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": April 6, 2022 for Board Meeting on: April 21, 2022

Project Name, County:	Alamo Street Apartments, Ventura	
Address:	2804 Tapo Street, 4415 & 4473 Alamo Street, Simi Valley, CA 93063	
CalHFA Project Number:	21-016-A/X/S	**Total Units: 271 (Family)**
Requested Financing by Loan Program:	$74,000,000	**Tax-Exempt Bond – Conduit Issuance (Series A)**
	Up to $44,000,000	**Taxable Bond- Conduit Issuance (Series A-S) (includes 10% cushion)**
	Up to $9,000,000	**Tax-Exempt Recycled Bond- Conduit Issuance (Series B) (includes 10% cushion)**
	$48,700,000	**Tax-Exempt Permanent Loan with HUD Risk Sharing**
	$7,000,000	**Subsidy GAP Loan funded by MIP funds**

DEVELOPMENT/PROJECT TEAM

Developer:	Pacific West Communities, Inc.	**Borrower:**	Simi Valley Pacific Associates
Permanent Lender:	CalHFA/ Bonneville Multifamily Capital	**Construction Lender:**	Citibank/ Bonneville Multifamily Capital
Equity Investor:	U.S. Bancorp Community Development Corporation	**Management Company:**	ConAm Management Corporation
Contractor:	Sinanian Development, Inc.	**Architect**	Architects Orange
Loan Officer:	Kevin Brown	**Loan Specialist:**	N/A
Asset Manager:	Jessica Doan	**Loan Administration:**	Ashley Carroll
Legal (Internal):	Paul Steinke	**Legal (External):**	N/A
Concept Meeting Date:	4/5/21	**Approval Expiration Date:**	180 days from Approval

1.		**CONDUIT ISSUANCE (Citibank- A & A-S)**	**CONDUIT ISSUANCE (Recycled – Bonneville- Series B)**	**PERMANENT LOAN (CalHFA)**	**MIP (GAP) LOAN**

	Total Loan Amount	$74,000,000 (t/e) $39,381,561 (taxable)	$8,000,000	$48,700,000	$7,000,000
	Loan Term & Lien Position	36 months- interest only. One six-month extension available.; 1st and 2nd Lien Position during construction	36 months - Interest only - 3rd Lien Position during construction. 30 years from permanent conversion – Residual Receipts - 2nd lien position during permanent loan term	35 year – partially amortizing due in year 30 1st Lien Position during permanent loan term	30 year - Residual Receipts; 3rd Lien Position during permanent loan term
	Interest Rate (subject to change and locked 30 days prior to loan closing)	Underwritten at 4.00%, Fixed Rate	10-year Treasury + 1.5% Underwritten at 6.50% During construction loan term: 5.00% to 8.00% variable, interest only paid quarterly During permanent loan term: 5.00% to 8.00% variable, compounding interest, paid quarterly from residual receipts	30 Year MMD + 2.09% Underwritten at 4.73% that includes a .25% cushion* Estimated rate based on a 36 month forward commitment.	Greater of 1.00% simple interest or the applicable federal rate (AFR) at the time of MIP closing Underwritten at 2.00%
	Loan to Value (LTV)	97% (Loan to Investment Value)	6%	72%	N/A
	Loan to Cost	81%	7%	34%	N/A

*****_CalHFA spreads locked on 5/29/2021 (after CalHFA Initial Commitment Approval). Cushion is to account for MMD fluctuations prior to Construction Loan Close. Final CalHFA rate will be locked 30 days prior to construction loan closing._

PROJECT SUMMARY

2.	**Legislative Districts**	**Congress:**	#25 Mike Garcia	**Assembly:**	#38 Suzette Valladares	**State Senate:**	#27 Harry Stern
	Brief Project Description	**Alamo Street Apartments** (the "Project") is a 271 unit new construction family, mixed income Project. It consists of one, three-story residential, over podium (total of 4-story), elevator served apartment building. The Project will have 268 affordable units consisting of 135 2BRs (854 SF), 91 3BRs (1,107 SF) and 42 4BRs (1,218 SF). 3 2BRs unrestricted units will					

be reserved for onsite property managers. The site is to be 5.87 acres and is currently improved with a non-residential retail shopping center in average condition that will be razed during site preparation. The Project is not in a governor declared disaster area.

Financing Structure: The Project's financing structure includes tax-exempt bonds, taxable bonds, subordinate Series B (Bonneville) via recycled tax-exempt bonds, 4% federal tax credits, state tax credits, Agency's tax-exempt loan program with HUD Risk Share, and mixed-income loan program. The project will be income averaged, pursuant to TCAC regulations.

Tax Credits and/or CDLAC Status: The developer received an allocation of 4% federal tax credits, state tax credits, and bond cap on December 8, 2021.

Ground Lease: Not applicable.

Project Amenities: The Project includes a leasing office, community room, fitness room, and central laundry rooms. There will be a total of 611 parking spaces reserved for tenants, guests, and staff. 550 of the parking spaces will be located under the podium and the remaining 61 parking spaces will be surface parking. The site will also be improved with a picnic area and playground. Unit amenities will include central heating, central air, dishwasher, and garbage disposal.

Local Resources and Services: The Project is located in a Moderate Resource Area per TCAC/HCD's Opportunity Area Map. The Project is in close proximity to the following local amenities and services:

- Grocery stores – 0.56 miles
- Schools – 0.57 miles
- Public Library – 0.6 miles
- Public transit – 0.07 miles
- Retail - 0.05 miles
- Park and recreation – 0.5 miles
- Hospitals – 2.06 miles

Non-displacement and No Net Loss: To the extent feasible, it is the Agency's priority to mitigate the overall effects upon affordable housing availability that may arise from multifamily developments that may result in permanent displacement of existing affordable housing residents and/or net loss of existing affordable housing units. The Project is a new construction project, with no related demolition of existing affordable housing, hence no existing affordable housing units will be lost nor will existing residential households be displaced as a result of the Project.

Commercial Space: There will be no commercial Space at the property.

MISSION

3.	**CalHFA Mission/Goals**	
This Project and financing proposal provide 268 units of affordable housing with a range of restricted rents between 30% AMI and 80% of AMI which will support much needed rental housing that will remain affordable for 55 years.		

ANTICIPATED PROJECT MILESTONES & SCHEDULE

4.	CDLAC/TCAC Closing Deadline:	6/6/2022	Est. Construction Loan Closing:	5/2022

	Estimated Construction Start:	6/2022	Est. Construction Completion:	6/2024
	Estimated Stabilization and Conversion to Perm Loan(s):		5/2025	

SOURCES OF FUNDS

5.

Construction Period Financing				
SOURCE	**AMOUNT**	**LIEN POSITION**	**INTEREST RATE**	**DEBT TYPE**
Citibank Construction Loan - Tax Exempt (Series A)	$74,000,000	1st	4.00%	Interest Only
Citibank Construction Loan – Taxable (Series A-S)	$39,381,561	2nd	4.00%	Interest Only
Bonneville Multifamily Capital - Recycled T.E. Bonds (Series B)	$8,000,000	3rd	6.50%	Interest Only
Deferred Developer Fee	$14,029,364	N/A	N/A	N/A
Deferred Costs	$1,762,573	N/A	N/A	N/A
Tax Credit Equity	$3,477,060	N/A	N/A	N/A
TOTAL	**$140,650,558**	**$519,006**	**Per Unit**	
Permanent Financing				
SOURCE	**AMOUNT**	**LIEN POSITION**	**INTEREST RATE**	**DEBT TYPE**
CalHFA Permanent Loan	$48,700,000	1st	4.73%	35 years partially amortized, due in 30 years
Bonneville Multifamily Capital – Recycled T.E Bonds (Series B)	$8,000,000	2nd	6.50%	Residual Receipts
CalHFA MIP	$7,000,000	3rd	2.00%	Residual Receipts
Deferred Developer Fee	$8,880,000	N/A	N/A	N/A
Tax Credit Equity	$69,541,194	N/A	N/A	N/A
TOTAL DEVELOPMENT COST:	**$142,121,194**	**$524,432**	**Per Unit**	

Subsidy Efficiency: $7,000,000 ($26,119 per MIP restricted units).

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

- 4% Federal Tax Credits: $67,595,110 ($249,294 per total units).
- State Tax Credits (certificated): $10,250,000 ($37,823 per total units).

