESTONES & SCHEDULE

4.				
	CDLAC/TCAC Closing Deadline:	3/12/2023*	Est. Construction Loan Closing:	12/2022
	Estimated Construction Start:	12/2022	Est. Construction Completion:	1/2025
	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 3/12/2023 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**
Bank of America- Conduit- Tax Exempt	$63,000,000	1st/5.00%/Interest Only	Total Acquisition costs	$4,449,628
Bank of America- Conduit- Taxable	$38,580,297	2nd/5.00%/Interest Only	Construction/Rehab Costs	$73,137,550
Deferred Costs	$351,387	N/A	Soft Costs	$1,295,500
Deferred Developer Fee	$14,416,527	N/A	Hard Cost contingency	$3,700,000
Investor Equity Contribution	$7,225,396	N/A	Soft Cost contingency	$1,276,000
			Financing Costs	$6,638,317
			Local Impact Fees	$16,275,363
			Operating Reserves	$932,853

			Developer Fees	$14,666,527
			Other Costs	$1,201,869
TOTAL	**$123,573,607**			**$123,573,607**
TOTAL PER UNIT	**$374,465**			

Permanent Sources and Uses				
Sources:	**Amount**	**Details (Lien Position/Rate/Debt Type)**	**Uses**	**Amount**
CalHFA Perm Loan	$37,400,000	1st/6.21%/40 yr amortization due in yr 30	Total Loan Payoffs and Equity (excludes Developer Fee)	$108,907,080
CalHFA MIP Loan	$8,000,000	2nd/3.00%/Residual Receipts	Developer Fee	$14,666,527
CalHFA Supplemental MIP Loan	$0	N/A	Financing costs	$330,000
Deferred Developer Fees	$8,400,000	N/A	Soft costs	$17,500
Investor Equity Contributions	$70,719,918	N/A	Operating Reserves	$598,811
TOTAL	**$124,519,918**			
TOTAL PER UNIT	**$377,333**			**$124,519,918**

Subsidy Efficiency: $8,000,000 ($24,540 per MIP restricted units).

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

- 4% Federal Tax Credits: $60,841,580 ($186,631 per TCAC restricted unit).
- State Tax Credits: $20,460,000 ($62,761 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.

6. Equity – Cash Out (estimate): Not Applicable

TRANSACTION OVERVIEW

7. **Proposal and Project Strengths**

- 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 26% to 76% below market rents based on current appraisal.
- The Loan-to-Value will be 54%, which is well below the Agency's maximum allowable LTV of 90% LTV. This results in less risk to the Agency.
- The projected portion of the developer's fee that will be collected at permanent loan conversion is $6,266,527,

which could be available to cover cost overruns and/or unforeseen issues during construction.

- The exit analysis assumes a 2.00% increase (6.50%) to the cap rate and 3.00% increase (9.21%) to the 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 project consists of a total of 330 units, which may take longer to complete and stabilize. The construction lender's loan term and CalHFA's forward rate lock period are for 36 months with an option to extend for up to 6 additional months. The developer plans to advertise and pre-lease the units in advance of construction completion and anticipates the Project will be fully leased up within 8 months from certificate of occupancy. Any additional construction loan interest reserve resulting from construction loan term extensions beyond 36 months shall be absorbed by soft contingency and/or increase in deferred developer's fee.

9. Underwriting Standards or Term Sheet Variations

None

10. Project Specific Conditions of Approval

Approval is conditioned upon:

- No site work or construction commenced prior to the issuance of a HUD Firm Approval Letter.
- CalHFA requires that MIP affordability covenants be recorded in senior position to all foreclosable debt.
- The CalHFA subsidy (including the supplemental MIP subsidy loan, if any) 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.
- 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.
- 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.

11. Staff Conclusion/Recommendation:

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

AFFORDABILITY

12. CalHFA Affordability (Occupancy and Rent) Restrictions

The CalHFA Permanent Financing Regulatory Agreement will restrict a minimum of 40% of the total units at or below 60% AMI; with 30% of the total units (99 units) at or below 60% AMI and 10% of the total units (33 units) at 50% of AMI for 55 year(s).

The CalHFA MIP Subsidy Regulatory Agreement requires 10% of total units (33 units) be restricted at or below 30% of AMI, 20% of total units (66 units) be restricted at or below 50% of AMI, and 10% of total units (33 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 194 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%	33	-	17	8	8	-	10.0%
40%	0	-	-	-	-	-	0.0%
50%	66	-	34	16	16	-	20.0%
60%	148	-	84	32	32	-	44.8%
70%	0	-	-	-	-	-	0.0%
80%	79	-	27	26	26	-	23.9%
Manager's Unit	4	-	-	2	2	-	1.2%
Total	330	0	162	84	84	0	100.0%

The average affordability restriction is 59.79% of AMI based on 326 TCAC-restricted units.

NUMBER OF UNITS AND AMI RENTS RESTRICTED BY EACH AGENCY

Regulatory Source	Recordation Priority of Recorded Document	Term of Agrmt (years)	Number of Units Restricted For Each AMI Category							
			30% AMI	50% AMI	60% AMI	80% AMI	120% AMI	Mgrs Unit	Total Units Regulated	% of Regulated Units
CalHFA Bond/Risk Share	1	55		33	99			4	132	40%
CalHFA MIP	2	55	33	66		33	194	4	326	98.8%
Tax Credits	3	55	33	66	148	79		4	326	98.8%

13. Geocoder Information

Central City:	Yes	Underserved:	No
Low/Mod Census Tract:	Upper	Below Poverty line:	5.18%
Minority Census Tract:	46.68%	Rural Area:	No

FINANCIAL ANALYSIS SUMMARY

14.	Capitalized Reserves:	
	Replacement Reserves (RR):	N/A
	Operating Expense Reserve (OER):	$932,853 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. The equity investor is requiring an additional OER of

		$98,811, which may be held by CalHFA or the investor. A minimum of 3 to 6 months operating expense, reserves, and debt service ("OER") is required to be held for the life of the CalHFA permanent loan. The OER may be based on 3 months of total operating expense, reserves, and debt service if the developer provides evidence that, within the last 2 years, that they have received allocations from TCAC or provide a certification from a third-party accountant that they met TCAC's general partner and management experience pursuant to CTCAC regulations. The developer has submitted supporting documentation that they've met this requirement.
	Transitional Operating Reserve (TOR):	N/A

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

16. Loan Security

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

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

The exit analysis assumes a 2.00% increase (6.50%) to the cap rate and 3.00% increase (9.21%) to the 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 September 17, 2022, prepared by Pacific Real Estate Appraisal, values the land at $9,350,000.
- The cap rate of 4.50% and projected $3,118,426 of net operating income, which is $201,977 higher than developer's proposed budget. This is attributed to the appraiser including other income (late fees, security deposits, etc.) that are not eligible for CalHFA underwriting as well as the appraisal estimating lower special assessment costs compared to the developer's projections.
- The as-restricted stabilized value is $69,300,000, which results in the Agency's permanent first lien loan to value (LTV) of 54%. The combined LTV, including MIP subsidy loan is 66%.
- The project capture rate is 29% and the absorption rate is 41 to 47 units per month which is consistent with the market study. The appraisal confirms that there is a strong base of potential tenants, and the project is expected to achieve stabilized occupancy within 8 months after construction completion which is consistent with the market study.

