

CalHFA MULTIFAMILY PROGRAMS DIVISION

**Final Commitment Staff Report & Request for Loan Approval of Mixed Income Program Subsidy Financing  
 Senior Loan Committee "Approval": 9/15/20 for Board Meeting on: 11/10/20**

Project Name, County:	Vintage at Woodman, Los Angeles County		
Address:	7660-7700 Woodman Ave., Panorama City, CA 91402		
CalHFA Project Number:	19-072-A/X		
Requested Financing by Loan Program:	\$45,000,000	Tax Exempt Bond – Conduit Issuance Amount	
	\$11,850,000	Subsidy GAP Loan funded by MIP funds	

**DEVELOPMENT/PROJECT TEAM**

<b>Developer:</b>	USA Multi-Family Development, Inc.	<b>Borrower:</b>	Panorama City 684, L.P.
<b>Permanent Lender:</b>	Citibank, N.A.	<b>Construction Lender:</b>	JP Morgan Chase Bank, N.A
<b>Equity Investor:</b>	RBC Community Investments, LLC	<b>Management Company:</b>	USA Multifamily Management, Inc.
<b>Contractor:</b>	USA Construction Management, Inc.	<b>Architect</b>	Architects Orange
<b>Loan Officer:</b>	Kevin Brown	<b>Loan Specialist:</b>	Lorrie Blevins
<b>Asset Manager:</b>	Jessica Doan	<b>Loan Administration:</b>	Jennifer Beardwood/Natalie Cooper
<b>Legal (Internal):</b>	Marc Victor	<b>Legal (External):</b>	Orrick Herrington & Sutcliffe
<b>Concept Meeting Date:</b>	08/12/2020	<b>Approval Expiration Date:</b>	6 months from Approval

**LOAN TERMS**

1.		CONDUIT ISSUANCE / JP Morgan Chase Bank Construction Loan	PERMANENT LOAN (Citibank)	MIP (GAP) LOAN
	<b>Total Loan Amount</b>	\$45,000,000 (T/E) \$15,275,000 (Taxable- Not CalHFA bond issuance)	\$38,000,000	\$11,850,000
	<b>Loan Term &amp; Lien Position</b>	36 months- interest only; 1 <sup>st</sup> Lien Position during construction. Two 6-month extensions available.	40-year amortization due in year 15; 1st Lien Position at permanent conversion	15-year - Residual Receipts; 2nd Lien Position during permanent loan conversion
	<b>Interest Rate</b> (subject to change and locked 30 days prior to loan closing)	Underwritten at 1.90% (T/E) and 2.45% (Taxable), monthly adjustable (30-day LIBOR + 140 and 195 bps, respectively)	Underwritten at 3.50% fixed, 15-yr LIBOR + 240 bps + 25 bps cushion. This rate assumes a 36 month forward period.	2.75% Simple Interest
	<b>Loan to Value (LTV)</b>	79%	80%	N/A
	<b>Loan to Cost</b>	72.7%	61.4%	N/A

**ANTICIPATED PROJECT MILESTONES & SCHEDULE**

2.	CDLAC/TCAC Closing Deadline:	2/15/21	Est. Construction Loan Closing:	10/30/20
	Estimated Construction Start:	11/1/20	Est. Construction Completion:	3/31/23
	Estimated Stabilization and Conversion to Perm Loan(s):		10/30/23	

**SOURCES OF FUNDS**

3.	<b>Construction Period Financing</b>			
	<b>SOURCE</b>	<b>AMOUNT</b>	<b>LIEN POSITION</b>	<b>DEBT TYPE</b>
	JP Morgan Chase, T/E Construction Loan	\$45,000,000	First	Interest Only – 1.90% adj.
	JP Morgan Chase, Taxable Construction Loan	\$15,275,000	Second	Interest Only – 2.45% adj.
	Tax Credit Equity	\$9,869,096	N/A	
	<b>TOTAL</b>	<b>\$70,144,096</b>	<b>\$293,490</b>	<b>Per Unit</b>
	<b>Permanent Financing</b>			
	<b>SOURCE</b>	<b>AMOUNT</b>	<b>LIEN POSITION</b>	<b>DEBT TYPE</b>
	Citibank, N.A.	\$38,000,000	First	Balloon 40/15 - 3.50% fixed
	CalHFA MIP	\$11,850,000	Second	2.75% simple, residual receipts
	Deferred Developer Fee	\$3,763,592	N/A	
	Tax Credit Equity (Combined)	\$25,042,420	N/A	
	<b>TOTAL DEVELOPMENT COST:</b>	<b>\$78,656,012</b>	<b>\$329,105</b>	<b>Per Unit</b>
	<p><b>Subsidy Efficiency:</b> MIP Subsidy - \$50,000 per MIP restricted unit,</p> <p><b>Tax Credit Type(s), Amount(s), Pricing(s), and per units:</b></p> <ul style="list-style-type: none"> <li>4% Federal Tax Credits: \$18,234,441 assuming estimated pricing of \$0.90 (\$76,295 per unit).</li> <li>4% State Tax Credits: \$8,462,239 assuming estimated pricing of \$0.75 (\$35,407 per unit).</li> </ul> <p><b>Rental Subsidies:</b> The Project will not be subsidized by project-based vouchers.</p> <p><b>Other State Subsidies:</b> The Project will not be funded by other state funds.</p> <p><b>Other Locality Subsidies:</b> The Project will not be funded by locality funds.</p> <p><b>Cost Containment Strategy:</b> 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>			
	4.	Equity – Cash Out (estimate): Not Applicable		

**TRANSACTION SUMMARY**

5.	<b>Legislative Districts</b>	<b>Congress:</b>	#29 Tony Cardenas	<b>Assembly:</b>	#46 Adrin Nazarian	<b>State Senate:</b>	#18 Robert M Hertzberg
	<b>Brief Project Description</b>	<p><b>Vintage at Woodman</b> (the “Project”) is new construction senior (55+), mixed- income Project, consisting of one five-story (4 stories over a parking structure podium) elevator-serviced building. There will be 239 total units, 237 of which will be restricted between 50% and 80% AMI. Units include 163 1-bedrooms (521 s.f.), 76 2-bedrooms (803 s.f.). Two 2-bedroom units will be reserved for onsite managers.</p> <p><b>Financing Structure:</b> The Project’s financing structure includes tax-exempt bonds, 4% federal and state tax credits, a first lien permanent loan from Citibank, and the MIP loan. The project qualifies as Mixed-Income with income averaging pursuant to TCAC regulations.</p> <p><b>Tax Credits and/or CDLAC Status:</b> The developer applied for bonds and tax credits on June 11, 2020 for a September 16, 2020 award.</p> <p><b>Ground Lease:</b> Not applicable.</p> <p><b>Amenities:</b> The Project includes a community room, laundry room, fitness room, computer room, picnic area, pet wash, library, and social services. Unit amenities will include central heating, central air, microwave, garbage disposal, dishwashers, walk-in closets, carpeting, and ceiling fans.</p> <p><b>Local Resources and Services:</b> The Project is located in a Low Resource Area per TCAC’s Opportunity Area Map. The Project is in close proximity to the following local amenities and services:</p> <ul style="list-style-type: none"> <li>• Grocery stores – 0.50 of miles</li> <li>• Public Library – 1.25 of miles</li> <li>• Public transit - 0.07 of miles</li> <li>• Retail - 1.00 of miles</li> <li>• Park and recreation - 1.31 of miles</li> <li>• Hospitals - 0.61 of miles</li> <li>• Senior center – 1.98 of miles</li> </ul> <p><b>Disaster Area:</b> The Project is not in a Disaster Area.</p> <p><b>Non-displacement and No Net Loss:</b> To the extent feasible, it is the Agency’s priority to mitigate multifamily developments that may result in permanent displacement of existing affordable housing residents and/or net loss of existing affordable housing units. The Project is a new construction project, with no related demolition of existing affordable housing, hence no existing affordable housing units will be lost nor will existing residential households be displaced as a result of this development.</p> <p><b>Commercial Space:</b> The Project does not include commercial space.</p>					

