

**CalHFA MULTIFAMILY PROGRAMS DIVISION**  
**Final Commitment Staff Report & Request for Loan Approval of Permanent Take-Out Loan for Tax Exempt financing with Mixed Income Program Subsidy Financing**  
**Senior Loan Committee "Approval": October 4, 2021 for Board Meeting on October 21, 2021**

Project Name, County:	Elm Lane Apartments, Contra Costa County	
Address:	5301 Elm Lane, Oakley, CA 94561	
Type of Project:	New Construction	
CalHFA Project Number:	21-011-A/X/N	Total Units: 170
Requested Financing by Loan Program:	\$33,900,000	Tax Exempt Bond – Conduit Issuance Amount
	\$12,000,000	Taxable Bond -Conduit Issuance Amount
	\$35,350,000	CalHFA Permanent Tax-Exempt Loan with HUD Risk Share
	\$6,000,000	CalHFA Subsidy GAP Loan funded by MIP funds

**DEVELOPMENT/PROJECT TEAM**

<b>Developer:</b>	Anton DevCo, Inc.	<b>Borrower:</b>	Elm Lane Oakley L.P.
<b>Permanent Lender:</b>	CalHFA	<b>Construction Lender:</b>	Citibank, N.A.
<b>Equity Investor:</b>	Raymond James Tax Credit Funds, Inc.	<b>Management Company:</b>	Anton Residential, Inc.
<b>Contractor:</b>	Anton Building Company	<b>Architect</b>	Architecture Design Collaborative
<b>Loan Officer:</b>	Ruth Vakili	<b>Loan Specialist:</b>	N/A
<b>Asset Manager:</b>	Jessica Doan	<b>Loan Administration:</b>	Jennifer Beardwood
<b>Legal (Internal):</b>	Torin Heenan	<b>Legal (External):</b>	N/A
<b>Concept Meeting Date:</b>	4/7/2021	<b>Approval Expiration Date:</b>	180 days from Approval

**LOAN TERMS**

1.		<b>CONDUIT ISSUANCE/ Citibank, N.A. CONSTRUCTION LOAN</b>	<b>PERMANENT LOAN</b>	<b>MIP (GAP) LOAN</b>
	<b>Total Loan Amount</b>	\$33,900,000 (T/E) \$12,000,000 (Taxable)	\$35,350,000	\$6,000,000
	<b>Loan Term &amp; Lien Position</b>	36 months- interest only, with a 6-month extension; 1 <sup>st</sup> Lien Position during construction	35 year partially amortizing due in year 17; 1 <sup>st</sup> Lien Position at permanent conversion	17 year - Residual Receipts; 2 <sup>nd</sup> Lien Position during permanent loan conversion
	<b>Interest Rate</b> (subject to change and locked 30 days prior to loan closing)	Underwritten at 3.00% (T/E) and 3.50% (Taxable) Fixed Rate	15-year MMD+2.54%. Underwritten at 3.95%, which includes a .25% cushion. Estimated rate	Interest rate will be the greater of 1% Simple or Applicable Federal Rate at time of MIP closing (2%

			based on a 36-month forward commitment.	Simple used for underwriting).
<b>Loan(s) to Value (LTV)</b>	63%		74%	N/A
<b>Loan(s) to Cost</b>	75%		50%	N/A

**PROJECT SUMMARY**

<b>2.</b>	<b>Legislative Districts</b>	<b>Congress:</b>	#9 Jerry McNeerney	<b>Assembly:</b>	#11 Jim Frazier	<b>State Senate:</b>	#7 Steven M. Glazer
	<b>Brief Project Description</b>	<p><b>Elm Lane Apartments</b> (the “Project”) is a family, new/mixed income Project, consisting of 6 3-story, walk up residential buildings and one community building. There will be 170 total units, 168 of which will be restricted between 30% and 70% of the Contra Costa County Area Median Income (AMI). Units include 84 1-bedrooms (595 s.f.), 42 2-bedrooms (816s.f.), and 44 3-bedrooms (1,075 s.f.). Two 2-bedroom non-restricted units will be reserved for onsite managers. The Project involves demolition of two market rate residential structures. The seller will manage and pay for relocation of the existing residents prior to construction loan closing.</p> <p><b>Financing Structure:</b> The Project’s financing structure includes tax-exempt bonds, a taxable tail, federal 4% tax credits, state tax credits, a CalHFA first lien permanent loan with HUD Risk Share, and a MIP loan. The project qualifies as Mixed-Income pursuant to CDLAC regulations.</p> <p><b>Tax Credits and/or CDLAC Status:</b> The developer was awarded 4% tax credits on August 11, 2021.</p> <p><b>Ground Lease:</b> N/A</p> <p><b>Project Amenities:</b> The Project includes a computer lab, clubhouse/community room, courtyard, exercise facility, central laundry facilities, on-site management, a picnic area, playground, swimming pool, and Wi-Fi in common areas. Unit amenities will include balconies/patios, blinds, carpet and vinyl flooring, central air conditioning, coat closets, and exterior storage. Appliances will include a range/oven, refrigerator, dishwasher, and garbage disposal.</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 store – 1 mile</li> <li>• Elementary School – 0.4 miles</li> <li>• Middle/High Schools – 2.5-3 miles</li> <li>• Public Library – 3 miles</li> <li>• Public transit – 0.2 miles</li> <li>• Pharmacy – 1.3 miles</li> <li>• Park and recreation – 0.4 miles</li> <li>• Hospitals – 3.1 miles</li> <li>• Post Office – 2.5 miles</li> <li>• Fire Department – 2.2 miles</li> <li>• Police Station 1.9 miles</li> </ul>					

		<p><b>Non-displacement and No Net Loss:</b> To the extent feasible, it is the Agency’s priority to mitigate the overall effects upon affordable housing availability that may arise from multifamily developments that may result in permanent displacement of existing affordable housing residents and/or net loss of existing affordable housing units. The Project involves demolition of two market rate residential structures. Per the terms of the Purchase and Sale Agreement, the seller will relocate the existing tenants and pay for the cost of relocation. The buildings will be vacant by construction loan closing. Therefore, there is no displacement of existing affordable housing residents or net loss of existing affordable housing units.</p> <p><b>Commercial Space:</b> The Project does not include commercial space.</p>
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**MISSION**

<b>3.</b>	<b>CalHFA Mission/Goals</b>	
<p>This Project and financing proposal provides 168 units of affordable housing with a range of restricted rents between 30% AMI and 70% of AMI which will support much needed rental housing that will remain affordable for 55 years.</p>		

**ANTICIPATED PROJECT MILESTONES & SCHEDULE**

<b>4.</b>	CDLAC/TCAC Closing Deadline:	2/7/2022	Est. Construction Loan Closing:	12/2021
	Estimated Construction Start:	12/2021	Est. Construction Completion:	7/2023
	Estimated Stabilization and Conversion to Perm Loan(s):	7/2024		

**SOURCES OF FUNDS**

<b>5.</b>	<b>Construction Period Financing</b>				
	<b>SOURCE</b>	<b>AMOUNT</b>	<b>LIEN POSITION</b>	<b>INTEREST RATE</b>	<b>DEBT TYPE</b>
	Citibank- T/E Construction Loan	\$33,900,000	1 <sup>st</sup>	3.00%	Interest Only
	Citibank- Taxable Construction Loan	\$12,000,000	1 <sup>st</sup>	3.50%	Interest Only
	Tax Credit Equity	\$14,614,888	N/A	N/A	N/A
	Net Cash Flow During Construction	\$936,790	N/A	N/A	
	<b>TOTAL</b>	<b>\$61,451,678</b>		<b>Per Unit</b>	<b>\$361,269</b>
	<b>Permanent Financing</b>				
	<b>SOURCE</b>	<b>AMOUNT</b>	<b>LIEN POSITION</b>	<b>INTEREST RATE</b>	<b>DEBT TYPE</b>
	CalHFA Senior Mortgage Loan	\$35,350,000	1 <sup>st</sup>	3.95%	Balloon 35/17
	CalHFA MIP Subordinate Loan	\$6,000,000	2 <sup>nd</sup>	2.00%	Residual Receipt
	Tax Credit Equity	\$23,763,049	N/A	N/A	N/A
	Net Cash Flow During Lease Up	\$936,790	N/A	N/A	N/A
	Deferred Developer Fee	\$4,312,318	N/A	N/A	Funds via Cash Flow
	<b>TOTAL DEVELOPMENT COST:</b>	<b>\$70,362,157</b>		<b>Per Unit</b>	<b>\$413,895</b>
	<b>Subsidy Efficiency:</b> \$35,714 per MIP restricted unit.				
	<b>Tax Credit Type(s), Amount(s), Pricing(s), and per total units:</b>				

	<ul style="list-style-type: none"> <li>• 4% Federal Tax Credits: \$25,100,040 assuming estimated pricing of \$0.9025 (\$137,514 per restricted unit).</li> <li>• State Tax Credits: \$1,444,841 assuming estimated pricing of \$0.77 (\$6,622 per restricted 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 is using its affiliated company, Anton Building Company, as its General Contractor. The developer had established cost containment strategies that include: 1) engaging the General Contractor to provide pre-construction services including: conceptual design review, estimating, value engineering, and a critical path schedule, 2) reviewing the GMP contract for any exclusions or exceptions to mitigate project cost increases, and 3) requiring that the General Contractor provide a minimum of 3 bids for each major trade and all other trades, if available.</p> <p><b>High-Cost Explanation:</b> Not Applicable.</p>
6.	Equity – Cash Out (estimate): Not Applicable

### TRANSACTION OVERVIEW

<b>7.</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 34% of total financing sources.</li> <li>• The developer/sponsor has extensive experience in developing similar affordable housing projects.</li> <li>• The Project will serve low-income families ranging between 30% to 70% of AMI.</li> <li>• The Loan-to-Value will be 74%, which meets the Agency’s minimum requirements, providing less risk to the Agency.</li> <li>• The projected portion of the developer’s fee that will be collected at or prior to permanent loan conversion is \$3,780,986, which could be available to cover cost overruns and/or unforeseen issues during construction.</li> <li>• The exit analysis assumes 2% increase in the current 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 Agency’s permanent and subsidy loans.</li> </ul>
<b>8.</b>	<b>Project Weaknesses with Mitigants:</b>
	<ul style="list-style-type: none"> <li>• The developer does not have experience with CalHFA. However, they have extensive experience in developing similar affordable projects in this region.</li> <li>• A Pre-Demolition Asbestos &amp; Lead-Based Paint Survey Report performed by Partner Engineering and Science, Inc., on June 11, 2021 confirmed the presence of Asbestos Containing Materials (“ACM”) and Lead Based Paint (“LBP”), which will be remediated during demolition of the existing buildings. The development budget includes the cost of demolition and remediation of the ACM and LBP.</li> </ul>
<b>9.</b>	<b>Underwriting Standards or Term Sheet Variations</b>
	The Project’s operating expenses are 9% below TCAC minimums. The developer has submitted operating budgets of three comparable properties substantiating the operating expenses and the appraisal’s estimated operating budget matches the developers. The investor has issued a letter of interest with the approved reduction of the operating expenses and a TCAC waiver was approved on August 11, 2021.
<b>10.</b>	<b>Project Specific Conditions of Approval</b>
	Approval is conditioned upon: <ul style="list-style-type: none"> <li>• No site work or construction commenced prior to the issuance of a HUD Firm Approval Letter.</li> </ul>

- CalHFA requires that MIP affordability covenants be recorded in senior position to all foreclosable debt.
- Receipt of LPA evidencing equity investor’s requirements that the residual receipt split must be modified to 100% towards the earlier of repayment of DDF or 15 years. In addition, the owner must provide evidence of investor approval of the total deferred developer’s fee structure and residual receipt split.
- 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.
- Receipt of completed NEPA study (expected by end of October).
- Receipt of documentation showing the PSA is assigned to the borrowing entity prior to construction loan closing.
- Evidence of environmental clearance must be provided and approved by CalHFA prior to permanent loan closing.
- Subject to a seismic evaluation and approval by CalHFA prior to construction loan closing. See Section 23 for more detail.