Market Study:	Kinetic Valuation Group, Inc.	**Dated: February 9, 2022**

Regional Market Overview

- The Primary Market Area is the cities of Roseville and Rocklin (population of 215,015) and the Secondary Market Area ("SMA") is the Sacramento-Roseville-Arden Arcade, CA Metropolitan Statistical Area (MSA), which includes El Dorado, Placer, Sacramento, and Yolo Counties (population of 2,366,968).
- The general population in the PMA is anticipated to increase by 1.8% per year leading up to market entry.

- In December 2021 the unemployment rate for the city of Roseville was 3.1%, compared to 4.4% for the MSA and 5.0% for California. The 3.1% is in line with the pre-pandemic level for Roseville.

Local Market Area Analysis

- **Supply:**
  - There are currently 15 affordable family project(s) in the PMA.
  - For the 7 properties deemed comparable, vacancy rates were all below 3%. Two of these projects maintain waiting lists of over 100 eligible households each.
  - In the city of Roseville there are 4 multifamily affordable projects under construction (306 units total), however construction timelines were not available.
- **Demand/Absorption:**
  - The project will need to capture 13.3% of the total units in the PMA.
  - The proposed LIHTC rents are substantially below comparable market rents which will be advantageous for low to moderate income households.
  - Stabilized occupancy overall is estimated within 7-8 months of completion.

DEVELOPMENT SUMMARY

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

- The property is located southeast of the juncture of North Hayden Parkway and Crawford Parkway, in the City of Roseville, Placer County.
- The site is currently vacant, with level topography at curb grade, measuring approximately 11.93 acres and is generally rectangular in shape.
- The site is zoned Multifamily Residential (R3).
- 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

On January 13, 2022 the developer, Pacific West Communities, Inc., purchased the site, in an arms-length transaction from an unrelated 3rd party, Jen California 15 LLC, for $4.155 million. PWC has entered into a Purchase and Sale Agreement dated January 17, 2022, for a non-arms-length transaction with the borrowing entity, Roseville Pacific Associates for the same price, $4.16 million. The transaction between the related entities is estimated to take place in December 2022.

21. Current Ownership Entity of Record

Title is currently vested in Pacific West Communities, Inc. as the fee owner.

22. Environmental Review Findings **Dated: 8/19/2022**

A Phase I Environmental Site Assessment performed by KCE Matrix, Inc., dated August 19, 2022 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 Roseville Building Codes so no seismic review is required.

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

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

PROJECT DETAILS

25. Residential Areas:

	Residential Square Footage:	282,012	**Residential Units per Acre:**	27.66
	Community Area Sq. Ftg:	6,000	**Total Parking Spaces:**	577

		Supportive Service Areas:	N/A	**Total Building Sq. Footage:**	288,012
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 eleven 3-story garden style residential buildings, a one-story community building, and a laundry building. Buildings will be wood framed and supported by perimeter foundations with concrete slab flooring. Exteriors will combine plater, parapet roofs, metal canopies, exterior private decks, vinyl windows, and composite shingle roofing.			
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 14% for builder overhead, profit, and general requirements, which aligns with TCAC's allowable limit. TCAC's allowable limit is 14%.

29. Construction Budget Comments:

- CalHFA will require an independent review of the costs by a 3rd Party consultant prior to construction loan closing.
- The Developer is currently looking for cost saving design options to reduce construction costs and minimize the amount of deferred developer fee.
- The developer has established cost containment strategies, which are outlined in Section 5 above.

ADDITIONAL DEVELOPMENT/ PROJECT TEAM INFORMATION

30. Borrower Affiliated Entities

- Managing General Partner: Central Valley Coalition for Affordable Housing, a California nonprofit public benefit corporation; 0.0034% interest
- Co-Administrative General Partner: TPX Holdings IX, LLC, an Idaho limited liability company; 0.0033% interest
  - Sole Member: TPC Enterprise Holdings, LLC
  - Manager: Pacific West Communities, Inc.
- Co-Administrative General Partner: Roseville Fiddyment, LLC, a California limited liability company; 0.0033% interest
  - Co-manager: Christopher M. Hawke, 50.00% interest
  - Co-manager: Bradford S. Dickason, 50.00% interest

Investor Limited Partner: Bank of America; 99.99% interest

31. Developer/Sponsor

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	Subject Property. Pending CalHFA board approval 10/20/22.
2. La Vista Residential	176	$24,300,000	$8,270,000	12/31/2022	12/31/2025	No	N/A	Pending CalHFA board approval 10/20/2022.
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**						

32. Management Agent

The Project will be managed by ConAm Management Corporation, which has extensive experience in managing similar affordable housing projects in the area and manages 10 projects in CalHFA's portfolio which are performing as expected.

33. Service Provider

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

Central Valley Coalition for Affordable Housing will be providing onsite services to the residents. These services will include health and wellness programs (344 hours per year), art programs and resources workshops, adult education classes (84 hours per year), after-school programing including tutoring and mentoring and recreation and family activity nights. Expense for these services is currently within the approved line item operating budget and will not be charged to the residents.

34. Contractor

Experienced with CalHFA? ☒ Yes ☐ No

The general contractor (GC) is Pacific West Builders, Inc., which has extensive experience in constructing similar affordable housing projects in California and is familiar with CalHFA. Pacific West Builders is the construction arm of the developer, Pacific West Communities. The GC currently has 26 projects (25 affordable) under construction and 36 projects (35 affordable) completed projects 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 SDG Architects, Inc. which has extensive experience in designing and managing similar affordable housing

projects in California through the locality's building permit process and is familiar with CalHFA. The Architect currently has 29 projects (4 affordable) under construction and 105 projects (5 affordable) completed in CA within the last five years. The architect and the developer have worked on approximately 15 project(s) that have been completed and are working on 9 projects that are in the development stage.	
36.	**Local Review via Locality Contribution Letter**
The locality, the City of Roseville, returned the local contribution letter stating they strongly support the project.	