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

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

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

Cost Containment Strategy: The developer, **Pacific West Communities, Inc.**, is employing a collaborative effort with its finance team, equity investor and GC, **Sinanian Development, Inc.** to conduct preemptive feasibility and cost reviews to ensure project efficiency. The developer is also working with the GC to develop a master/base line

	schedule as well as utilizing the GC's expertise to prepare an in-house construction estimate, select qualified subcontractors and value engineer solutions for the project. The developer has worked with the GC on ten affordable housing projects totaling over 2,000 units and is familiar with and can attest to the quality of the GC.
6.	Equity – Cash Out (estimate): Not Applicable

TRANSACTION OVERVIEW

7.	**Proposal and Project Strengths**

- The Project has received 4% federal tax credits and state tax credits from TCAC, which is projected to generate equity representing 48% of total financing sources.
- The developer/sponsor has extensive experience in developing similar affordable housing projects and has experience with CalHFA.
- The Project will serve low-income families ranging between 30% to 80% of AMI.
- The locality has invested in the success of the Project as demonstrated by non-monetary concessions towards the development of the Project as stated in the Affordable Housing Agreement. These concessions include increased building height to 55 feet, reduction of commercial component from 25% to 2.6% (commercial component is not part of this project) and reducing property line setbacks from 28ft to 25ft. The locality has also granted nine waivers in the Affordable Housing Agreement to requirements related to design and property line setback.
- The projected portion of the developer's fee that will be collected at or prior to permanent loan conversion is $5,920,000, which could be available to cover cost overruns and/or unforeseen issues during construction.
- The exit analysis assumes 6% 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 at maturity.

8.	**Project Weaknesses with Mitigants:**

- A subsurface ESA (Phase II) was completed in March 2021 and the results of the Phase II recommend that a soils management plan is necessary prior to construction. Cost for groundwater mitigation and possible soil remediation are included in the construction budget for the residential portion only.
- The community opposed the Project in general, despite the project being designed in accordance with the City's General Plan, Municipal Code, and State Density Bonus Law. Despite the community oppositions, the City has approved entitlements for the Project. Please see section 36 for further detail.

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

- Pursuant to the CalHFA Underwriting Standards and Reference Manual, MIP loans may be recorded behind amortizing debt in second lien priority. The project will be financed by Series B (Bonneville) via tax-exempt recycled bonds which will be required to be in 2nd lien position at permanent loan closing. The developer is proposing, and Multifamily staff is recommending the MIP Deed of Trust be recorded in 3rd lien position, however, the MIP affordability restrictions will still be recorded ahead of all foreclosable debt. This variation is necessary to facilitate the proposed financing structure and project feasibility.
- The Project's operating expenses are 7% below TCAC minimums. The developer has submitted operating budgets of three comparable properties substantiating the operating expenses. The investor has issued a letter of interest that supports the reduction of the operating expenses. TCAC approval of the operating expense minimums has been received as evidenced by a TCAC Reservation Letter dated December 8, 2021. Approvals of the final proposed operating expenses from the investor and all lenders are required.

10.	**Project Specific Conditions of Approval**

Approval is conditioned upon

- No further site work or construction commenced prior to the issuance of a HUD Risk Share Firm Approval Letter.

- Subject to CalHFA, construction lender(s), other lenders, and equity investor approvals of the final mitigation action plans and budget outlined in the soils' management plan dated March 12, 2021 prior to construction loan closing. In addition, the final mitigation action plans must be implemented and completed on the residential portion prior to permanent loan closing.
- The Project's proposed operating expenses do not meet TCAC minimums**,** therefore, Borrower must provide evidence that the proposed operating expenses are sufficient to operate the project via an appraisal report and/or other supporting documentation acceptable to CalHFA. In addition, approvals of the final proposed operating expenses from the investor and all lenders are required.
- CalHFA requires that MIP affordability covenants be recorded in senior position of all foreclosable debt.
- The CalHFA subsidy will be, in the Agency's sole discretion, the lesser of 1) the principal amount as stated herein, or 2) an amount as determined by the Agency in the event the financial assumptions change prior to construction loan closing and/or permanent loan closing. For instance, if the permanent loan interest rate decreased, then the subsidy may be reduced due to additional debt generated by the lower interest rate. The debt service coverage ratio ("DSCR") shall be a maximum of 1.20. An increase of the subsidy loan will not be allowed and will be subject to Agency's approval.
- Receipt of Lien Priority/Position Estoppel in form and substance acceptable to CalHFA, City of Simi Valley, and Bonneville Multifamily Capital Subordinate B Bonds.
  The City is requiring the Borrower to encumber the Property by recording an Affordable Housing Agreement that includes density bonus requirements. Prior to construction loan closing and closing of the CalHFA loans, the Affordable Housing Agreement is subject to CalHFA review and approval in accordance with Agency underwriting standards, which may require a Standstill Agreement to be entered into with the City.
- Confirmation from construction lender of Loan-To-Cost in excess of 80% and loan-to-investment value in excess of 90%, if applicable.
- Recordation of parcel map to merge parcels and subdivide commercial portion of the site to be completed prior to or at construction loan closing.
- Subject to CalHFA's review and approval of Phase I update including CalHFA reliance dated within 180 days prior to construction loan closing.
- The Borrower has requested that 100% of surplus cash be allowed towards the repayment of the deferred developer's fee (DDF) for up to 15 years or until DDF has been fully repaid, whichever is sooner. Thereafter, the surplus cash split shall be 50% to Borrower and 50% to Residual Receipt lender(s). As a condition of this approval, the Borrower must provide evidence that the DDF repayment structure is required pursuant to the Limited Partnership Agreement (LPA). In addition, the owner must provide evidence of investor and all residual receipt lender(s) approvals of the total deferred developer's fee structure and residual receipt split. Residual receipt lenders must also agree to defer the payments on their loans.

11.	**Staff Conclusion/Recommendation:**

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

AFFORDABILITY

12.	**CalHFA Affordability & Occupancy Restrictions**

The CalHFA Permanent Financing Regulatory Agreement will restrict a minimum of 30% of the total units (82 units) at or below 60% AMI and 10% of the total units (28 units) at 50% of AMI for 55 year(s).

The CalHFA MIP Subsidy Regulatory Agreement will restrict 10% of the total units (28 units) at or below 50% of AMI and 10% of total units (28 units) between 60% and 80% of AMI with a minimum average of 70% of AMI, not to exceed 80% of AMI, and 79% of the total units (214 units) at or below 120% of AMI for a term of 55 years. Typically, the proposed rents are required to be sized based on the maximum target occupancy levels, unless lower rents are supported by market study or appraisal report. In addition, TCAC regulations, Section 10325 (9)(f)(1)(B)(i) requires that the proposed tenant paid rents for each affordable unit type in the proposed development must be at least ten percent (10%) below the weighted average rent for the same unit types in comparable market rate rental properties. For the 80% of AMI occupancy target level, per the appraisal report dated 2/7/2022, the Project can only support rents based on approximately 72% of AMI and still comply with the TCAC requirements that rents be 10% below the weighted average market rents. Therefore, while the target occupancy is 80% of AMI, the rents are based on 72% of AMI. For underwriting purposes, the initial rents at permanent loan closing must be no less than the underwriting rent levels outlined on the "Unit Mix and Rent Summary" enclosed.

In addition, the Project will be restricted by the following jurisdictions as described below:

- The City of Simi Valley Affordable Housing Agreement and Density Bonus Agreement will restrict 27 units at or below 30% AMI, 27 units at or below 50% AMI, 162 units at or below 60% AMI, and 52 units at or below 80% AMI (268 units total) for a period of 55 years from the issuance of a Certificate of Occupancy.

Rent Limit Summary Table

Restrictions @ AMI	Total	Studio	1-bdrm	2-bdrm	3-bdrm	4-bdrm	% of Total
30%	27	-	-	14	9	4	10%
50%	27	-	-	14	9	4	10%
60%	162	-	-	81	55	26	59.8%
80%	52	-	-	26	18	8	19.2%
Manager's Unit	3	-	-	3	-	-	1.1%
Total	271	0	0	138	91	42	100.0%

The average affordability restriction is 59.9% of AMI.