**11. Staff Conclusion/Recommendation:**

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

**AFFORDABILITY**

**12. CalHFA Affordability & Occupancy Restrictions**

The CalHFA Permanent Financing Regulatory Agreement will restrict a minimum of 40% of the total units (68 units) at or below 60% AMI with 10% of these units (17 units) at or below 50% of AMI for 55 years.

\*The CalHFA MIP Subsidy Regulatory Agreement requires 10% of total units (17 units) be restricted at or below 50% of AMI, 10% of total units (17 units) be restricted between 60% and 80% of AMI with a minimum average of 70% of AMI, and the remaining 134 restricted units will be restricted at or below 120% of AMI for a term of 55 years. The rents for the 60% to 80% tranche will be determined by the minimum income limit of 70% of AMI, not to exceed 80% of AMI. For underwriting purposes, the initial rents at permanent loan conversion must be no less than the underwriting rent levels outlined on the “Unit Mix and Rent Summary” enclosed.

In addition, the TCAC Regulatory Agreement will restrict a total of 168 units between 30% and 80% AMI for a 55-years term.

Rent Limit Summary Table							
AMI	Total	Studio	1-bdrm	2-bdrm	3-bdrm	4-bdrm	% of Total
30%	17	-	9	4	4	-	10.0%
40%	0	-	-	-	-	-	0.0%
50%	17	-	8	4	5	-	10.0%
60%	91	-	46	23	22	-	53.5%
70%	43	-	21	11	11	-	25.3%
80%	0	-	-	-	-	-	0.0%
100%	0	-	-	-	-	-	0.0%
120%	0	-	-	-	-	-	0.0%
Manager's Unit	2	-	-	-	2	-	1.2%
<b>Total</b>	<b>170</b>	<b>0</b>	<b>84</b>	<b>42</b>	<b>44</b>	<b>0</b>	<b>100.0%</b>

The average affordability restriction is 59% of AMI.



### APPRAISAL AND MARKET ANALYSIS

<b>18.</b>	<b>Appraisal Review</b>	<b>Dated: 9/1/2021</b>
<ul style="list-style-type: none"> <li>• The Appraisal dated 9/1/2021, prepared by Burger Valuation Consultants, Inc., values the land at \$4,220,000.</li> <li>• The cap rate of 4.5% and projected \$2,137,554 of net operating income, which is aligned with the proposed Project net operating income, were used to determine the appraised value of the subject site.</li> <li>• The proposed operating expense is consistent with and is reasonable based on the appraisal report.</li> <li>• The as-restricted completion and stabilized value is \$47,500,000, which results in the Agency’s loan to value of 74%.</li> <li>• The capture rate and absorption rate are 0.8% and 15 units/month, respectively. The market study was issued in January and the estimates differ from the appraisal. However, the appraisal’s absorption rate conforms with the anticipated construction and lease-up schedule in the underwriting.</li> </ul>		
<b>Market Study:</b> Prepared by Novogradac Consulting LLP		<b>Dated:</b> January 23, 2021
<p><b><u>Regional Market Overview</u></b></p> <ul style="list-style-type: none"> <li>• The Primary Market Area is an area that includes parts of Oakley, Antioch, Bridgehead, Sand Hill, and Brentwood (population of 152,919) and the Secondary Market Area (“SMA”) is the San Francisco-Oakland-Hayward MSA (population of 4,652,348).</li> <li>• The general population in the PMA is anticipated to increase by 0.9% per year through 2025.</li> <li>• Unemployment data for the PSA was not available, however the unemployment rate in the Oakland-Hayward-Berkeley MD (7.7%) in December 2020 was lower than the overall rate for California (8.8%).</li> <li>• As of 2020, the median income in the PMA was below the surrounding MSA, and between 2000 and 2020 the median household income growth in the PMA has generally trailed the MSA. However, both the PMA and SMA have seen higher income growth rates than the overall nation during this time.</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 18 family project(s) in Oakley and they are 99.9% occupied with long wait lists.</li> <li>○ In the PMA, there is 1 project recently completed, 2 projects that have received LIHTC allocations (in past 3 years), and 1 project in the predevelopment stage.</li> </ul> </li> <li>• <b>Demand/Absorption:</b> <ul style="list-style-type: none"> <li>○ The project will need to capture 7.9% of the total demand for family units in the PMA. The affordable units are anticipated to lease up at a rate of 28-33 units per month and reach stabilized occupancy within 5-6 months of construction completion.</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 west side of Elm Lane, in the City of Oakley, Contra Costa County.</li> <li>• The site contains two existing single-story duplex buildings which are occupied. Per the terms of the PSA, the buildings will be vacated and the cost of relocation paid by the current owner prior to construction loan closing. The buildings will be demolished at the beginning of construction. The site has level topography at street grade, measuring approximately 6.43 acres and is generally irregular in shape.</li> <li>• The site is zoned C-3 Commercial with permitted multifamily residential use.</li> <li>• The subject is located in Flood Zone X, which is an 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> </ul>		
<b>20.</b>	<b>Form of Site Control &amp; Expiration Date</b>	
<ul style="list-style-type: none"> <li>• The current owner, a group of individuals (Martin T. Gonsalves, Denise Gonsalves, Douglas Valdez, Karen Valdez, John Shanner, Patricia A. Gonsalves-Shanner, Daniel Gonsalves, and Lisa Gonsalves) and the The Gonsalves Real Estate Investment Partnership (collectively, the “Seller”), and American Real Estate Ventures entered into a Purchase and Sale Agreement dated July 22, 2019 for an amount of \$2,450,000. In a reinstatement agreement dated March 11, 2020 American Real Estate Ventures assigned all interest to Anton DevCo, Inc. (the “Buyer”), the developer.</li> </ul>		

<ul style="list-style-type: none"> <li>The PSA has been amended several times to push back the due diligence period. Per the sixth amendment dated March 4, 2021 the parties have agreed on a closing date of September 15, 2021. The developer provided CalHFA with letter submitted to the current owner notifying them that the closing date would be extended to December 31<sup>st</sup>, 2021.</li> <li>The PSA will be assigned to the Borrowing entity prior to construction loan closing.</li> </ul>	
<b>21.</b>	<b>Current Ownership Entity of Record</b>
Title is currently vested in The Gonsalves Real Estate Investment Partnership, Martin T. Gonsalves, Denise Gonsalves, Douglas Valdez, Karen Valdez, John Shanner, Patricia A. Gonsalves-Shanner, Daniel Gonsalves, and Lisa Gonsalves as the fee owners.	
<b>22.</b>	<b>Environmental Review Findings</b> <span style="float: right;"><b>Dated: March 12, 2021</b></span>
<ul style="list-style-type: none"> <li>A Phase I Environmental Site Assessment performed by Partner Engineering and Science, Inc., dated March 12, 2021 revealed no evidence of recognized environmental conditions. It did, however, identify environmental issues and made the following recommendations:                     <ul style="list-style-type: none"> <li>The potable well should be properly decommissioned per applicable regulations prior to planned site redevelopment.</li> <li>The septic system should be properly closed/removed per applicable regulations prior to planned site redevelopment.</li> <li>The abandoned vehicle and discarded household trash should be removed, and property disposed.</li> <li>Pre-demolition asbestos and lead-based paint surveys should be conducted by licensed professionals per applicable regulations. Any identified and/or suspect ACMs and LBP should be properly disposed at an offsite facility per applicable regulations as a part of the planned building demolition activities.                             <ul style="list-style-type: none"> <li>A Pre-Demolition Asbestos &amp; Lead-Based Paint Survey Report performed by Partner Engineering and Science, Inc., on June 11, 2021 did confirm the presence of ACM and LBP.</li> </ul> </li> </ul> </li> <li>A NEPA review has been initiated and a final report is expected by the end of October.</li> </ul>	
<b>23.</b>	<b>Seismic</b> <span style="float: right;"><b>Requires Earthquake Insurance:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span>
The appraisal reports that this site is known to be within a Liquefaction Zone. Therefore, a seismic evaluation is required and is subject to review and acceptance by CalHFA prior to construction loan closing.	
<b>24.</b>	<b>Relocation</b> <span style="float: right;"><b>Requires Relocation:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> Not Applicable</span>
The site contains two existing single-story duplex buildings which are occupied. Per the terms of the PSA, the buildings will be vacated and the cost of relocation paid by the current owner prior to construction loan closing.	