EXHIBITS: Detailed Financial Analysis and applicable Term Sheets

PROJECT SUMMARY	Final Commitment
Acquisition, Rehab, Construction & Permanent Loans	Project Number 22-009-A/X/N

Project Full Name	Fiddyment Apartments	**Borrower Name:**	Roseville Pacific Associates, a California
Project Address	2700 N. Hayden Parkway	**Managing GP:**	Central Valley Coalition For Affordable Housing
Project City	Roseville	**Developer Name:**	Pacific West Communities, Inc.
Project County	Placer	**Investor Name:**	Boston Financial
Project Zip Code	95747	**Prop Management:**	ConAm Management Corporation
		Tax Credits:	4
Project Type:	Permanent Loan Only	**Total Land Area (acres):**	11.93
Tenancy/Occupancy:	Individuals/Families	**Residential Square Footage:**	282,012
Total Residential Units:	330	**Residential Units Per Acre:**	27.66
Total Number of Buildings:	12		
Number of Stories:	3	**Covered Parking Spaces:**	330
Unit Style:	Flat	**Total Parking Spaces:**	577
Elevators:	--		

Acq/Construction/Rehab Financing	Loan Amount ($)	Loan Fees	Loan Term (Mo.)	Amort. Period (Yr.)	Starting Interest Rate
Bank of America- Conduit- Tax Exempt	63,000,000	1.000%	36	--	5.000%
Bank of America- Conduit- Taxable	38,580,297	1.000%	36	--	5.000%
Deferred Developer Fee	14,416,527	NA	NA	NA	NA
Deferred Costs	351,387	NA	NA	NA	NA
Investor Equity Contribution	7,225,396	NA	NA	NA	NA
Total	**123,573,607**	NA	NA	NA	NA

Permanent Financing	Loan Amount ($)	Loan Fees	Loan Term (Yr.)	Amort. Period (Yr.)	Starting Interest Rate
Perm	37,400,000	1.000%	30	40	6.210%
MIP	8,000,000	1.000%	30	NA	3.000%
Deferred Developer Fees	8,400,000	NA	NA	NA	NA
Investor Equity Contributions	70,719,918	NA	NA	NA	NA
Total	**124,519,918**	NA	NA	NA	NA

Appraised Values Upon Completion of Rehab/Construction

Appraisal Date:	8/24/22	**Capitalization Rate:**	4.50%
Investment Value ($)	139,240,000	**Restricted Value ($)**	69,300,000
Construct/Rehab LTC	82%	**CalHFA Permanent Loan to Cost**	30%
Construct/Rehab LTV	73%	**CalHFA 1st Permanent Loan to Value**	54%
		Combined CalHFA Perm Loan to Value	66%

Additional Loan Terms, Conditions & Comments

Construction/Rehab Loan

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

Permanent Loan

Operating Expense Reserve Deposit	$932,853	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**
Fiddyment Apartments	**Project Number 22-009-A/X/N**

PROJECT UNIT MIX

Unit Type of Style	Number of Bedrooms	Number of Baths	Average Size (Sq. Ft.)	Number of Units	Est. No. of Tenants
Flat	1	1	626	162	243
Flat	2	1	950	84	252
Flat	3	2	1,200	84	378
-	-	-	-	-	0
-	-	-	-	-	0
-	-	-	-	-	0
				330	873

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

Agency	Number of Units Restricted For Each AMI Category						
	30%	40%	50%	60%	80%	120%	200%
FA Bond/RiskShare	0	0	33	99	0	0	0
CalHFA MIP	33	0	66	0	33	194	0
Tax Credit	33	0	66	148	79	0	0
-	0	0	0	0	0	0	0
-	0	0	0	0	0	0	0
-	0	0	0	0	0	0	0
-	0	0	0	0	0	0	0

COMPARISON OF AVERAGE MONTHLY RESTRICTED RENTS TO AVERAGE MARKET RENTS

Unit Type	Restricting Agency	% of Area Median Income	Average Restricted Rents Number of Units	Average Restricted Rents Unit Rent	Average Market Rents	Average Monthly Savings	% of Market Rents
Studios	**CTCAC**	**30%**	-	-	-	-	-
	CTCAC	**50%**	-	-		-	-
	CTCAC	**60%**	-	-		-	-
	CTCAC	**80%**	-	-		-	-
	HCD	**100%**	-	-		-	-
	CTCAC	**60%**	-	-		-	-
	CTCAC	**80%**	-	-		-	-
1 Bedroom	**CTCAC**	**30%**	17	$502	$1,950	$1,448	26%
	CTCAC	**50%**	34	$882		$1,068	45%
	CTCAC	**60%**	84	$1,072		$878	55%
	CTCAC	**80%**	27	$1,453		$497	75%
	HCD	**100%**	-	-		-	-
	CTCAC	**60%**	-	-		-	-
	CTCAC	**80%**	-	-		-	-
2 Bedrooms	**CTCAC**	**30%**	8	$600	$2,275	$1,675	26%
	CTCAC	**50%**	16	$1,056		$1,219	46%
	CTCAC	**60%**	32	$1,284		$991	56%
	CTCAC	**80%**	26	$1,740		$535	76%
	HCD	**100%**	-	-		-	-
	CTCAC	**80%**	-	-		-	-
	CTCAC	**-**	-	-		-	-
3 Bedrooms	**CTCAC**	**30%**	8	$690	$2,650	$1,960	26%
	CTCAC	**50%**	16	$1,217		$1,433	46%
	CTCAC	**60%**	32	$1,481		$1,169	56%
	CTCAC	**80%**	26	$2,008		$642	76%
	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
Fiddyment Apartments			Project Number		22-009-A/X/N

SOURCES OF FUNDS	CONST/REHAB	PERMANENT	TOTAL PROJECT SOURCES OF FUNDS		
	$	$	SOURCES ($)	PER UNIT ($)	%
Bank of America- Conduit- Tax Exempt	63,000,000				0.0%
Bank of America- Conduit- Taxable	38,580,297				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
Deferred Costs	351,387				0.0%
-	-				0.0%
-	-				0.0%
Construct/Rehab Net Oper. Inc.	-				0.0%
Deferred Developer Fee	14,416,527				0.0%
Developer Equity Contribution	-				0.0%
Investor Equity Contribution	7,225,396				0.0%
Perm		37,400,000	37,400,000	113,333	30.0%
MIP		8,000,000	8,000,000	24,242	6.4%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
Construct/Rehab Net Oper. Inc.		-	-	-	0.0%
Deferred Developer Fees		8,400,000	8,400,000	25,455	6.7%
Developer Equity Contribution		-	-	-	0.0%
Investor Equity Contributions		70,719,918	70,719,918	214,303	56.8%
TOTAL SOURCES OF FUNDS	**123,573,607**	**124,519,918**	**124,519,918**	**377,333**	**100.0%**
TOTAL USES OF FUNDS (BELOW)	**123,573,607**	**124,519,918**	**124,519,918**	**377,333**	**100.0%**
FUNDING SURPLUS (DEFICIT)	**-**	**-**	**-**		