NUMBER OF UNITS AND AMI RENTS RESTRICTED BY EACH AGENCY

Regulatory Source	Recordation Priority if Recorded Document	Term of Agrmt (years)	Number of Units Restricted for Each AMI Category								
			30% AMI	50% AMI	60% AMI	80% AMI *(60% to 80% Tranche)	80% AMI	<= 120% AMI	Mgrs. Unit	Total Units Regulated	% of Regulated Units
CalHFA Bond/Risk Share	1st	55		28	82				3	108	40.6%
CalHFA MIP Subsidy	2nd	55		28		28		212	3	268	98.9%
City of Simi Valley AHA/DBA	3rd	55	27	27	162		52		3	268	98.9%
Tax Credits	4th	55	27	27	162		52		3	268	98.9%

13.	Geocoder Information			
	Central City:	No	Underserved:	No
	Low/Mod Census Tract:	Moderate	Below Poverty line:	10.15%
	Minority Census Tract:	34.85%	Rural Area:	No

FINANCIAL ANALYSIS SUMMARY

14.	Capitalized Reserves:	
	Replacement Reserves (RR):	N/A
	Operating Expense Reserve (OER):	$1,012,573 OER amount is size based on 3 months operating expenses, debt service, and annual replacement reserves deposits. The CalHFA will hold this reserve for the term of the permanent loan and in the event the OER is drawn down during the term of the loan, the OER must be replenished over a 12 months period to the original level.
	Transitional Operating Reserve (TOR):	N/A

15.	Cash Flow Analysis			
	1st Year DSCR:	1.20	Project-Based Subsidy Term:	N/A
	End Year DSCR:	2.23	Annual Replacement Reserve Per Unit:	$250/unit
	Residential Vacancy Rate: Subsidy Vacancy Rate:	5% N/A	Rental Income Inflation Rate: Subsidy Income Inflation Rate:	2.50% N/A
	Non-residential Vacancy Rate:	N/A	Project Expenses Inflation Rate: Property Tax Inflation Rate:	3.50% 1.25%

For purposes of CalHFA's DSCR covenant, the Project is required to maintain a minimum of 1.15 DSCR for the term of the permanent loan.

16. Loan Security

The CalHFA loan(s) will be secured by a First Deed of Trust against the above-described Project site.

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

The exit analysis assumes 6% 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.

APPRAISAL AND MARKET ANALYSIS

18. Appraisal Review **Dated: 3/2/22**

- The Appraisal prepared by Pacific Real Estate Appraisal, values the land at $6,300,000.
- The cap rate of 4% and projected $2,715,566 of net operating income, which is approximately 10.8% lower than developer's current projections. Subsequent to ordering the appraisal, the developer was able to increase the rents on the 60% and 80% AMI units which accounts for an additional $400k in rental income.
- The proposed operating expenses per unit in the appraisal is $6,082 which is approximately 12% higher than developer's proposed operating expenses per unit. The operating expenses per unit in the appraisal is based on market rate comparable projects, hence it is expected to be higher than the operating expenses per unit for an affordable project. The appraisal is therefore using a more conservative NOI to determine the appraised value.
- The as-restricted stabilized value is $67,890,000, which results in the Agency's permanent first lien loan to value of 72%. The capture rate is 28% and the absorption period is 10 months, which is generally consistent with the market study.

	Market Study:	Kinetic Valuation Group, Inc	**Dated: March 12, 2021**

Regional Market Overview

- The Primary Market Area consists of the adjacent cities of Simi Valley (population of 128,000) and Moorpark and the Secondary Market Area ("SMA") is Ventura County (population of 823,318)
- The general population in the PMA has increased from 2010 to 2020 and is anticipated to increase by 1.7% by 2025.
- Unemployment in the PMA was 6.3% in December 2020, which is 3.4% higher than 2019 due to the COVID-19 pandemic. The market study was unable to comment on future unemployment trends for the local economy. However, prior to the COVID-19 pandemic, unemployment was at a decade low of 2.9%. Per the recent appraisal, the unemployment rate in Ventura County in December 2021 was 4.2%. The county has generally experienced a lower unemployment rate compared to other areas of California.
- Per the appraisal, median home value within a mile of the property is $500,000-$749,000 for 60.1% of homeowners and 52.9% within five miles.

Local Market Area Analysis

- **Supply:**
  - There are currently 4 family project(s) in Simi Valley and they are 0.5% vacancy.
  - The nearest LIHTC property in proximity is 100% occupied with a long waiting list.
  - There are 0 affordable family project(s) under construction at this time.
- **Demand/Absorption:**
  - The project will need to capture 17.4% of the total demand for family units in the PMA. The affordable units are anticipated to lease up at a rate of 27 to 40 units per month and reach stabilized occupancy within 10 months of opening.

DEVELOPMENT SUMMARY

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

- Location: The property is located on the east side of Tapo Street and the north side of Alamo Street, in the City of Simi Valley, Ventura County.
- Site History: The site is currently a portion of a 5 parcel merger which will constitute a total of 6.87 acres. The parcels are currently owned by Allenby, LLC, a California limited liability company (parcel 1) and Altapo-Bellwood Building LLC, a California limited liability company (parcels 2 through 5) (Sellers). The combined parcels will be purchased in their totality by the Borrower and then subdivided into two separate parcels. The first parcel totaling 5.87 acres (Site A) will be the site of the subject development. The second parcel (Site B) which totals 1 acre will be retained by the seller.
- Common Area Agreement: There will be a Common Area Operating and Maintenance Agreement encumbering both parcels, and that agreement specifies the rights and obligations of the owner of each respective property as to certain commons areas of the properties. The common areas include trash staging facility easements, utility, fire and drainage easements, roadway access, and parking easements. The parking easement is for commercial parking spaces associated with Site B only and will allow tenants and guests to utilize 33 commercial parking spaces between the hours of 11:00pm and 6:00am. Commercial tenants and patrons will not be allowed to use residential parking located on Site A.
- Site A:
  - Currently improved with a retail shopping center in average condition that will be razed during site preparation.
  - Measures approximately 5.87 acres with generally level topography at street grade and is rectangular in shape.
  - Zoned Commercial Planned Development - MU, with permitted multifamily residential use.
  - Located in Flood Zone X (area of minimum flood hazard). Zone X is the area determined to be outside the 500-year flood and protected by levee from 100-year flood, therefore the Project will not be subject to flood insurance.

20.	**Form of Site Control & Expiration Date**

The Sellers, Allenby, LLC, a California limited liability company (parcel 1) and Altapo-Bellwood Building LLC, a California limited liability company (parcels 2 through 5), and the Borrower, Simi Valley Pacific Associates, a California Limited Partnership, entered into a Purchase and Sale Agreement dated March 1, 2021, for a purchase amount of $4,000,000. The agreement includes subdividing the total site into two parcels. A 1-acre commercial parcel will be retained by the Seller, and a 5.87 acre parcel will be acquired by the Borrower for the subject development.

21.	**Current Ownership Entity of Record**

Title is currently vested with a portion of the Project owned by Allenby, LLC (parcel 1) and the remainder of the Project owned by Altapo-Bellwood Building LLC (parcels 2 through 5), each as the fee owner of their respective portion.

22.	**Environmental Review Findings**	**Dated: March 12, 2021**

- A Phase I Environmental Site Assessment was performed by KCE Matrix dated March 12, 2021, covering all 5 parcels which are part of the P&S Agreement. Based on the Phase 1 ESA, a Recognized Environmental Condition (REC) was identified on the subject residential site. The REC was identified as a result of a former dry-cleaning operation that was on site from at least 2001-2016.
- A subsurface ESA (Phase II) was completed in March 2021. The results of the Phase II indicated: 1) the subsurface soil has not been impacted by the contaminants of concern and therefore, further subsurface assessment work or implementation of remedial action is not warranted, and 2) the sub- slab and soil-gas have been impacted and further implementation of remedial action is warranted. A soils management plan has been provided by the developer and is subject to CalHFA, other lenders, and equity investor's approvals prior to construction loan closing. In addition, the final mitigation action plans must be implemented and completed on the residential portion prior to permanent loan closing
- A NEPA review has been initiated and will be completed concurrently with submission to HUD for Firm Approval, prior to construction loan closing.

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

This new Project will be built to State and City of Simi Valley Building Codes so no seismic review is required.

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

Not applicable.