**TRANSACTION OVERVIEW**

<b>6.</b>	<b>Proposal and Project Strengths</b>
<ul style="list-style-type: none"> <li>• The Project anticipates receiving 4% federal and state tax credits which are projected to generate equity representing 32% of total financing sources.</li> <li>• The developer/sponsor and property management company have experience with CalHFA, and extensive experience in developing similar affordable housing projects; the locality is familiar with the developer/sponsor and strongly supports the project.</li> <li>• The Project will serve low-income seniors (55+) ranging between 50% to 80% of AMI.</li> <li>• The market study dated May 27, 2020 states that comparable market rate and affordable properties in the project’s PMA are experiencing high occupancy rates, minimal concessions, and extensive waiting lists. The need for the Project is substantial, not just for additional housing stock, but for low-income units for seniors in the PMA.</li> <li>• The projected portion of the developer’s fee that will be collected at or prior to permanent loan conversion is \$3,865,680, which could be available to cover cost overruns and/or unforeseen issues during construction.</li> <li>• The Borrower has elected to provide a Service Coordinator to meet CDLAC requirements for a term of no less than 15 years and the expense for these services is currently within the approved line item operating budget. Services will be conducted onsite.</li> </ul>	
<b>7.</b>	<b>Project Weaknesses with Mitigants:</b>
<p>The exit analysis assumes 6.75% 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 the permanent loan but may only have the ability to repay a portion of the Agency’s subsidy MIP loan in the estimated amount of \$966,064 leaving an outstanding balance of \$11,119,647. 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.</p>	
<b>8.</b>	<b>Underwriting Standards or Term Sheet Variations</b>
None.	
<b>9.</b>	<b>Project Specific Conditions of Approval</b>
<ul style="list-style-type: none"> <li>• Receipt of locality contribution letter and/or final permit approval evidencing support of Project prior to construction loan closing.</li> <li>• The final appraisal will be subject to Agency’s review and approval.</li> <li>• CalHFA may require a copy of the construction and/or permanent lenders proforma evidencing consistent underwriting assumptions.</li> <li>• The Project must meet the readiness requirements within 180 days from TCAC/CDLAC allocation.</li> <li>• CalHFA will require the developer to provide a cost containment certification that is acceptable to the Agency.</li> <li>• Subject to receipt of a certification acceptable to CalHFA from the engineer on record that project was built to current seismic code prior to permanent loan closing.</li> <li>• Lenders, equity investor and Borrower shall permit CalHFA to recycle all or a portion of the tax-exempt bonds, as applicable.</li> <li>• HCIDLA has requested its affordability covenants related to the Density Bonus be recorded senior to the CalHFA loan document. Any approval is subject to the Agency’s underwriting of these affordability restrictions. as well as a CalHFA standstill agreement which must be approved in writing by HCIDLA prior to construction closing and recorded at MIP loan closing to permit the HCIDLA Density Bonus Agreement in senior position.</li> <li>• Borrower shall approve a participation agreement, if any, between the Permanent Lender and CalHFA in which the Permanent Lender and CalHFA shall participate in a portion of the first lien loan as determined between CalHFA and the permanent lender.</li> </ul>	

- The Project must receive CDLAC bond allocation and CTCAC State and Federal tax credit awards in 2020.
- The CalHFA subsidy will be, in the Agency’s sole discretion, the lesser of 1) the principal amount as state on hereto or 2) an amount as determined by the Agency in the event the financial assumptions change prior to construction loan closing and/or permanent loan closing. For instance, if the permanent loan interest rate decreased, then the subsidy may be reduced due to additional debt generated by the lower interest rate. The debt service coverage ratio (“DSCR”) shall be a maximum of 1.20. An increase of the subsidy loan will not be allowed and will be subject to Agency’s approval.
- The Senior Housing Density Bonus requires the minimum age to be 55 years and older. Prior to construction loan closing, approval to waive the age restriction from TCAC is required. CalHFA review and approval of this agreement is also required prior to the construction loan closing.
- Closing on construction financing will be subject to final LPA being substantially consistent to the assumptions made at time of final commitment and that it is acceptable to CalHFA.

**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 237 units of affordable housing with a range of restricted rents between 50% AMI and 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 years.

The CalHFA MIP Subsidy Regulatory Agreement will restrict 10% of total units (24 units) at or below 50% of AMI and 10% of total units (24 units) between 60% and 80% of AMI with a minimum average of 70% AMI. The remaining 189 of restricted units will be restricted at or below 120% of AMI. The affordability restrictions for the Mixed Income Program require at least 10% of the units be restricted to 81% to 120% of AMI, with an average of 100% of AMI, if supported by a market study. However, per the appraisal report dated September 4, 2020 the Project can only support rents at a maximum of 80% AMI and still comply with the requirement that rents be 10% below market.

TCAC Regulatory Agreement will restrict a total of 237 units between 50% and 80% AMI for a 55-years term.

Rent Limit Summary Table						
AMI	Total	1-bdrm	2-bdrm	3-bdrm	4-bdrm	% of Total
50%	120	83	37			50.6%
60%	70	48	22			29.5%
80%	47	32	15			19.8%
Manager's Unit	2		2			0.8%
<b>Total</b>	<b>239</b>	<b>163</b>	<b>76</b>			<b>100%</b>

The average rent limit is 59% of AMI.

<b>NUMBER OF UNITS AND AMI RENTS RESTRICTED BY EACH AGENCY</b>										
Regulatory Source	Lien Priority if Recorded Document	Term of Agrmt (years)	Number of Units Restricted For Each AMI Category							
			50%	60%	70%	80% (60% to 80% Tranche)	<= 120%	Mgrs Unit	Total Units Regulated	% of Regulated Units
HCIDLA Density Bonus	1 <sup>st</sup>	55		56					56	23.4%
*CalHFA MIP Subsidy	2 <sup>nd</sup>	55	24			24	189	2	237	99.2%
CalHFA Bond	3 <sup>rd</sup>	55	24	72				2	96	40.2%
Tax Credits	4 <sup>th</sup>	55	120	70		47		2	237	99.2%

\*Note: For MIP purposes, 10% (24 units) will be restricted at or below 50% of AMI, 10% (24 units) will be restricted between 60% to 80% of AMI, and the remaining 189 restricted units will be restricted at or below 120% of AMI. The rents for the 60% to 80% tranche will be determined by the minimum income restriction of 70% of AMI.

<b>13. Geocoder Information</b>	
Central City: Yes	Underserved: No
Low/Mod Census Tract: Moderate	Below Poverty line: 26%
Minority Census Tract: 85%	Rural Area: No

**FINANCIAL ANALYSIS SUMMARY**

<b>14. Capitalized Reserves:</b>			
Replacement Reserves (RR):	N/A		
Operating Expense Reserve (OER):	\$782,882 OER amount is size based on 3-months operating expenses, debt service, and annual replacement reserves deposits. The partnership will hold these reserves but all draws must be approved by the lender and/or investor.		
Transitional Operating Reserve (TOR):	N/A		
<b>15. Cash Flow Analysis</b>			
1 <sup>st</sup> Year DSCR:	1.19	Project-Based Subsidy Term:	N/A
End Year DSCR:	1.60	Annual Replacement Reserve Per Unit:	\$250/unit
Residential Vacancy Rate:	5%	Rental Income Inflation Rate:	2.50%
Subsidy Vacancy Rate:	N/A	Subsidy Income Inflation Rate:	N/A
Non-residential Vacancy Rate:	5% for laundry	Project Expenses Inflation Rate:	3.50%
		Property Tax Inflation Rate:	1.25%
<b>16. Loan Security</b>			
The CalHFA loan(s) will be secured against the above described Project site.			

<b>17.</b>	<b>Balloon Exit Analysis</b>	<b>Applicable:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>The exit analysis assumes 6.75% cap rate and 3% increase of the underwriting interest rate at loan maturity. Based on these assumptions, the Project will have the ability to fully repay the balance of the permanent loan but may only have the ability to repay a portion of the Agency’s subsidy MIP loan in the estimated amount of \$996,064, leaving an outstanding balance of \$11,119,647. 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.</p>		

**APPRAISAL AND MARKET ANALYSIS**

<b>18.</b>	<b>Appraisal Review</b>	
<ul style="list-style-type: none"> <li>• The Appraisal dated September 4, 2020, prepared by Cressner &amp; Associates, values the land at \$10,450,000.</li> <li>• The capitalization rate of 4.75% and projected \$2,268,973 of net operating income were used to determine the appraised value of the subject site.</li> <li>• The proposed operating expense is consistent and reasonable based on the appraisal report and management company.</li> <li>• The as-restricted stabilized value is \$47,770,000, which results in the Citibank’s loan(s) to value of 80%.</li> </ul>		
	<b>Market Study:</b> Kinetic Valuation Group	Dated: 5/27/2020
<p><b><u>Regional Market Overview</u></b></p> <ul style="list-style-type: none"> <li>• The Primary Market Area is the northwestern neighborhoods of San Fernando Valley in the city of Panorama City (total population of 856,088) and the Secondary Market Area (“SMA”) is the Los Angeles-Long Beach-Glendale MD (population of 10,255,222).</li> <li>• The general population in the PMA is anticipated to increase by 0.5% per year and the senior population will increase by 1.5% per year.</li> <li>• Unemployment in the County of Los Angeles has historically been slightly above the national average, and remained very high at 10.5%, as of June 2020 largely due to the COVID-19 pandemic.</li> <li>• The market study references a CoStar Multifamily Submarket Report for North Hills/Panorama City which concluded median household income is about \$60K/year which is close to the metro median. That number is lower in neighborhoods where there is a higher concentration of multifamily inventory.</li> </ul>		
<p><b><u>Local Market Area Analysis</u></b></p> <ul style="list-style-type: none"> <li>• <b>Supply:</b> <ul style="list-style-type: none"> <li>○ There are currently 58 affordable housing projects, including 10 Senior projects, in the PMA and they are 99% occupied with long wait lists.</li> <li>○ There are currently zero affordable project(s) under construction in the PMA.</li> </ul> </li> <li>• <b>Demand/Absorption:</b> <ul style="list-style-type: none"> <li>○ The project will need to capture 4% of the total demand for senior units in the PMA. The affordable units are anticipated to lease up at a rate of 39-79 units per month and reach stabilized occupancy within 3-6 months of opening.</li> </ul> </li> </ul>		

**DEVELOPMENT SUMMARY**

<b>19.</b>	<b>Site Description</b>	<b>Requires Flood Insurance:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<ul style="list-style-type: none"> <li>• The property is located on the East side of Woodman Avenue Street, in the City of Panorama City, Los Angeles County.</li> <li>• The site is zoned Q-RAS4-1, with permitted multifamily residential use.</li> <li>• 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.</li> <li>• The site consists of an existing commercial structure that is currently occupied.</li> </ul>		