USES OF FUNDS	CONST/REHAB	PERMANENT	TOTAL PROJECT USES OF FUNDS		
	$	$	USES ($)	PER UNIT ($)	%
ONSTRUCTION/REHAB SOURCES OF FUNDS		**123,573,607**			
ACQUISITION COSTS					
Lesser of Land Cost or Appraised Value	4,160,000	-	4,160,000	12,606	3.3%
Demolition Costs	-	-	-	-	0.0%
Legal & Other Closing Costs	-	-	-	-	0.0%
Escrow & other closing costs	-	-	-	-	0.0%
Verifiable Carrying Costs	289,628	-	289,628	878	0.2%
Existing Improvements Value	-	-	-	-	0.0%
Delinquent Taxes Paid @ Closing	-	-	-	-	0.0%
CalHFA Yield Maintenance Paid @ Closing	-	-	-	-	0.0%
Existing Replacement Reserve	-	-	-	-	0.0%
Broker Fees Paid to Related Party	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL ACQUISITION COSTS	**4,449,628**	**-**	**4,449,628**	**13,484**	**3.6%**
CONSTRUCTION/REHAB COSTS					
Offsite Improvements	-	-	-	-	0.0%
Environmental Remediation (Hard Costs)	-	-	-	-	0.0%
Site Work (Hard Cost)	5,280,000	-	5,280,000	16,000	4.2%
Structures (Hard Cost)	58,082,640	-	58,082,640	176,008	46.6%
General Requirements	3,801,758	-	3,801,758	11,520	3.1%
Contractor Overhead	1,343,288	-	1,343,288	4,071	1.1%
Contractor Profit	4,029,864	-	4,029,864	12,212	3.2%
Contractor Bond	-	-	-	-	0.0%
Contractor Liability Insurance	600,000	-	600,000	1,818	0.5%
Personal Property	-	-	-	-	0.0%
HVAC/Resident Damage	-	-	-	-	0.0%
TOTAL CONSTRUCT/REHAB COSTS	**73,137,550**	**-**	**73,137,550**	**221,629**	**58.7%**

SOURCES & USES OF FUNDS					Final Commitment
Fiddyment Apartments			Project Number	22-009-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	600,000	-	600,000	1,818	0.5%
Supervision	200,000	-	200,000	606	0.2%
TOTAL ARCHITECTURAL FEES	**800,000**	**-**	**800,000**	**2,424**	**0.6%**
SURVEY & ENGINEERING FEES					
Engineering	280,000	-	280,000	848	0.2%
Supervision	-	-	-	-	0.0%
ALTA Land Survey	-	-	-	-	0.0%
TOTAL SURVEY & ENGINEERING FEES	280,000	-	280,000	848	0.2%
CONTINGENCY RESERVES					
Hard Cost Contingency Reserve	3,700,000	-	3,700,000	11,212	3.0%
Soft Cost Contingency Reserve	1,276,000	-	1,276,000	3,867	1.0%
TOTAL CONTINGENCY RESERVES	4,976,000	-	4,976,000	15,079	4.0%
CONSTRUCT/REHAB PERIOD COSTS					
Loan Interest Reserve					
Bank of America- Conduit- Tax Exempt	4,322,098	-	4,322,098	13,097	0.03471
Bank of America- Conduit- Taxable	-	-	-	-	0
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Loan Fees					
Bank of America- Conduit- Tax Exempt	630,000	-	630,000	1,909	0.5%
Bank of America- Conduit- Taxable	385,803	-	385,803	1,169	0.3%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Other Const/Rehab Period Costs					
Deficit Const/Rehab NOI (Net Operating In	-	-	-	-	0.0%
Credit Enhancement & Application Fees	-	-	-	-	0.0%
Owner Paid Bonds/Insurance	-	-	-	-	0.0%
CalHFA Inspection Fees	18,000	-	18,000	55	0.0%
Real Estate Taxes During Rehab	120,000	-	120,000	364	0.1%
Completion Guaranty Fee	-	-	-	-	0.0%
Wage Monitoring Fee (Davis Bacon, Preva	-	-	-	-	0.0%
Insurance During Rehab	543,600	-	543,600	1,647	0.4%
Title & Recording Fees	100,000	-	100,000	303	0.1%
Construction Management & Testing	-	-	-	-	0.0%
Const Lender Costs (Legal, etc)	93,440	-	93,440	283	0.1%
Bond Issuer Fee	78,290	-	78,290	237	0.1%
Cost of Issuance Contingency (Constructio	113,086	-	113,086	343	0.1%
TOTAL CONST/REHAB PERIOD COSTS	**6,404,317**	**-**	**6,404,317**	**19,407**	**5.1%**

SOURCES & USES OF FUNDS					Final Commitment
Fiddyment Apartments			Project Number		22-009-A/X/N
USES OF FUNDS	CONST/REHAB	PERMANENT	TOTAL PROJECT USES OF FUNDS		
	$	$	USES ($)	PER UNIT ($)	%
PERMANENT LOAN COSTS					
Loan Fees					
CalHFA Application Fee	-	-	-	-	0.0%
Perm	194,000	180,000	374,000	1,133	0.3%
MIP	40,000	40,000	80,000	242	0.1%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Permanent Loan Cost of Issuance Fee	-	110,000	110,000	333	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 Fees/Costs	-	-	-	-	0.0%
TOTAL PERMANENT LOAN COSTS	**234,000**	**330,000**	**564,000**	**1,709**	**0.5%**
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	106	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	197	0.1%
CalHFA Bond Counsel	93,000	-	93,000	282	0.1%
TOTAL LEGAL FEES	**175,500**	**17,500**	**193,000**	**585**	**0.2%**
OPERATING RESERVES					
Operating Expense Reserve Deposit	932,853	-	932,853	2,827	0.7%
Initial Replacement Reserve Deposit	-	-	-	-	0.0%
Transition Operating Reserve Deposit	-	-	-	-	0.0%
Rent-Up Reserve Deposit	-	-	-	-	0.0%
HOME Program Replacement Reserve	-	-	-	-	0.0%
Investor Required Reserve	-	98,811	98,811	299	0.1%
Post Construction Interest Reserve	-	500,000	500,000	1,515	0.4%
TOTAL OPERATING RESERVES	**932,853**	**598,811**	**1,531,664**	**4,641**	**1.2%**
REPORTS & STUDIES					
Appraisal Fee	10,000	-	10,000	30	0.0%
Market Study Fee	10,000	-	10,000	30	0.0%
Physical Needs Assessment Fee	-	-	-	-	0.0%
Environmental Site Assessment Reports	20,000	-	20,000	61	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**	**121**	**0.0%**