PROJECT DETAILS

25.	**Residential Areas:**				
		Residential Square Footage:	269,745	**Residential Units per Acre:**	39.3
		Community Area Sq. Ft:	7,941	**Total Parking Spaces:**	611
		Supportive Service Areas:	2,410	**Total Building Sq. Footage:**	185,408
26.	**Mixed-Use Project:** ☐ **Yes** ☒ **No**				
		Non-Residential Sq. Footage:	60,543 sf	**Number of Lease Spaces:**	N/A
		Master Lease:	☐ **Yes** ☒ **No**	**Number of Parking Spaces:**	611
27.	**Construction Type:**	The building will be constructed of steel and wood frame, and covered with stucco, laminated wood, metal cladding and fiber cement board siding on a podium over a ground level parking garage. The roof will be a flat and covered with built-up composition. The units will be accessed from outside walkways and interior hallways with three multi-stop elevators and steel and concrete stairs leading to the upper floors.			
28.	**Construction/Rehab Scope**	**Requires Demolition:** ☒ **Yes** ☐ **No**			

- The subject site consists of an existing commercial shopping center that is currently occupied with one remaining tenant. The tenant has an agreement in place with the developer to relocate prior to demolition at no extra cost to the project. The development budget includes $900,000 to account for the cost of demolition.

- Environmental remediation of contaminants outlined in section 22 above is included in the development budget in the estimated amount of $50,000.

29. Construction Budget Comments:

- CalHFA will require an independent review of the costs by a 3rd Party consultant prior to construction loan closing.
- The developer has established cost containment strategies, which are outlined in Section 5 above.

ADDITIONAL DEVELOPMENT/ PROJECT TEAM INFORMATION

30. Borrower Affiliated Entities

- Managing General Partner: Central Valley Coalition for Affordable Housing, a California Nonprofit Public Benefit Corporation; 0.005% interest
- Administrative General Partner: TPC Holdings IX, LLC (TPC Holdings) an Idaho limited liability company; 0.005% interest
  - Manager: Pacific West Communities, Inc., an Idaho Corporation
    - President & CEO: Caleb Roope
- Investor Limited Partner: U.S. Bancorp Community Development Corporation; 99.99% interest

31. Developer/Sponsor

Pacific West Communities, Inc. (PWC) is a vertically integrated for-profit developer that has extensive experience developing and constructing affordable housing projects similar to this Project, across the western United States. The company has developed 169 affordable multifamily projects since its inception in 1998. There are currently 18 projects under construction, including 2 CalHFA projects that are progressing as expected. PCW has 4 projects in CalHFA's portfolio that are operating as expected and 3 projects (including this one) being processed through CalHFA's pipeline. The administrative general partner, TPC Holdings, has five or more projects in service more than 3 years, including 1 in service more than 5 years and 2 California LIHTC projects. TPC Holdings is owned by Pacific West Communities, Inc. The company currently has 27 properties (1,820 units) under development, of which 20 properties are slated for completion in 2022. PWC has partnered with Central Valley Coalition for Affordable Housing (CVCAH) on over 70 projects. CVCAH is a nonprofit public benefit corporation and is included in the Project ownership as the Managing General Partner for the sole purpose of providing tax-exempt status to the project in order to obtain an allocation of tax-exempt bonds and property tax exemption.

32. Management Agent

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

33. Service Provider **Required by TCAC or other funding source?** ☒ **Yes** ☐ **No**

The Borrower has elected to provide a Service Coordinator (Central Valley Coalition for Affordable Housing) to meet CTCAC requirements for a term of 15 years and the expense of these services is currently within the approved line item operating budget. Services will include items such as 84 hours per year Instructor-led educational and skill building classes and 60 hours per year per 100 bedrooms of health and wellness services and programs.

34. Contractor **Experienced with CalHFA?** ☒ **Yes** ☐ **No**

The general contractor is Sinanian Development, Inc. which has extensive experience in constructing similar affordable housing projects in California and is familiar with CalHFA.

There is an identity of interest between the Seller Allenby, LLC/Altapo-Bellwod Building, LLC and the general contractor.

35.	**Architect** **Experienced with CalHFA?** ☒ **Yes** ☐ **No**
The architect is Architects Orange, which has extensive experience in designing and managing similar affordable housing projects in California. Architects Orange has provided architectural services for at least 3 completed projects in CalHFA's portfolio.	
36.	**Local Review via Locality Contribution Letter**
The locality, City of Simi Valley, returned the local contribution letter stating they have "no position" with regards to the support of the project. The City commented, "This project garnered considerable opposition in the community and was approved by the City under threat of litigation by the California Department of Housing and Community Development (HCD). Absent California laws that mandate the City's approval and the threat of litigation from HCD, the City would have had the opportunity to work cooperatively with the original developer to design a project that could be supported by the community." The community opposed the project citing tall building height, traffic congestion, and increased risk of spreading COVID due to the large number of units. However, the project was designed in accordance with the City's General Plan, Municipal Code, and State Density Bonus Law. The developer has agreed to reducing the height from 4-story over podium to 3-story over podium and including traffic flow improvements such as an additional driveway signal lights. HCD threatened litigation against the City of Simi Valley for not complying with the Housing Accountability Act unless the City agreed to approve entitlements for the project. The City has since approved the entitlements and the statute of limitations has expired, therefore HCD litigation is no longer a concern. While there has been no specific community outreach, the developer has been working closely with the Home-Owner Associations to the immediate north and east of the project to coordinate construction and landscape designs.	

EXHIBITS: Detailed Financial Analysis and applicable Term Sheets

PROJECT SUMMARY	Final Commitment
Acquisition, Rehab, Construction & Permanent Loans	**Project Number 21-016-A/X/S**

Project Full Name	Alamo Street Apartments	**Borrower Name:**	Simi Valley Pacific Associates
Project Address	2804 Tapo Street, 4415 & 4473 Alamo	**Managing GP:**	Central Valley Coalition for Affordable Housing
Project City	Simi Valley	**Developer Name:**	Pacific West Communities, Inc.
Project County	Ventura	**Investor Name:**	Boston Financial
Project Zip Code	93063	**Prop Management:**	ConAm Management Corporation
		Tax Credits:	4
Project Type:	Permanent Loan Only	**Total Land Area (acres):**	5.87
Tenancy/Occupancy:	Individuals/Families	**Residential Square Footage:**	269,745
Total Residential Units:	271	**Residential Units Per Acre:**	46.17
Total Number of Buildings:	1		
Number of Stories:	4	**Covered Parking Spaces:**	550
Unit Style:	Flat	**Total Parking Spaces:**	611
Elevators:	4		

Acq/Construction/Rehab Financing	Loan Amount ($)	Loan Fees	Loan Term (Mo.)	Amort. Period (Yr.)	Starting Interest Rate
Conduit Citibank T/E Construction Loan	74,000,000	1.000%	36	--	4.000%
Citibank Taxable	39,381,561	1.000%	36	--	4.000%
Bonneville Recycled T/E Series B	8,000,000	--	36	--	6.500%
Deferred Developer Fee	14,029,364	NA	NA	NA	NA
Deferred Costs	1,762,573	NA	NA	NA	NA
Investor Equity Contribution	3,477,060	NA	NA	NA	NA
Total	**140,650,558**	NA	NA	NA	NA

Permanent Financing	Loan Amount ($)	Loan Fees	Loan Term (Yr.)	Amort. Period (Yr.)	Starting Interest Rate
Perm	48,700,000	1.000%	30	35	4.730%
MIP	7,000,000	1.000%	30	NA	2.000%
Bonneville Recycled T/E Bonds	8,000,000	--	45	45	6.500%
Deferred Developer Fees	8,880,000	NA	NA	NA	NA
Investor Equity Contributions	69,541,194	NA	NA	NA	NA
Total	**142,121,194**	NA	NA	NA	NA

Appraised Values Upon Completion of Rehab/Construction

Appraisal Date:	2/7/22	**Capitalization Rate:**	4.00%
Investment Value ($)	74,390,000	**Restricted Value ($)**	67,890,000
Construct/Rehab LTC	81%	**CalHFA Permanent Loan to Cost**	34%
Construct/Rehab LTV	108%	**CalHFA 1st Permanent Loan to Value**	72%
		Combined CalHFA Perm Loan to Value	82%

Additional Loan Terms, Conditions & Comments

Construction/Rehab Loan

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

Permanent Loan

Operating Expense Reserve Deposit	$1,049,801	Cash
Initial Replacement Reserve Deposit	$0	Cash
Annual Replacement Reserve Per Unit	$250	Cash

Date Prepared: 3/29/22 Senior Staff Date: 4/6/22

UNIT MIX AND RENT SUMMARY	Final Commitment
Alamo Street Apartments	Project Number 21-016-A/X/S