<b>20.</b>	<b>Form of Site Control &amp; Expiration Date</b>
The current owner, Jerome and Roselyn Reisman, Trustee of the Reisman Family Trust, of the site and the Project owner, USA Properties Fund, Inc., entered into a Purchase and Sale Agreement dated July 31, 2019 which was to expire on 8/29/20 unless otherwise extended, for an amount of \$10,450,000. A 30-day extension was initiated with \$25,000 paid by 8/28/20 to extend close of escrow to 9/28/20, and the developer expects to elect a second extension through 10/28/20 for an additional \$25,000 no later than 9/27/20. This is an unrelated party transaction.	
<b>21.</b>	<b>Current Ownership Entity of Record</b>
Title is currently vested in Jerome Reisman and Roselyn Reisman as the fee owner.	
<b>22.</b>	<b>Environmental Review Findings</b>
A Phase I Environmental Site Assessment performed by EFI Global, Inc., dated July 23, 2020 revealed no evidence of recognized environmental conditions, so no additional investigation was recommended.	
<b>23.</b>	<b>Seismic</b> Requires Earthquake Insurance: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
This new Project will be built to State and City of Panorama City Building Codes so no seismic review is required.	
<b>24.</b>	<b>Relocation</b> Requires Relocation: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> Not Applicable
The Project is new construction, however the site currently has 2 industrial buildings in which approximately 9 businesses operate. One business owner also owns the property and is voluntarily selling his property to the developer and therefore will not require relocation assistance. The relocation plan involves the permanent relocation of 8 of those businesses and the developer has budgeted \$258,160 in relocation costs, which includes \$156,550 of tenant relocation, which is shared between USA Properties and the Seller. Costs can include direct compensation for reasonable and necessary moving-related expenses and/or a fixed payment of up to \$20,000 per business.	

**PROJECT DETAILS**

<b>25.</b>	<b>Residential Areas:</b>												
	<table border="1"> <tr> <td><b>Residential Square Footage:</b></td> <td>145,951</td> <td><b>Residential Units per Acre:</b></td> <td>108.6</td> </tr> <tr> <td><b>Community Area Sq. Ftg:</b></td> <td>3,000</td> <td><b>Total Parking Spaces:</b></td> <td>219</td> </tr> <tr> <td><b>Supportive Service Areas:</b></td> <td>N/A</td> <td><b>Total Building Sq. Footage:</b></td> <td>225,741</td> </tr> </table>	<b>Residential Square Footage:</b>	145,951	<b>Residential Units per Acre:</b>	108.6	<b>Community Area Sq. Ftg:</b>	3,000	<b>Total Parking Spaces:</b>	219	<b>Supportive Service Areas:</b>	N/A	<b>Total Building Sq. Footage:</b>	225,741
<b>Residential Square Footage:</b>	145,951	<b>Residential Units per Acre:</b>	108.6										
<b>Community Area Sq. Ftg:</b>	3,000	<b>Total Parking Spaces:</b>	219										
<b>Supportive Service Areas:</b>	N/A	<b>Total Building Sq. Footage:</b>	225,741										
<b>26.</b>	<b>Mixed-Use Project:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No												
	<table border="1"> <tr> <td><b>Non-Residential Sq. Footage:</b></td> <td>N/A</td> <td><b>Number of Lease Spaces:</b></td> <td>N/A</td> </tr> <tr> <td><b>Master Lease:</b></td> <td><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</td> <td><b>Number of Parking Spaces:</b></td> <td>N/A</td> </tr> </table>	<b>Non-Residential Sq. Footage:</b>	N/A	<b>Number of Lease Spaces:</b>	N/A	<b>Master Lease:</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<b>Number of Parking Spaces:</b>	N/A				
<b>Non-Residential Sq. Footage:</b>	N/A	<b>Number of Lease Spaces:</b>	N/A										
<b>Master Lease:</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<b>Number of Parking Spaces:</b>	N/A										
<b>27.</b>	<b>Construction Type:</b> The project is 4-stories type VA (stick-built) over 1-story type IA concrete podium parking structure.												
<b>28.</b>	<b>Construction/Rehab Scope</b> Requires Demolition: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No												
<ul style="list-style-type: none"> <li>The subject site is new construction.</li> <li>The Contractor is an affiliate of the Borrower entity. The contract will be structured as a Guaranteed Maximum Price (GMP) contract with a 14% for builder overhead, profit, and general requirements.</li> <li>The locality requires certain offsite improvements that includes several items including joint trenching (\$75,000) and Traffic Control (\$125,000) for a total of \$304,500.</li> </ul>													
<b>29.</b>	<b>Construction Budget Comments:</b>												
The Developer is currently looking for cost saving design options to reduce construction costs and minimize the amount of deferred developer fee.													



**ADDITIONAL DEVELOPMENT/ PROJECT TEAM INFORMATION**

<b>30.</b>	<b>Borrower Affiliated Entities</b>
<ul style="list-style-type: none"> <li>Managing General Partner: RCC MGP, LLC, a tax-exempt entity; 0.001% interest                             <ul style="list-style-type: none"> <li>Sole Member: Riverside Charitable Corporation, a California nonprofit public benefit corporation</li> </ul> </li> <li>Administrative General Partner: USA Panorama City 684, Inc., a single purpose, taxable entity; 0.008% interest                             <ul style="list-style-type: none"> <li>Wholly owned subsidiary of USA Properties Fund, Inc.</li> </ul> </li> <li>Investor Limited Partner: RBC Community Investments, LLC; 99.99% interest, RBC Community Investment Manager II, Inc.; 0.001% interest</li> </ul>	
<b>31.</b>	<b>Developer/Sponsor</b>
<p>USA Multi-Family Development has experience working with CalHFA on similar bond and tax credit affordable housing transactions. Per CalHFA Asset Management, there are 6 existing properties in the CalHFA portfolio involving USA Multifamily Development, Inc. or USA Properties Fund. USA Properties has 20 projects in its development pipeline with 2 currently under construction. No issues were noted with these Developer partners.</p>	
<b>32.</b>	<b>Management Agent</b>
<p>The Project will be managed by USA Multifamily Management, Inc., which has extensive experience in managing similar affordable housing projects in the area and, per CalHFA Asset Management, manages six projects in CalHFA's portfolio (all properties in which its parent company is the developer). No issues were noted with this Management Agent partner.</p>	
<b>33.</b>	<b>Service Provider</b> <b>Required by TCAC or other funding source?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>Social services will be provided by Life Skills Training &amp; Educational Programs, Inc. (LifeSTEPS) which has been providing resident services to affordable housing communities in California since 1996. LifeSTEPS focuses on life skill training, education, and social services for children, adult, and seniors including educational classes such as financial literacy, computer training and health &amp; wellness services. LifeSTEPS is familiar with CalHFA, providing services to 8 projects within the CalHFA portfolio.</p>	
<b>34.</b>	<b>Contractor</b> <b>Experienced with CalHFA?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>The general contractor is USA Construction Management, which has extensive experience in constructing similar affordable housing projects in California and is familiar with CalHFA.</p>	
<b>35.</b>	<b>Architect</b> <b>Experienced with CalHFA?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<ul style="list-style-type: none"> <li>The architect is AO (f/k/a Architects Orange), which has extensive experience in designing and managing similar affordable housing projects in California through the locality's building permit process and is familiar with CalHFA.</li> <li>AO has designed residential projects including workforce, senior, podium, townhouse, assisted living housing projects, as well as commercial/civic and retail developments.</li> <li>AO's services include entitlements, engineering, interior, master use planning, design development, construction documentation and contract administration.</li> </ul>	
<b>36.</b>	<b>Local Review via Locality Contribution Letter</b>
<p>A locality contribution letter was sent to HCIDLA on 12/23/2019. Response has been delayed by borrower. Materials necessary for HCIDLA to complete the LCL were sent 9/8/20. Receipt of locality contribution letter and/or final permit approval evidencing support of Project prior to construction loan closing.</p>	