**PROJECT DETAILS**

<b>25.</b>	<b>Residential Areas:</b>												
	<table border="1"> <tr> <td><b>Residential Square Footage:</b></td> <td>131,552</td> <td><b>Residential Units per Acre:</b></td> <td>26.4</td> </tr> <tr> <td><b>Community Area Sq. Ftg:</b></td> <td>4,089</td> <td><b>Total Parking Spaces:</b></td> <td>260</td> </tr> <tr> <td><b>Supportive Service Areas:</b></td> <td>N/A</td> <td><b>Total Building Sq. Footage:</b></td> <td>135,641</td> </tr> </table>	<b>Residential Square Footage:</b>	131,552	<b>Residential Units per Acre:</b>	26.4	<b>Community Area Sq. Ftg:</b>	4,089	<b>Total Parking Spaces:</b>	260	<b>Supportive Service Areas:</b>	N/A	<b>Total Building Sq. Footage:</b>	135,641
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<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 type="checkbox"/> No</td> <td><b>Number of Parking Spaces:</b></td> <td>260</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 type="checkbox"/> No	<b>Number of Parking Spaces:</b>	260				
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<b>27.</b>	<b>Construction Type:</b> The subject will consist of six three-story, low-rise residential buildings.												
<b>28.</b>	<b>Construction/Rehab Scope</b> <span style="float: right;"><b>Requires Demolition:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</span>												
<ul style="list-style-type: none"> <li>The subject site is new construction.</li> </ul>													



<ul style="list-style-type: none"> <li>The Contractor is an affiliate of the Borrower entity. The contract will be structured as a Guaranteed Maximum Price (GMP) contract, and in the current budget the builder overhead, profit, and general requirements costs are 14% of construction costs which is the maximum allowable pursuant to TCAC regulations.</li> <li>The cost of remediation of contaminants outlined on section 22 above is included in the development budget.</li> </ul>	
<b>29.</b>	<b>Construction Budget Comments:</b>
<ul style="list-style-type: none"> <li>CalHFA will require an independent review of the costs by a 3<sup>rd</sup> Party consultant prior to construction loan closing.</li> <li>The Developer is currently looking for cost saving design options to reduce construction costs and minimize the amount of deferred developer fee. Refer to section 5 for more details of the developer's cost containment strategies.</li> </ul>	

**ADDITIONAL DEVELOPMENT/ PROJECT TEAM INFORMATION**

<b>30.</b>	<b>Borrower Affiliated Entities</b>
<ul style="list-style-type: none"> <li>Managing General Partner: PacH Anton South Holdings, LLC; 0.0050% interest                             <ul style="list-style-type: none"> <li>Sole Member: Pacific Housing, Inc., a California nonprofit public benefit corporation</li> </ul> </li> <li>Administrative General Partner: Anton-AMREV Oakley, LLC, a California limited liability company and an affiliate of CIC; 0.0050% interest                             <ul style="list-style-type: none"> <li>Member: Anton DevCo, Inc., a California limited liability company, 100% interest</li> </ul> </li> <li>Investor Limited Partner: Raymond James Tax Credit Fund, Inc.</li> </ul>	
<b>31.</b>	<b>Developer/Sponsor</b>
<p>The Developer, Anton DevCo, Inc. currently has 5 projects with a total of 1,305 units in their pipeline. There are currently 5 projects with a total of 953 units that are under construction. Anton DevCo, Inc. has completed 50 projects (17 affordable) with 9,000 total units (2,541 affordable). The Developer does not have any projects currently in the CalHFA portfolio.</p>	
<b>32.</b>	<b>Management Agent</b>
<p>The Project will be managed by Anton Residential, Inc., which has extensive experience in managing similar affordable housing projects in the area but has no direct experience with CalHFA. The locality is familiar with this management company and staff received positive feedback regarding the firm's current and prior performance from background and reference checks which implies that the management company will have the capacity and ability to successfully manage the Project.</p>	
<b>33.</b>	<b>Service Provider</b> <span style="float: right;"><b>Required by TCAC or other funding source?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</span>
<p>Pacific Housing, Inc. will provide supportive services all tenants including: adult education, health, skill building, and after school programs.</p>	
<b>34.</b>	<b>Contractor</b> <span style="float: right;"><b>Experienced with CalHFA?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span>
<p>The general contractor is Anton Building Company, which has extensive experience in constructing similar affordable housing projects in California, however, CalHFA is not familiar with the general contractor. There are currently 5 projects with a total of 953 units that are under construction, and the GC has completed 50 projects (9,000 total units) in California. The locality is familiar with this general contractor and staff received positive feedback regarding the firm's current and prior performance from background and reference checks which implies that the general contractor will have the capacity and ability to complete the development within budget and on time.</p>	
<b>35.</b>	<b>Architect</b> <span style="float: right;"><b>Experienced with CalHFA?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span>
<p>The architect is Architecture Design Collaborative, which currently has 6 projects (752 total units) that are under construction and 13 completed projects (8 affordable) with 1,578 units (591 affordable) in California. The architect does not have experience with CalHFA.</p>	
<b>36.</b>	<b>Local Review via Locality Contribution Letter</b>
<p>The locality, City of Oakley, returned the local contribution letter stating they strongly support the project.</p>	

EXHIBITS: Detailed Financial Analysis and applicable Term Sheets

PROJECT SUMMARY				Final Commitment		
Acquisition, Rehab, Construction & Permanent Loans				Project Number	21-011-A/X/N	
<b>Project Full Name</b>	Elm Lane Apartments	<b>Borrower Name:</b>	Elm Lane Oakley L.P.			
<b>Project Address</b>	5301 Elm Lane	<b>Managing GP:</b>	PacH Anton South Holdings, LLC			
<b>Project City</b>	Oakley	<b>Developer Name:</b>	Anton DevCo. Inc.			
<b>Project County</b>	Contra Costa	<b>Investor Name:</b>	Raymond James			
<b>Project Zip Code</b>	94561	<b>Prop Management:</b>	Anton Residential, Inc.			
		<b>Tax Credits:</b>	4			
<b>Project Type:</b>	Permanent Loan Only	<b>Total Land Area (acres):</b>	6.44			
<b>Tenancy/Occupancy:</b>	Individuals/Families	<b>Residential Square Footage:</b>	131,552			
<b>Total Residential Units:</b>	170	<b>Residential Units Per Acre:</b>	26.40			
<b>Total Number of Buildings:</b>	7	<b>Covered Parking Spaces:</b>	0			
<b>Number of Stories:</b>	3	<b>Total Parking Spaces:</b>	260			
<b>Unit Style:</b>	Flat					
<b>Elevators:</b>	--					
Acq/Construction/Rehab Financing		Loan Amount (\$)	Loan Fees	Loan Term (Mo.)	Amort. Period (Yr.)	Starting Interest Rate
Citibank-T/E Construction Loan		33,900,000	0.850%	36	--	3.000%
Citibank-Tax Construction Loan		12,000,000	0.850%	36	--	3.500%
NOI During Lease-Up		936,790	NA	NA	NA	NA
Investor Equity Contribution		14,614,888	NA	NA	NA	NA
<b>Total:</b>		<b>61,451,678</b>				
Permanent Financing		Loan Amount (\$)	Loan Fees	Loan Term (Yr.)	Amort. Period (Yr.)	Starting Interest Rate
Perm		35,350,000	1.000%	17	35	3.950%
MIP		6,000,000	1.000%	17	--	2.000%
NOI During Lease-Up		936,790	--	--	--	--
Deferred Developer Fees		4,312,318	NA	NA	NA	NA
--		--	NA	NA	NA	NA
Investor Equity Contributions		23,763,049	NA	NA	NA	NA
<b>Total:</b>		<b>70,362,157</b>				
Appraised Values Upon Completion of Rehab/Construction						
<b>Appraisal Date:</b>	9/1/21	<b>Capitalization Rate:</b>	4.50%			
<b>Investment Value (\$)</b>	72,670,000	<b>Restricted Value (\$)</b>	47,500,000			
<b>Construct/Rehab LTC</b>	75%	<b>CalHFA Permanent Loan to Cost</b>	50%			
<b>Construct/Rehab LTV</b>	63%	<b>CalHFA 1st Permanent Loan to Value</b>	74%			
		<b>Combined CalHFA Perm Loan to Value</b>	87%			
Additional Loan Terms, Conditions & Comments						
<u>Construction/Rehab Loan</u>						
<b>Payment/Performance Bond</b>			0			
<b>Completion Guarantee Letter of Credit</b>			0.00%			
<u>Permanent Loan</u>						
<b>Operating Expense Reserve Deposit</b>	\$735,331	Cash				
<b>Initial Replacement Reserve Deposit</b>	\$0	Cash				
<b>Annual Replacement Reserve Per Unit</b>	\$250	Cash				
<b>Date Prepared:</b>	9/20/21	<b>Senior Staff Date:</b>	10/4/21			

**UNIT MIX AND RENT SUMMARY**

**Final Commitment**

Elm Lane Apartments

Project Number 21-011-A/X/N

PROJECT UNIT MIX					
Unit Type of Style	Number of Bedrooms	Number of Baths	Average Size (Sq. Ft.)	Number of Units	Est. No. of Tenants
Flat	1	1	595	84	126
Flat	2	2	816	42	126
Flat	3	2	1,075	44	198
-	-	-	-	-	0
-	-	-	-	-	0
-	-	-	-	-	0
				170	450

NUMBER OF UNITS AND PERCENTAGE OF AMI RENTS RESTRICTED BY EACH AGENCY							
Agency	Number of Units Restricted For Each AMI Category						
	30%	40%	50%	60%	70%	80%	120%
	0	0	17	51	0	0	0
	0	0	17	0	17	0	134
	17	0	17	91	43	0	0
/ Bonus Agreement	0	0	0	16	0	0	0
-	0	0	0	0	0	0	0
-	0	0	0	0	0	0	0
-	0	0	0	0	0	0	0

COMPARISON OF AVERAGE MONTHLY RESTRICTED RENTS TO AVERAGE MARKET RENTS							
Unit Type	Restricting Agency	% of Area Median Income	Average Restricted Rents		Average Market Rents	Average Monthly Savings	% of Market Rents
			Number of Units	Unit Rent			
<b>Studios</b>	<b>CTCAC</b>	<b>30%</b>					
	CTCAC	50%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	70%	-	-		-	-
	CTCAC	80%	-	-		-	-
	HCD	100%	-	-		-	-
	HCD	120%	-	-		-	-
<b>1 Bedroom</b>	<b>CTCAC</b>	<b>30%</b>	9	\$715	\$2,300	\$1,585	31%
	CTCAC	50%	8	\$1,229		\$1,071	53%
	CTCAC	60%	46	\$1,486		\$814	65%
	CTCAC	70%	21	\$1,743		\$557	76%
	CTCAC	80%	-	-		-	-
	HCD	100%	-	-		-	-
	HCD	120%	-	-		-	-
<b>2 Bedrooms</b>	<b>CTCAC</b>	<b>30%</b>	4	\$855	\$2,600	\$1,745	33%
	CTCAC	50%	4	\$1,472		\$1,128	57%
	CTCAC	60%	23	\$1,780		\$820	68%
	CTCAC	70%	11	\$2,089		\$511	80%
	CTCAC	80%	-	-		-	-
	HCD	100%	-	-		-	-
	HCD	120%	-	-		-	-
<b>3 Bedrooms</b>	<b>CTCAC</b>	<b>30%</b>	4	\$984	\$2,900	\$1,916	34%
	CTCAC	50%	5	\$1,697		\$1,203	59%
	CTCAC	60%	22	\$2,053		\$847	71%
	CTCAC	70%	11	\$2,409		\$491	83%
	CTCAC	80%	-	-		-	-
	HCD	100%	-	-		-	-
	HCD	120%	-	-		-	-
<b>4 Bedrooms</b>	<b>CTCAC</b>	<b>30%</b>					
	CTCAC	50%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	70%	-	-		-	-
	CTCAC	80%	-	-		-	-
	HCD	100%	-	-		-	-
	HCD	120%	-	-		-	-
<b>5 Bedrooms</b>	<b>CTCAC</b>	<b>30%</b>					
	CTCAC	50%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	70%	-	-		-	-
	CTCAC	80%	-	-		-	-
	HCD	100%	-	-		-	-
	HCD	120%	-	-		-	-