SOURCES & USES OF FUNDS					Final Commitment
Fiddyment Apartments			**Project Number**	**22-009-A/X/N**	
USES OF FUNDS	**CONST/REHAB $**	**PERMANENT $**	**TOTAL PROJECT USES OF FUNDS**		
			USES ($)	**PER UNIT ($)**	**%**
OTHER COSTS					
TCAC Application, Allocation & Monitor Fees	196,502	-	196,502	595	0.2%
CDLAC Fees	35,553	-	35,553	108	0.0%
Local Permits & Fees	700,000	-	700,000	2,121	0.6%
Local Impact Fees	16,275,363	-	16,275,363	49,319	13.1%
Other Local Fees	-	-	-	-	0.0%
Syndicator/Investor Fees & Expenses	-	-	-	-	0.0%
Furnishings	60,000	-	60,000	182	0.0%
Accounting & Audits	15,000	-	15,000	45	0.0%
Advertising & Marketing Expenses	194,814	-	194,814	590	0.2%
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	**17,477,232**	**-**	**17,477,232**	**52,961**	**14.0%**
SUBTOTAL PROJECT COSTS	**108,907,080**	**124,519,918**	**109,853,391**	**332,889**	**88.2%**
DEVELOPER FEES & COSTS					
Developer Fees, Overhead & Profit	14,666,527	-	14,666,527	44,444	11.8%
Consultant Processing Agent	-	-	-	-	0.0%
Project Administration	-	-	-	-	0.0%
Syndicator Consultant Fees	-	-	-	-	0.0%
Guarantee Fees	-	-	-	-	0.0%
Construction Oversight & Management	-	-	-	-	0.0%
Other Adminstration Fees	-	-	-	-	0.0%
Other (Specify) correction to balance	-	-	-	-	0.0%
CASH EQUITY OUT TO DEVELOPER	-	-	-	-	0.0%
TOTAL DEVELOPER FEES & COSTS	**14,666,527**	**-**	**14,666,527**	**44,444**	**11.8%**
TOTAL PROJECT COSTS	**123,573,607**	**124,519,918**	**124,519,918**	**377,333**	**100.0%**

PROJECTED INITIAL ANNUAL RENTAL OPERATING BUDGET			Final Commitment
Fiddyment Apartments	**Project Number**		**22-009-A/X/N**
INCOME	**AMOUNT**	**PER UNIT**	**%**
Rental Income			
Restricted Unit Rents	$ 4,805,004	$ 14,561	104.54%
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	33,033	100	0.72%
Parking & Storage Income	-	-	0.00%
Miscellaneous Income	-	-	0.00%
GROSS POTENTIAL INCOME (GPI)	**$ 4,838,037**	**$ 14,661**	**105.26%**
Less: Vacancy Loss	**$ 241,902**	**$ 733**	**5.26%**
EFFECTIVE GROSS INCOME (EGI)	**$ 4,596,135**	**$ 15,394**	**100.00%**
OPERATING EXPENSES	**AMOUNT**	**PER UNIT**	**%**
Administrative Expenses	$ 181,300	$ 549	$ 0
Management Fee	159,486	483	3.47%
Social Programs & Services	22,000	67	0.48%
Utilities	281,500	853	6.12%
Operating & Maintenance	521,700	1,581	11.35%
Ground Lease Payments	-	-	0.00%
CalHFA Monitoring Fee	7,500	23	0.16%
Other Monitoring Fees	-	-	0.00%
Real Estate Taxes	8,100	25	0.18%
Other Taxes & Insurance	418,900	1,269	9.11%
Assisted Living/Board & Care	-	-	0.00%
SUBTOTAL OPERATING EXPENSES	**$ 1,600,486**	**$ 4,850**	**34.82%**
Replacement Reserve	$ 82,500	$ 250	1.79%
TOTAL OPERATING EXPENSES	**$ 1,682,986**	**$ 5,100**	**36.62%**
NET OPERATING INCOME (NOI)	**$ 2,913,149**	**$ 8,828**	**63.38%**
DEBT SERVICE PAYMENTS	**AMOUNT**	**PER UNIT**	**%**
Perm	$ 2,535,371	$ 7,683	55.16%
-	$ -	-	0.00%
-	$ -	-	0.00%
-	$ -	-	0.00%
-	$ -	-	0.00%
-	$ -	-	0.00%
-	$ -	-	0.00%
MIP Annual Fee (applicable for MIP only deals)	$ -	-	0.00%
TOTAL DEBT SERVICE & OTHER PAYMENTS	**$ 2,535,371**	**$ 7,683**	**55.16%**
EXCESS AFTER DEBT SERVICE & MONITORING FEES	**$ 377,778**	**$ 1,145**	**8.22%**
DEBT SERVICE COVERAGE RATIO (DSCR)	**1.15**	**to 1**	
Date: 9/27/22		Senior Staff Date:	10/05/22