EXHIBITS: Detailed Financial Analysis and applicable Term Sheets

PROJECT SUMMARY			Final Commitment			
Acquisition, Rehab, Construction & Permanent Loans			Project Number 19-072-A/X			
<b>Project Full Name</b>	Vintage at Woodman	<b>Borrower Name:</b>	Panorama City 684, L.P.			
<b>Project Address</b>	7660-7700 Woodman Avenue	<b>Managing GP:</b>	Riverside Charitable Corporation			
<b>Project City</b>	Panorama City	<b>Developer Name:</b>	USA Multifamily Development, Inc			
<b>Project County</b>	Los Angeles	<b>Investor Name:</b>	RBC Community Investments, LLC			
<b>Project Zip Code</b>	91402	<b>Prop Management:</b>	USA Multifamily Management Inc.			
		<b>Tax Credits:</b>	4			
<b>Project Type:</b>	Mixed Income Loan Only (Conduit Perm Loan)	<b>Total Land Area (acres):</b>	2.20			
<b>Tenancy/Occupancy:</b>	Senior	<b>Residential Square Footage:</b>	145,951			
<b>Total Residential Units:</b>	239	<b>Residential Units Per Acre:</b>	108.64			
<b>Total Number of Buildings:</b>	1	<b>Covered Parking Spaces:</b>	219			
<b>Number of Stories:</b>	5	<b>Total Parking Spaces:</b>	219			
<b>Unit Style:</b>	Flat					
<b>Elevators:</b>	2					
Acq/Construction/Rehab Financing		Loan Amount (\$)	Loan Fees	Loan Term (Mo.)	Amort. Period (Yr.)	Starting Interest Rate
CalHFA Conduit JP Morgan (T/E)		45,000,000	0.750%	36	--	1.900%
JP Morgan (Taxable)		15,275,000	0.750%	36	--	2.450%
--		--	--	--	--	--
--		--	--	--	--	--
--		--	--	--	--	--
--		--	--	--	--	--
Investor Equity Contribution		9,869,096	--	--	--	--
Permanent Financing		Loan Amount (\$)	Loan Fees	Loan Term (Yr.)	Amort. Period (Yr.)	Starting Interest Rate
MIP		11,850,000	1.000%	15	--	2.750%
--		--	--	--	--	--
--		--	--	--	--	--
--		--	--	--	--	--
Citibank		38,000,000	0.500%	15	40	3.500%
--		--	--	--	--	--
--		--	--	--	--	--
--		--	--	--	--	--
Deferred Developer Fees		3,763,592	NA	NA	NA	NA
--		--	NA	NA	NA	NA
Investor Equity Contributions		25,042,420	NA	NA	NA	NA
Appraised Values Upon Completion of Rehab/Construction						
<b>Appraisal Date:</b>	9/4/20	<b>Capitalization Rate:</b>	4.75%			
<b>Investment Value (\$)</b>	76,350,000	<b>Restricted Value (\$)</b>	47,770,000			
<b>Construct/Rehab LTC</b>	N/A	<b>CalHFA Permanent Loan to Cost</b>	15%			
<b>Construct/Rehab LTV</b>	N/A	<b>CalHFA 1st Permanent Loan to Value</b>	N/A			
		<b>Combined CalHFA Perm Loan to Value</b>	25%			
Additional Loan Terms, Conditions & Comments						
<u>Construction/Rehab Loan</u>						
<b>Payment/Performance Bond</b>						Waived
<b>Completion Guarantee Letter of Credit</b>						N/A
<u>Permanent Loan</u>						
<b>Operating Expense Reserve Deposit</b>	\$782,582	Cash				
<b>Initial Replacement Reserve Deposit</b>	\$0	Cash				
<b>Annual Replacement Reserve Per Unit</b>	\$250	Cash				
Date Prepared:	9/8/20	Senior Staff Date:	9/15/20			

**UNIT MIX AND RENT SUMMARY**

**Final Commitment**

Vintage at Woodman

Project Number 19-072-A/X

PROJECT UNIT MIX					
Unit Type of Style	Number of Bedrooms	Number of Baths	Average Size (Sq. Ft.)	Number of Units	Est. No. of Tenants
Flat	1	1	521	163	244.5
Flat	2	1	803	76	228
-	-	-	-	-	0
-	-	-	-	-	0
-	-	-	-	-	0
-	-	-	-	-	0
				239	472.5

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%
CalHFA Bond	0	0	24	72	0	0	0
CalHFA MIP	0	0	24	0	24	189	0
Tax Credit	0	0	120	70	47	0	0
HCDLA Denisty Bonus	0	0	0	56	0	0	0

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	80%	-	-	-	-	-
	CTCAC	70%	-	-	-	-	-
	HCD	100%	-	-	-	-	-
	CTCAC	60%	-	-	-	-	-
	CTCAC	80%	-	-	-	-	-
1 Bedroom	CTCAC	50%	83	\$1,013	\$1,700	\$1,187	46%
	CTCAC	60%	48	\$1,224	-	\$476	72%
	CTCAC	80%	32	\$1,530	-	\$170	90%
	CTCAC	70%	-	-	-	-	-
	HCD	100%	-	-	-	-	-
	CTCAC	60%	-	-	-	-	-
	CTCAC	80%	-	-	-	-	-
2 Bedrooms	CTCAC	50%	37	\$1,214	\$2,200	\$986	55%
	CTCAC	60%	22	\$1,466	-	\$734	67%
	CTCAC	80%	15	\$1,974	-	\$226	90%
	CTCAC	70%	-	-	-	-	-
	HCD	100%	-	-	-	-	-
	CTCAC	80%	-	-	-	-	-
	CTCAC	-	-	-	-	-	-
3 Bedrooms	CTCAC	50%	-	-	-	-	-
	CTCAC	60%	-	-	-	-	-
	CTCAC	80%	-	-	-	-	-
	CTCAC	70%	-	-	-	-	-
	HCD	100%	-	-	-	-	-
	CTCAC	60%	-	-	-	-	-
	CTCAC	80%	-	-	-	-	-
4 Bedrooms	CTCAC	50%	-	-	-	-	-
	CTCAC	60%	-	-	-	-	-
	CTCAC	80%	-	-	-	-	-
	CTCAC	70%	-	-	-	-	-
	HCD	100%	-	-	-	-	-
	CTCAC	60%	-	-	-	-	-
	CTCAC	80%	-	-	-	-	-
5 Bedrooms	CTCAC	50%	-	-	-	-	-
	CTCAC	60%	-	-	-	-	-
	CTCAC	80%	-	-	-	-	-
	CTCAC	70%	-	-	-	-	-
	HCD	100%	-	-	-	-	-
	CTCAC	60%	-	-	-	-	-
	CTCAC	80%	-	-	-	-	-

Date Prepared: 9/8/20

Senior Staff Date: 9/15/20

<b>SOURCES &amp; USES OF FUNDS</b>		<b>Final Commitment</b>			
<b>Vintage at Woodman</b>		<b>Project Number</b>		<b>19-072-A/X</b>	
<b>SOURCES OF FUNDS</b>	<b>CONST/REHAB</b>	<b>PERMANENT</b>	<b>TOTAL PROJECT SOURCES OF FUNDS</b>		
	<b>\$</b>	<b>\$</b>	<b>SOURCES (\$)</b>	<b>PER UNIT (\$)</b>	<b>%</b>
CalHFA Conduit JP Morgan (T/E)	45,000,000				0.0%
JP Morgan (Taxable)	15,275,000				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
USA Construction Management	-				0.0%
-	-				0.0%
Deferred Costs	-				0.0%
Construct/Rehab Net Oper. Inc.	-				0.0%
Deferred Developer Fee	-				0.0%
Developer Equity Contribution	-				0.0%
Investor Equity Contribution	9,869,096				0.0%
MIP		11,850,000	11,850,000	49,582	15.1%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
Citibank		38,000,000	38,000,000	158,996	48.3%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
Construct/Rehab Net Oper. Inc.		-	-	-	0.0%
Deferred Developer Fees		3,763,592	3,763,592	15,747	4.8%
Developer Equity Contribution		-	-	-	0.0%
Investor Equity Contributions		25,042,420	25,042,420	104,780	31.8%
<b>TOTAL SOURCES OF FUNDS</b>	<b>70,144,096</b>	<b>78,656,012</b>	<b>78,656,012</b>	<b>329,105</b>	<b>100.0%</b>
<b>TOTAL USES OF FUNDS (BELOW)</b>	<b>70,144,096</b>	<b>78,656,012</b>	<b>78,656,012</b>	<b>329,105</b>	<b>100.0%</b>
<b>FUNDING SURPLUS (DEFICIT)</b>	<b>-</b>	<b>0</b>	<b>0</b>		

<b>USES OF FUNDS</b>	<b>CONST/REHAB</b>	<b>PERMANENT</b>	<b>TOTAL PROJECT USES OF FUNDS</b>		
	<b>\$</b>	<b>\$</b>	<b>USES (\$)</b>	<b>PER UNIT (\$)</b>	<b>%</b>
<b>CONSTRUCTION/REHAB SOURCES OF FUNDS</b>		<b>70,144,096</b>			
<b>ACQUISITION COSTS</b>					
Lesser of Land Cost or Appraised Value	10,450,000	-	10,450,000	43,724	13.3%
Demolition Costs	700,000	-	700,000	2,929	0.9%
Legal & Other Closing Costs	-	-	-	-	0.0%
Escrow & other closing costs	-	-	-	-	0.0%
Verifiable Carrying Costs	50,000	-	50,000	209	0.1%
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 (non-applicable PSA Extensions to seller)	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
<b>TOTAL ACQUISITION COSTS</b>	<b>11,200,000</b>	<b>-</b>	<b>11,200,000</b>	<b>46,862</b>	<b>14.2%</b>
<b>CONSTRUCTION/REHAB COSTS</b>					
Offsite Improvements	304,500	-	304,500	1,274	0.4%
Environmental Remediation (Hard Costs)	-	-	-	-	0.0%
Site Work (Hard Cost)	2,790,250	-	2,790,250	11,675	3.5%
Structures (Hard Cost)	34,563,655	-	34,563,655	144,618	43.9%
General Requirements	2,216,540	-	2,216,540	9,274	2.8%
Contractor Overhead	1,834,729	-	1,834,729	7,677	2.3%
Contractor Profit	1,834,729	-	1,834,729	7,677	2.3%
Contractor Bond	-	-	-	-	0.0%
Contractor Liability Insurance	-	-	-	-	0.0%
Personal Property	-	-	-	-	0.0%
HVAC/Resident Damage	-	-	-	-	0.0%
<b>TOTAL CONSTRUCT/REHAB COSTS</b>	<b>43,544,402</b>	<b>-</b>	<b>43,544,402</b>	<b>182,194</b>	<b>55.4%</b>