Date Prepared: 9/20/21

Senior Staff Date: 10/4/21

<b>SOURCES &amp; USES OF FUNDS</b>		<b>Final Commitment</b>			
<b>Elm Lane Apartments</b>		<b>Project Number</b>		<b>21-011-A/X/N</b>	
<b>SOURCES OF FUNDS</b>	<b>CONST/REHAB \$</b>	<b>PERMANENT \$</b>	<b>TOTAL PROJECT SOURCES OF FUNDS</b>		
			<b>SOURCES (\$)</b>	<b>PER UNIT (\$)</b>	<b>%</b>
Citibank-T/E Construction Loan	33,900,000				0.0%
Citibank-Tax Construction Loan	12,000,000				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
NOI During Lease-Up	936,790				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	14,614,888				0.0%
Perm		35,350,000	35,350,000	207,941	50.2%
MIP		6,000,000	6,000,000	35,294	8.5%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
NOI During Lease-Up		936,790	936,790	5,511	1.3%
-		-	-	-	0.0%
-		-	-	-	0.0%
Construct/Rehab Net Oper. Inc.		-	-	-	0.0%
Deferred Developer Fees		4,312,318	4,312,318	25,367	6.1%
Developer Equity Contribution		-	-	-	0.0%
Investor Equity Contributions		23,763,049	23,763,049	139,783	33.8%
<b>TOTAL SOURCES OF FUNDS</b>	<b>61,451,678</b>	<b>70,362,157</b>	<b>70,362,157</b>	<b>413,895</b>	<b>100.0%</b>
<b>TOTAL USES OF FUNDS (BELOW)</b>	<b>61,451,678</b>	<b>70,362,157</b>	<b>70,362,157</b>	<b>413,895</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>USES (\$)</b>	<b>PER UNIT (\$)</b>	<b>%</b>
<b>CONSTRUCTION/REHAB SOURCES OF FUNDS</b>		<b>61,451,678</b>			
<b>ACQUISITION COSTS</b>					
Lesser of Land Cost or Appraised Value	2,450,000	-	2,450,000	14,412	3.5%
Demolition Costs	-	-	-	-	0.0%
Legal & Other Closing Costs	-	-	-	-	0.0%
Escrow & other closing costs	80,000	-	80,000	471	0.1%
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%
<b>TOTAL ACQUISITION COSTS</b>	<b>2,530,000</b>	<b>-</b>	<b>2,530,000</b>	<b>14,882</b>	<b>3.6%</b>
<b>CONSTRUCTION/REHAB COSTS</b>					
Offsite Improvements	-	-	-	-	0.0%
Environmental Remediation (Hard Costs)	-	-	-	-	0.0%
Site Work (Hard Cost)	5,332,000	-	5,332,000	31,365	7.6%
Structures (Hard Cost)	28,594,000	-	28,594,000	168,200	40.6%
General Requirements	2,530,000	-	2,530,000	14,882	3.6%
Contractor Overhead	-	-	-	-	0.0%
Contractor Profit	2,384,222	-	2,384,222	14,025	3.4%
Contractor Bond	-	-	-	-	0.0%
Contractor Liability Insurance	543,030	-	543,030	3,194	0.8%
Personal Property	-	-	-	-	0.0%
HVAC/Resident Damage	-	-	-	-	0.0%
<b>TOTAL CONSTRUCT/REHAB COSTS</b>	<b>39,383,252</b>	<b>-</b>	<b>39,383,252</b>	<b>231,666</b>	<b>56.0%</b>

SOURCES & USES OF FUNDS		Final Commitment			
Elm Lane Apartments		Project Number		21-011-A/X/N	
USES OF FUNDS	CONST/REHAB \$	PERMANENT \$	TOTAL PROJECT USES OF FUNDS		
			USES (\$)	PER UNIT (\$)	%
<b>RELOCATION COSTS</b>					
Relocation Expense	-	-	-	-	0.0%
Relocation Compliance Monitoring	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
<b>TOTAL RELOCATION COSTS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>ARCHITECTURAL FEES</b>					
Design	290,500	-	290,500	1,709	0.4%
Supervision	385,000	-	385,000	2,265	0.5%
<b>TOTAL ARCHITECTURAL FEES</b>	<b>675,500</b>	<b>-</b>	<b>675,500</b>	<b>3,974</b>	<b>1.0%</b>
<b>SURVEY &amp; ENGINEERING FEES</b>					
Engineering	623,326	-	623,326	3,667	0.9%
Supervision	623,327	-	623,327	3,667	0.9%
ALTA Land Survey	30,500	-	30,500	179	0.0%
<b>TOTAL SURVEY &amp; ENGINEERING FEES</b>	<b>1,277,153</b>	<b>-</b>	<b>1,277,153</b>	<b>7,513</b>	<b>1.8%</b>
<b>CONTINGENCY RESERVES</b>					
Hard Cost Contingency Reserve	2,913,017	-	2,913,017	17,135	4.1%
Soft Cost Contingency Reserve	415,000	-	415,000	2,441	0.6%
<b>TOTAL CONTINGENCY RESERVES</b>	<b>3,328,017</b>	<b>-</b>	<b>3,328,017</b>	<b>19,577</b>	<b>4.7%</b>
<b>CONSTRUCT/REHAB PERIOD COSTS</b>					
<b>Loan Interest Reserve</b>					
Citibank-T/E Construction Loan	2,820,061	-	2,820,061	16,589	0.0400792
Citibank-Tax Construction Loan	-	-	-	-	0
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
<b>Loan Fees</b>					
Citibank-T/E Construction Loan	288,150	-	288,150	1,695	0.4%
Citibank-Tax Construction Loan	102,000	-	102,000	600	0.1%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
<b>Other Const/Rehab Period Costs</b>					
Deficit Const/Rehab NOI (Net Operating Inc	-	-	-	-	0.0%
Credit Enhancement & Application Fees	7,500	-	7,500	44	0.0%
Owner Paid Bonds/Insurance	-	-	-	-	0.0%
CalHFA Inspection Fees	11,000	-	11,000	65	0.0%
Real Estate Taxes During Rehab	-	-	-	-	0.0%
Completion Guaranty Fee	-	-	-	-	0.0%
Wage Monitoring Fee (Davis Bacon, Prevail	-	-	-	-	0.0%
Insurance During Rehab	443,166	-	443,166	2,607	0.6%
Title & Recording Fees	20,000	-	20,000	118	0.0%
Construction Management & Testing	-	-	-	-	0.0%
Predevelopment Interest Expense	120,000	-	120,000	706	0.2%
Bond Issuer Fee	50,450	-	50,450	297	0.1%
Misc. Cost of Issuance	-	-	-	-	0.0%
<b>TOTAL CONST/REHAB PERIOD COSTS</b>	<b>3,862,327</b>	<b>-</b>	<b>3,862,327</b>	<b>22,720</b>	<b>5.5%</b>

SOURCES & USES OF FUNDS		Final Commitment			
Elm Lane Apartments		Project Number		21-011-A/X/N	
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%
Perm	176,750	176,750	353,500	2,079	0.5%
MIP	30,000	30,000	60,000	353	0.1%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Permanent Loan Cost of Issuance Fee	55,000	55,000	110,000	647	0.2%
Credit Enhancement & Application Fees	-	-	-	-	0.0%
Title & Recording (closing costs)	-	15,000	15,000	88	0.0%
Year 1 - Taxes & Special Assessments and Insurance	-	47,770	47,770	281	0.1%
CalHFA Fees	-	10,085	10,085	59	0.0%
Tax Exempt Bond Allocation Fee	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
<b>TOTAL PERMANENT LOAN COSTS</b>	<b>261,750</b>	<b>334,605</b>	<b>596,355</b>	<b>3,508</b>	<b>0.8%</b>
<b><u>LEGAL FEES</u></b>					
CalHFA Construction/Rehab Loan Legal Fees	-	-	-	-	0.0%
Other Construction/Rehab Loan Legal Fees	47,500	-	47,500	279	0.1%
CalHFA Permanent Loan Legal Fees	17,500	17,500	35,000	206	0.0%
Other Permanent Loan Legal Fees	-	-	-	-	0.0%
Sponsor Legal Fees	26,500	-	26,500	156	0.0%
Organizational Legal Fees	-	-	-	-	0.0%
Syndication Legal Fees	-	-	-	-	0.0%
Borrower Legal Fee	290,000	-	290,000	1,706	0.4%
CalHFA Bond Counsel	62,000	-	62,000	365	0.1%
<b>TOTAL LEGAL FEES</b>	<b>443,500</b>	<b>17,500</b>	<b>461,000</b>	<b>2,712</b>	<b>0.7%</b>
<b><u>OPERATING RESERVES</u></b>					
Operating Expense Reserve Deposit	-	735,331	735,331	4,325	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>735,331</b>	<b>735,331</b>	<b>4,325</b>	<b>1.0%</b>
<b><u>REPORTS &amp; STUDIES</u></b>					
Appraisal Fee	8,500	-	8,500	50	0.0%
Market Study Fee	12,100	-	12,100	71	0.0%
Physical Needs Assessment Fee	-	-	-	-	0.0%
Environmental Site Assessment Reports	27,950	-	27,950	164	0.0%
HUD Risk Share Environmental / NEPA Review Fee	-	-	-	-	0.0%
CalHFA Earthquake Waiver Review Fee	-	-	-	-	0.0%
Relocation Consultant	-	-	-	-	0.0%
Soils Reports	30,000	-	30,000	176	0.0%
Acoustical Reports	45,500	-	45,500	268	0.1%
Termite/Dry Rot	-	-	-	-	0.0%
Consultant/Processing Agent (Pre-Construction)	74,000	-	74,000	435	0.1%
Other (Third Party Reports/Surveys)	94,783	-	94,783	558	0.1%
<b>TOTAL REPORTS &amp; STUDIES</b>	<b>292,833</b>	<b>-</b>	<b>292,833</b>	<b>1,723</b>	<b>0.4%</b>

