

CalHFA MULTIFAMILY PROGRAMS DIVISION
Final Commitment Staff Report & Request for Tax-Exempt and Taxable Conduit Issuance and
Loan Approval of Mixed Income Program Subsidy Financing
Senior Loan Committee “Approval”: March 19, 2020 for Board Meeting on May, 14, 2020

Project Name, County:	The Courtyards at Kimball, San Diego County	
Address:	1105 National City Blvd., National City, 91950	
CalHFA Project Number:	19-068-A/X	
Requested Financing by Loan Program:	\$38,000,000	Tax-Exempt Bond – Conduit Issuance Amount (Series A)
	\$22,000,000	Taxable Bond – Conduit Issuance Amount (Series A-S)
	\$10,000,000	Tax-Exempt Bond (Bonneville)– Conduit Issuance Amount (Series B)
	\$6,500,000	Subsidy GAP Loan funded by MIP funds

DEVELOPMENT/PROJECT TEAM

Developer:	Pacific West Communities	Borrower:	National City Pacific Associates, a California Limited Partnership
Construction Lender:	Citibank	Equity Investor:	US Bank
Permanent Lender:	Citibank	Management Company:	ConAm Management Corp.
Loan Officer:	Ruth Vakili	Loan Specialist:	Kevin Brown
Asset Manager:	Jessica Doan	Loan Administration:	Mirna Ramirez
Legal (Internal):	Torin Heenan	Legal (External):	N/A
Concept Meeting Date:	TBD	Approval Expiration Date:	6 months from Approval

LOAN TERMS

1.		CONDUIT ISSUANCE (Citibank)	PERMANENT LOAN (Citibank)	MIP (GAP) LOAN
	Total Loan Amount	\$38,000,000 (T/E- A) \$22,000,000 (Tax- A-S) \$10,000,000 (T/E- B)	\$24,500,000 (T/E) (Series A) \$10,000,000 (T/E) (Series B)	\$6,500,000
	Loan Term & Lien Position	30 months- interest only; 1 st , 2 nd , & 3 rd Lien Position during construction. One 6-month extension available.	40-year amortization, due in 30 years (Series A)* 45 years-(Series B)	30 year - Residual Receipts; 3rd Lien Position.
	Interest Rate (subject to change and locked 30 days prior to loan closing)	Underwritten at 4.50% Fixed (Series A) 4.50% Fixed (Series A-S) 8.00% (Series B)	4.50% Fixed Series A* 5%-8% Adjustable Residual Receipts Series B ***	2.75% Simple Interest
	Loan to Value (LTV)	LTV is anticipated to be less than 80%.	Maximum 90% LTV	N/A
	Loan to Cost	72%	42%	TBD

<p>* Citibank has the ability to require repayment of loan in full commencing in year 18. **The interest rate for the permanent loan is conservative based on what permanent lenders are currently locking on other transactions. Prior to construction loan closing, the interest rate will be locked and the financial analysis will be updated. *** Bonneville's interest rate is floating, with a 5% floor and an 8% ceiling. Underwritten by CalHFA with a 6.5% blended rate.</p>
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ANTICIPATED PROJECT MILESTONES & SCHEDULE

2.	CDLAC/TCAC Closing Deadline:	1/11/2021	Est. Construction Loan Closing:	5/2020
	Estimated Construction Start:	5/2020	Est. Construction Completion:	5/2022
	Estimated Stabilization and Conversion to Perm Loan(s):	11/2023		

SOURCES OF FUNDS

3.	Construction Period Financing			
	SOURCE	AMOUNT	LIEN POSITION	DEBT TYPE
	Construction Loan (T/E- Series A)	\$38,000,000	1 st	Interest Only
	Construction Loan (Tax- Series A-S)	\$22,000,000	2 nd	Interest Only
	Construction Loan (T/E- Series B)	\$10,000,000	3 rd	Interest Only
	Tax Credit Equity	\$3,712,441	N/A	N/A
	TOTAL	\$73,712,441	\$562,690	Per Unit
	Permanent Financing			
	SOURCE	AMOUNT	LIEN POSITION	DEBT TYPE
	Permanent Loan- (Citi - Series A)	\$24,500,000	1 st	Balloon 40/30
	Permanent Loan- (Bonneville T/E- Series B)	\$10,000,000	2 nd	Residual Receipts, due in 45 years.
	CalHFA MIP	\$6,500,000	3 rd	Residual Receipts, due at 30 years or repayment of 1 st lien loan
	Tax Credit Equity	\$36,405,086	N/A	N/A
	Deferred Developer Fee	\$5,200,000	N/A	Payable from Cash Flow
	TOTAL DEVELOPMENT COST:	\$82,605,086	\$630,573	Per Unit
	<p>Subsidy Efficiency: The CalHFA MIP loan of \$6,500,000 equates to \$50,000 per unit, restricted between 50% and 80% AMI. Project will be re-underwritten prior to permanent loan closing to assure subsidy efficiency.</p>			
	<p>Tax Credit Type(s), Amount(s), Pricing(s), and per TCAC restricted units:</p> <ul style="list-style-type: none"> 4% Federal Tax Credits: \$32,163,030 assuming estimated pricing of \$0.90 (\$247,408 per TCAC restricted units). 4% State Tax Credits: \$9,100,000 assuming estimated pricing of \$0.82 (\$70,000 per TCAC restricted units). 			
	<p>Rental Subsidies: The Project will not include any operating or rental subsidies.</p>			
	<p>Other State Subsidies: The Project will not be funded by other state funds.</p>			
	<p>Other Locality Subsidies: The Project will not be funded by other locality funds.</p>			

	<p>Cost Containment Strategy: The Developer will competitively bid all trades, obtaining a minimum of 3 bids, and implement design standards that facilitate efficiency in cost and construction scheduling. Prior to construction loan closing, CalHFA will require the Developer to certify that cost containment measures have been implemented.</p> <p>High Cost Explanation: The total development cost, at \$630,573 per unit, is high. One of the reasons is because the project is located on a hillside, which requires significant excavation and retaining walls to support the parking areas and foundation. The site work alone is estimated to cost \$3,275,000. Secondly, the permit and impact fees are \$2,092,000. Site work and impact fees together total 6.5% of the total development costs.</p>
4.	Equity – Cash Out (estimate): Not applicable

TRANSACTION SUMMARY

5.	Legislative Districts	Congress:	#51 Juan Vargas	Assembly:	#80 Lorena Gonzalez Fletcher	State Senate:	#40 Ben Hueso
	<p>Brief Project Description</p>	<p>The Courtyards at Kimball (the “Project”) is a family, mixed-income new construction project consisting of one mid-rise, elevator served, 5 story building over one level of podium parking containing 88 spaces. There will be 131 total units, 130 of which will be restricted between 50% and 80% AMI. Units include 24 2-bedroom units (921 sq.ft.), 74 3-bedroom units (1,060 sq.ft.), and 33 4-bedroom units (1,319 sq.ft.). One unrestricted 3-bedroom unit will be reserved for an onsite property manager.</p> <p>Financing Structure: The Project’s financing structure includes tax-exempt and taxable bonds, 4% federal tax credits, 4% state tax credits, a qualified lender permanent loan, and MIP financing. The project qualifies as Mixed-Income with income averaging, pursuant to TCAC regulations.</p> <p>Tax Credits and/or CDLAC Status: The developer applied for bonds and tax credits in January for an April 14, 2020 award.</p> <p>Ground Lease: Not Applicable.</p> <p>Amenities: The Project amenities include a community room, parking garage, exercise room, picnic area, central laundry facilities, and a computer room. Unit amenities will include central heating and air conditioning, blinds, dishwasher, garbage disposal, and patios/balconies.</p> <p>Commercial Space: The Project does not include commercial space.</p>					

TRANSACTION OVERVIEW

6.	<p>Proposal and Project Strengths</p>
	<ul style="list-style-type: none"> • The Developer anticipates receiving 4% federal and state tax credits which will generate equity representing 44% of total financing sources. • The developer, the Pacific Companies and property management company, ConAm Management Corp have extensive experience in developing and managing similar affordable housing projects and have experience with CalHFA. • The Project will serve low-income families ranging between 50% to 80% of AMI. The rents are affordable, 18% to 40% below market, as supported by the Market Study. • The Loan-to-Value is anticipated to be below 80%, which meets the Agency’s minimum requirements and provides less risk to the Agency. • The projected portion of the developer’s fee that will be collected at or prior to permanent loan conversion is \$2,800,000 which could be available to cover cost overruns and/or unforeseen issues during construction.