PROJECT UNIT MIX

Unit Type of Style	Number of Bedrooms	Number of Baths	Average Size (Sq. Ft.)	Number of Units	Est. No. of Tenants
Flat	2	2	854	138	414
-	3	2	1,107	91	409.5
-	4	2	1,218	42	252
-	-	-	-	-	0
-	-	-	-	-	0
-	-	-	-	-	0
				271	1075.5

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

Agency	Number of Units Restricted For Each AMI Category						
	30%	40%	50%	60%	80%	100%	120%
CalHFA Bond/RiskShare	0	0	28	82	0	0	0
CalHFA MIP	0	0	28	0	28	0	212
Tax Credit	27	0	27	162	52	0	0
City of Simi Valley AHA/DBA	27	0	27	162	52	0	0
-	0	0	0	0	0	0	0
-	0	0	0	0	0	0	0
-	0	0	0	0	0	0	0

COMPARISON OF AVERAGE MONTHLY RESTRICTED RENTS TO AVERAGE MARKET RENTS

Unit Type	Restricting Agency	% of Area Median Income	Average Restricted Rents Number of Units	Average Restricted Rents Unit Rent	Average Market Rents	Average Monthly Savings	% of Market Rents
Studios	CTCAC	30%	-	-	-	-	-
	CTCAC	50%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	80%	-	-		-	-
	CTCAC	80%	-	-		-	-
	CTCAC	100%	-	-		-	-
	CTCAC	120%	-	-		-	-
1 Bedroom	CTCAC	30%	-	-	-	-	-
	CTCAC	50%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	80%	-	-		-	-
	CTCAC	80%	-	-		-	-
	CTCAC	100%	-	-		-	-
	CTCAC	120%	-	-		-	-
2 Bedrooms	CTCAC	30%	14	$697	$2,350	$1,653	30%
	CTCAC	50%	14	$1,202		$1,148	51%
	CTCAC	60%	81	$1,454		$896	62%
	CTCAC	80%	26	$1,800		$550	77%
	CTCAC	80%	-	-		-	-
	CTCAC	120%	-	-		-	-
	CTCAC	-	-	-		-	-
3 Bedrooms	CTCAC	30%	9	$799	$2,950	$2,151	27%
	CTCAC	50%	9	$1,382		$1,568	47%
	CTCAC	60%	55	$1,674		$1,276	57%
	CTCAC	80%	18	$1,995		$955	68%
	CTCAC	80%	-	-		-	-
	CTCAC	100%	-	-		-	-
	CTCAC	120%	-	-		-	-
4 Bedrooms	CTCAC	30%	4	$881	$3,250	$2,369	27%
	CTCAC	50%	4	$1,532		$1,718	47%
	CTCAC	60%	26	$1,857		$1,393	57%
	CTCAC	80%	8	$2,295		$955	71%
	CTCAC	80%	-	-		-	-
	CTCAC	100%	-	-		-	-
	CTCAC	120%	-	-		-	-
5 Bedrooms	CTCAC	30%	-	-	-	-	-
	CTCAC	50%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	80%	-	-		-	-
	CTCAC	80%	-	-		-	-
	CTCAC	100%	-	-		-	-
	CTCAC	120%	-	-		-	-
Date Prepared:	3/29/22					Senior Staff Date:	4/6/22

SOURCES & USES OF FUNDS					Final Commitment
Alamo Street Apartments			Project Number		21-016-A/X/S
SOURCES OF FUNDS	**CONST/REHAB $**	**PERMANENT $**	**TOTAL PROJECT SOURCES OF FUNDS**		
			SOURCES ($)	**PER UNIT ($)**	**%**
Conduit Citibank T/E Construction Loan	74,000,000				0.0%
Citibank Taxable	39,381,561				0.0%
Bonneville Recycled T/E Series B	8,000,000				0.0%
-	-				0.0%
					0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
Deferred Costs	1,762,573				0.0%
Construct/Rehab Net Oper. Inc.	-				0.0%
Deferred Developer Fee	14,029,364				0.0%
Developer Equity Contribution	-				0.0%
Investor Equity Contribution	3,477,060				0.0%
Perm		48,700,000	48,700,000	179,705	34.3%
MIP		7,000,000	7,000,000	25,830	4.9%
-		-	-	-	0.0%
-		-	-	-	0.0%
Bonneville Recycled T/E Bonds		8,000,000	8,000,000	29,520	5.6%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
Construct/Rehab Net Oper. Inc.		-	-	-	0.0%
Deferred Developer Fees		8,880,000	8,880,000	32,768	6.2%
Developer Equity Contribution		-	-	-	0.0%
Investor Equity Contributions		69,541,194	69,541,194	256,610	48.9%
TOTAL SOURCES OF FUNDS	**140,650,558**	**142,121,194**	**142,121,194**	**524,432**	**100.0%**
TOTAL USES OF FUNDS (BELOW)	**140,650,558**	**142,121,194**	**142,121,194**	**524,432**	**100.0%**
FUNDING SURPLUS (DEFICIT)	**-**	**(0)**	**(0)**		

USES OF FUNDS	**CONST/REHAB $**	**PERMANENT $**	**TOTAL PROJECT USES OF FUNDS**		
			USES ($)	**PER UNIT ($)**	**%**
CONSTRUCTION/REHAB SOURCES OF FUNDS		**140,650,558**			
ACQUISITION COSTS					
Lesser of Land Cost or Appraised Value	4,000,000	-	4,000,000	14,760	2.8%
Demolition Costs	900,000	-	900,000	3,321	0.6%
Legal & Other Closing Costs	5,000	-	5,000	18	0.0%
Escrow & other closing costs	-	-	-	-	0.0%
Verifiable Carrying Costs	-	-	-	-	0.0%
Existing Improvements Value	-	-	-	-	0.0%
Delinquent Taxes Paid @ Closing	-	-	-	-	0.0%
CalHFA Yield Maintenance Paid @ Closing	-	-	-	-	0.0%
Existing Replacement Reserve	-	-	-	-	0.0%
Broker Fees Paid to Related Party	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL ACQUISITION COSTS	**4,905,000**	**-**	**4,905,000**	**18,100**	**3.5%**
CONSTRUCTION/REHAB COSTS					
Offsite Improvements	-	-	-	-	0.0%
Environmental Remediation (Hard Costs)	50,000	-	50,000	185	0.0%
Site Work (Hard Cost)	5,370,000	-	5,370,000	19,815	3.8%
Structures (Hard Cost)	82,674,208	-	82,674,208	305,071	58.2%

General Requirements	3,523,768	-	3,523,768	13,003	2.5%
Contractor Overhead	1,832,360	-	1,832,360	6,761	1.3%
Contractor Profit	4,580,899	-	4,580,899	16,904	3.2%
Contractor Bond	-	-	-	-	0.0%
Contractor Liability Insurance	1,056,600	-	1,056,600	3,899	0.7%
Personal Property	-	-	-	-	0.0%
HVAC/Resident Damage	-	-	-	-	0.0%
TOTAL CONSTRUCT/REHAB COSTS	**99,087,835**	**-**	**99,087,835**	**365,638**	**69.7%**