SOURCES & USES OF FUNDS			Final Commitment		
Vintage at Woodman			Project Number 19-072-A/X		
USES OF FUNDS	CONST/REHAB \$	PERMANENT \$	TOTAL PROJECT USES OF FUNDS		
			USES (\$)	PER UNIT (\$)	%
<b>RELOCATION COSTS</b>					
Relocation Expense	258,160	-	258,160	1,080	0.3%
Relocation Compliance Monitoring	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
<b>TOTAL RELOCATION COSTS</b>	<b>258,160</b>	<b>-</b>	<b>258,160</b>	<b>1,080</b>	<b>0.3%</b>
<b>ARCHITECTURAL FEES</b>					
Design	1,354,675	-	1,354,675	5,668	1.7%
Supervision	395,000	-	395,000	1,653	0.5%
<b>TOTAL ARCHITECTURAL FEES</b>	<b>1,749,675</b>	<b>-</b>	<b>1,749,675</b>	<b>7,321</b>	<b>2.2%</b>
<b>SURVEY &amp; ENGINEERING FEES</b>					
Engineering	86,139	-	86,139	360	0.1%
Supervision	80,500	-	80,500	337	0.1%
ALTA Land Survey	20,000	-	20,000	84	0.0%
<b>TOTAL SURVEY &amp; ENGINEERING FEES</b>	<b>186,639</b>	<b>-</b>	<b>186,639</b>	<b>781</b>	<b>0.2%</b>
<b>CONTINGENCY RESERVES</b>					
Hard Cost Contingency Reserve	4,057,495	-	4,057,495	16,977	5.2%
Soft Cost Contingency Reserve	479,782	-	479,782	2,007	0.6%
<b>TOTAL CONTINGENCY RESERVES</b>	<b>4,537,277</b>	<b>-</b>	<b>4,537,277</b>	<b>18,984</b>	<b>5.8%</b>
<b>CONSTRUCT/REHAB PERIOD COSTS</b>					
<b>Loan Interest Reserve</b>					
CalHFA Conduit JP Morgan (T/E)	2,659,841	-	2,659,841	11,129	0.033816
JP Morgan (Taxable)	-	-	-	-	0
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
<b>Loan Fees</b>					
CalHFA Conduit JP Morgan (T/E)	337,500	-	337,500	1,412	0.4%
Investor Bridge Loan Fee	114,563	-	114,563	479	0.1%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
<b>Other Const/Rehab Period Costs</b>					
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	75	0.0%
Real Estate Taxes During Construction	68,693	-	68,693	287	0.1%
Completion Guaranty Fee	-	-	-	-	0.0%
Wage Monitoring Fee (Davis Bacon, Preva	-	-	-	-	0.0%
Insurance During Construction	805,527	-	805,527	3,370	1.0%
Title & Recording Fees	60,000	-	60,000	251	0.1%
Construction Management & Testing	-	-	-	-	0.0%
Predevelopment Interest Expense	-	-	-	-	0.0%
Bond Issuer Fee	50,000	-	50,000	209	0.1%
Citibank Construction Inspections	32,400	-	32,400	136	0.0%
<b>TOTAL CONST/REHAB PERIOD COSTS</b>	<b>4,146,524</b>	<b>-</b>	<b>4,146,524</b>	<b>17,349</b>	<b>5.3%</b>

SOURCES & USES OF FUNDS			Final Commitment		
Vintage at Woodman			Project Number 19-072-A/X		
USES OF FUNDS	CONST/REHAB \$	PERMANENT \$	TOTAL PROJECT USES OF FUNDS		
			USES (\$)	PER UNIT (\$)	%
<b><u>PERMANENT LOAN COSTS</u></b>					
<b>Loan Fees</b>					
CalHFA Application Fee	-	-	-	-	0.0%
MIP	-	118,500	118,500	496	0.2%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Citibank	190,000	-	190,000	795	0.2%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Permanent Loan Cost of Issuance Fee	-	-	-	-	0.0%
Credit Enhancement & Application Fees	25,000	-	25,000	105	0.0%
Loan Conversion Fee	10,000	-	10,000	42	0.0%
Year 1 - Taxes & Special Assessments and Insurance	-	-	-	-	0.0%
CalHFA Fees	2,585	-	2,585	11	0.0%
Other Costs of Issuance	70,000	-	70,000	293	0.1%
Const Loan Interest- Completion to Conversion	1,533,702	-	1,533,702	6,417	1.9%
<b>TOTAL PERMANENT LOAN COSTS</b>	<b>1,831,287</b>	<b>118,500</b>	<b>1,949,787</b>	<b>8,158</b>	<b>2.5%</b>
<b><u>LEGAL FEES</u></b>					
CalHFA Construction/Rehab Loan Legal Fees	-	-	-	-	0.0%
Other Construction/Rehab Loan Legal Fees	60,000	-	60,000	251	0.1%
CalHFA Permanent Loan Legal Fees	-	-	-	-	0.0%
Other Permanent Loan Legal Fees	70,000	-	70,000	293	0.1%
Sponsor Legal Fees	-	-	-	-	0.0%
Organizational Legal Fees	-	-	-	-	0.0%
Syndication Legal Fees	-	-	-	-	0.0%
Borrower Legal Fee	85,000	-	85,000	356	0.1%
CalHFA Bond Counsel	60,000	-	60,000	251	0.1%
<b>TOTAL LEGAL FEES</b>	<b>275,000</b>	<b>-</b>	<b>275,000</b>	<b>1,151</b>	<b>0.3%</b>
<b><u>OPERATING RESERVES</u></b>					
Operating Expense Reserve Deposit	-	782,582	782,582	3,274	1.0%
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	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
<b>TOTAL OPERATING RESERVES</b>	<b>-</b>	<b>782,582</b>	<b>782,582</b>	<b>3,274</b>	<b>1.0%</b>
<b><u>REPORTS &amp; STUDIES</u></b>					
Appraisal Fee	10,000	-	10,000	42	0.0%
Market Study Fee	15,000	-	15,000	63	0.0%
Physical Needs Assessment Fee	-	-	-	-	0.0%
Environmental Site Assessment Reports	2,300	-	2,300	10	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%
<b>TOTAL REPORTS &amp; STUDIES</b>	<b>27,300</b>	<b>-</b>	<b>27,300</b>	<b>114</b>	<b>0.0%</b>

SOURCES & USES OF FUNDS			Final Commitment		
Vintage at Woodman			Project Number 19-072-A/X		
USES OF FUNDS	CONST/REHAB \$	PERMANENT \$	TOTAL PROJECT USES OF FUNDS		
			USES (\$)	PER UNIT (\$)	%
<b>OTHER COSTS</b>					
TCAC Application, Allocation & Monitor Fees	118,862	-	118,862	497	0.2%
CDLAC Fees	15,750	-	15,750	66	0.0%
Local Permits & Fees	381,213	-	381,213	1,595	0.5%
Local Impact Fees	694,804	-	694,804	2,907	0.9%
Other Local Fees	-	-	-	-	0.0%
Syndicator/Investor Fees & Expenses	-	-	-	-	0.0%
Furnishings	420,365	-	420,365	1,759	0.5%
Accounting & Audits	35,000	-	35,000	146	0.0%
Advertising & Marketing Expenses	75,000	-	75,000	314	0.1%
Financial Consulting	-	-	-	-	0.0%
Miscellaneous Administrative Fees	-	-	-	-	0.0%
HUD Risk Share Insurance (First Year Prepaid)	-	-	-	-	0.0%
Entitlement Fees	628,400	-	628,400	2,629	0.8%
Other (Specify)	-	-	-	-	0.0%
<b>TOTAL OTHER COSTS</b>	<b>2,369,394</b>	<b>-</b>	<b>2,369,394</b>	<b>9,914</b>	<b>3.0%</b>
<b>SUBTOTAL PROJECT COSTS</b>					
	<b>70,125,658</b>	<b>71,045,178</b>	<b>71,026,740</b>	<b>297,183</b>	<b>90.3%</b>
<b>DEVELOPER FEES &amp; COSTS</b>					
Developer Fees, Overhead & Profit	18,438	7,610,834	7,629,272	31,922	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%
<b>TOTAL DEVELOPER FEES &amp; COSTS</b>	<b>18,438</b>	<b>7,610,834</b>	<b>7,629,272</b>	<b>31,922</b>	<b>9.7%</b>
<b>TOTAL PROJECT COSTS</b>					
	<b>70,144,096</b>	<b>78,656,012</b>	<b>78,656,012</b>	<b>329,105</b>	<b>100.0%</b>