SOURCES & USES OF FUNDS			Final Commitment		
Elm Lane Apartments			Project Number 21-011-A/X/N		
USES OF FUNDS	CONST/REHAB \$	PERMANENT \$	TOTAL PROJECT USES OF FUNDS		
			USES (\$)	PER UNIT (\$)	%
<b>OTHER COSTS</b>					
TCAC Application, Allocation & Monitor Fees	126,625	-	126,625	745	0.2%
CDLAC Fees	16,065	-	16,065	95	0.0%
Local Permits & Fees	499,420	-	499,420	2,938	0.7%
Local Impact Fees	7,915,580	-	7,915,580	46,562	11.2%
Other Local Fees	-	-	-	-	0.0%
Syndicator/Investor Fees & Expenses	-	-	-	-	0.0%
Furnishings	412,010	-	412,010	2,424	0.6%
Accounting & Audits	25,500	-	25,500	150	0.0%
Advertising & Marketing Expenses	120,000	-	120,000	706	0.2%
Financial Consulting	-	-	-	-	0.0%
Miscellaneous Administrative Fees	-	-	-	-	0.0%
HUD Risk Share Insurance (First Year Prepaid)	-	-	-	-	0.0%
Other (CDIAC & Misc. Bond Costs)	11,885	-	11,885	70	0.0%
Other (Specify)	-	-	-	-	0.0%
<b>TOTAL OTHER COSTS</b>	<b>9,127,085</b>	<b>-</b>	<b>9,127,085</b>	<b>53,689</b>	<b>13.0%</b>
<b>SUBTOTAL PROJECT COSTS</b>					
	<b>61,181,417</b>	<b>62,539,114</b>	<b>62,268,853</b>	<b>366,287</b>	<b>88.5%</b>
<b>DEVELOPER FEES &amp; COSTS</b>					
Developer Fees, Overhead & Profit	270,261	7,823,043	8,093,304	47,608	11.5%
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>270,261</b>	<b>7,823,043</b>	<b>8,093,304</b>	<b>47,608</b>	<b>11.5%</b>
<b>TOTAL PROJECT COSTS</b>					
	<b>61,451,678</b>	<b>70,362,157</b>	<b>70,362,157</b>	<b>413,895</b>	<b>100.0%</b>

PROJECTED INITIAL ANNUAL RENTAL OPERATING BUDGET			Final Commitment
Elm Lane Apartments	Project Number	21-011-A/X/N	
<b>INCOME</b>			
	<b>AMOUNT</b>	<b>PER UNIT</b>	<b>%</b>
<b>Rental Income</b>			
Restricted Unit Rents	\$ 3,342,468	\$ 19,662	104.06%
Unrestricted Unit Rents	-	-	0.00%
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	27,370	161	0.85%
Parking & Storage Income	-	-	0.00%
Miscellaneous Income	11,220	66	0.35%
<b>GROSS POTENTIAL INCOME (GPI)</b>	<b>\$ 3,381,058</b>	<b>\$ 19,889</b>	<b>105.26%</b>
Less: Vacancy Loss	\$ 169,052	\$ 994	5.26%
<b>EFFECTIVE GROSS INCOME (EGI)</b>	<b>\$ 3,212,006</b>	<b>\$ 20,883</b>	<b>100.00%</b>
<b>OPERATING EXPENSES</b>			
	<b>AMOUNT</b>	<b>PER UNIT</b>	<b>%</b>
Administrative Expenses	\$ 203,650	\$ 1,198	\$ 0
Management Fee	128,480	756	4.00%
Social Programs & Services	20,016	118	0.62%
Utilities	232,524	1,368	7.24%
Operating & Maintenance	267,386	1,573	8.32%
Ground Lease Payments	-	-	0.00%
CalHFA Monitoring Fee	7,500	44	0.23%
Other Monitoring Fees	-	-	0.00%
Real Estate Taxes	50,830	299	1.58%
Other Taxes & Insurance	122,890	723	3.83%
Assisted Living/Board & Care	-	-	0.00%
<b>SUBTOTAL OPERATING EXPENSES</b>	<b>\$ 1,033,276</b>	<b>\$ 6,078</b>	<b>32.17%</b>
Replacement Reserve	\$ 42,500	\$ 250	1.32%
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 1,075,776</b>	<b>\$ 6,328</b>	<b>33.49%</b>
<b>NET OPERATING INCOME (NOI)</b>	<b>\$ 2,136,230</b>	<b>\$ 12,566</b>	<b>66.51%</b>
<b>DEBT SERVICE PAYMENTS</b>			
	<b>AMOUNT</b>	<b>PER UNIT</b>	<b>%</b>
Perm	\$ 1,865,549	\$ 10,974	58.08%
-	\$ -	-	0.00%
-	\$ -	-	0.00%
-	\$ -	-	0.00%
-	\$ -	-	0.00%
-	\$ -	-	0.00%
-	\$ -	-	0.00%
MIP Annual Fee (applicable for MIP only deals)	\$ -	-	0.00%
<b>TOTAL DEBT SERVICE &amp; OTHER PAYMENTS</b>	<b>\$ 1,865,549</b>	<b>\$ 10,974</b>	<b>58.08%</b>
<b>EXCESS AFTER DEBT SERVICE &amp; MONITORING FEES</b>	<b>\$ 270,680</b>	<b>\$ 1,592</b>	<b>8.43%</b>
<b>DEBT SERVICE COVERAGE RATIO (DSCR)</b>	<b>\$ 1 to 1</b>		
Date: 9/20/21	Senior Staff Date: 10/04/21		



**PROJECTED PERMANENT LOAN CASH FLOWS**

**Elm Lane Apartments**

Final Commitment	YEAR	Project Number: 21-011-A/J/N															
		1	2	3	4	5	6	7	8	9	10	11	12				
<b>RENTAL INCOME</b>	CPI																
Restricted Unit Rents	2.50%	3,342,468	3,426,030	3,511,680	3,599,472	3,689,459	3,781,896	3,876,238	3,973,144	4,072,473	4,174,285	4,278,642	4,385,608				
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%	27,370	28,054	28,756	29,474	30,211	30,967	31,741	32,534	33,348	34,181	35,036	35,912				
Parking & Storage Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-				
Miscellaneous Income	2.50%	11,220	11,501	11,788	12,083	12,385	12,694	13,012	13,337	13,670	14,012	14,363	14,722				
<b>GROSS POTENTIAL INCOME (GPI)</b>		<b>3,381,058</b>	<b>3,465,584</b>	<b>3,552,224</b>	<b>3,641,030</b>	<b>3,732,055</b>	<b>3,825,357</b>	<b>3,920,991</b>	<b>4,019,015</b>	<b>4,119,491</b>	<b>4,222,478</b>	<b>4,328,040</b>	<b>4,436,241</b>				
<b>VACANCY ASSUMPTIONS</b>																	
Restricted Unit Rents	5.00%	167,123	171,301	175,584	179,974	184,473	189,085	193,812	198,657	203,624	208,714	213,932	219,280				
Commercial Rents	7.00%	-	-	-	-	-	-	-	-	-	-	-	-				
Project Based Rental Subsidy	50.00%	-	-	-	-	-	-	-	-	-	-	-	-				
Other Project Based Subsidy	5.00%	-	-	-	-	-	-	-	-	-	-	-	-				
Income during renovations	3.00%	-	-	-	-	-	-	-	-	-	-	-	-				
Other Subsidy (Specify)	20.00%	-	-	-	-	-	-	-	-	-	-	-	-				
Laundry Income	0.00%	1,368	1,403	1,438	1,474	1,511	1,548	1,587	1,627	1,667	1,709	1,752	1,796				
Parking & Storage Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-				
Miscellaneous Income	5.00%	561	575	589	604	619	635	651	667	684	701	718	736				
<b>TOTAL PROJECTED VACANCY LOSS</b>		<b>169,053</b>	<b>173,279</b>	<b>177,611</b>	<b>182,051</b>	<b>186,603</b>	<b>191,268</b>	<b>196,050</b>	<b>200,951</b>	<b>205,975</b>	<b>211,124</b>	<b>216,402</b>	<b>221,812</b>				
<b>EFFECTIVE GROSS INCOME (EGI)</b>		<b>3,212,005</b>	<b>3,292,305</b>	<b>3,374,613</b>	<b>3,458,978</b>	<b>3,545,453</b>	<b>3,634,089</b>	<b>3,724,941</b>	<b>3,818,065</b>	<b>3,913,516</b>	<b>4,011,354</b>	<b>4,111,638</b>	<b>4,214,429</b>				
<b>OPERATING EXPENSES</b>																	
Administrative Expenses	3.50%	223,666	231,494	239,597	247,982	256,662	265,645	274,943	284,566	294,525	304,834	315,503	326,546				
Management Fee	4.00%	128,480	134,985	141,892	148,998	156,341	164,064	172,223	180,876	189,988	199,615	209,824	220,683				
Utilities	3.50%	232,524	240,662	249,086	257,804	266,827	276,166	285,831	295,835	306,190	316,906	327,998	339,478				
Operating & Maintenance	3.50%	267,386	275,745	284,431	293,456	302,832	312,571	322,686	333,190	343,096	353,402	364,114	375,235				
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				
Other Agency Monitoring Fee	0.00%	-	-	-	-	-	-	-	-	-	-	-	-				
Real Estate Taxes	1.25%	50,830	51,465	52,109	52,760	53,420	54,087	54,763	55,448	56,141	56,843	57,553	58,273				
Other Taxes & Insurance	3.50%	122,880	127,191	131,643	136,250	141,019	145,955	151,063	156,350	161,823	167,486	173,348	179,416				
Required Reserve Payments	1.00%	42,500	42,925	43,354	43,788	44,226	44,668	45,115	45,566	46,021	46,482	46,946	47,416				
<b>TOTAL OPERATING EXPENSES</b>		<b>1,075,776</b>	<b>1,109,675</b>	<b>1,144,703</b>	<b>1,180,989</b>	<b>1,218,303</b>	<b>1,256,955</b>	<b>1,296,898</b>	<b>1,338,177</b>	<b>1,380,837</b>	<b>1,424,925</b>	<b>1,470,489</b>	<b>1,517,681</b>				
<b>NET OPERATING INCOME (NOI)</b>		<b>2,136,229</b>	<b>2,182,630</b>	<b>2,229,910</b>	<b>2,278,043</b>	<b>2,327,150</b>	<b>2,377,134</b>	<b>2,428,043</b>	<b>2,479,887</b>	<b>2,532,679</b>	<b>2,586,429</b>	<b>2,641,149</b>	<b>2,696,848</b>				
<b>DEBT SERVICE PAYMENTS</b>																	
Perm	Lien #																
1	1	1,865,549	1,865,549	1,865,549	1,865,549	1,865,549	1,865,549	1,865,549	1,865,549	1,865,549	1,865,549	1,865,549	1,865,549				
<b>TOTAL DEBT SERVICE &amp; OTHER PAYMENTS</b>		<b>1,865,549</b>	<b>1,865,549</b>	<b>1,865,549</b>	<b>1,865,549</b>	<b>1,865,549</b>	<b>1,865,549</b>	<b>1,865,549</b>	<b>1,865,549</b>	<b>1,865,549</b>	<b>1,865,549</b>	<b>1,865,549</b>	<b>1,865,549</b>				
<b>CASH FLOW AFTER DEBT SERVICE</b>		<b>270,679</b>	<b>317,081</b>	<b>364,360</b>	<b>412,530</b>	<b>461,601</b>	<b>511,585</b>	<b>562,493</b>	<b>614,338</b>	<b>667,130</b>	<b>722,880</b>	<b>775,659</b>	<b>831,299</b>				
<b>DEBT SERVICE COVERAGE RATIO</b>		<b>1.15</b>	<b>1.17</b>	<b>1.20</b>	<b>1.22</b>	<b>1.25</b>	<b>1.27</b>	<b>1.30</b>	<b>1.33</b>	<b>1.36</b>	<b>1.39</b>	<b>1.42</b>	<b>1.45</b>				