	<ul style="list-style-type: none"> • There is a high demand for affordable housing in the Project’s area and it is anticipated to be fully leased within 3 months of completion.
<p>7.</p>	<p>Project Weaknesses with Mitigants:</p>
	<ul style="list-style-type: none"> • The affordability restrictions for the Mixed Income Program require at least 10% of the units be restricted to 81% to 120% of AMI, with an average of 100% of AMI, if supported by a market study. However, per a market study dated 12/2/19, the Project does not support an average of 100% of AMI and still comply with the requirement that rents be 10% below market. Therefore, this project will comply with affordability requirement of 60% to 80% of AMI with an average of 70% of AMI. The developer is deferring 65% of the developer fee. Along with the Bonneville B bond loan of \$10,000,000, the total of \$15,200,000 in repayment obligations comes from net cash flow, which affects the repayment of the MIP loan. The proposed repayment is structured as follows: <ul style="list-style-type: none"> (a) Until deferred developer fee is paid in full, or year 15: 90% of net cash flow paid towards developer fee, 10% towards B bonds, and MIP loan repayment is deferred. (b) Upon payment of developer fee or year 15: 12.5% of net cash flow to Developer; the remaining 87.5% of net cash flow will be split based on 75% to B bonds and 12.5% to the MIP loan.
<p>8.</p>	<p>Underwriting Standards or Term Sheet Variations</p>
	<ul style="list-style-type: none"> • MIP program requires a minimum of 10% of the total units to be restricted between 81% to 120% of AMI (average of 100% of AMI). However, per a market study dated 12/2/19, the Project does not support an average of 100% of AMI and still comply with the requirement that rents be 10% below market. Therefore, this project will comply with affordability requirement of 60% to 80% of AMI with an average of 70% of AMI. • The MIP term sheet requires repayment of the MIP loan to be a pro rata share of 50% of residual receipts between the MIP and other subordinate residual receipts lenders. It also allows for deferment of repayment for up to 15 years. A request has been made to defer payments to the MIP loan until the developer fee is paid off, estimated to be by year 13. Upon repayment of deferred developer’s fee, 12.5% of net cash flow will go to Developer; the remaining 87.5% of net cash flow will be split based on 75% to B bonds and 12.5% to the MIP loan. Upon repayment of B bonds, the residual receipt split will be reverted back to 50% to developer and 50% to MIP loan. • The permanent tax-exempt Bonneville private capital subordinate residual receipt loan (“B-bonds”) provided by private-investor(s) requires that MIP be in junior or 3rd lien position behind both the permanent first lien loan & B-bonds. The Agency’s subsidy loan is typically in second position behind the first lien permanent loan. However, it may be recorded in junior lien position, subject to Agency’s approval. The B-bonds loan amount is anticipated to be \$10 million and the MIP loan amount is \$6.5 million, therefore MIP lien position may be junior to the B-bonds. However, the Agency requires that MIP affordability covenants be recorded in first position.
<p>9.</p>	<p>Project Specific Conditions of Approval</p>
	<p>Approval is conditioned upon:</p> <ul style="list-style-type: none"> • The final appraisal will be subject to Agency’s review and approval. • CalHFA may require a copy of the construction and/or permanent lenders proforma evidencing underwriting consistent with current assumptions. • The Project must meet the readiness requirements within 180 days from TCAC/CDLAC allocation. • CalHFA will require the developer to provide a cost containment certification that is acceptable to the Agency. • Receipt of a certification by the engineer on record that Project has been built to current seismic code acceptable to the Agency prior to permanent closing. • CalHFA will require an independent review of the costs by a 3rd Party consultant acceptable to Agency prior to construction loan closing. • MIP affordability covenants shall be recorded in first position. • The MIP loan is to be paid in full upon refinance of the permanent loan, or sale of property. • An increase to total MIP funds will not be considered as a result of cost increase. • The Project is subject to a potential participation agreement between Citibank and CalHFA.

10.	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.	

MISSION & AFFORDABILITY

11.	CalHFA Mission/Goals
This Project and financing proposal provide 130 units of affordable housing with a range of restricted rents between 50% AMI to 80% of AMI which will support much needed rental housing that will remain affordable for 55 years.	

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

The CalHFA MIP Subsidy Regulatory Agreement will restrict 10% (13 units) at 50% AMI and 10% (13 units) between 60% and 80% AMI. The remaining 104 of restricted units will be restricted at or below 120% of AMI.

Regulatory Limit Summary Table					
Restrictions @ AMI	Total	2-bdrm	3-bdrm	4-bdrm	% of Total
50%	65	12	37	16	49.6%
60%	26	5	15	6	19.8%
70%	13	2	7	4	9.9%
80%	26	5	14	7	19.8%
Manager's Unit	1		1		0.8%
Total	131	24	74	33	99.2%

NUMBER OF UNITS AND AMI RENTS RESTRICTED BY EACH AGENCY							
Regulatory Source <i>(Type in Lender Names)</i>	Lien Priority if Recorded Document	Term of Agrmt (years)	Number of Units Restricted For Each AMI Category				
			<i>(enter various AMI%'s in each column yellow field, then show the number of regulated units for each AMI, by Source)</i>				
			50%	60%	70%	80%	<=120%
Bond Reg	1 st	55	14	40			
CalHFA MIP	2 nd	55	13		13	104	
Tax Credits		55	65	26	13	26	

13. Geocoder Information	Central City: No	Underserved: No
	Low/Mod Census Tract: Lower	Below Poverty line: 31.07%
	Minority Census Tract: 93.95%	Rural Area: No

FINANCIAL ANALYSIS SUMMARY

14. Capitalized Reserves:			
	Replacement Reserves (RR):	N/A	
	Operating Expense Reserve (OER):	\$543,645 based on 3-months of expenses & debt service. To be held by investor or 1 st lien lender.	
	Transitional Operating Reserve (TOR):	N/A	
15. Cash Flow Analysis			
	1st Year DSCR:	1.15	Project-Based Subsidy Term: N/A
	End Year DSCR:	2.15	Annual Replacement Reserve Per Unit: \$250/unit
	Residential Vacancy Rate:	5.00%	Rental Income Inflation Rate: 2.5%
	Subsidy Vacancy Rate:	N/A	Subsidy Income Inflation Rate: N/A
	Non-residential Vacancy Rate:	N/A	Project Expenses Inflation Rate: 3.50%
			Property Tax Inflation Rate: 1.25%
	<ul style="list-style-type: none"> The operating Expense Reserve is sized to cover three months of operating expenses, debt service and replacement reserve. The Operating Expense Reserve and Replacement Reserve accounts will be held by investor or 1st lien lender. 		
16. Loan Security			
	<ul style="list-style-type: none"> The CalHFA MIP loan will be secured against the above described Project site in third lien position, however, MIP affordability covenants will be recorded in first position. 		
17. Balloon Exit Analysis	Applicable: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
	<ul style="list-style-type: none"> The exit analysis assumes a 7 % cap rate and a 3% increase of the underwriting interest rate at loan maturity. Based on these assumptions, the Project will have the ability to fully repay the balance of 1st lien permanent loan but may not have the ability to repay the Agency’s subsidy MIP loan and B-bonds, leaving an outstanding balance of approximately \$32 million. This is as expected by CalHFA given the requirement that the MIP loan be co-terminus with the permanent first mortgage. The primary source of repayment for both the first mortgage and the MIP subsidy loan is refinance of the project first mortgage. To the extent such a refinance is insufficient to fully repay the MIP loan, it is contemplated that any remaining balance will be paid from a general partner contribution as part of the final close out of partnership obligations to allow re-syndication. 		