PROJECTED PERMANENT LOAN CASH FL0WS									Fiddyment Apartments					
Final Commitment									Project Number	22-009-A/X/N				
	YEAR	1	2	3	4	5	6	7	8	9	10	11	12	13
RENTAL INCOME	**CPI**													
Restricted Unit Rents	2.50%	4,805,004	4,925,129	5,048,257	5,174,464	5,303,825	5,436,421	5,572,332	5,711,640	5,854,431	6,000,792	6,150,811	6,304,582	6,462,196
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%	33,033	33,859	34,705	35,573	36,462	37,374	38,308	39,266	40,248	41,254	42,285	43,342	44,426
Parking & Storage Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-
GROSS POTENTIAL INCOME (GPI)		**4,838,037**	**4,958,988**	**5,082,963**	**5,210,037**	**5,340,288**	**5,473,795**	**5,610,640**	**5,750,906**	**5,894,678**	**6,042,045**	**6,193,096**	**6,347,924**	**6,506,622**
VACANCY ASSUMPTIONS	**Vacancy**													
Restricted Unit Rents	5.00%	240,250	246,256	252,413	258,723	265,191	271,821	278,617	285,582	292,722	300,040	307,541	315,229	323,110
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%	1,652	1,693	1,735	1,779	1,823	1,869	1,915	1,963	2,012	2,063	2,114	2,167	2,221
Parking & Storage Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL PROJECTED VACANCY LOSS		**241,902**	**247,949**	**254,148**	**260,502**	**267,014**	**273,690**	**280,532**	**287,545**	**294,734**	**302,102**	**309,655**	**317,396**	**325,331**
EFFECTIVE GROSS INCOME (EGI)		**4,596,135**	**4,711,039**	**4,828,814**	**4,949,535**	**5,073,273**	**5,200,105**	**5,330,108**	**5,463,360**	**5,599,944**	**5,739,943**	**5,883,442**	**6,030,528**	**6,181,291**
OPERATING EXPENSES	**CPI / Fee**													
Administrative Expenses	3.50%	203,300	210,416	217,780	225,402	233,291	241,457	249,908	258,654	267,707	277,077	286,775	296,812	307,200
Management Fee	3.47%	159,486	163,473	167,560	171,749	176,043	180,444	184,955	189,579	194,318	199,176	204,155	209,259	214,491
Utilities	3.50%	281,500	291,353	301,550	312,104	323,028	334,334	346,035	358,147	370,682	383,656	397,084	410,981	425,366
Operating & Maintenance	3.50%	521,700	539,960	558,858	578,418	598,663	619,616	641,303	663,748	686,979	711,024	735,909	761,666	788,325
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%	8,100	8,201	8,304	8,408	8,513	8,619	8,727	8,836	8,946	9,058	9,171	9,286	9,402
Other Taxes & Insurance	3.50%	418,900	433,562	448,736	464,442	480,697	497,522	514,935	532,958	551,611	570,918	590,900	611,581	632,987
Required Reserve Payments	1.00%	82,500	83,325	84,158	85,000	85,850	86,708	87,575	88,451	89,336	90,229	91,131	92,043	92,963
TOTAL OPERATING EXPENSES		**1,682,986**	**1,737,788**	**1,794,446**	**1,853,023**	**1,913,584**	**1,976,199**	**2,040,937**	**2,107,873**	**2,177,080**	**2,248,637**	**2,322,626**	**2,399,129**	**2,478,233**
NET OPERATING INCOME (NOI)		**2,913,149**	**2,973,250**	**3,034,368**	**3,096,512**	**3,159,689**	**3,223,906**	**3,289,170**	**3,355,488**	**3,422,865**	**3,491,306**	**3,560,816**	**3,631,399**	**3,703,058**
DEBT SERVICE PAYMENTS	**Lien #**													
Perm	1	2,535,371	2,535,371	2,535,371	2,535,371	2,535,371	2,535,371	2,535,371	2,535,371	2,535,371	2,535,371	2,535,371	2,535,371	2,535,371
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MIP Annual Fee (applicable for MIP only deals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		**2,535,371**	**2,535,371**	**2,535,371**	**2,535,371**	**2,535,371**	**2,535,371**	**2,535,371**	**2,535,371**	**2,535,371**	**2,535,371**	**2,535,371**	**2,535,371**	**2,535,371**
CASH FLOW AFTER DEBT SERVICE		**377,778**	**437,879**	**498,997**	**561,141**	**624,317**	**688,534**	**753,799**	**820,116**	**887,493**	**955,934**	**1,025,444**	**1,096,027**	**1,167,686**
DEBT SERVICE COVERAGE RATIO		**1.15**	**1.17**	**1.20**	**1.22**	**1.25**	**1.27**	**1.30**	**1.32**	**1.35**	**1.38**	**1.40**	**1.43**	**1.46**
Date Prepared:	09/27/22									Senior Staff Date:	10/5/22			

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
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
net CF available for distribution		**350,874**	**410,362**	**470,852**	**532,354**	**594,873**	**658,416**	**722,991**	**788,603**	**855,258**	**922,959**	**991,712**	**1,061,519**	**1,132,384**
	YEAR	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**
Deferred developer fee repayment	8,400,000	8,400,000	8,049,126	7,638,765	7,167,912	6,635,559	6,040,686	5,382,270	4,659,279	3,870,675	3,015,418	2,092,459	1,100,747	39,228
	100%	350,874	410,362	470,852	532,354	594,873	658,416	722,991	788,603	855,258	922,959	991,712	1,061,519	39,228
		8,049,126	7,638,765	7,167,912	6,635,559	6,040,686	5,382,270	4,659,279	3,870,675	3,015,418	2,092,459	1,100,747	39,228	-
Payments for Residual Receipt Payments		*50%*												
RESIDUAL RECEIPTS LOANS	*Payment %*	-	-	-	-	-	-	-	-	-	-	-	-	546,578
MIP	*100.00%*	-	-	-	-	-	-	-	-	-	-	-	-	546,578
Total Residual Receipts Payments	**100.00%**	**-**	-	-	-	-	-	-	-	-	-	-	-	546,578
Balances for Residual Receipt Payments														
RESIDUAL RECEIPTS LOANS	*Interest Rate*													
MIP---Simple	*3.00%*	8,000,000	8,240,000	8,480,000	8,720,000	8,960,000	9,200,000	9,440,000	9,680,000	9,920,000	10,160,000	10,400,000	10,640,000	10,880,000
0---	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Residual Receipts Payments		**8,000,000**	8,240,000	8,480,000	8,720,000	8,960,000	9,200,000	9,440,000	9,680,000	9,920,000	10,160,000	10,400,000	10,640,000	10,880,000