Date Prepared: 09/20/21

Senior Staff Date: 10/4/21

LESS: Asset Management Fee	3%	20,000	20,600	21,218	21,855	22,510	23,186	23,881	24,597	25,335	26,095	26,878	27,685
LESS: Partnership Management Fee	3%	19,504	20,089	20,692	21,313	21,952	22,611	23,289	23,988	24,707	25,449	26,212	26,998
<b>net CF available for distribution</b>		<b>231,175</b>	<b>276,391</b>	<b>322,450</b>	<b>369,362</b>	<b>417,138</b>	<b>465,788</b>	<b>515,323</b>	<b>565,753</b>	<b>617,087</b>	<b>669,336</b>	<b>722,509</b>	<b>776,616</b>
<b>Developer Residual Receipt Payment</b>	<b>100%</b>	<b>231,175</b>	<b>276,391</b>	<b>322,450</b>	<b>369,362</b>	<b>417,138</b>	<b>465,788</b>	<b>515,323</b>	<b>565,753</b>	<b>617,087</b>	<b>669,336</b>	<b>722,509</b>	<b>776,616</b>
Deferred developer fee repayment	4,312.318	4,312,318	4,081,143	3,804,751	3,492,301	3,112,839	2,695,801	2,230,012	1,714,689	1,148,937	531,850	-	-
		4,081,143	3,804,751	3,492,301	3,112,839	2,695,801	2,230,012	1,714,689	1,148,937	531,850	-	-	-
<b>Payments for Residual Receipt Payments</b>		<b>0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>RESIDUAL RECEIPTS LOANS</b>		<b>Payment %</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
MIP													
0													
<b>Total Residual Receipts Payments</b>		<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balances for Residual Receipt Payments</b>													
<b>RESIDUAL RECEIPTS LOANS</b>													
MIP--Simple	Interest Rate												
0--Compounding	2.00%	6,000,000	6,120,000	6,240,000	6,360,000	6,480,000	6,600,000	6,720,000	6,840,000	6,960,000	7,080,000	7,131,257	6,890,003
0--Compounding	0.00%	-	-	-	-	-	-	-	-	-	-	-	-
0--Simple	0.00%	-	-	-	-	-	-	-	-	-	-	-	-
0--Compounding	0.00%	-	-	-	-	-	-	-	-	-	-	-	-
0--Simple	0.00%	-	-	-	-	-	-	-	-	-	-	-	-
0--Compounding	0.00%	-	-	-	-	-	-	-	-	-	-	-	-
0--Simple	0.00%	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Residual Receipts Payments</b>		<b>6,000,000</b>	<b>6,120,000</b>	<b>6,240,000</b>	<b>6,360,000</b>	<b>6,480,000</b>	<b>6,600,000</b>	<b>6,720,000</b>	<b>6,840,000</b>	<b>6,960,000</b>	<b>7,080,000</b>	<b>7,131,257</b>	<b>6,890,003</b>

**PROJECTED PERMANENT LOAN CASH FLOWS**

Final Commitment	YEAR						
	13	14	15	16	17	18	19
<b>RENTAL INCOME</b>							
Restricted Unit Rents	4,485,248	4,607,629	4,722,820	4,840,890	4,961,913		
Unrestricted Unit Rents	-	-	-	-	-	-	-
Commercial Rents	-	-	-	-	-	-	-
Project Based Rental Subsidy	-	-	-	-	-	-	-
Other Project Based Subsidy	-	-	-	-	-	-	-
Income during renovations	-	-	-	-	-	-	-
Other Subsidy (Specify)	-	-	-	-	-	-	-
Laundry Income	36,810	37,730	38,673	39,640	40,631		
Parking & Storage Income	-	-	-	-	-	-	-
Miscellaneous Income	15,090	15,487	15,854	16,250	16,656		
<b>GROSS POTENTIAL INCOME (GPI)</b>	<b>4,547,147</b>	<b>4,680,826</b>	<b>4,777,346</b>	<b>4,896,780</b>	<b>5,019,200</b>		
<b>VACANCY ASSUMPTIONS</b>							
Restricted Unit Rents	224,762	230,381	236,141	242,045	248,066		
Commercial Rents	-	-	-	-	-	-	-
Project Based Rental Subsidy	-	-	-	-	-	-	-
Other Project Based Subsidy	-	-	-	-	-	-	-
Income during renovations	-	-	-	-	-	-	-
Other Subsidy (Specify)	-	-	-	-	-	-	-
Laundry Income	1,840	1,886	1,934	1,982	2,032		
Parking & Storage Income	-	-	-	-	-	-	-
Miscellaneous Income	754	773	793	812	833		
<b>TOTAL PROJECTED VACANCY LOSS</b>	<b>227,357</b>	<b>233,041</b>	<b>238,867</b>	<b>244,839</b>	<b>250,860</b>		
<b>EFFECTIVE GROSS INCOME (EGI)</b>	<b>4,319,790</b>	<b>4,427,784</b>	<b>4,538,479</b>	<b>4,651,941</b>	<b>4,768,240</b>		
<b>OPERATING EXPENSES</b>							
Administrative Expenses	337,975	349,804	362,047	374,719	387,834		
Management Fee	172,792	177,111	181,539	186,078	190,730		
Utilities	351,360	363,657	376,385	389,559	403,193		
Operating & Maintenance	404,039	418,180	432,816	447,965	463,644		
Ground Lease Payments	-	-	-	-	-	-	-
CalHFA Monitoring Fee	7,500	7,500	7,500	7,500	7,500		
Other Agency Monitoring Fee	59,001	59,739	60,485	61,241	62,007		
Real Estate Taxes	185,695	192,195	198,921	205,884	213,080		
Other Taxes & Insurance	47,890	48,369	48,853	49,341	49,835		
Required Reserve Payments	1,566,251	1,616,555	1,668,547	1,722,286	1,777,831		
<b>TOTAL OPERATING EXPENSES</b>	<b>2,753,539</b>	<b>2,811,230</b>	<b>2,869,932</b>	<b>2,929,655</b>	<b>2,990,408</b>		
<b>NET OPERATING INCOME (NOI)</b>	<b>1,566,251</b>	<b>1,616,555</b>	<b>1,668,547</b>	<b>1,722,286</b>	<b>1,777,831</b>		
<b>DEBT SERVICE PAYMENTS</b>							
Perm	1,865,549	1,865,549	1,865,549	1,865,549	1,865,549		
<b>TOTAL DEBT SERVICE &amp; OTHER PAYMENTS</b>	<b>1,865,549</b>	<b>1,865,549</b>	<b>1,865,549</b>	<b>1,865,549</b>	<b>1,865,549</b>		
<b>CASH FLOW AFTER DEBT SERVICE</b>	<b>831,666</b>	<b>831,666</b>	<b>831,666</b>	<b>831,666</b>	<b>831,666</b>		
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>1.48</b>	<b>1.51</b>	<b>1.54</b>	<b>1.57</b>	<b>1.60</b>		
Date Prepared:	09/20/21						

	13	14	15	16	17
LESS: Asset Management Fee	28,515	29,371	30,252	31,159	32,094
LESS: Partnership Management Fee	27,808	28,643	29,502	30,387	31,299
<b>net CF available for distribution</b>	<b>831,666</b>	<b>831,666</b>	<b>831,666</b>	<b>831,666</b>	<b>831,666</b>
<b>Developer Residual Receipt Payment</b>	<b>831,666</b>	<b>831,666</b>	<b>831,666</b>	<b>831,666</b>	<b>831,666</b>
Deferred developer fee repayment	-	-	-	-	-

	13	14	15	16	17
<b>Payments for Residual Receipt Payments</b>					
<b>RESIDUAL RECEIPTS LOANS</b>					
MIP	415,833	443,833	472,314	501,280	530,733
0	415,833	443,833	472,314	501,280	530,733
<b>Total Residual Receipts Payments</b>	<b>415,833</b>	<b>443,833</b>	<b>472,314</b>	<b>501,280</b>	<b>530,733</b>

	13	14	15	16	17
<b>Balances for Residual Receipt Payments</b>					
<b>RESIDUAL RECEIPTS LOANS</b>					
MIP--Simple	6,621,695	6,325,862	6,002,029	5,649,714	5,261,429
0--Compounding	-	-	-	-	-
0--Simple	-	-	-	-	-
0--Compounding	-	-	-	-	-
0--	-	-	-	-	-
<b>Total Residual Receipts Payments</b>	<b>6,621,695</b>	<b>6,325,862</b>	<b>6,002,029</b>	<b>5,649,714</b>	<b>5,261,429</b>

	13	14	15	16	17
<b>Interest Rate</b>					
MIP--Simple	2.00%	2.00%	2.00%	2.00%	2.00%
0--Compounding	0.00%	0.00%	0.00%	0.00%	0.00%
0--Simple	0.00%	0.00%	0.00%	0.00%	0.00%
0--Compounding	0.00%	0.00%	0.00%	0.00%	0.00%
0--	0.00%	0.00%	0.00%	0.00%	0.00%

	13	14	15	16	17
<b>Payment %</b>					
MIP	415,833	443,833	472,314	501,280	530,733
0	415,833	443,833	472,314	501,280	530,733
<b>Total Residual Receipts Payments</b>	<b>415,833</b>	<b>443,833</b>	<b>472,314</b>	<b>501,280</b>	<b>530,733</b>