PROJECTED INITIAL ANNUAL RENTAL OPERATING BUDGET		Final Commitment	
Vintage at Woodman		Project Number	
		19-072-A/X	
<b>INCOME</b>		<b>AMOUNT</b>	<b>PER UNIT</b>
			<b>%</b>
<b>Rental Income</b>			
Restricted Unit Rents	\$ 3,582,852	\$ 14,991	103.55%
Unrestricted Unit Rents	47,952	201	1.39%
Commercial Rents	-	-	0.00%
<b>Rental &amp; Operating Subsidies</b>			
Project Based Rental Subsidy	-	-	0.00%
Other Project Based Subsidy	-	-	0.00%
Income during renovations	-	-	0.00%
Other Subsidy (Specify)	-	-	0.00%
<b>Other Income</b>			
Laundry Income	11,471	48	0.33%
Parking & Storage Income	-	-	0.00%
Miscellaneous Income	-	-	0.00%
<b>GROSS POTENTIAL INCOME (GPI)</b>	<b>\$ 3,642,275</b>	<b>\$ 15,240</b>	<b>105.26%</b>
Less: Vacancy Loss	\$ 182,115	\$ 762	5.26%
<b>EFFECTIVE GROSS INCOME (EGI)</b>	<b>\$ 3,460,160</b>	<b>\$ 16,002</b>	<b>100.00%</b>
<b>OPERATING EXPENSES</b>		<b>AMOUNT</b>	<b>PER UNIT</b>
			<b>%</b>
Administrative Expenses	\$ 241,929	\$ 1,012	\$ 0
Management Fee	173,008	724	5.00%
Social Programs & Services	38,315	160	1.11%
Utilities	280,108	1,172	8.10%
Operating & Maintenance	265,489	1,111	7.67%
Ground Lease Payments	-	-	0.00%
CalHFA Monitoring Fee	7,500	31	0.22%
Other Monitoring Fees	-	-	0.00%
Real Estate Taxes	-	-	0.00%
Other Taxes & Insurance	165,094	691	4.77%
Assisted Living/Board & Care	-	-	0.00%
<b>SUBTOTAL OPERATING EXPENSES</b>	<b>\$ 1,171,443</b>	<b>\$ 4,901</b>	<b>33.86%</b>
Operating Reserves	\$ 59,750	\$ 250	1.73%
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 1,231,193</b>	<b>\$ 5,151</b>	<b>35.58%</b>
<b>NET OPERATING INCOME (NOI)</b>		<b>\$ 2,228,967</b>	<b>\$ 9,326</b>
			<b>64.42%</b>
<b>DEBT SERVICE PAYMENTS</b>		<b>AMOUNT</b>	<b>PER UNIT</b>
			<b>%</b>
MIP	\$ -	\$ -	0.00%
-	\$ -	-	0.00%
-	\$ -	-	0.00%
Citibank	\$ 1,766,503	7,391	51.05%
-	\$ -	-	0.00%
-	\$ -	-	0.00%
-	\$ -	-	0.00%
MIP Annual Fee (applicable for MIP only deals)	\$ 132,631	555	3.83%
<b>TOTAL DEBT SERVICE &amp; OTHER PAYMENTS</b>	<b>\$ 1,899,134</b>	<b>\$ 7,946</b>	<b>54.89%</b>
<b>EXCESS AFTER DEBT SERVICE &amp; MONITORING FEES</b>		<b>\$ 329,833</b>	<b>\$ 1,380</b>
			<b>9.53%</b>
<b>DEBT SERVICE COVERAGE RATIO (DSCR)</b>		<b>\$ 1 to 1</b>	
Date: 9/8/20 Senior Staff Date: 09/15/20			



PROJECTED PERMANENT LOAN CASH FLOWS											Vintage at Woodman				
Final Commitment											Project Number 19-072-A/X				
YEAR		1	2	3	4	5	6	7	8	9	10	11	12	13	14
<b>RENTAL INCOME</b>															
CPI															
Restricted Unit Rents	2.50%	3,582,852	3,672,423	3,764,234	3,858,340	3,954,798	4,053,668	4,155,010	4,258,885	4,365,357	4,474,491	4,586,353	4,701,012	4,818,538	4,939,001
Unrestricted Unit Rents	2.50%	47,952	49,151	50,380	51,639	52,930	54,253	55,610	57,000	58,425	59,885	61,383	62,917	64,490	66,102
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%	11,471	11,758	12,052	12,353	12,662	12,978	13,303	13,635	13,976	14,326	14,684	15,051	15,427	15,813
Parking & Storage Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>GROSS POTENTIAL INCOME (GPI)</b>		<b>3,642,275</b>	<b>3,733,332</b>	<b>3,826,665</b>	<b>3,922,332</b>	<b>4,020,390</b>	<b>4,120,900</b>	<b>4,223,922</b>	<b>4,329,520</b>	<b>4,437,758</b>	<b>4,548,702</b>	<b>4,662,420</b>	<b>4,778,980</b>	<b>4,898,455</b>	<b>5,020,916</b>
<b>VACANCY ASSUMPTIONS</b>															
Vacancy															
Restricted Unit Rents	5.00%	179,143	183,621	188,212	192,917	197,740	202,683	207,750	212,944	218,268	223,725	229,318	235,051	240,927	246,950
Unrestricted Unit Rents	5.00%	2,398	2,458	2,519	2,582	2,647	2,713	2,780	2,850	2,921	2,994	3,069	3,146	3,225	3,305
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%	574	588	603	618	633	649	665	682	699	716	734	753	771	791
Parking & Storage Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL PROJECTED VACANCY LOSS</b>		<b>182,114</b>	<b>186,667</b>	<b>191,333</b>	<b>196,117</b>	<b>201,020</b>	<b>206,045</b>	<b>211,196</b>	<b>216,476</b>	<b>221,888</b>	<b>227,435</b>	<b>233,121</b>	<b>238,949</b>	<b>244,923</b>	<b>251,046</b>
<b>EFFECTIVE GROSS INCOME (EGI)</b>		<b>3,460,161</b>	<b>3,546,665</b>	<b>3,635,332</b>	<b>3,726,215</b>	<b>3,819,371</b>	<b>3,914,855</b>	<b>4,012,726</b>	<b>4,113,044</b>	<b>4,215,871</b>	<b>4,321,267</b>	<b>4,429,299</b>	<b>4,540,031</b>	<b>4,653,532</b>	<b>4,769,871</b>
<b>OPERATING EXPENSES</b>															
CPI / Fee															
Administrative Expenses	3.50%	280,244	290,053	300,204	310,712	321,586	332,842	344,491	356,549	369,028	381,944	395,312	409,148	423,468	438,289
Management Fee	5.00%	173,008	177,333	181,767	186,311	190,969	195,743	200,636	205,652	210,794	216,063	221,465	227,002	232,677	238,494
Utilities	3.50%	280,108	289,912	300,059	310,561	321,430	332,680	344,324	356,376	368,849	381,758	395,120	408,949	423,262	438,077
Operating & Maintenance	3.50%	274,781	284,398	294,398	304,655	315,318	326,354	337,776	349,598	361,834	374,498	387,606	401,172	415,213	
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%	132,631	131,807	130,954	130,071	129,156	128,209	127,228	126,212	125,160	124,071	122,942	121,774	120,564	119,311
Other Agency Monitoring Fee	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real Estate Taxes	1.25%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Taxes & Insurance	3.50%	165,094	170,872	176,853	183,043	189,449	196,080	202,943	210,046	217,398	225,006	232,882	241,033	249,469	258,200
Assisted Living/Board & Care	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Required Reserve Payments	3.00%	59,750	61,543	63,389	65,290	67,249	69,267	71,345	73,485	75,690	77,960	80,299	82,708	85,189	87,745
<b>TOTAL OPERATING EXPENSES</b>		<b>1,363,824</b>	<b>1,403,801</b>	<b>1,445,124</b>	<b>1,487,840</b>	<b>1,531,995</b>	<b>1,577,638</b>	<b>1,624,821</b>	<b>1,673,595</b>	<b>1,724,015</b>	<b>1,776,137</b>	<b>1,830,018</b>	<b>1,885,719</b>	<b>1,943,301</b>	<b>2,002,829</b>
<b>NET OPERATING INCOME (NOI)</b>		<b>2,096,337</b>	<b>2,142,864</b>	<b>2,190,208</b>	<b>2,238,376</b>	<b>2,287,376</b>	<b>2,337,217</b>	<b>2,387,905</b>	<b>2,439,449</b>	<b>2,491,855</b>	<b>2,545,130</b>	<b>2,599,281</b>	<b>2,654,312</b>	<b>2,710,231</b>	<b>2,767,042</b>
<b>DEBT SERVICE PAYMENTS</b>															
Lien #															
MIP	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Citibank	1	1,766,503	1,766,503	1,766,503	1,766,503	1,766,503	1,766,503	1,766,503	1,766,503	1,766,503	1,766,503	1,766,503	1,766,503	1,766,503	1,766,503
<b>TOTAL DEBT SERVICE &amp; OTHER PAYMENTS</b>		<b>1,766,503</b>	<b>1,766,503</b>	<b>1,766,503</b>	<b>1,766,503</b>	<b>1,766,503</b>	<b>1,766,503</b>	<b>1,766,503</b>	<b>1,766,503</b>	<b>1,766,503</b>	<b>1,766,503</b>	<b>1,766,503</b>	<b>1,766,503</b>	<b>1,766,503</b>	<b>1,766,503</b>
<b>CASH FLOW AFTER DEBT SERVICE</b>		<b>329,834</b>	<b>376,362</b>	<b>423,705</b>	<b>471,873</b>	<b>520,873</b>	<b>570,714</b>	<b>621,402</b>	<b>672,946</b>	<b>725,352</b>	<b>778,627</b>	<b>832,778</b>	<b>887,810</b>	<b>943,728</b>	<b>1,000,539</b>
<b>DEBT SERVICE COVERAGE RATIO</b>		<b>1.19</b>	<b>1.21</b>	<b>1.24</b>	<b>1.27</b>	<b>1.29</b>	<b>1.32</b>	<b>1.35</b>	<b>1.38</b>	<b>1.41</b>	<b>1.44</b>	<b>1.47</b>	<b>1.50</b>	<b>1.53</b>	<b>1.57</b>
Date Prepared: 09/08/20		Senior Staff Date: 9/15/20													