PROJECTED PERMANENT LOAN CASH FL0WS		Fiddyment Apartments												
Final Commitment							Project Number 22-009-A/X/N							
	YEAR	**14**	**15**	**16**	**17**	**18**	**19**	**20**	**21**	**22**	**23**	**24**	**25**	**26**
RENTAL INCOME	**CPI**													
Restricted Unit Rents	2.50%	6,623,751	6,789,345	6,959,078	7,133,055	7,311,382	7,494,166	7,681,521	7,873,559	8,070,398	8,272,157	8,478,961	8,690,935	8,908,209
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%	45,536	46,675	47,842	49,038	50,264	51,520	52,808	54,128	55,482	56,869	58,290	59,748	61,241
Parking & Storage Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-
GROSS POTENTIAL INCOME (GPI)		**6,669,287**	**6,836,020**	**7,006,920**	**7,182,093**	**7,361,645**	**7,545,687**	**7,734,329**	**7,927,687**	**8,125,879**	**8,329,026**	**8,537,252**	**8,750,683**	**8,969,450**
VACANCY ASSUMPTIONS	**Vacancy**													
Restricted Unit Rents	5.00%	331,188	339,467	347,954	356,653	365,569	374,708	384,076	393,678	403,520	413,608	423,948	434,547	445,410
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%	2,277	2,334	2,392	2,452	2,513	2,576	2,640	2,706	2,774	2,843	2,915	2,987	3,062
Parking & Storage Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL PROJECTED VACANCY LOSS		**333,464**	**341,801**	**350,346**	**359,105**	**368,082**	**377,284**	**386,716**	**396,384**	**406,294**	**416,451**	**426,863**	**437,534**	**448,473**
EFFECTIVE GROSS INCOME (EGI)		**6,335,823**	**6,494,219**	**6,656,574**	**6,822,988**	**6,993,563**	**7,168,402**	**7,347,612**	**7,531,303**	**7,719,585**	**7,912,575**	**8,110,389**	**8,313,149**	**8,520,978**
OPERATING EXPENSES	**CPI / Fee**													
Administrative Expenses	3.50%	317,952	329,081	340,598	352,519	364,858	377,628	390,845	404,524	418,682	433,336	448,503	464,201	480,448
Management Fee	3.47%	219,853	225,349	230,983	236,758	242,677	248,744	254,962	261,336	267,870	274,566	281,431	288,466	295,678
Utilities	3.50%	440,254	455,663	471,611	488,117	505,201	522,883	541,184	560,126	579,730	600,021	621,021	642,757	665,253
Operating & Maintenance	3.50%	815,916	844,473	874,029	904,621	936,282	969,052	1,002,969	1,038,073	1,074,405	1,112,010	1,150,930	1,191,212	1,232,905
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%	9,520	9,639	9,759	9,881	10,005	10,130	10,256	10,385	10,514	10,646	10,779	10,914	11,050
Other Taxes & Insurance	3.50%	655,141	678,071	701,804	726,367	751,790	778,102	805,336	833,523	862,696	892,890	924,141	956,486	989,963
Required Reserve Payments	1.00%	93,893	94,832	95,780	96,738	97,705	98,682	99,669	100,666	101,672	102,689	103,716	104,753	105,801
TOTAL OPERATING EXPENSES		**2,560,028**	**2,644,607**	**2,732,064**	**2,822,500**	**2,916,017**	**3,012,721**	**3,112,721**	**3,216,131**	**3,323,070**	**3,433,658**	**3,548,021**	**3,666,289**	**3,788,598**
NET OPERATING INCOME (NOI)		**3,775,795**	**3,849,612**	**3,924,510**	**4,000,488**	**4,077,546**	**4,155,682**	**4,234,891**	**4,315,171**	**4,396,515**	**4,478,917**	**4,562,368**	**4,646,860**	**4,732,380**
DEBT SERVICE PAYMENTS	**Lien #**													
Perm	1	2,535,371	2,535,371	2,535,371	2,535,371	2,535,371	2,535,371	2,535,371	2,535,371	2,535,371	2,535,371	2,535,371	2,535,371	2,535,371
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MIP Annual Fee (applicable for MIP only deals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		**2,535,371**	**2,535,371**	**2,535,371**	**2,535,371**	**2,535,371**	**2,535,371**	**2,535,371**	**2,535,371**	**2,535,371**	**2,535,371**	**2,535,371**	**2,535,371**	**2,535,371**
CASH FLOW AFTER DEBT SERVICE		**1,240,423**	**1,314,240**	**1,389,138**	**1,465,117**	**1,542,175**	**1,620,310**	**1,699,520**	**1,779,800**	**1,861,144**	**1,943,546**	**2,026,997**	**2,111,488**	**2,197,008**
DEBT SERVICE COVERAGE RATIO		**1.49**	**1.52**	**1.55**	**1.58**	**1.61**	**1.64**	**1.67**	**1.70**	**1.73**	**1.77**	**1.80**	**1.83**	**1.87**
Date Prepared:	09/27/22						Senior Staff Date:	10/5/22						

LESS: Asset Management Fee	3%	11,014	11,344	11,685	12,035	12,396	12,768	13,151	13,546	13,952	14,371	14,802	15,246	15,703
LESS: Partnership Management Fee	2%	25,101	25,603	26,115	26,638	27,170	27,714	28,268	28,833	29,410	29,998	30,598	31,210	31,834
net CF available for distribution		**1,204,308**	**1,277,293**	**1,351,338**	**1,426,444**	**1,502,608**	**1,579,828**	**1,658,101**	**1,737,421**	**1,817,782**	**1,899,177**	**1,981,597**	**2,065,032**	**2,149,471**
	YEAR	**14**	**15**	**16**	**17**	**18**	**19**	**20**	**21**	**22**	**23**	**24**	**25**	**26**
Deferred developer fee repayment	8,400,000	-	-			-	-	-	-	-	-	-	-	-
	100%	-	-			-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-

Payments for Residual Receipt Payments														
RESIDUAL RECEIPTS LOANS	*Payment %*	602,154	638,646	675,669	713,222	751,304	789,914	829,050	868,710	908,891	949,588	990,798	1,032,516	1,074,735
MIP	*100.00%*	602,154	638,646	675,669	713,222	751,304	789,914	829,050	868,710	908,891	949,588	990,798	1,032,516	1,074,735
Total Residual Receipts Payments	**100.00%**	602,154	638,646	675,669	713,222	751,304	789,914	829,050	868,710	908,891	949,588	990,798	1,032,516	1,074,735
Balances for Residual Receipt Payments														
RESIDUAL RECEIPTS LOANS	*Interest Rate*													
MIP---Simple	*3.00%*	10,573,422	10,211,268	9,812,622	9,376,952	8,903,731	8,392,426	7,842,512	7,248,737	6,597,489	5,886,523	5,113,530	4,276,138	3,371,906
0---	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Residual Receipts Payments		10,573,422	10,211,268	9,812,622	9,376,952	8,903,731	8,392,426	7,842,512	7,248,737	6,597,489	5,886,523	5,113,530	4,276,138	3,371,906

PROJECTED PERMANENT LOAN CASH FL0WS					Fiddyment Apartments
Final Commitment				Project Number	22-009-A/X/N
	YEAR	27	28	29	30
RENTAL INCOME	CPI				
Restricted Unit Rents	2.50%	9,130,914	9,359,187	9,593,167	9,832,996
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%	62,772	64,342	65,950	67,599
Parking & Storage Income	2.50%	-	-	-	-
Miscellaneous Income	2.50%	-	-	-	-
GROSS POTENTIAL INCOME (GPI)		**9,193,686**	**9,423,529**	**9,659,117**	**9,900,595**
VACANCY ASSUMPTIONS	Vacancy				
Restricted Unit Rents	5.00%	456,546	467,959	479,658	491,650
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%	3,139	3,217	3,298	3,380
Parking & Storage Income	50.00%	-	-	-	-
Miscellaneous Income	50.00%	-	-	-	-
TOTAL PROJECTED VACANCY LOSS		**459,684**	**471,176**	**482,956**	**495,030**
EFFECTIVE GROSS INCOME (EGI)		**8,734,002**	**8,952,352**	**9,176,161**	**9,405,565**
OPERATING EXPENSES	CPI / Fee				
Administrative Expenses	3.50%	497,263	514,668	532,681	551,325
Management Fee	3.47%	303,070	310,647	318,413	326,373
Utilities	3.50%	688,537	712,636	737,578	763,394
Operating & Maintenance	3.50%	1,276,057	1,320,719	1,366,944	1,414,787
Ground Lease Payments	3.50%	-	-	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500	7,500
Other Agency Monitoring Fee	0.00%	-	-	-	-
Real Estate Taxes	1.25%	11,188	11,328	11,470	11,613
Other Taxes & Insurance	3.50%	1,024,612	1,060,473	1,097,590	1,136,006
Required Reserve Payments	1.00%	106,859	107,927	109,007	110,097
TOTAL OPERATING EXPENSES		**3,915,086**	**4,045,898**	**4,181,182**	**4,321,093**
NET OPERATING INCOME (NOI)		**4,818,916**	**4,906,455**	**4,994,979**	**5,084,472**
DEBT SERVICE PAYMENTS	Lien #				
Perm	1	2,535,371	2,535,371	2,535,371	2,535,371
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
MIP Annual Fee (applicable for MIP only deals)	-	-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		**2,535,371**	**2,535,371**	**2,535,371**	**2,535,371**
CASH FLOW AFTER DEBT SERVICE		**2,283,545**	**2,371,083**	**2,459,608**	**2,549,100**
DEBT SERVICE COVERAGE RATIO		**1.90**	**1.94**	**1.97**	**2.01**
Date Prepared:	09/27/22			Senior Staff Date:	10/5/22