USES OF FUNDS	CONST/REHAB $	PERMANENT $	TOTAL PROJECT USES OF FUNDS USES ($)	PER UNIT ($)	%
RELOCATION COSTS					
Relocation Expense	-	-	-	-	0.0%
Relocation Compliance Monitoring	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL RELOCATION COSTS	**-**	**-**	**-**	**-**	**0.0%**
ARCHITECTURAL FEES					
Design	700,000	-	700,000	2,583	0.5%
Supervision	200,000	-	200,000	738	0.1%
TOTAL ARCHITECTURAL FEES	**900,000**	**-**	**900,000**	**3,321**	**0.6%**
SURVEY & ENGINEERING FEES					
Engineering	415,000	-	415,000	1,531	0.3%
Supervision	-	-	-	-	0.0%
ALTA Land Survey	-	-	-	-	0.0%
TOTAL SURVEY & ENGINEERING FEES	415,000	-	415,000	1,531	0.3%
CONTINGENCY RESERVES					
Hard Cost Contingency Reserve	4,800,000	-	4,800,000	17,712	3.4%
Soft Cost Contingency Reserve	1,430,522	-	1,430,522	5,279	1.0%
TOTAL CONTINGENCY RESERVES	6,230,522	-	6,230,522	22,991	4.4%
CONSTRUCT/REHAB PERIOD COSTS					
Loan Interest Reserve					
Conduit Citibank T/E Construction Loan	5,766,184	-	5,766,184	21,277	0.040572
Citibank Taxable	-	-	-	-	0
Bonneville Recycled T/E Series B	-	-	-	-	0.0%
-	-	-	-	-	0.0%
	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Loan Fees					
Conduit Citibank T/E Construction Loan	740,000	-	740,000	2,731	0.5%
Citibank Taxable	393,816	-	393,816	1,453	0.3%
Bonneville Recycled T/E Series B	-	-	-	-	0.0%
-	-	-	-	-	0.0%
	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Other Const/Rehab Period Costs					
Deficit Const/Rehab NOI (Net Operating In	-	-	-	-	0.0%
Credit Enhancement & Application Fees	-	-	-	-	0.0%
Owner Paid Bonds/Insurance	-	-	-	-	0.0%
CalHFA Inspection Fees	18,000	-	18,000	66	0.0%
Real Estate Taxes During Rehab	50,000	-	50,000	185	0.0%
Completion Guaranty Fee	-	-	-	-	0.0%
Wage Monitoring Fee (Davis Bacon, Preva	-	-	-	-	0.0%
Insurance During Rehab	1,000,000	-	1,000,000	3,690	0.7%
Title & Recording Fees	100,000	-	100,000	369	0.1%
Lender Costs	70,000	-	70,000	258	0.0%

Post Construction Interest	750,000	-	750,000	2,768	0.5%
Bond Issuer Fee	88,191	-	88,191	325	0.1%
Cost of Issuance	4,126	-	4,126	15	0.0%
TOTAL CONST/REHAB PERIOD COSTS	**8,980,316**	**-**	**8,980,316**	**33,138**	**6.3%**

USES OF FUNDS	CONST/REHAB	PERMANENT	TOTAL PROJECT USES OF FUNDS		
	$	$	USES ($)	PER UNIT ($)	%
PERMANENT LOAN COSTS					
Loan Fees					
CalHFA Application Fee	-	-	-	-	0.0%
Perm	243,500	243,500	487,000	1,797	0.3%
MIP	35,000	35,000	70,000	258	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Bonneville Recycled T/E Bonds	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Permanent Loan Funding Fee	-	110,000	110,000	406	0.1%
Credit Enhancement & Application Fees (balance)	-	-	-	-	0.0%
Title & Recording (closing costs)	-	-	-	-	0.0%
Year 1 - Taxes & Special Assessments and Insura	-	-	-	-	0.0%
CalHFA Fees	-	14,835	14,835	55	0.0%
Tax Exempt Bond Allocation Fee	-	-	-	-	0.0%
CalHFA Perm Loan & MIP Fees	-	-	-	-	0.0%
TOTAL PERMANENT LOAN COSTS	**278,500**	**403,335**	**681,835**	**2,516**	**0.5%**
LEGAL FEES					
CalHFA Construction/Rehab Loan Legal Fees	-	-	-	-	0.0%
Other Construction/Rehab Loan Legal Fees	50,000	-	50,000	185	0.0%
CalHFA Permanent Loan Legal Fees	17,500	17,500	35,000	129	0.0%
Other Permanent Loan Legal Fees	-	-	-	-	0.0%
Sponsor Legal Fees	-	-	-	-	0.0%
Organizational Legal Fees	-	-	-	-	0.0%
Syndication Legal Fees	-	-	-	-	0.0%
Borrower Legal Fee	70,000	-	70,000	258	0.0%
CalHFA Bond Counsel	70,415	-	70,415	260	0.0%
TOTAL LEGAL FEES	**207,915**	**17,500**	**225,415**	**832**	**0.2%**
OPERATING RESERVES					
Operating Expense Reserve Deposit	-	1,049,801	1,049,801	3,874	0.7%
Initial Replacement Reserve Deposit	-	-	-	-	0.0%
Transition Operating Reserve Deposit	-	-	-	-	0.0%
-	-	-	-	-	0.0%
HOME Program Replacement Reserve	-	-	-	-	0.0%
Investor Required Reserve	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL OPERATING RESERVES	**-**	**1,049,801**	**1,049,801**	**3,874**	**0.7%**
REPORTS & STUDIES					
Appraisal Fee	10,000	-	10,000	37	0.0%
Market Study Fee	10,000	-	10,000	37	0.0%
Physical Needs Assessment Fee	-	-	-	-	0.0%
Environmental Site Assessment Reports	13,687	-	13,687	51	0.0%
HUD Risk Share Environmental / NEPA Review F	21,313	-	21,313	79	0.0%
CalHFA Earthquake Waiver Review Fee	-	-	-	-	0.0%
Relocation Consultant	-	-	-	-	0.0%
Soils Reports	-	-	-	-	0.0%
Acoustical Reports	-	-	-	-	0.0%
Termite/Dry Rot	-	-	-	-	0.0%

Consultant/Processing Agent	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL REPORTS & STUDIES	**55,000**	**-**	**55,000**	**203**	**0.0%**

USES OF FUNDS	CONST/REHAB $	PERMANENT $	TOTAL PROJECT USES OF FUNDS USES ($)	PER UNIT ($)	%
OTHER COSTS					
TCAC Application, Allocation & Monitor Fees	181,381	-	181,381	669	0.1%
CDLAC Fees	39,684	-	39,684	146	0.0%
Local Permits & Fees	600,000	-	600,000	2,214	0.4%
Local Impact Fees	3,737,444	-	3,737,444	13,791	2.6%
Other Local Fees	-	-	-	-	0.0%
Syndicator/Investor Fees & Expenses	-	-	-	-	0.0%
Furnishings	60,000	-	60,000	221	0.0%
Accounting & Audits	10,000	-	10,000	37	0.0%
Advertising & Marketing Expenses	161,961	-	161,961	598	0.1%
Financial Consulting	-	-	-	-	0.0%
Miscellaneous Administrative Fees	-	-	-	-	0.0%
HUD Risk Share Insurance (First Year Prepaid)	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL OTHER COSTS	**4,790,470**	**-**	**4,790,470**	**17,677**	**3.4%**
SUBTOTAL PROJECT COSTS	**125,850,558**	**142,121,194**	**127,321,194**	**469,820**	**89.6%**
DEVELOPER FEES & COSTS					
Developer Fees, Overhead & Profit	14,800,000	-	14,800,000	54,613	10.4%
Consultant Processing Agent	-	-	-	-	0.0%
Project Administration	-	-	-	-	0.0%
Syndicator Consultant Fees	-	-	-	-	0.0%
Guarantee Fees	-	-	-	-	0.0%
Construction Oversight & Management	-	-	-	-	0.0%
Other Adminstration Fees	-	-	-	-	0.0%
Other (Specify) correction to balance	-	-	-	-	0.0%
CASH EQUITY OUT TO DEVELOPER	-	-	-	-	0.0%
TOTAL DEVELOPER FEES & COSTS	**14,800,000**	**-**	**14,800,000**	**54,613**	**10.4%**
TOTAL PROJECT COSTS	**140,650,558**	**142,121,194**	**142,121,194**	**524,432**	**100.0%**