APPRAISAL AND MARKET ANALYSIS

18. Appraisal Review		
	<ul style="list-style-type: none"> An appraisal has been engaged by Citibank and is expected to be available by March 27, 2020. CalHFA’s review and approval of the appraisal is a condition of construction loan closing. 	
	Market Study: Kinetic Valuation Group, Inc.	Dated: 12/5/2019
	Regional Market Overview	
	<ul style="list-style-type: none"> The Primary Market Area consists of portions of National City and San Diego (population of 199,567) and the Secondary Market Area (“SMA”) is San Diego County (population of 3,334,024) 	

<ul style="list-style-type: none"> The general population in the PMA is anticipated to increase by 1.8% per year Unemployment in the SMA is 2.7%, which evidences a strong employment area.
<p>Local Market Area Analysis</p> <ul style="list-style-type: none"> Supply: <ul style="list-style-type: none"> There are currently 28 family projects in the PMA and they have high occupancy rates with long wait lists. There are currently no affordable projects under construction. Demand/Absorption: <ul style="list-style-type: none"> The project will need to capture 5.8% of the total demand for family units in the PMA, which is a low capture rate. The affordable units are anticipated to lease up at a rate of 43 to 65 units per month and reach stabilized occupancy within 3 months of opening.

DEVELOPMENT SUMMARY

19. Site Description	Requires Flood Insurance: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<ul style="list-style-type: none"> The property is located on the Southwest corner of National City Boulevard and East 11th Street, in the City of National City, San Diego County. The site is currently vacant, with level topography at street grade, measuring approximately 1.33 acres and is generally "L" in shape. The site consists of 3 contiguous, vacant parcels that will be merged/split prior to start of construction. The site is zoned 5B (medium-density residential), with permitted multifamily residential use. The subject is located in Flood Zone X (area of minimum flood hazard). Zone X is the area determined to be outside the 500-year flood and protected by levee from 100-year flood, therefore the Project will not be subject to flood insurance. 	
20. Form of Site Control & Expiration Date	
The current owner, Coachella Affordable Housing Investors V, LLC, of the site and the Project owner, National City Pacific Associates, a California Limited Partnership, entered into a Purchase and Sale Agreement dated April 15, 2019 which expires on April 30, 2020 with two 45-days extensions available for an amount of \$4,545,000.	
21. Current Ownership Entity of Record	
Title is currently vested in Coachella Affordable Housing Investors V, LLC as the fee owner.	
22. Environmental Review Findings	
<ul style="list-style-type: none"> A Phase I Environmental Site Assessment performed by KCE Matrix, Inc., dated December 6, 2019 revealed no evidence of recognized environmental conditions, so no additional investigation was recommended. 	
23. Seismic	Requires Earthquake Insurance: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<ul style="list-style-type: none"> This new Project will be built to State and City of National City Building Codes, so no seismic review is required. 	
24. Relocation	Requires Relocation: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> Not Applicable
<ul style="list-style-type: none"> The Project is new construction on vacant land therefore relocation is not applicable. 	

PROJECT DETAILS

25. Residential Areas:				
	Residential Square Footage:	144,071	Residential Units per Acre:	98.50
	Community Area Sq. Ftg:	77,295	Total Parking Spaces:	88
	Supportive Service Areas:	N/A	Total Building Sq. Footage:	220,306

26.	Mixed-Use Project: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No								
	<table border="1"> <tr> <td>Non-Residential Sq. Footage:</td> <td>N/A</td> <td>Number of Lease Spaces:</td> <td>N/A</td> </tr> <tr> <td>Master Lease:</td> <td>N/A</td> <td>Number of Parking Spaces:</td> <td>N/A</td> </tr> </table>	Non-Residential Sq. Footage:	N/A	Number of Lease Spaces:	N/A	Master Lease:	N/A	Number of Parking Spaces:	N/A
Non-Residential Sq. Footage:	N/A	Number of Lease Spaces:	N/A						
Master Lease:	N/A	Number of Parking Spaces:	N/A						
27.	Construction Type: New construction consisting of wood frame with stucco siding with one level of podium parking.								
28.	Construction/Rehab Scope Requires Demolition: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No								
	<ul style="list-style-type: none"> The subject site is new construction. 								
29.	Construction Budget Comments:								
	<ul style="list-style-type: none"> CalHFA will require an independent review of the costs by a 3rd Party consultant prior to construction loan closing. 								

ADDITIONAL DEVELOPMENT/ PROJECT TEAM INFORMATION

30.	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 several projects in CalHFA's portfolio.
31.	Service Provider Required by TCAC or other funding source? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	<ul style="list-style-type: none"> Onsite services will not be available to the residents.
32.	Contractor Experienced with CalHFA? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	The general contractor is Sinanian Development, Inc. (Sinanian), which has extensive experience in constructing similar affordable housing projects in California. Sinanian was established in 1983 and has completed 5 multifamily developments in California within the last 5 years. Sinanian has completed two large scale projects with the developer which were completed on-time and within the planned budgets.
45.	Architect Experienced with CalHFA? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	The Architect is Architects Orange, which has extensive experience in designing and managing similar affordable housing projects in California through the locality's building permit process.
33.	Local Review via Locality Contribution Letter
	The locality, City of National City, returned the local contribution letter on 2/27/2020 stating they support the project.

EXHIBITS: Detailed Financial Analysis and applicable Term Sheets

PROJECT SUMMARY				Final Commitment		
Acquisition, Rehab, Construction & Permanent Loans				Project Number	19-068-A/X	
Project Full Name	The Courtyards at Kimball	Borrower Name:	National City Pacific Associates, a California			
Project Address	1105 National City Blvd	Managing GP:	Riverside Charitable Corporation			
Project City	National City	Developer Name:	Pacific West Communities, Inc.			
Project County	San Diego	Investor Name:	US Bank			
Project Zip Code	91950	Prop Management:	ConAm Management Corporation			
		Tax Credits:	4			
Project Type:	Permanent Loan Only	Total Land Area (acres):	1.33			
Tenancy/Occupancy:	Individuals/Families	Residential Square Footage:	144,071			
Total Residential Units:	131	Residential Units Per Acre:	98.50			
Total Number of Buildings:	1	Covered Parking Spaces:	88			
Number of Stories:	5	Total Parking Spaces:	88			
Unit Style:	Flat					
Elevators:	1					
Acq/Construction/Rehab Financing		Loan Amount (\$)	Loan Fees	Loan Term (Mo.)	Amort. Period (Yr.)	Starting Interest Rate
Conduit Tax-Exempt (Citibank)		38,000,000	1.000%	30	40	4.500%
Conduit Taxable (Citibank)		22,000,000	1.000%	30	2.50	4.500%
Conduit Tax-Exempt (Bonneville)		10,000,000	--	30	55	8.000%
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Investor Equity Contribution		3,712,441	--	--	--	--
Permanent Financing		Loan Amount (\$)	Loan Fees	Loan Term (Yr.)	Amort. Period (Yr.)	Starting Interest Rate
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MIP		6,500,000	1.000%	30	--	2.750%
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--		--	--	--	--	--
Conduit First Lien Loan		24,500,000	--	30	40	4.500%
Conduit Subordinate Loan (Boneville)		10,000,000	--	45	45	6.500%
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--		--	--	--	--	--
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Deferred Developer Fees		5,200,000	NA	NA	NA	NA
--		--	NA	NA	NA	NA
Investor Equity Contributions		36,405,086	NA	NA	NA	NA
Appraised Values Upon Completion of Rehab/Construction						
Appraisal Date:	--	Capitalization Rate:			5.00%	
Investment Value (\$)	--	Restricted Value (\$)			--	
Construct/Rehab LTC	N/A	CalHFA Permanent Loan to Cost			--	
Construct/Rehab LTV	N/A	CalHFA 1st Permanent Loan to Value			#DIV/0!	
		Combined CalHFA Perm Loan to Value			#DIV/0!	
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	\$0	Cash				
Initial Replacement Reserve Deposit	\$0	Cash				
Annual Replacement Reserve Per Unit	\$250	Cash				
Date Prepared:	3/16/12	Senior Staff Date:			3/19/20	

UNIT MIX AND RENT SUMMARY

Final Commitment

The Courtyards at Kimball

Project Number 19-068-A/X

PROJECT UNIT MIX					
Unit Type of Style	Number of Bedrooms	Number of Baths	Average Size (Sq. Ft.)	Number of Units	Est. No. of Tenants
Flat	2	1	921	24	72
Flat	3	2	1,060	74	333
Flat	4	2	1,319	33	198
-	-	-	-	-	0
-	-	-	-	-	0
-	-	-	-	-	0
				131	603

NUMBER OF UNITS AND PERCENTAGE OF AMI RENTS RESTRICTED BY EACH AGENCY							
Agency	Number of Units Restricted For Each AMI Category						
	40%	50%	60%	70%	80%	120%	Market
RiskShare		14	40				
alHFA MIP		13			13	104	
Tax Credit		65	26	13	26		
-							
-							
-							
-							