LESS: Asset Management Fee	3%	10,000	10,300	10,600	10,927	11,255	11,593	11,941	12,299	12,668	13,048	13,439	13,842	14,258	14,685
LESS: Partnership Management Fee	0%	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
<b>net CF available for distribution</b>		<b>315,334</b>	<b>361,562</b>	<b>408,596</b>	<b>456,446</b>	<b>505,118</b>	<b>554,621</b>	<b>604,962</b>	<b>656,147</b>	<b>708,185</b>	<b>761,080</b>	<b>814,839</b>	<b>869,467</b>	<b>924,971</b>	<b>981,353</b>
Deferred developer fee repayment	3,763,592	3,763,592	3,605,925	3,425,144	3,220,846	2,992,623	2,740,064	2,462,754	2,160,273	1,832,199	1,478,107	1,097,567	690,147	255,414	-
	50%	157,667	180,781	204,298	228,223	252,559	277,311	302,481	328,074	354,092	380,540	407,419	434,734	462,485	490,677
		3,605,925	3,425,144	3,220,846	2,992,623	2,740,064	2,462,754	2,160,273	1,832,199	1,478,107	1,097,567	690,147	255,414	-	-
<b>Payments for Residual Receipt Payments</b>	<b>50%</b>														
<b>RESIDUAL RECEIPTS LOANS</b>	<b>Payment %</b>	<b>157,667</b>	<b>180,781</b>	<b>204,298</b>	<b>228,223</b>	<b>252,559</b>	<b>277,311</b>	<b>302,481</b>	<b>328,074</b>	<b>354,092</b>	<b>380,540</b>	<b>407,419</b>	<b>434,734</b>	<b>462,485</b>	<b>490,677</b>
MIP	100.00%	157,667	180,781	204,298	228,223	252,559	277,311	302,481	328,074	354,092	380,540	407,419	434,734	462,485	490,677
0	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Citibank	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Residual Receipts Payments</b>	<b>100.00%</b>	<b>157,667</b>	<b>180,781</b>	<b>204,298</b>	<b>228,223</b>	<b>252,559</b>	<b>277,311</b>	<b>302,481</b>	<b>328,074</b>	<b>354,092</b>	<b>380,540</b>	<b>407,419</b>	<b>434,734</b>	<b>462,485</b>	<b>490,677</b>
<b>Balances for Residual Receipt Payments</b>															
<b>RESIDUAL RECEIPTS LOANS</b>	<b>Interest Rate</b>														
MIP---Simple	2.75%	11,850,000	12,018,208	12,163,302	12,284,879	12,382,531	12,455,847	12,504,412	12,527,806	12,525,607	12,497,390	12,442,725	12,361,180	12,252,322	12,115,712
0---Compounding	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Citibank---Compounding	3.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0---Simple	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0---Compounding	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0---	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0---	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Residual Receipts Payments</b>		<b>11,850,000</b>	<b>12,018,208</b>	<b>12,163,302</b>	<b>12,284,879</b>	<b>12,382,531</b>	<b>12,455,847</b>	<b>12,504,412</b>	<b>12,527,806</b>	<b>12,525,607</b>	<b>12,497,390</b>	<b>12,442,725</b>	<b>12,361,180</b>	<b>12,252,322</b>	<b>12,115,712</b>

PROJECTED PERMANENT LOAN CASH FLOWS		
Final Commitment		
	YEAR	15
<b>RENTAL INCOME</b>		
	<b>CPI</b>	
Restricted Unit Rents	2.50%	5,062,476
Unrestricted Unit Rents	2.50%	67,755
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%	16,208
Parking & Storage Income	2.50%	-
Miscellaneous Income	2.50%	-
<b>GROSS POTENTIAL INCOME (GPI)</b>		<b>5,146,439</b>
<b>VACANCY ASSUMPTIONS</b>		
	<b>Vacancy</b>	
Restricted Unit Rents	5.00%	253,124
Unrestricted Unit Rents	5.00%	3,388
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%	810
Parking & Storage Income	50.00%	-
Miscellaneous Income	50.00%	-
<b>TOTAL PROJECTED VACANCY LOSS</b>		<b>257,322</b>
<b>EFFECTIVE GROSS INCOME (EGI)</b>		<b>4,889,117</b>
<b>OPERATING EXPENSES</b>		
	<b>CPI / Fee</b>	
Administrative Expenses	3.50%	453,629
Management Fee	5.00%	244,456
Utilities	3.50%	453,409
Operating & Maintenance	3.50%	429,746
Ground Lease Payments	3.50%	-
CalHFA Monitoring Fee	0.00%	7,500
Mixed Income Loan Fee	0.00%	118,014
Other Agency Monitoring Fee	0.00%	-
Real Estate Taxes	1.25%	-
Other Taxes & Insurance	3.50%	267,237
Assisted Living/Board & Care	0.00%	-
Required Reserve Payments	3.00%	90,377
<b>TOTAL OPERATING EXPENSES</b>		<b>2,064,369</b>
<b>NET OPERATING INCOME (NOI)</b>		<b>2,824,749</b>
<b>DEBT SERVICE PAYMENTS</b>		
	<b>Lien #</b>	
MIP	2	-
-	-	-
-	-	-
Citibank	1	1,766,503
-	-	-
-	-	-
-	-	-
MIP Annual Fee (applicable for MIP only deals)	-	-
<b>TOTAL DEBT SERVICE &amp; OTHER PAYMENTS</b>		<b>1,766,503</b>
<b>CASH FLOW AFTER DEBT SERVICE</b>		<b>1,058,246</b>
<b>DEBT SERVICE COVERAGE RATIO</b>		<b>1.60</b>
Date Prepared: 09/08/20		

LESS: Asset Management Fee	3%	15,126
LESS: Partnership Management Fee	0%	4,500
<b>net CF available for distribution</b>		<b>1,038,620</b>

Deferred developer fee repayment	3,763,592	-
	50%	-

<b>Payments for Residual Receipt Payments</b>		
<b>RESIDUAL RECEIPTS LOANS</b>		
	<b>Payment %</b>	
MIP	100.00%	519,310
0	0.00%	-
Citibank	0.00%	-
0	0.00%	-
0	0.00%	-
0	0.00%	-
0	0.00%	-
<b>Total Residual Receipts Payments</b>	<b>100.00%</b>	<b>519,310</b>

<b>Balances for Residual Receipt Payments</b>		
<b>RESIDUAL RECEIPTS LOANS</b>		
	<b>Interest Rate</b>	
MIP---Simple	2.75%	11,950,910
0---Compounding	0.00%	-
Citibank---Compounding	3.50%	-
0---Simple	0.00%	-
0---Compounding	0.00%	-
0---	0.00%	-
0---	0.00%	-
<b>Total Residual Receipts Payments</b>		<b>11,950,910</b>



# 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](http://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.

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

**Ruth Vakili**, Housing Finance Officer  
500 Capitol Mall, Suite 1400, MS-990  
Sacramento, CA 95814  
916.326.8816  
rvakili@calhfa.ca.gov

# 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><b>Qualifications</b> (continued)</p>	<p><b>EVIDENCE OF SUBSIDY EFFICIENCY:</b></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"> <li>• 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;</li> <li>• 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;</li> <li>• A separate project cash flow that supports any commercial component of the project;</li> <li>• 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;</li> <li>• Inflation factors and vacancy rates consistent with the Agency’s Underwriting Standards and Reference Manual (“USRM”);</li> <li>• Developer Fee requirements will match those required under the 4% federal and/or state tax credit reservation.</li> <li>• Capitalized reserves shall be subject to approval by Agency for reasonableness consistent with the USRM and the Investor Limited Partnership Agreement (ILPA);</li> <li>• Review of Excess Sources over final Uses as approved by CalHFA resulting from any of the following:             <ul style="list-style-type: none"> <li>· An increase in tax credit equity;</li> <li>· An increase in permanent loan debt due to a combination of permanent loan rate reduction and/or reduction to operating expense assumptions;</li> </ul> </li> <li>• 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.</li> </ul>
<p><b>CalHFA Mixed-Income Qualified Lender Qualifications</b></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><b>CalHFA Mixed-Income Development Team Qualifications</b></p>	<p>The <b>Developer/Co-Developer</b> 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 <b>Project Manager</b> must have personally managed the development of at least two (2) comparable projects within the past 5 years.</p> <p><b>Financial Consultants</b> hired to assist the Developer in meeting the minimum experience requirements must be able to provide details regarding at least three (3) comparably financed projects over the last five (5) years.</p>

# MIXED-INCOME LOAN PROGRAM

<p><b>CalHFA Mixed-Income Development Team Qualifications (Continued)</b></p>	<p><b>Architects</b> 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><b>General Contractor (GC)</b> 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><b>Management Company</b> 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><b>Permanent First Lien Loan</b></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><b>Construction First Lien Loan</b></p>	<p>Provided by a CalHFA Mixed-Income Qualified Construction Lender.</p>
<p><b>Limitations</b></p>	<ol style="list-style-type: none"> <li>1. MIP cannot be combined with the Tax Credit Allocation Committee’s (TCAC) 9% program.</li> <li>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.</li> <li>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.)</li> <li>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.</li> <li>5. Projects will not be eligible for other subsidy resources from CalHFA in addition to MIP.</li> </ol>
<p><b>Mixed-Income Project Occupancy Requirements</b></p>	<p><b>FEDERAL BOND REGULATORY AGREEMENT REQUIREMENTS (ALL PROJECTS):</b></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><b>MIXED INCOME REGULATORY AGREEMENT REQUIREMENTS (ALL PROJECTS):</b></p> <p>Affordability Requirements:</p> <ol style="list-style-type: none"> <li>1. To qualify, a project must have at least 10% of the total units restricted as follows*:             <ol style="list-style-type: none"> <li>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,</li> </ol> </li> </ol>