California Housing Finance Agency

## TAX-EXEMPT PERMANENT LOAN PROGRAM

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

<b>Qualifications</b>	<ul style="list-style-type: none"><li>• Available to for-profit, non-profit, and public agency sponsors.</li><li>• Tax-exempt bond authority must be obtained from the California Debt Limit Allocation Committee (CDLAC) or through a 501(c)(3) exemption.</li><li>• The Tax-Exempt Permanent Loan may be used with or without 4% low income housing tax credits.</li><li>• If a lender other than CalHFA is providing short-term, first-lien debt, CalHFA shall be used as the bond issuer (for more information, review the Conduit Issuer Program Term Sheet).</li><li>• For Section 8 Projects, a final commitment is conditioned upon review and acceptance by CalHFA of the HAP or AHAP contract.</li><li>• The Perm Loan will be credit-enhanced through CalHFA's HUD/FHA Risk Sharing Program.</li><li>• For existing CalHFA portfolio loans, the current owner is required to pay off all outstanding CalHFA debt. 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>Loan Amount</b>	<ul style="list-style-type: none"><li>• Minimum Perm Loan amount of \$5,000,000.</li><li>• Minimum 1.15x for initial debt service coverage ratio (include any financing with amortizing debt) and minimum of 1.05x for the term of the Perm Loan.</li><li>• Lesser of 90% of restricted value or 100% of development costs. For Projects with equity being cashed out, the Perm Loan amount will be restricted to no more than 80% of the restricted value.</li></ul>
<b>Fees</b> (subject to change)	<ul style="list-style-type: none"><li>• Application Fee: \$10,000 non-refundable, due at time of application submittal, and is credited toward the CalHFA Legal Fee at Perm Loan closing.</li><li>• Perm Loan Fee: 1.00%, half due at final commitment, with balance due at Perm Loan closing.</li><li>• Cost of Issuance Fee: \$110,000, half due at final commitment, with balance due at Perm Loan Closing.</li><li>• Credit Enhancement Fee: included in the interest rate.</li><li>• Annual Administrative Fee: \$7,500 annually (not to be duplicated if used in conjunction with CalHFA's Conduit Program).</li><li>• Inspection fees should be estimated at \$500 per month for the term of the construction (reports and fees can be shared with other construction lenders)</li><li>• Legal Fee: \$35,000, half due at final commitment, with balance due at Perm Loan closing.</li><li>• Administrative Fee: \$1,000 at Perm Loan closing.</li><li>• Letter of Interest Fee: \$5,000 at LOI request, and is credited toward the CalHFA Perm Loan Fee</li></ul> <p>See CalHFA standard <a href="#">Conduit Issuer Program Term Sheet</a> for information on conduit issuance fees.</p>

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# TAX-EXEMPT PERMANENT LOAN PROGRAM

<p><b>Rate &amp; Terms</b> (subject to change)</p>	<p>Interest Rate:</p> <ul style="list-style-type: none"> <li>• 17-Year Balloon Loans: 15-Year “AAA” Municipal Market Data (MMD) plus CalHFA spread</li> <li>• 30-Year Balloon and Fully Amortizing Loans: 30-Year “AAA” MMD plus CalHFA spread</li> <li>• Estimated CalHFA Spread: 2.00% to 3.00%</li> <li>• Rate may be locked up to 30 days prior to the construction loan closing. Rate may be locked for the term of the construction period, not to exceed 3 years.</li> </ul> <p>Amortization/Term:</p> <ul style="list-style-type: none"> <li>• Amortization: Up to 40 Year Amortization</li> <li>• Term: Fully Amortizing, and 17- or 30-Year Balloons available<sup>1</sup></li> <li>• Perm Loan Reduction: up to 10% reduction at Perm Loan closing permitted at no cost.</li> <li>• Up to two, three-month extension(s) permitted upon payment of a fee equal to 0.25% of the Perm Loan amount for each three-month extension.</li> <li>• Breakage Fee (if applicable): due between construction loan closing and Perm Loan closing and calculated based on hedge termination cost.</li> </ul> <p>1. Balloon loans subject to agency approved exit strategy.</p>
<p><b>Loan Closing Requirements</b></p>	<ul style="list-style-type: none"> <li>• 90% stabilized rental housing occupancy for 90 days as evidenced by rent rolls.</li> <li>• 90% of tax credit investor equity shall have been paid into the Project.</li> <li>• Project income is sufficient to pay operating expenses, required debt service, reserves and monitoring fees.</li> <li>• For mixed-use Projects, 100% non-residential occupancy as evidenced by executed leases or guarantees.</li> <li>• Deposit Account Control Agreement between CalHFA, the Borrower and lending institution is in form and substance acceptable to all parties and ready to be executed at Perm Loan closing.</li> </ul>
<p><b>Prepayment</b></p>	<p>The Perm Loan may be prepaid at par after 15 years of the Perm Loan period. However, the Perm Loan may be prepaid after 10 years of the Perm Loan period subject to a yield maintenance calculation of:</p> <ul style="list-style-type: none"> <li>• 5% of the principal balance after the end of year 10</li> <li>• 4% of the principal balance after the end of year 11</li> <li>• 3% of the principal balance after the end of year 12</li> <li>• 2% of the principal balance after the end of year 13</li> <li>• 1% of the principal balance after the end of year 14</li> </ul> <p>All prepayments require a prior written 120-day notice to CalHFA.</p>
<p><b>Subordinate Financing</b></p>	<p>Financing or grants are encouraged from local governments and third parties to achieve project feasibility. All financing, leases, development and regulatory agreements must be coterminous (or have a longer term than the combined terms of any CalHFA Acq/Rehab Loan and Perm Loan) and be subordinate to CalHFA financing. A Lien Priority/Position Estoppel in form and substance acceptable to CalHFA will be required prior to construction financing closing, if applicable.</p>

# TAX-EXEMPT PERMANENT LOAN PROGRAM

<p><b>Occupancy Requirements</b></p>	<p>Must maintain the greater of (A) existing affordability restrictions, or (B) either (i) 20% of the units must be rent restricted and occupied by individuals whose incomes are 50% or less of the area (county) median gross income as determined by HUD ("AMI") with adjustments for household size ("20% @ 50% AMI"), or (ii) 40% or more of the units must be both rent restricted and occupied by individuals whose income is 60% or less of the AMI, with adjustments for household size ("40% @ 60% AMI"); however in the latter case, a minimum of 10% of the units must be at 50% or less of AMI ("10% @ 50% AMI").</p> <p>CalHFA's regulated units must represent a comparable share of the available unit sizes (by bedroom count and square feet) and be disbursed throughout the project.</p>
<p><b>Due Diligence</b></p>	<p>The following due diligence is required to be provided at the Owner/Borrower's expense (refer to the program's document checklist for a full list):</p> <ul style="list-style-type: none"> <li>• Appraisal* (a construction lender's appraisal may be acceptable).</li> <li>• HUD-2530 previous participation clearance.</li> <li>• Construction Costs Review for new construction loans (other construction lender's review is acceptable).</li> <li>• Physical Needs Assessment* ("PNA") for rehabilitation projects with a Replacement Reserve Needs Analysis ("RRNA") over time for the first 20-year term (other lender's PNA/RRNA may be acceptable).</li> <li>• Phase I and Phase II (if applicable) Environmental Site Assessment* including, but not limited to, impact reviews that meet federal environmental requirements (such as historic preservation and noise remediation).</li> <li>• Market Study* satisfactory to CalHFA.</li> <li>• NEPA Review.</li> <li>• Termite/Dry Rot reports* by licensed company.</li> <li>• Seismic review* and other studies may be required at CalHFA's discretion.</li> </ul> <p>*Note: Third party reports shall be within 180 days prior to the CalHFA's final commitment approval and may be subject to a new or updated report if the report(s) was completed more than 180 days prior to construction loan closing, in CalHFA's sole discretion.</p>
<p><b>Required Impounds and Reserves</b></p>	<ul style="list-style-type: none"> <li>• Replacement Reserve: Initial cash deposit required for existing Projects with annual deposits between \$250 and \$500 per unit/per year depending on the Project type and PNA/RRNA findings.</li> <li>• Operating Expense Reserve ("OER"): 3-6 months of operating expenses, reserves, debt service, and monitoring fees due at Perm Loan closing (letter of credit or cash) and held for the life of the CalHFA Perm Loan by CalHFA. In the event OER funds are drawn down during the term of CalHFA Perm Loan, it must be replenished over a period of 12 months to the original level.</li> <li>• Impounds held by CalHFA: One year's prepaid earthquake, hazard and liability insurance premiums, and property tax assessments are collected at loan closing. An earthquake insurance waiver is available for Projects which have met CalHFA earthquake waiver standards during rehabilitation or construction.</li> <li>• Transition Operating Reserve (TOR): required for Projects with state or locally administered rental subsidy contracts with contract terms that are less than 20 years or the CalHFA Perm Loan term.</li> <li>• Other reserves as required (at CalHFA's discretion).</li> </ul>

Last revised: 4/2021

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.



## MIXED-INCOME LOAN PROGRAM

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

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

### Qualifications

#### APPLICATION:

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

#### AVAILABILITY:

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

#### USES:

MIP Subsidy loans must be used in conjunction with CalHFA's Conduit Bond Issuance Program and a construction loan from a CalHFA Mixed-Income Qualified Construction Lender. MIP Subsidy loans must also be used in conjunction with CalHFA's permanent first-lien mortgage financing. CalHFA Mixed-Income Qualified Construction Lender is defined in 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 the project must be tax credit financed, OR
2. Qualified mixed-income project through income averaging pursuant to Internal Revenue Code Section 42 (g)(1)(C).

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# 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 the California Debt Limit Allocation Committee's (CDLAC) Regulations Section 5100.

1. **Site:** The site must be ready for construction (all potential environmental issues have been identified, mitigation plan is in place, and costs associated with the mitigation plan have been incorporated in the development budget). Environmental issues may include, but not be limited to, receipt of clearances for CEQA, NEPA, and applicable tribal land environmental reviews. Pursuant to HUD-Risk Sharing requirements, sponsor is expected to start the NEPA process shortly after CalHFA verifies application completeness and determines that the project is ready to move forward with an initial commitment ("notification date"). The NEPA clearance and HUD's firm approval letter will be required prior to construction loan closing.
2. **General Contractor and/or Third Party Construction Services Engagement:** At the time of application, Applicant must provide evidence that the applicant or developer has engaged a general contractor or third-party construction services company to provide construction services including, but not limited to, value engineering, bid/budget services, and constructability review of plans and designs. In addition, the proposed construction budget is based on the general contractor's or third-party construction services company's preliminary bid estimates pursuant to the current plans and designs.
3. **Disposition and Development Agreement:** Applicant must provide a copy of the disposition and development agreement, if applicable.
4. **Construction Start:** All projects must commit to begin construction 180 days from the earlier of the date of the tax-exempt bond allocation or 4% federal/state tax credit reservation, unless an extension has been approved by California Tax Credit Allocation Committee (CTCAC), CDLAC, and CalHFA, as applicable. Within the 180-day period, the following items must be submitted to CalHFA in their final form:
  - a. A complete updated application form along with a detailed explanation of any changes from the initial application,
  - b. An executed construction contract,
  - c. Recorded deeds of trust for all construction financing (unless a project's location on tribal trust land precludes this),
  - d. Binding commitments for any other financing required to complete project construction,
  - e. Copy of a limited partnership agreement executed by the general partner/sponsor and the investor limited partner/equity provider,
  - f. Payment of all construction lender fees,
  - g. Copies of buildings permits (a grading permit does not suffice to meet this requirement, except 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 required by CalHFA to close construction financing.