COMPARISON OF AVERAGE MONTHLY RESTRICTED RENTS TO AVERAGE MARKET RENTS							
Unit Type	Restricting Agency	% of Area Median Income	Average Restricted Rents		Average Market Rents	Average Monthly Savings	% of Market Rents
			Number of Units	Unit Rent			
Studios	CTCAC	50%	-	-	-	-	-
	CTCAC	60%	-	-	-	-	-
	CTCAC	70%	-	-	-	-	-
	CTCAC	80%	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
1 Bedroom	CTCAC	50%	-	-	-	-	-
	CTCAC	60%	-	-	-	-	-
	CTCAC	70%	-	-	-	-	-
	CTCAC	80%	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
2 Bedrooms	CTCAC	50%	12	\$1,157	\$2,300	\$1,143	50%
	CTCAC	60%	5	\$1,398		\$902	61%
	CTCAC	70%	2	\$1,639		\$661	71%
	CTCAC	80%	5	\$1,880		\$420	82%
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
3 Bedrooms	CTCAC	50%	37	\$1,335	\$2,625	\$1,290	51%
	CTCAC	60%	15	\$1,613		\$1,012	61%
	CTCAC	70%	7	\$1,891		\$734	72%
	CTCAC	80%	14	\$2,170		\$455	83%
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
4 Bedrooms	CTCAC	50%	16	\$1,481	\$2,975	\$1,494	50%
	CTCAC	60%	6	\$1,792		\$1,183	60%
	CTCAC	70%	4	\$2,102		\$873	71%
	CTCAC	80%	7	\$2,413		\$562	81%
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
5 Bedrooms	CTCAC	50%	-	-	-	-	-
	CTCAC	60%	-	-	-	-	-
	CTCAC	70%	-	-	-	-	-
	CTCAC	80%	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

Date Prepared: 3/16/12

Senior Staff Date: 3/19/20

SOURCES & USES OF FUNDS		Final Commitment			
The Courtyards at Kimball		Project Number 19-068-A/X			
SOURCES OF FUNDS	CONST/REHAB \$	PERMANENT \$	TOTAL PROJECT SOURCES OF FUNDS		
			SOURCES (\$)	PER UNIT (\$)	%
Conduit Tax-Exempt (Citibank)	38,000,000				0.0%
Conduit Taxable (Citibank)	22,000,000				0.0%
Conduit Tax-Exempt (Bonneville)	10,000,000				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
Deferred Costs	-				0.0%
-	-				0.0%
-	-				0.0%
Construct/Rehab Net Oper. Inc.	-				0.0%
Deferred Developer Fee	-				0.0%
Developer Equity Contribution	-				0.0%
Investor Equity Contribution	3,712,441				0.0%
-	-				0.0%
MIP		6,500,000	6,500,000	49,618	7.9%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Conduit First Lien Loan		24,500,000	24,500,000	187,023	29.7%
Conduit Subordinate Loan (Bonneville)		10,000,000	10,000,000	76,336	12.1%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Construct/Rehab Net Oper. Inc.	-	-	-	-	0.0%
Deferred Developer Fees	-	5,200,000	5,200,000	39,695	6.3%
Developer Equity Contribution	-	-	-	-	0.0%
Investor Equity Contributions	-	36,405,086	36,405,086	277,901	44.1%
TOTAL SOURCES OF FUNDS	73,712,441	82,605,086	82,605,086	630,573	100.0%
TOTAL USES OF FUNDS (BELOW)	73,712,441	82,605,086	82,605,086	630,573	100.0%
FUNDING SURPLUS (DEFICIT)	-	-	-	-	-

USES OF FUNDS	CONST/REHAB \$	PERMANENT \$	TOTAL PROJECT USES OF FUNDS		
			USES (\$)	PER UNIT (\$)	%
CONSTRUCTION/REHAB SOURCES OF FUNDS		73,712,441			
ACQUISITION COSTS					
Lesser of Land Cost or Appraised Value	4,545,000	-	4,545,000	34,695	5.5%
Demolition Costs	-	-	-	-	0.0%
Legal & Other Closing Costs	5,000	-	5,000	38	0.0%
Escrow & other closing costs	-	-	-	-	0.0%
Verifiable Carrying Costs	-	-	-	-	0.0%
Existing Improvements Value	-	-	-	-	0.0%
Delinquent Taxes Paid @ Closing	-	-	-	-	0.0%
CalHFA Yield Maintenance Paid @ Closing	-	-	-	-	0.0%
Existing Replacement Reserve	-	-	-	-	0.0%
Broker Fees Paid to Related Party	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL ACQUISITION COSTS	4,550,000	-	4,550,000	34,733	5.5%
CONSTRUCTION/REHAB COSTS					
Offsite Improvements	-	-	-	-	0.0%
Environmental Remediation (Hard Costs)	-	-	-	-	0.0%
Site Work (Hard Cost)	3,275,000	-	3,275,000	25,000	4.0%
Structures (Hard Cost)	45,192,320	-	45,192,320	344,980	54.7%
General Requirements	2,908,039	-	2,908,039	22,199	3.5%
Contractor Overhead	1,027,507	-	1,027,507	7,844	1.2%
Contractor Profit	3,082,522	-	3,082,522	23,531	3.7%
Contractor Bond	-	-	-	-	0.0%
Contractor Liability Insurance	450,000	-	450,000	3,435	0.5%
Personal Property	-	-	-	-	0.0%
HVAC/Resident Damage	-	-	-	-	0.0%
TOTAL CONSTRUCT/REHAB COSTS	55,935,388	-	55,935,388	426,988	67.7%

SOURCES & USES OF FUNDS		Final Commitment			
The Courtyards at Kimball		Project Number 19-068-A/X			
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	550,000	-	550,000	4,198	0.7%
Supervision	200,000	-	200,000	1,527	0.2%
TOTAL ARCHITECTURAL FEES	750,000	-	750,000	5,725	0.9%
SURVEY & ENGINEERING FEES					
Engineering	240,000	-	240,000	1,832	0.3%
Supervision	-	-	-	-	0.0%
ALTA Land Survey	-	-	-	-	0.0%
TOTAL SURVEY & ENGINEERING FEES	240,000	-	240,000	1,832	0.3%
CONTINGENCY RESERVES					
Hard Cost Contingency Reserve	2,800,000	-	2,800,000	21,374	3.4%
Soft Cost Contingency Reserve	500,000	-	500,000	3,817	0.6%
TOTAL CONTINGENCY RESERVES	3,300,000	-	3,300,000	25,191	4.0%
CONSTRUCT/REHAB PERIOD COSTS					
Loan Interest Reserve					
Conduit Tax-Exempt (Citibank)	3,100,000	-	3,100,000	23,664	3.8%
Conduit Tax-Exempt (Bonneville)	1,600,000	-	1,600,000	12,214	1.9%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Loan Fees					
Conduit Tax-Exempt (Citibank)	380,000	-	380,000	2,901	0.5%
Conduit Taxable (Citibank)	220,000	-	220,000	1,679	0.3%
Conduit Tax-Exempt (Bonneville)	-	-	-	-	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	7,500	-	7,500	57	0.0%
Real Estate Taxes During Rehab	80,000	-	80,000	611	0.1%
Completion Guaranty Fee	-	-	-	-	0.0%
Wage Monitoring Fee (Davis Bacon, Preva	-	-	-	-	0.0%
Insurance During Rehab	424,300	-	424,300	3,239	0.5%
Title & Recording Fees	80,000	-	80,000	611	0.1%
Construction Management & Testing	-	-	-	-	0.0%
Predevelopment Interest Expense	-	-	-	-	0.0%
Bond Issuer Fee	90,000	-	90,000	687	0.1%
Construction Lender Costs (Legal, etc)	39,000	-	39,000	298	0.0%
TOTAL CONST/REHAB PERIOD COSTS	6,020,800	-	6,020,800	45,960	7.3%