PROJECTED INITIAL ANNUAL RENTAL OPERATING BUDGET			Final Commitment
Alamo Street Apartments	**Project Number**		**21-016-A/X/S**
INCOME	**AMOUNT**	**PER UNIT**	**%**
Rental Income			
Restricted Unit Rents	$ 4,980,756	$ 18,379	104.69%
Unrestricted Unit Rents	-	-	0.00%
Commercial Rents	-	-	0.00%
Rental & Operating Subsidies			
Project Based Rental Subsidy	-	-	0.00%
Other Project Based Subsidy	-	-	0.00%
Income during renovations	-	-	0.00%
Other Subsidy (Specify)	-	-	0.00%
Other Income			
Laundry Income	27,198	100	0.57%
Parking & Storage Income	-	-	0.00%
Miscellaneous Income	-	-	0.00%
GROSS POTENTIAL INCOME (GPI)	**$ 5,007,954**	**$ 18,480**	**105.26%**
Less: Vacancy Loss	**$ 250,398**	**$ 924**	**5.26%**
EFFECTIVE GROSS INCOME (EGI)	**$ 4,757,556**	**$ 19,404**	**100.00%**
OPERATING EXPENSES	**AMOUNT**	**PER UNIT**	**%**
Administrative Expenses	$ 160,850	$ 594	$ 0
Management Fee	153,669	567	3.23%
Social Programs & Services	24,000	89	0.50%
Utilities	229,000	845	4.81%
Operating & Maintenance	428,200	1,580	9.00%
Ground Lease Payments	-	-	0.00%
CalHFA Monitoring Fee	7,500	28	0.16%
Other Monitoring Fees	24,800	92	0.52%
Real Estate Taxes	32,300	119	0.68%
Other Taxes & Insurance	221,600	818	4.66%
Assisted Living/Board & Care	-	-	0.00%
SUBTOTAL OPERATING EXPENSES	**$ 1,281,919**	**$ 4,730**	**26.94%**
Replacement Reserve	$ 67,750	$ 250	1.42%
TOTAL OPERATING EXPENSES	**$ 1,349,669**	**$ 4,980**	**28.37%**
NET OPERATING INCOME (NOI)	**$ 3,407,887**	**$ 12,575**	**71.63%**
DEBT SERVICE PAYMENTS	**AMOUNT**	**PER UNIT**	**%**
Perm	$ 2,849,535	$ 10,515	59.89%
-	$ -	-	0.00%
-	$ -	-	0.00%
Bonneville Recycled T/E Bonds	$ -	-	0.00%
-	$ -	-	0.00%
-	$ -	-	0.00%
-	$ -	-	0.00%
MIP Annual Fee (applicable for MIP only deals)	$ -	-	0.00%
TOTAL DEBT SERVICE & OTHER PAYMENTS	**$ 2,849,535**	**$ 10,515**	**59.89%**
EXCESS AFTER DEBT SERVICE & MONITORING FEES	**$ 558,351**	**$ 2,060**	**11.74%**
DEBT SERVICE COVERAGE RATIO (DSCR)	**1.20**	**to 1**	
Date: 3/29/22		Senior Staff Date:	04/06/22

PROJECTED PERMANENT LOAN CASH FLOWS										Alamo Street Apartments				
Final Commitment										Project Number 21-016-A/X/S				
	YEAR	1	2	3	4	5	6	7	8	9	10	11	12	13
RENTAL INCOME	CPI													
Restricted Unit Rents	2.50%	4,980,756	5,105,275	5,232,907	5,363,729	5,497,823	5,635,268	5,776,150	5,920,554	6,068,568	6,220,282	6,375,789	6,535,183	6,698,563
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%	27,198	27,877	28,574	29,289	30,021	30,772	31,541	32,329	33,138	33,966	34,815	35,686	36,578
Parking & Storage Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-
GROSS POTENTIAL INCOME (GPI)		5,007,954	5,133,152	5,261,481	5,393,018	5,527,844	5,666,040	5,807,691	5,952,883	6,101,705	6,254,248	6,410,604	6,570,869	6,735,141
VACANCY ASSUMPTIONS	Vacancy													
Restricted Unit Rents	5.00%	249,038	255,264	261,645	268,186	274,891	281,763	288,807	296,028	303,428	311,014	318,789	326,759	334,928
Unrestricted Unit Rents	7.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Rents	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Based Rental Subsidy	5.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Project Based Subsidy	3.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
Income during renovations	20.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
Laundry Income	5.00%	1,360	1,394	1,429	1,464	1,501	1,539	1,577	1,616	1,657	1,698	1,741	1,784	1,829
Parking & Storage Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL PROJECTED VACANCY LOSS		250,398	256,658	263,074	269,651	276,392	283,302	290,385	297,644	305,085	312,712	320,530	328,543	336,757
EFFECTIVE GROSS INCOME (EGI)		4,757,556	4,876,495	4,998,407	5,123,367	5,251,452	5,382,738	5,517,306	5,655,239	5,796,620	5,941,535	6,090,074	6,242,326	6,398,384
OPERATING EXPENSES	CPI / Fee													
Administrative Expenses	3.50%	184,850	191,320	198,016	204,946	212,120	219,544	227,228	235,181	243,412	251,932	260,749	269,875	279,321
Management Fee	3.23%	153,669	157,511	161,449	165,485	169,622	173,862	178,209	182,664	187,231	191,912	196,709	201,627	206,668
Utilities	3.50%	229,000	237,015	245,311	253,896	262,783	271,980	281,499	291,352	301,549	312,103	323,027	334,333	346,035
Operating & Maintenance	3.50%	428,200	443,187	458,699	474,753	491,369	508,567	526,367	544,790	563,858	583,593	604,018	625,159	647,040
Ground Lease Payments	3.50%	-	-	-	-	-	-	-	-	-	-	-	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Other Agency Monitoring Fee	0.00%	24,800	24,800	24,800	24,800	24,800	24,800	24,800	24,800	24,800	24,800	24,800	24,800	24,800
Real Estate Taxes	1.25%	32,300	32,704	33,113	33,526	33,946	34,370	34,799	35,234	35,675	36,121	36,572	37,030	37,492
Other Taxes & Insurance	3.50%	221,600	229,356	237,383	245,692	254,291	263,191	272,403	281,937	291,805	302,018	312,589	323,529	334,853
Required Reserve Payments	1.00%	67,750	68,428	69,112	69,803	70,501	71,206	71,918	72,637	73,364	74,097	74,838	75,587	76,342
TOTAL OPERATING EXPENSES		1,349,669	1,391,820	1,435,381	1,480,402	1,526,931	1,575,021	1,624,724	1,676,096	1,729,193	1,784,075	1,840,803	1,899,440	1,960,051
NET OPERATING INCOME (NOI)		3,407,887	3,484,675	3,563,026	3,642,965	3,724,520	3,807,717	3,892,582	3,979,143	4,067,427	4,157,460	4,249,271	4,342,886	4,438,333
DEBT SERVICE PAYMENTS	Lien #													
Perm	1	2,849,535	2,849,535	2,849,535	2,849,535	2,849,535	2,849,535	2,849,535	2,849,535	2,849,535	2,849,535	2,849,535	2,849,535	2,849,535
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonneville Recycled T/E Bonds	2	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MIP Annual Fee (applicable for MIP only deals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		2,849,535	2,849,535	2,849,535	2,849,535	2,849,535	2,849,535	2,849,535	2,849,535	2,849,535	2,849,535	2,849,535	2,849,535	2,849,535
CASH FLOW AFTER DEBT SERVICE		558,351	635,140	713,490	793,430	874,985	958,182	1,043,047	1,129,608	1,217,891	1,307,925	1,399,735	1,493,350	1,588,798
DEBT SERVICE COVERAGE RATIO		1.20	1.22	1.25	1.28	1.31	1.34	1.37	1.40	1.43	1.46	1.49	1.52	1.56
Date Prepared:	03/29/22									Senior Staff Date:	4/6/22			

		1	2	3	4	5	6	7	8	9	10	11	12	13
LESS: Asset Management Fee	3%	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
LESS: Partnership Management Fee	3%	27,100	27,100	27,100	27,100	27,100	27,100	27,100	27,100	27,100	27,100	27,100	27,100	27,100
net CF available for distribution		**521,251**	**598,040**	**676,390**	**756,330**	**837,885**	**921,082**	**1,005,947**	**1,092,508**	**1,180,791**	**1,270,825**	**1,362,635**	**1,456,250**	**1,551,698**
Developer Residual Receipts Payment	*100%*	**521,251**	**598,040**	**676,390**	**756,330**	**837,885**	**921,082**	**1,005,947**	**1,092,508**	**1,180,791**	**1,270,825**			
Deferred developer fee repayment	8,880,000	8,880,000	8,358,749	7,760,709	7,084,318	6,327,988	5,490,103	4,569,022	3,563,075	2,470,567	1,289,775	18,951		
		521,251	598,040	676,390	756,330	837,885	921,082	1,005,947	1,092,508	1,180,791	1,270,825			
		8,358,749	7,760,709	7,084,318	6,327,988	5,490,103	4,569,022	3,563,075	2,470,567	1,289,775	18,951	18,951		
Payments for Residual Receipt Payments		0%										**50%**		
RESIDUAL RECEIPTS LOANS	*Payment %*		-	-	-	-	-	-	-	-	-	681,318	728,125	775,849
MIP	*46.67%*	-	-	-	-	-	-	-	-	-	-	317,948	339,792	362,063
0		-	-	-	-	-	-	-	-	-	-	-	-	-
Bonneville Recycled T/E Bonds	*53.33%*	-	-	-	-	-	-	-	-	-	-	363,369	388,333	413,786
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Residual Receipts Payments	**100.00%**	**-**	-	-	-	-	-	-	-	-	-	681,318	728,125	775,849
Balances for Residual Receipt Payments														
RESIDUAL RECEIPTS LOANS	*Interest Rate*													
MIP---Simple	*2.00%*	7,000,000	7,140,000	7,280,000	7,420,000	7,560,000	7,700,000	7,840,000	7,980,000	8,120,000	8,260,000	8,400,000	8,540,000	8,680,000
0---Compounding	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonneville Recycled T/E Bonds---Simple	*6.50%*	8,000,000	8,520,000	9,040,000	9,560,000	10,080,000	10,600,000	11,120,000	11,640,000	12,160,000	12,680,000	13,200,000	13,356,631	13,488,297
0---Simple	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-
0---Compounding	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-
0---	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-
0---	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Residual Receipts Payments		**15,000,000**	15,660,000	16,320,000	16,980,000	17,640,000	18,300,000	18,960,000	19,620,000	20,280,000	20,940,000	21,600,000	21,896,631	22,168,297