# MIXED-INCOME LOAN PROGRAM

## Qualifications (continued)

### MIP ALLOCATION LIMITS:

(Exceptions may be considered by Agency in its sole discretion)

1. **Project Cap:** No project may receive more than the lesser of \$8 million or the aggregate MIP loan amount calculated based on up to \$50,000 per MIP regulated units or up to \$60,000 per MIP regulated units for a Project located within the Highest or High Resource areas designated on the CTCAC/HCD Opportunity Area Map.
2. **Sponsor Cap:** No sponsor (any individual, entity, affiliate and related entity) may receive more than the lesser of funding of 2 projects or 20% of total MIP allocation for the respective year.
3. **County Cap:** No one county may receive more than 33% of total MIP allocations for the respective year.
4. **Age-Restricted Cap:** No more than 25% of total MIP funds for the respective year may be received by age-restricted projects (units that are restricted to residents who are 62 years of age or older under the applicable provisions of California Civil Code Section 51.3 and the federal Fair Housing Act), unless a waiver of the minimum age requirement has been granted by U.S. Department of Housing and Urban Development ("HUD").

### EVIDENCE OF COST CONTAINMENT:

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

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

### EVIDENCE OF SUBSIDY EFFICIENCY:

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

- A maximum of 1.20 Debt Service Coverage Ratio ("DSCR"). 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 a mixed-use project,
- A cash flow 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,
- Developer Fee requirements matching those required under the 4% federal and/or state tax credit reservation,
- Capitalized reserves subject to approval by Agency for reasonableness consistent with the Agency's Underwriting Standards and the Investor Limited Partnership Agreement (ILPA),



# MIXED-INCOME LOAN PROGRAM

<p><b>Qualifications</b> (continued)</p>	<ul style="list-style-type: none"> <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> <li>State tax credit request is expected to be within a range of \$50,000 to \$75,000 per unit. The projects that evidence the most efficient use of state tax credits and MIP per adjusted unit shall be prioritized for MIP funding considerations. The state tax credits and MIP per adjusted unit calculation shall be consistent with CDLAC Regulation Section 5231(g)(1) and 5231(g)(2). MIP final commitment shall be subject to the project's receipt of CDLAC's preliminary tax-exempt bond allocations and CTCAC's tax credits reservations,</li> <li>Acquisition cost shall be the lesser of 1) the purchase price pursuant to a current purchase and sales agreement between unrelated parties, 2) the purchase price of an arm's length transaction executed within the past 10 years plus reasonable carrying costs, or 3) the appraised "as-is" value based on an Appraisal acceptable to CalHFA in its sole discretion. The appraised value of the real estate may be considered if the arm's length transaction exceeds 10 years.</li> </ul>
<p><b>CalHFA Mixed Income Qualified Construction Lender</b></p>	<p>A CalHFA Qualified Construction Lender is defined as a Construction Lender that has closed at least five (5) construction loans using tax-exempt bonds and 4% federal and/or state tax credits in California within the last three (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/General Partner</b> must be registered to do business and in good standing in the state of California. A CalHFA Qualified Developer/Co-Developer/General Partner must have developed at least three (3) comparable projects within the past five (5) years or meet the requirements to receive a minimum of 7 points under the CDLAC General Partner Experience category pursuant to CDLAC Regulations Section 5230(f).</p> <p>The proposed <b>Project Manager</b> must have personally managed the development of at least two (2) comparable projects within the past five (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> <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 in the State of California.</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>

## MIXED-INCOME LOAN PROGRAM

<p><b>CalHFA Mixed-Income Development Team Qualifications (Continued)</b></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 or meet the requirements to receive a minimum of 3 points under the CDLAC Management Company Experience category pursuant to CDLAC Regulations Section 5230(f).</p>
<p><b>Permanent First Lien Loan</b></p>	<p>Must be provided by CalHFA. The permanent loan must meet an initial minimum 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.</p>
<p><b>Construction First Lien Loan</b></p>	<p>Provided by a CalHFA Mixed-Income Qualified Construction Lender. All parties shall permit the Agency to, in its sole and absolute discretion, recycle all or a portion of any Bond volume cap related to a paydown of the Bond financed loans, at the conversion of the construction financing to permanent financing and payoff of the Construction Loan, pursuant to the authority provided in Section 146(i)(6) of the Internal Revenue Code of 1986 and CDLAC Regulation Section 5060 (the "Bond Recycling"). The Bond documents, loan documents and any other documents related to the financing of the Development shall contain any necessary approvals and permit all actions necessary to accomplish a Bond Recycling.</p>
<p><b>Limitations</b></p>	<ol style="list-style-type: none"> <li>1. MIP cannot be combined with the CTCAC 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) with the exception of the Infill Infrastructure Grant, contingent upon restrictions that are compatible with the MIP program requirements. Inclusion of other subordinate debt and subsidy will be allowed at CalHFA's discretion so long as any restrictions of subordinate debt or subsidy are compatible with MIP program requirements outlined herein.</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 CTCAC 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>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, CDLAC requires a minimum of 10% of the unit types must be at 50% or less of AMI ("10% @ 50% AMI").</p>

# MIXED-INCOME LOAN PROGRAM

<b>Mixed-Income Project Occupancy Requirements (Continued)</b>	<p><b>MIXED INCOME REGULATORY AGREEMENT REQUIREMENTS (ALL PROJECTS):</b></p> <p><b>Affordability Requirements:</b></p> <ol style="list-style-type: none"><li>To qualify, a project must meet the following affordability restrictions, based on the HUD or locality (as applicable) income and rent limits which are current at the time of MIP application, for a term of 55 years:<ol style="list-style-type: none"><li>10% of total units at or below 50% of AMI,</li><li>10% of total units between 60% to 80% of AMI with an average of 70% of AMI or greater, subject to the Maximum Allowable Rents outlined below, and</li><li>Remaining 80% of total units at or below 120% of AMI with the exception of the non-restricted manager's unit(s) OR at the affordability restrictions consistent with CTCAC requirements.</li></ol>(Deviations from the average unit affordability levels of 70% AMI will only be considered if Market Study supports such deviations.)</li><li>Projects must be tax credit transactions that are income-averaged and must not exceed an average affordability of 60% of AMI across all restricted units.</li></ol>
<b>Mixed-Income Project Occupancy Requirements (Continued)</b>	<p><b>MAXIMUM ALLOWABLE RENTS:</b></p> <p>Rents for all restricted units must be at least 10% below market rents as evidenced by a current Market Study or an Appraisal. This threshold will be analyzed at time of application and again at CalHFA's final commitment approval. The report shall be current within 180 days of Agency's final commitment and may be subject to required updating if the report expires prior to construction loan closing. Any proposed rent adjustments above 5% of the approved rents subsequent to construction loan closing may be considered if supported by a recent or updated Market Study or Appraisal that is dated within 180 days from MIP loan closing, at CalHFA's sole discretion.</p>
<b>Mixed-Income Subordinate Loan</b>	<ol style="list-style-type: none"><li>Maximum loan amount for each project shall not exceed the lesser of \$8 million or the aggregate MIP loan amount calculated based on up to \$50,000 per MIP regulated units, unless an exception is approved by Agency in its sole discretion.<ol style="list-style-type: none"><li>Maximum loan per restricted (tax credit or CalHFA) units between 30%-120% AMI shall be up to \$50,000.</li><li>Projects located within the Highest or High Resource areas designated on the CTCAC/HCD Opportunity Area Map shall be eligible for an additional amount up to \$10,000 per MIP regulated unit. Opportunity Map Home Page: <a href="http://www.treasurer.ca.gov/ctcac/opportunity.asp">www.treasurer.ca.gov/ctcac/opportunity.asp</a></li></ol></li><li>Loan size based on project need but cannot be more than 50% of the permanent loan amount.</li></ol>

# MIXED-INCOME LOAN PROGRAM

<p><b>Mixed-Income Subordinate Loan Rates &amp; Terms</b></p>	<ol style="list-style-type: none"> <li><b>Interest Rate:</b> Greater of 1% simple interest or the applicable federal rate (AFR) at time of MIP closing.</li> <li><b>Loan Term:</b> The MIP loan term shall be coterminous with the CalHFA permanent first lien loan.</li> <li><b>Loan Payment:</b> Residual receipt repayment based on cash flow analysis and split 50% to Owner and 50% to CalHFA and other residual receipt lenders. Residual receipt is defined as 50% of surplus cash which is determined as net operating income minus total debt service and other Agency approved payments. Payments shall be applied to the current and/or accrued interest and then principal of the MIP loan. Deviation from the net cash flow split may be granted 1) to meet equity investor's deferred developer's fee requirement as evidence by the limited partnership agreement, and 2) is subject to approval(s) by other residual receipt lender(s), as applicable.</li> <li><b>Affordability Term:</b> 55 years.</li> <li><b>Prepayment:</b> May be prepaid at any time without penalty.</li> <li><b>Subordination:</b> A subordination and/or extension of MIP maturity request in conjunction with a re-syndication, refinance, or ownership transfer ("capitalization event(s)") will be considered. If MIP loan is outstanding at time of the capitalization event(s) and requires subordination at the time of such event, the surplus cash split between borrower and CalHFA and other residual receipt lenders may be altered to reflect an increased percentage of residual receipts to CalHFA out of Borrower's share until such time as the MIP loan is paid in full. The remaining residual receipts may be split between other residual receipt lenders.</li> <li><b>Funded:</b> Only at permanent loan conversion.</li> </ol>
<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>	<p><b>Loan Fee:</b> 1.00% of the loan amount (50% due at final commitment and 50% due at CalHFA MIP loan closing).</p> <p><b>Conduit Bond Program Fees:</b> 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><b>CDLAC Fees:</b> Refer to CDLAC regulations for all applicable fees.</p> <p>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>

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# CONDUIT ISSUER PROGRAM

## MULTIFAMILY HOUSING BONDS

Term sheet effective for applications submitted after May 1, 2020

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, nonprofit or public agency sponsors.</li> <li>• Nonprofit 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 required for tax-exempt issuances) and is credited toward the CalHFA Issuer Fee.</li> <li>• Issuer Fee:             <ol style="list-style-type: none"> <li>1. The greater of \$15,000 or 18.75 basis points of the Bond amount if lesser than or equal to \$20 million.</li> <li>2. If more than \$20 million: \$37,500 + 5 basis points for the amount above \$20 million.</li> </ol> </li> <li>• Annual Administrative Fee: 5 bps of the tax-exempt bond issuance amount due at construction loan closing and due annually thereafter until permanent loan conversion. After permanent loan conversion, billed annually in advance, 5 bps of unpaid principal balance amount of tax-exempt bond financed loan(s) until bonds are fully redeemed. Minimum Annual Administrative Fee shall be \$4,000 through both the Qualified Project Period and the CDLAC compliance period.</li> </ul> <p>For taxable only issuances, annual administrative fees above will be charged based on the taxable bond financed loan(s) for the term of the CalHFA affordability restrictions.</p> <p>If used in conjunction with a CalHFA permanent loan product, the annual administrative fee will not be duplicated. Please refer to the applicable permanent loan term sheet for the annual administrative fee.</p> <ul style="list-style-type: none"> <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 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>

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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 rent restricted and occupied by individuals whose income is 60% or less of AMI, with adjustments for household size ("40% @ 60% AMI"); however in the latter case, a minimum of 10% of the units must be at 50% or less of AMI.
- 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.

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