SOURCES & USES OF FUNDS			Final Commitment		
The Courtyards at Kimball			Project Number 19-068-A/X		
USES OF FUNDS	CONST/REHAB	PERMANENT	TOTAL PROJECT USES OF FUNDS		
	\$	\$	USES (\$)	PER UNIT (\$)	%
PERMANENT LOAN COSTS					
Loan Fees					
CalHFA Application Fee	-	-	-	-	0.0%
MIP	32,500	32,500	65,000	496	0.1%
Conduit First Lien Loan	-	-	-	-	0.0%
Conduit Subordinate Loan (Boneville)	-	-	-	-	0.0%
Credit Enhancement & Application Fees	-	15,000	15,000	115	0.0%
Title & Recording (closing costs)	-	10,000	10,000	76	0.0%
Year 1 - Taxes & Special Assessments and Insurance	-	-	-	-	0.0%
CalHFA Fees	-	10,085	10,085	77	0.0%
Tax Exempt Bond Allocation Fee	-	-	-	-	0.0%
Other (Specify): Perm Loan Fees & Costs	-	237,415	237,415	1,812	0.3%
TOTAL PERMANENT LOAN COSTS	32,500	305,000	337,500	2,576	0.4%
LEGAL FEES					
CalHFA Construction/Rehab Loan Legal Fees	-	-	-	-	0.0%
Other Construction/Rehab Loan Legal Fees	150,000	-	150,000	1,145	0.2%
CalHFA Permanent Loan Legal Fees	-	15,000	15,000	115	0.0%
Other Permanent Loan Legal Fees	-	48,000	48,000	366	0.1%
Sponsor Legal Fees	10,000	-	10,000	76	0.0%
Organizational Legal Fees	-	-	-	-	0.0%
Syndication Legal Fees	-	-	-	-	0.0%
Borrower Legal Fee	75,000	25,000	100,000	763	0.1%
CalHFA Bond Counsel	62,000	-	62,000	473	0.1%
TOTAL LEGAL FEES	297,000	88,000	385,000	2,939	0.5%
OPERATING RESERVES					
Operating Expense Reserve Deposit	-	-	-	-	0.0%
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: Operating Expense Reserve	-	543,645	543,645	4,150	0.7%
Other (Specify):	-	-	-	-	0.0%
TOTAL OPERATING RESERVES	-	543,645	543,645	4,150	0.7%
REPORTS & STUDIES					
Appraisal Fee	10,000	-	10,000	76	0.0%
Market Study Fee	10,000	-	10,000	76	0.0%
Physical Needs Assessment Fee	-	-	-	-	0.0%
Environmental Site Assessment Reports	10,000	-	10,000	76	0.0%
HUD Risk Share Environmental / NEPA Review Fee	-	-	-	-	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	30,000	-	30,000	229	0.0%

SOURCES & USES OF FUNDS			Final Commitment		
The Courtyards at Kimball			Project Number 19-068-A/X		
USES OF FUNDS	CONST/REHAB	PERMANENT	TOTAL PROJECT USES OF FUNDS		
	\$	\$	USES (\$)	PER UNIT (\$)	%
OTHER COSTS					
TCAC Application, Allocation & Monitor Fees	87,463	-	87,463	668	0.1%
CDLAC Fees	21,000	-	21,000	160	0.0%
Local Permits & Fees	520,000	-	520,000	3,969	0.6%
Local Impact Fees	1,630,789	-	1,630,789	12,449	2.0%
Other Local Fees	-	-	-	-	0.0%
Syndicator/Investor Fees & Expenses	-	-	-	-	0.0%
Furnishings	60,000	-	60,000	458	0.1%
Accounting & Audits	10,000	-	10,000	76	0.0%
Advertising & Marketing Expenses	183,501	-	183,501	1,401	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	2,512,753	-	2,512,753	19,181	3.0%
SUBTOTAL PROJECT COSTS					
	73,668,441	74,649,086	74,605,086	569,504	90.3%
DEVELOPER FEES & COSTS					
Developer Fees, Overhead & Profit	44,000	7,956,000	8,000,000	61,069	9.7%
Consultant Processing Agent	-	-	-	-	0.0%
Project Administration	-	-	-	-	0.0%
Syndicator Consultant Fees	-	-	-	-	0.0%
Guarantee Fees	-	-	-	-	0.0%
Construction Oversight & Management	-	-	-	-	0.0%
Other Administration Fees	-	-	-	-	0.0%
Other (Specify) correction to balance	-	-	-	-	0.0%
CASH EQUITY OUT TO DEVELOPER	-	-	-	-	0.0%
TOTAL DEVELOPER FEES & COSTS	44,000	7,956,000	8,000,000	61,069	9.7%
TOTAL PROJECT COSTS					
	73,712,441	82,605,086	82,605,086	630,573	100.0%

PROJECTED INITIAL ANNUAL RENTAL OPERATING BUDGET		Final Commitment	
The Courtyards at Kimball		Project Number	19-068-A/X
INCOME			
	AMOUNT	PER UNIT	%
Rental Income			
Restricted Unit Rents	\$ 2,526,072	\$ 19,283	104.72%
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	13,079	100	0.54%
Parking & Storage Income	-	-	0.00%
Miscellaneous Income	-	-	0.00%
GROSS POTENTIAL INCOME (GPI)	\$ 2,539,151	\$ 19,383	105.26%
Less: Vacancy Loss	\$ 126,958	\$ 969	5.26%
EFFECTIVE GROSS INCOME (EGI)	\$ 2,412,193	\$ 20,352	100.00%
OPERATING EXPENSES			
	AMOUNT	PER UNIT	%
Administrative Expenses	\$ 98,210	\$ 750	\$ 0
Management Fee	96,005	733	3.98%
Social Programs & Services	-	-	0.00%
Utilities	137,100	1,047	5.68%
Operating & Maintenance	331,900	2,534	13.76%
Ground Lease Payments	-	-	0.00%
CalHFA Monitoring Fee	7,500	57	0.31%
Mixed Income Loan Fee	85,585	653	3.55%
Other Monitoring Fees	-	-	0.00%
Real Estate Taxes	18,900	144	0.78%
Other Taxes & Insurance	76,260	582	3.16%
SUBTOTAL OPERATING EXPENSES	\$ 851,460	\$ 6,500	35.30%
Operating Reserves	\$ 32,750	\$ 250	1.36%
TOTAL OPERATING EXPENSES	\$ 884,210	\$ 6,750	36.66%
NET OPERATING INCOME (NOI)	\$ 1,527,983	\$ 11,664	63.34%
DEBT SERVICE PAYMENTS			
	AMOUNT	PER UNIT	%
-	\$ -	\$ -	0.00%
-	\$ -	-	0.00%
-	\$ -	-	0.00%
Conduit First Lien Loan	\$ 1,321,715	10,089	54.79%
Conduit Subordinate Loan (Boneville)	\$ -	-	0.00%
-	\$ -	-	0.00%
-	\$ -	-	0.00%
-	\$ -	-	0.00%
TOTAL DEBT SERVICE & OTHER PAYMENTS	\$ 1,321,715	\$ 10,089	54.79%
EXCESS AFTER DEBT SERVICE & MONITORING FEES	\$ 206,269	\$ 1,575	8.55%
DEBT SERVICE COVERAGE RATIO (DSCR)	\$ 1 to 1		
Date: 3/16/12	Senior Staff Date: 03/19/20		