LESS: Asset Management Fee	3%	16,174	16,660	17,159	17,674
LESS: Partnership Management Fee	2%	32,471	33,120	33,783	34,458
net CF available for distribution		**2,234,899**	**2,321,303**	**2,408,665**	**2,496,967**
	YEAR	**27**	**28**	**29**	**30**
Deferred developer fee repayment	8,400,000	-	-	-	-
	100%	-	-	-	-
		-	-	-	-

Payments for Residual Receipt Payments					
RESIDUAL RECEIPTS LOANS	*Payment %*	1,117,450	1,160,652	1,204,333	1,248,484
MIP	*100.00%*	1,117,450	1,160,652	239,744	-
Total Residual Receipts Payments	**100.00%**	1,117,450	1,160,652	239,744	-

Balances for Residual Receipt Payments					
RESIDUAL RECEIPTS LOANS	*Interest Rate*				
MIP---Simple	*3.00%*	2,398,328	1,352,828	232,761	-
0---	*0.00%*	-	-	-	-
Total Residual Receipts Payments		2,398,328	1,352,828	232,761	-

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

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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.

Kevin Brown, Housing Finance Officer
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Sacramento, CA 95814
916.326.8808
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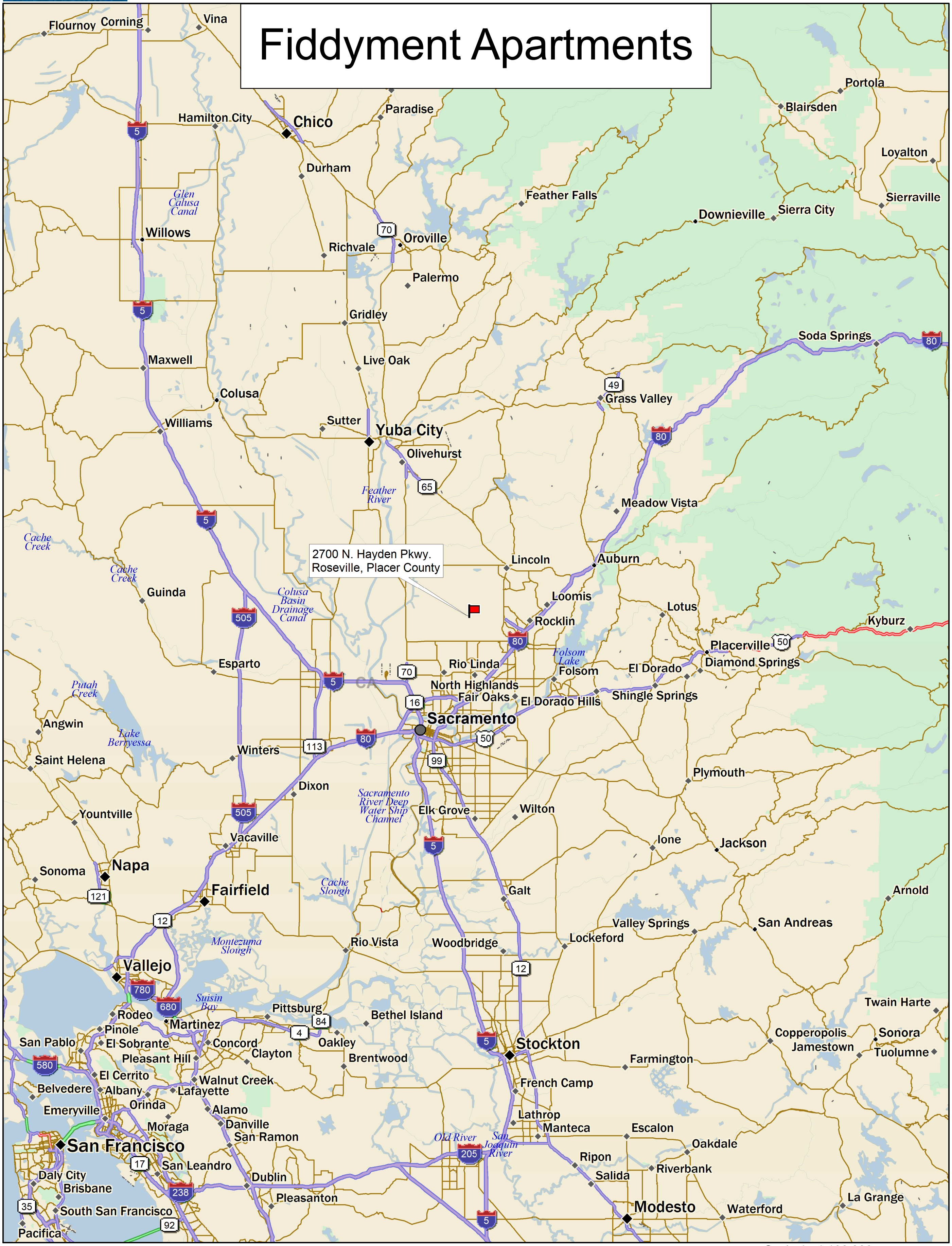
Occupancy Requirements	• Either (A) 20% of the units must be rent restricted and occupied by individuals whose incomes are 50% or less of the area median income as determined by HUD ("AMI") with adjustments for household size ("20% @ 50% AMI"), or (B) 40% or more of the units must be rent restricted 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

Fiddyment Apartments

Fiddyment Apartments



TN

MN (13.0°E)

Scale 1 : 1,100,000

1" = 17.36 mi

Data Zoom 7-5