# MIXED-INCOME LOAN PROGRAM

<p><b>Mixed-Income Project Occupancy Requirements (Continued)</b></p>	<ul style="list-style-type: none"> <li>b. 60% to 80% of AMI with an average of 70% of AMI or greater, subject to the Maximum Allowable Rents outlined below.</li> </ul> <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"> <li>2. <b>AND</b> either             <ul style="list-style-type: none"> <li>a. Tax credit transactions that are income-averaged must not exceed an average affordability of 60% AMI across all restricted units, <b>OR</b></li> <li>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).</li> </ul> </li> </ul> <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><b>MAXIMUM ALLOWABLE RENTS:</b></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><b>Mixed-Income Subordinate Loan</b></p>	<ul style="list-style-type: none"> <li>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"> <li>a. Maximum loan per restricted (tax credit or CalHFA) units between 50%-80% AMI shall be \$50,000.</li> <li>b. Maximum loan per MIP restricted units between 81%-120% AMI shall be \$100,000.</li> <li>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. <a href="#">Opportunity Map Home Page</a></li> </ul> </li> <li>2. Loan size based on project need but cannot be more than 50% of the permanent loan amount.</li> </ul>
<p><b>Mixed-Income Subordinate Loan Rates &amp; Terms</b></p>	<ul style="list-style-type: none"> <li>1. Interest Rate: 2.75% simple interest.</li> <li>2. Loan Term: The MIP loan term shall be coterminous with the permanent first lien loan.</li> <li>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.</li> <li>4. Affordability Term: Up to 55 years.</li> <li>5. Assignability: Consent will be considered.</li> <li>6. Prepayment: May be prepaid at any time without penalty.</li> </ul>

# MIXED-INCOME LOAN PROGRAM

<p><b>Mixed-Income Subordinate Loan Rates &amp; Terms</b> (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><b>CalHFA Conduit Bond Program</b></p>	<p>For more information on CalHFA’s Conduit Issuer Program and the fees associated with it, visit CalHFA’s website: <a href="http://www.calhfa.ca.gov/multifamily/programs/forms/termsheet-conduit.pdf">www.calhfa.ca.gov/multifamily/programs/forms/termsheet-conduit.pdf</a></p>
<p><b>CalHFA First Lien Permanent Rates &amp; Terms</b> (subject to change)</p>	<p>For more information on CalHFA’s Permanent Loan Program and the fees associated with it, visit CalHFA’s website: <a href="http://www.calhfa.ca.gov/multifamily/programs/forms/termsheet-perm-tax-exempt.pdf">www.calhfa.ca.gov/multifamily/programs/forms/termsheet-perm-tax-exempt.pdf</a></p>
<p><b>Fees</b> (subject to change)</p>	<ol style="list-style-type: none"> <li>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.</li> <li>2. Loan Fee: 1.00% of the loan amount (50% due at final commitment and 50% due at CalHFA MIP loan closing).</li> <li>3. Legal Fee: \$15,000, due at loan closing (applicable if CalHFA is not providing permanent financing).</li> <li>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).</li> <li>5. Annual Administrative Fee: \$7,500 per year (subject to change).</li> </ol> <p>Conduit Bond Program Fees: Refer to CalHFA Conduit Bond Program <a href="http://www.calhfa.ca.gov/multifamily/programs/forms/termsheet-conduit.pdf">www.calhfa.ca.gov/multifamily/programs/forms/termsheet-conduit.pdf</a></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 &amp; Terms for first mortgage loan fees, credit enhancements, trustee fees, legal fees, inspection fees, administrative fees. <a href="http://www.calhfa.ca.gov/multifamily/programs/forms/termsheet-perm-tax-exempt.pdf">www.calhfa.ca.gov/multifamily/programs/forms/termsheet-perm-tax-exempt.pdf</a></p>

Last revised: 11/2019

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





# CONDUIT ISSUER PROGRAM

## MULTIFAMILY HOUSING BONDS

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

<b>Qualifications</b>	<ul style="list-style-type: none"> <li>• Available to for-profit, non-profit or public agency sponsors.</li> <li>• Non-profit borrowers may be eligible for 501(c)(3) bonds.</li> <li>• If bond proceeds are utilized to pay off an existing CalHFA portfolio loan visit <a href="http://www.calhfa.ca.gov">www.calhfa.ca.gov</a> for the <a href="#">CalHFA Portfolio Loan Prepayment Policy</a>.</li> </ul>
<b>Bond Amount</b>	Bond amount is determined by the loan amount of the selected construction lender.
<b>Fees</b> (subject to change)	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Issuer Fee:             <ol style="list-style-type: none"> <li>1. The greater of \$15,000 or 0.20% of the Bond amount if less than \$20 million dollars</li> <li>2. If more than \$20 million dollars: \$40,000 + 0.10% of the amount above \$20 million dollars</li> </ol> </li> <li>• 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.</li> <li>• Public Sale: additional fee of \$5,000 to \$10,000 applies when Bonds are sold to the public.</li> <li>• 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.</li> <li>• 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.</li> </ul> <p>The Borrower shall be responsible for all other costs of Bond issuance including fees of the underwriter, trustee, rating agencies, lender, compliance administrator, all Bond counsel legal fees, and any other parties required to complete the transaction.</p>

**Kevin Brown**, Housing Finance Specialist  
 500 Capitol Mall, Suite 1400, MS-990  
 Sacramento, CA 95814  
 916.326.8808  
[kbrown@calhfa.ca.gov](mailto:kbrown@calhfa.ca.gov)

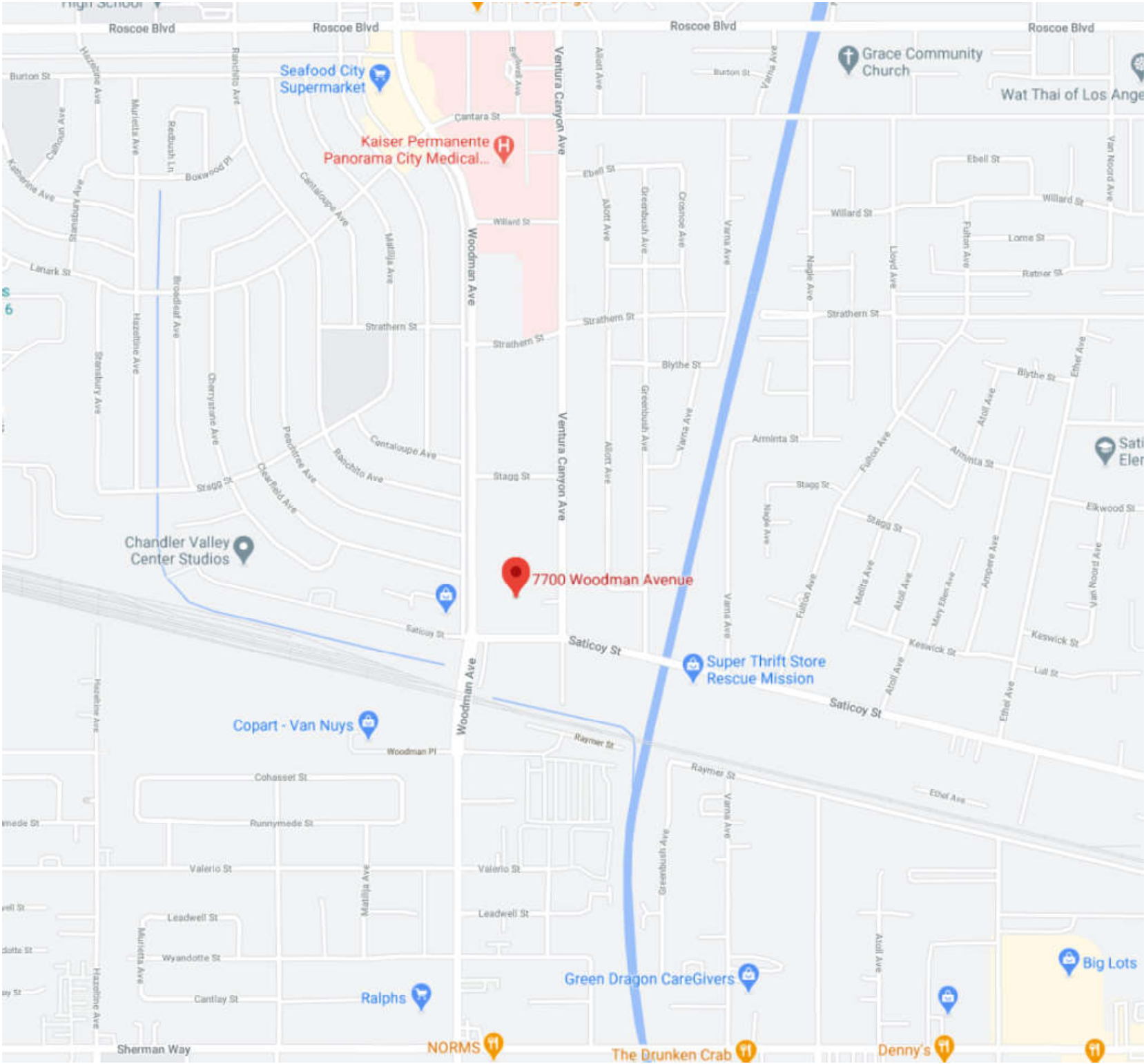
## CONDUIT ISSUER PROGRAM

### Occupancy Requirements

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

Last revised: 03/2019

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



Seafood City Supermarket

Kaiser Permanente Panorama City Medical...

7700 Woodman Avenue

Super Thrift Store Rescue Mission

Copart - Van Nuys

Ralphs

Green Dragon CareGivers

Denny's

Big Lots

Grace Community Church

Wat Thai of Los Ange

Chandler Valley Center Studios

NORMS

The Drunken Crab