PROJECTED PERMANENT LOAN CASH FLOWS		The Courtyards at Kimball														
Final Commitment		Project Number 19-068-A/X														
	YEAR	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
RENTAL INCOME																
	CPI															
Restricted Unit Rents	2.50%	2,526,072	2,589,224	2,653,954	2,720,303	2,788,311	2,858,019	2,929,469	3,002,706	3,077,773	3,154,718	3,233,586	3,314,425	3,397,286	3,482,218	
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%	13,079	13,406	13,741	14,085	14,437	14,798	15,168	15,547	15,936	16,334	16,742	17,161	17,590	18,030	
Parking & Storage Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Miscellaneous Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
GROSS POTENTIAL INCOME (GPI)		2,539,151	2,602,630	2,667,696	2,734,388	2,802,748	2,872,816	2,944,637	3,018,253	3,093,709	3,171,052	3,250,328	3,331,586	3,414,876	3,500,248	
VACANCY ASSUMPTIONS																
	Vacancy															
Restricted Unit Rents	5.00%	126,304	129,461	132,698	136,015	139,416	142,901	146,473	150,135	153,889	157,736	161,679	165,721	169,864	174,111	
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%	654	670	687	704	722	740	758	777	797	817	837	858	879	901	
Parking & Storage Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Miscellaneous Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL PROJECTED VACANCY LOSS		126,958	130,131	133,385	136,719	140,137	143,641	147,232	150,913	154,685	158,553	162,516	166,579	170,744	175,012	
EFFECTIVE GROSS INCOME (EGI)		2,412,193	2,472,498	2,534,311	2,597,669	2,662,610	2,729,176	2,797,405	2,867,340	2,939,024	3,012,499	3,087,812	3,165,007	3,244,132	3,325,235	
OPERATING EXPENSES																
	CPI / Fee															
Administrative Expenses	3.50%	98,210	101,647	105,205	108,887	112,698	116,643	120,725	124,951	129,324	133,850	138,535	143,384	148,402	153,596	
Management Fee	3.98%	96,005	98,405	100,866	103,387	105,972	108,621	111,337	114,120	116,973	119,897	122,895	125,967	129,116	132,344	
Utilities	3.50%	137,100	141,899	146,865	152,005	157,325	162,832	168,531	174,429	180,535	186,853	193,393	200,162	207,168	214,418	
Operating & Maintenance	3.50%	331,900	343,517	355,540	367,983	380,863	394,193	407,990	422,269	437,049	452,346	468,178	484,564	501,524	519,077	
Ground Lease Payments	3.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	
Mixed Income Loan Fee	0.00%	85,585	85,213	84,825	84,418	83,993	83,549	83,084	82,597	82,089	81,557	81,000	80,418	79,809	79,173	
Other Agency Monitoring Fee	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Real Estate Taxes	1.25%	18,900	19,138	19,375	19,618	19,863	20,111	20,363	20,617	20,875	21,138	21,400	21,667	21,938	22,212	
Other Taxes & Insurance	3.50%	76,260	78,929	81,692	84,551	87,510	90,573	93,743	97,024	100,420	103,935	107,572	111,337	115,234	119,267	
Required Reserve Payments	1.00%	32,750	33,078	33,408	33,742	34,080	34,421	34,765	35,112	35,464	35,818	36,176	36,538	36,904	37,273	
TOTAL OPERATING EXPENSES		884,210	909,324	935,275	962,092	989,804	1,018,442	1,048,037	1,078,621	1,110,227	1,142,892	1,176,649	1,211,538	1,247,595	1,284,861	
NET OPERATING INCOME (NOI)		1,527,984	1,563,175	1,599,036	1,635,576	1,672,806	1,710,733	1,749,368	1,788,719	1,828,796	1,869,608	1,911,162	1,953,469	1,996,537	2,040,375	
DEBT SERVICE PAYMENTS																
	Lien #															
MIP	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Conduit First Lien Loan	1	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	
Conduit Subordinate Loan (Bonneville)	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL DEBT SERVICE & OTHER PAYMENTS		1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	
CASH FLOW AFTER DEBT SERVICE		206,269	241,460	277,321	313,862	351,091	389,019	427,653	467,005	507,082	547,893	589,448	631,755	674,822	718,660	
DEBT SERVICE COVERAGE RATIO		1.16	1.18	1.21	1.24	1.27	1.29	1.32	1.35	1.38	1.41	1.45	1.48	1.51	1.54	
Date Prepared		03/16/12										Senior Staff Date 3/19/20				
LESS: Asset Management Fee		3%	18,100	18,643	19,202	19,778	20,372	20,983	21,612	22,261	22,929	23,616	24,325	25,055	25,806	26,580
LESS: Partnership Management Fee		3%	-	-	-	-	-	-	-	-	-	-	-	-	-	
net CF available for distribution		188,169	222,817	258,119	294,083	330,719	368,036	406,041	444,744	484,153	524,276	565,123	606,700	649,016	692,079	
		90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	12.50%	
Residual Receipts to Developer		169,352	200,535	232,307	264,675	297,647	331,232	365,437	400,270	435,738	471,849	508,610	546,030	584,115	622,876	
Deferred developer fee repayment		5,200,000	5,030,648	4,830,113	4,597,806	4,333,131	4,035,484	3,704,251	3,338,814	2,938,545	2,502,807	2,030,958	1,522,348	976,318	392,203	
		169,352	200,535	232,307	264,675	297,647	331,232	365,437	400,270	435,738	471,849	508,610	546,030	584,115	622,876	
		5,030,648	4,830,113	4,597,806	4,333,131	4,035,484	3,704,251	3,338,814	2,938,545	2,502,807	2,030,958	1,522,348	976,318	392,203	-	
Payments for Residual Receipt Payments		10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	87.5%	
RESIDUAL RECEIPTS LOANS																
	Payment %															
MIP	12.50%	18,817	22,282	25,812	29,408	33,072	36,804	40,604	44,474	48,415	52,428	56,512	60,670	64,902	276,328	
Bonneville B Bonds	75.0%	18,817	22,282	25,812	29,408	33,072	36,804	40,604	44,474	48,415	52,428	56,512	60,670	64,902	276,328	
Total Residual Receipts Payments		87.50%	18,817	22,282	25,812	29,408	33,072	36,804	40,604	44,474	48,415	52,428	56,512	60,670	276,328	
Balances for Residual Receipt Payments																
RESIDUAL RECEIPTS LOANS																
	Interest Rate															
MIP--	2.75%	6,500,000	6,678,750	6,857,500	7,036,250	7,215,000	7,393,750	7,572,500	7,751,250	7,930,000	8,108,750	8,287,500	8,466,250	8,645,000	8,823,750	
Bonneville B Bonds--	6.50%	10,000,000	10,831,183	11,299,928	12,008,612	12,759,763	13,556,076	14,400,417	15,295,840	16,245,595	17,253,144	18,322,171	19,456,599	20,660,608	21,938,646	
Total Residual Receipts Payments--		16,500,000	17,309,933	18,157,428	19,044,862	19,974,763	20,949,826	21,972,917	23,047,090	24,175,595	25,361,894	26,609,671	27,922,849	29,305,608	30,762,396	

PROJECTED PERMANENT LOAN CASH FLOWS													The Courtyards at Kimball				
Final Commitment	YEAR	15	16	17	18	19	20	21	22	23	24	25	26	27	28		
		Project Number 19-068-AX															
RENTAL INCOME																	
	CPI																
Restricted Unit Rents	2.50%	3,569,274	3,658,505	3,749,968	3,843,717	3,939,810	4,038,305	4,139,263	4,242,745	4,348,813	4,457,534	4,568,972	4,683,196	4,800,276	4,920,283		
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%	18,480	18,942	19,416	19,901	20,399	20,909	21,432	21,967	22,517	23,079	23,656	24,248	24,854	25,475		
Parking & Storage Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Miscellaneous Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
GROSS POTENTIAL INCOME (GPI)		3,587,754	3,677,448	3,769,384	3,863,619	3,960,209	4,059,214	4,160,695	4,264,712	4,371,330	4,480,613	4,592,628	4,707,444	4,825,130	4,945,758		
VACANCY ASSUMPTIONS																	
	Vacancy																
Restricted Unit Rents	5.00%	178,464	182,925	187,498	192,186	196,991	201,915	206,963	212,137	217,441	222,877	228,449	234,160	240,014	246,014		
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%	924	947	971	995	1,020	1,045	1,072	1,098	1,126	1,154	1,183	1,212	1,243	1,274		
Parking & Storage Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Miscellaneous Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
TOTAL PROJECTED VACANCY LOSS		179,388	183,872	188,469	193,181	198,010	202,961	208,035	213,236	218,566	224,031	229,631	235,372	241,257	247,288		
EFFECTIVE GROSS INCOME (EGI)		3,408,366	3,493,575	3,580,915	3,670,438	3,762,199	3,856,254	3,952,660	4,051,476	4,152,763	4,256,582	4,362,997	4,472,072	4,583,874	4,698,471		
OPERATING EXPENSES																	
	CPI/Fee																
Administrative Expenses	3.50%	158,972	164,536	170,295	176,255	182,424	188,809	195,417	202,257	209,336	216,663	224,246	232,094	240,218	248,625		
Management Fee	3.98%	135,653	139,044	142,520	146,083	149,736	153,479	157,316	161,249	165,280	169,412	173,647	177,988	182,438	186,999		
Utilities	3.50%	221,923	229,690	237,729	246,050	254,662	263,575	272,800	282,348	292,230	302,458	313,044	324,001	335,341	347,078		
Operating & Maintenance	3.50%	537,245	556,048	575,510	595,653	616,501	638,078	660,411	683,525	707,449	732,209	757,837	784,361	811,814	840,227		
Ground Lease Payments	3.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500		
Mixed Income Loan Fee	0.00%	78,507	77,810	77,081	76,319	75,522	74,688	73,816	72,904	71,950	70,952	69,909	68,817	67,676	66,481		
Other Agency Monitoring Fee	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Real Estate Taxes	1.25%	22,490	22,771	23,056	23,344	23,636	23,931	24,231	24,533	24,840	25,151	25,465	25,783	26,108	26,432		
Other Taxes & Insurance	3.50%	123,442	127,762	132,234	136,862	141,652	146,610	151,741	157,052	162,549	168,238	174,127	180,221	186,529	193,057		
Required Reserve Payments	1.00%	37,645	38,022	38,402	38,786	39,174	39,566	39,961	40,361	40,764	41,172	41,584	42,000	42,420	42,844		
TOTAL OPERATING EXPENSES		1,323,376	1,363,184	1,404,328	1,446,853	1,490,806	1,536,236	1,583,193	1,631,730	1,681,899	1,733,756	1,787,358	1,842,766	1,900,040	1,959,244		
NET OPERATING INCOME (NOI)		2,084,990	2,130,391	2,176,587	2,223,585	2,271,393	2,320,017	2,369,467	2,419,747	2,470,865	2,522,827	2,575,639	2,629,306	2,683,834	2,739,227		
DEBT SERVICE PAYMENTS																	
	Lien #																
MIP	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Conduit First Lien Loan	1	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715		
Conduit Subordinate Loan (Bonneville)	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
TOTAL DEBT SERVICE & OTHER PAYMENTS		1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715	1,321,715		
CASH FLOW AFTER DEBT SERVICE		763,275	808,677	854,873	901,870	949,678	998,303	1,047,752	1,098,032	1,149,150	1,201,112	1,253,924	1,307,591	1,362,119	1,417,512		
DEBT SERVICE COVERAGE RATIO		1.58	1.61	1.65	1.68	1.72	1.76	1.79	1.83	1.87	1.91	1.95	1.99	2.03	2.07		
Date Prepared	03/16/12	Senior Staff Date 3/19/20															
LESS: Asset Management Fee	3%	27,378	28,199	29,045	29,917	30,814	31,738	32,691	33,671	34,681	35,722	36,794	37,897	39,034	40,205		
LESS: Partnership Management Fee	3%	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
net CF available for distribution		735,897	780,478	825,827	871,954	918,864	966,564	1,015,061	1,064,361	1,114,469	1,165,390	1,217,130	1,269,694	1,323,085	1,377,307		
Residual Receipts to Developer		12.50%	12.50%	12.50%	12.50%	12.50%	12.50%	12.50%	12.50%	12.50%	12.50%	12.50%	12.50%	12.50%	12.50%		
Deferred developer fee repayment	5,200,000	91,987	97,560	103,228	108,994	114,858	120,821	126,883	133,045	139,309	145,674	152,141	158,712	165,386	172,163		
		-	-	-	-	-	-	-	-	-	-	-	-	-	-		
		-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Payments for Residual Receipt Payments		87.5%	87.5%	87.5%	87.5%	87.5%	87.5%	87.5%	87.5%	87.5%	87.5%	87.5%	87.5%	87.5%	87.5%		
RESIDUAL RECEIPTS LOANS																	
	Payment %																
MIP	12.50%	91,987	97,560	103,228	108,994	114,858	120,821	126,883	133,045	139,309	145,674	152,141	158,712	165,386	172,163		
Bonneville B Bonds	75.0%	551,923	585,358	619,370	653,965	689,148	724,923	761,296	798,271	835,851	874,043	912,848	952,270	992,314	1,032,980		
Total Residual Receipts Payments	87.50%	643,910	682,918	722,599	762,960	804,006	845,744	888,179	931,316	975,160	1,019,716	1,064,989	1,110,982	1,157,699	1,205,143		
Balances for Residual Receipt Payments																	
RESIDUAL RECEIPTS LOANS																	
	Interest Rate																
MIP---	2.75%	9,002,500	9,089,263	9,170,453	9,245,975	9,315,730	9,379,623	9,437,552	9,489,419	9,535,124	9,574,566	9,607,642	9,634,251	9,654,289	9,667,653		
Bonneville B Bonds---	6.50%	23,088,330	24,037,148	25,014,205	26,020,758	27,058,141	28,127,773	29,231,155	30,369,884	31,545,656	32,760,272	34,015,647	35,313,816	36,656,944	38,047,332		
Total Residual Receipts Payments---		32,090,830	33,126,411	34,184,658	35,266,732	36,373,872	37,507,395	38,668,707	39,859,303	41,080,780	42,334,838	43,623,289	44,948,067	46,311,233	47,714,985		

PROJECTED PERMANENT LOAN CASH FLOWS		The Courtyards at Kimball	
Final Commitment		Project Number	19-068-AX
	YEAR	29	30
RENTAL INCOME			
	CPI		
Restricted Unit Rents	2.50%	5,043,290	5,169,372
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%	26,112	26,765
Parking & Storage Income	2.50%	-	-
Miscellaneous Income	2.50%	-	-
GROSS POTENTIAL INCOME (GPI)		5,069,402	5,196,137
VACANCY ASSUMPTIONS			
	Vacancy		
Restricted Unit Rents	5.00%	252,165	258,469
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%	1,306	1,338
Parking & Storage Income	50.00%	-	-
Miscellaneous Income	50.00%	-	-
TOTAL PROJECTED VACANCY LOSS		253,470	259,807
EFFECTIVE GROSS INCOME (EGI)		4,815,932	4,936,331
OPERATING EXPENSES			
	CPI / Fee		
Administrative Expenses	3.50%	257,327	266,334
Management Fee	3.98%	191,674	196,466
Utilities	3.50%	359,226	371,798
Operating & Maintenance	3.50%	869,635	900,072
Ground Lease Payments	3.50%	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500
Mixed Income Loan Fee	0.00%	65,232	63,926
Other Agency Monitoring Fee	0.00%	-	-
Real Estate Taxes	1.25%	26,762	27,097
Other Taxes & Insurance	3.50%	199,814	206,808
Required Reserve Payments	1.00%	43,272	43,705
TOTAL OPERATING EXPENSES		2,020,443	2,083,706
NET OPERATING INCOME (NOI)		2,795,489	2,852,625
DEBT SERVICE PAYMENTS			
	Lien #		
MIP	3	-	-
-	-	-	-
-	-	-	-
Conduit First Lien Loan	1	1,321,715	1,321,715
Conduit Subordinate Loan (Bonneville)	2	-	-
-	-	-	-
-	-	-	-
-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		1,321,715	1,321,715
CASH FLOW AFTER DEBT SERVICE		1,473,775	1,530,910
DEBT SERVICE COVERAGE RATIO		2.12	2.16
Date Prepared	03/16/12	Staff Date	3/19/20
		29	30
LESS: Asset Management Fee	3%	41,411	42,654
LESS: Partnership Management Fee	3%	-	-
net CF available for distribution		1,432,363	1,488,256
		12.50%	12.50%
Residual Receipts to Developer		179,045	186,032
Deferred developer fee repayment	5,200,000	-	-
		-	-
		-	-
Payments for Residual Receipt Payments		87.5%	87.5%
RESIDUAL RECEIPTS LOANS	<i>Payment %</i>	1,253,318	1,302,224
MIP	12.50%	179,045	186,032
Bonneville B Bonds	75.0%	1,074,272	1,116,192
Total Residual Receipts Payments	87.50%	1,253,318	1,302,224
Balances for Residual Receipt Payments			
RESIDUAL RECEIPTS LOANS	<i>Interest Rate</i>		
MIP---	2.75%	9,674,240	9,673,945
Bonneville B Bonds---	6.50%	39,487,428	40,979,839
Total Residual Receipts Payments---		49,161,668	50,653,783



California Housing Finance Agency

MIXED-INCOME LOAN PROGRAM

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

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

Qualifications

APPLICATION:

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

AVAILABILITY:

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

USES:

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

FINANCING STRUCTURE:

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

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

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MIXED-INCOME LOAN PROGRAM

Qualifications (continued)

READINESS:

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

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

MIP ALLOCATION LIMITS:

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

EVIDENCE OF COST CONTAINMENT:

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

MIXED-INCOME LOAN PROGRAM

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

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

MIXED-INCOME LOAN PROGRAM

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

MIXED-INCOME LOAN PROGRAM

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

Last revised: 11/2019

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California Housing Finance Agency

CONDUIT ISSUER PROGRAM

MULTIFAMILY HOUSING BONDS

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

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

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CONDUIT ISSUER PROGRAM

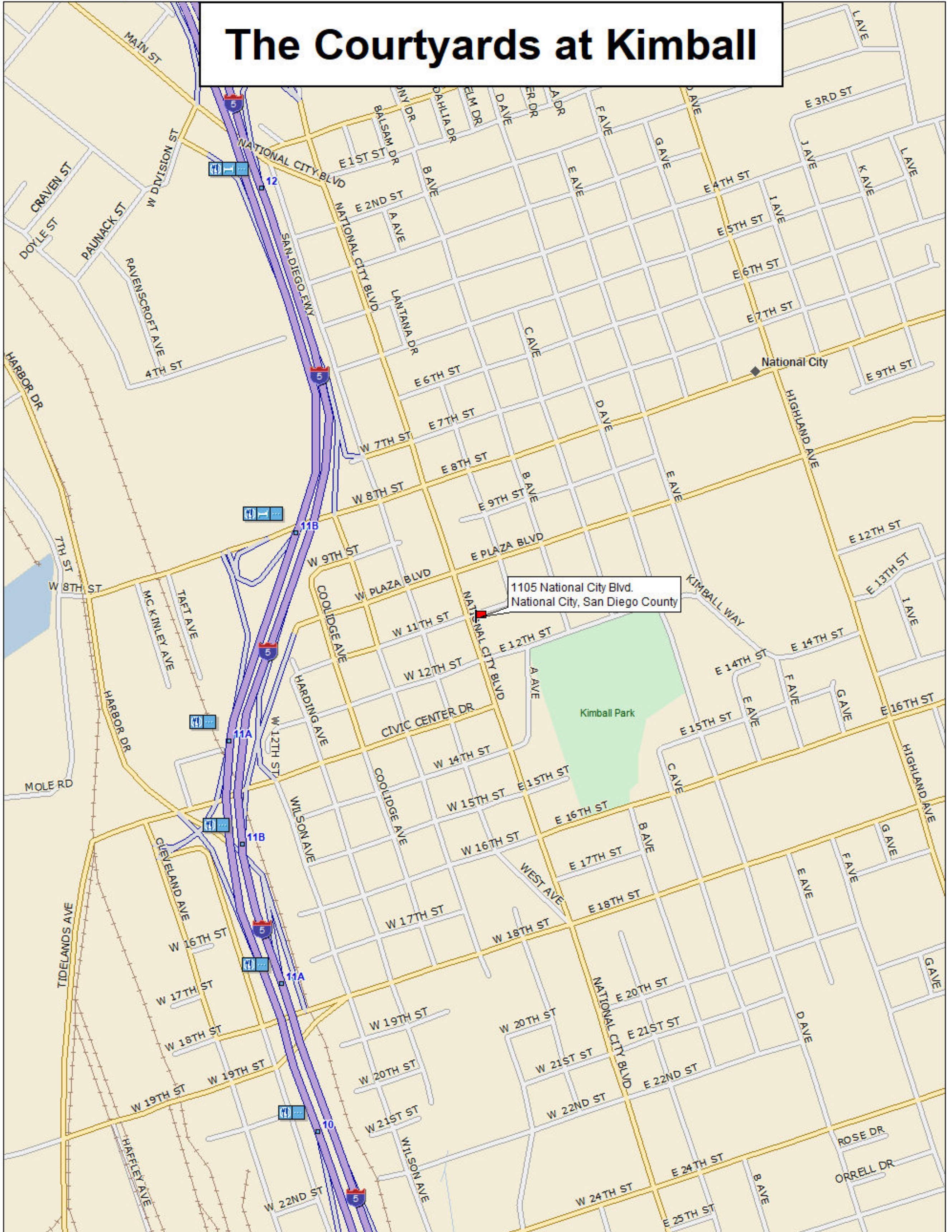
Occupancy Requirements

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

Last revised: 03/2019

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The Courtyards at Kimball



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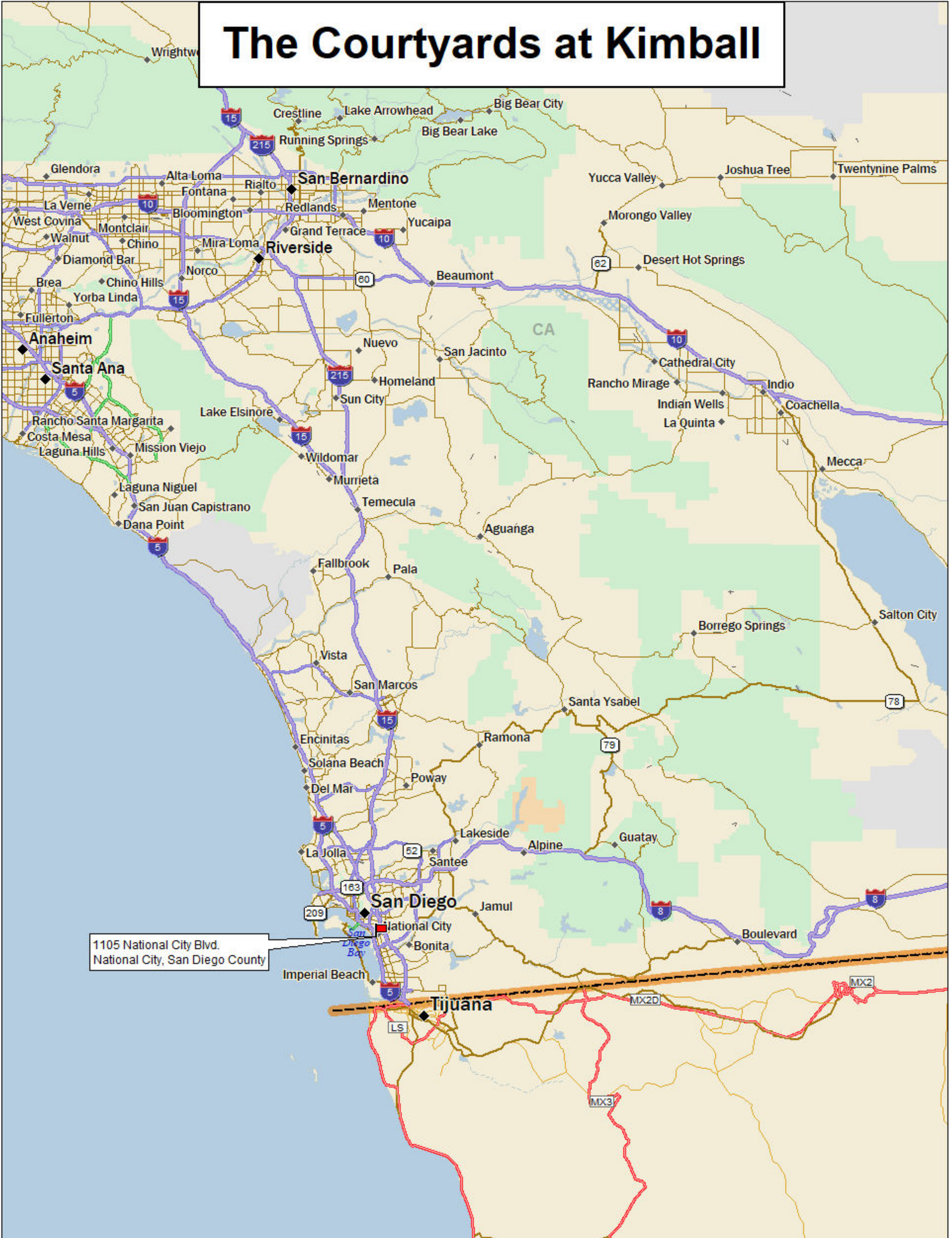


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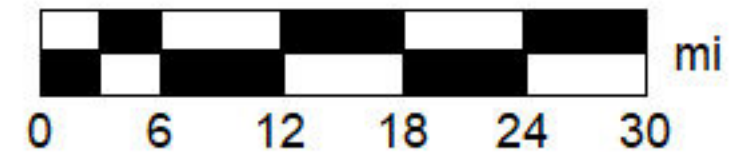
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