PROJECTED PERMANENT LOAN CASH FLOWS							Alamo Street Apartments								
Final Commitment							Project Number	21-016-A/X/S							
	YEAR	14	15	16	17	18	19	20	21	22	23	24	25	26	27
RENTAL INCOME	CPI														
Restricted Unit Rents	2.50%	6,866,027	7,037,678	7,213,620	7,393,960	7,578,809	7,768,280	7,962,487	8,161,549	8,365,587	8,574,727	8,789,095	9,008,823	9,234,043	9,464,894
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%	37,492	38,429	39,390	40,375	41,384	42,419	43,479	44,566	45,681	46,823	47,993	49,193	50,423	51,683
Parking & Storage Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GROSS POTENTIAL INCOME (GPI)		**6,903,519**	**7,076,107**	**7,253,010**	**7,434,335**	**7,620,194**	**7,810,698**	**8,005,966**	**8,206,115**	**8,411,268**	**8,621,550**	**8,837,088**	**9,058,016**	**9,284,466**	**9,516,578**
VACANCY ASSUMPTIONS	Vacancy														
Restricted Unit Rents	5.00%	343,301	351,884	360,681	369,698	378,940	388,414	398,124	408,077	418,279	428,736	439,455	450,441	461,702	473,245
Unrestricted Unit Rents	7.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Rents	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Based Rental Subsidy	5.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Project Based Subsidy	3.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income during renovations	20.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Laundry Income	5.00%	1,875	1,921	1,970	2,019	2,069	2,121	2,174	2,228	2,284	2,341	2,400	2,460	2,521	2,584
Parking & Storage Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL PROJECTED VACANCY LOSS		**345,176**	**353,805**	**362,650**	**371,717**	**381,010**	**390,535**	**400,298**	**410,306**	**420,563**	**431,077**	**441,854**	**452,901**	**464,223**	**475,829**
EFFECTIVE GROSS INCOME (EGI)		**6,558,343**	**6,722,302**	**6,890,359**	**7,062,618**	**7,239,184**	**7,420,164**	**7,605,668**	**7,795,809**	**7,990,705**	**8,190,472**	**8,395,234**	**8,605,115**	**8,820,243**	**9,040,749**
OPERATING EXPENSES	CPI / Fee														
Administrative Expenses	3.50%	289,097	299,216	309,688	320,527	331,746	343,357	355,374	367,812	380,686	394,010	407,800	422,073	436,846	452,135
Management Fee	3.23%	211,834	217,130	222,559	228,123	233,826	239,671	245,663	251,805	258,100	264,552	271,166	277,945	284,894	292,016
Utilities	3.50%	358,146	370,681	383,655	397,083	410,981	425,365	440,253	455,662	471,610	488,116	505,200	522,882	541,183	560,125
Operating & Maintenance	3.50%	669,686	693,125	717,384	742,493	768,480	795,377	823,215	852,028	881,849	912,713	944,658	977,721	1,011,942	1,047,359
Ground Lease Payments	3.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Other Agency Monitoring Fee	0.00%	24,800	24,800	24,800	24,800	24,800	24,800	24,800	24,800	24,800	24,800	24,800	24,800	24,800	24,800
Real Estate Taxes	1.25%	37,961	38,436	38,916	39,402	39,895	40,394	40,899	41,410	41,927	42,452	42,982	43,519	44,063	44,614
Other Taxes & Insurance	3.50%	346,573	358,703	371,257	384,251	397,700	411,620	426,026	440,937	456,370	472,343	488,875	505,986	523,695	542,024
Required Reserve Payments	1.00%	77,106	77,877	78,656	79,442	80,237	81,039	81,849	82,668	83,495	84,329	85,173	86,025	86,885	87,754
TOTAL OPERATING EXPENSES		**2,022,703**	**2,087,467**	**2,154,415**	**2,223,621**	**2,295,164**	**2,369,122**	**2,445,580**	**2,524,621**	**2,606,336**	**2,690,816**	**2,778,155**	**2,868,452**	**2,961,808**	**3,058,328**
NET OPERATING INCOME (NOI)		**4,535,640**	**4,634,835**	**4,735,944**	**4,838,997**	**4,944,020**	**5,051,041**	**5,160,088**	**5,271,188**	**5,384,368**	**5,499,657**	**5,617,079**	**5,736,663**	**5,858,435**	**5,982,421**
DEBT SERVICE PAYMENTS	Lien #														
Perm	1	2,849,535	2,849,535	2,849,535	2,849,535	2,849,535	2,849,535	2,849,535	2,849,535	2,849,535	2,849,535	2,849,535	2,849,535	2,849,535	2,849,535
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonneville Recycled T/E Bonds	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MIP Annual Fee (applicable for MIP only deals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		**2,849,535**	**2,849,535**	**2,849,535**	**2,849,535**	**2,849,535**	**2,849,535**	**2,849,535**	**2,849,535**	**2,849,535**	**2,849,535**	**2,849,535**	**2,849,535**	**2,849,535**	**2,849,535**
CASH FLOW AFTER DEBT SERVICE		**1,686,105**	**1,785,299**	**1,886,409**	**1,989,462**	**2,094,485**	**2,201,506**	**2,310,553**	**2,421,653**	**2,534,833**	**2,650,121**	**2,767,544**	**2,887,128**	**3,008,900**	**3,132,886**
DEBT SERVICE COVERAGE RATIO		**1.59**	**1.63**	**1.66**	**1.70**	**1.74**	**1.77**	**1.81**	**1.85**	**1.89**	**1.93**	**1.97**	**2.01**	**2.06**	**2.10**
Date Prepared:	03/29/22						Senior Staff Date:	4/6/22							

		14	15	16	17	18	19	20	21	22	23	24	25	26	27
LESS: Asset Management Fee	3%	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
LESS: Partnership Management Fee	3%	27,100	27,100	27,100	27,100	27,100	27,100	27,100	27,100	27,100	27,100	27,100	27,100	27,100	27,100
net CF available for distribution		**1,649,005**	**1,748,199**	**1,849,309**	**1,952,362**	**2,057,385**	**2,164,406**	**2,273,453**	**2,384,553**	**2,497,733**	**2,613,021**	**2,730,444**	**2,850,028**	**2,971,800**	**3,095,786**

Developer Residual Receipts Payment	*100%*
Deferred developer fee repayment	8,880,000

Payments for Residual Receipt Payments															
RESIDUAL RECEIPTS LOANS	*Payment %*	824,502	874,100	924,655	976,181	1,028,692	1,082,203	1,136,726	1,192,276	1,248,867	1,306,511	1,365,222	1,425,014	1,485,900	1,547,893
MIP	*46.67%*	384,768	407,913	431,505	455,551	480,056	505,028	530,472	556,396	582,804	609,705	637,104	665,007	693,420	722,350
0		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonneville Recycled T/E Bonds	*53.33%*	439,735	466,186	493,149	520,630	548,636	577,175	606,254	635,881	666,062	696,806	728,118	760,007	792,480	825,543
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Residual Receipts Payments	**100.00%**	824,502	874,100	924,655	976,181	1,028,692	1,082,203	1,136,726	1,192,276	1,248,867	1,306,511	1,365,222	1,425,014	1,485,900	1,547,893

Balances for Residual Receipt Payments															
RESIDUAL RECEIPTS LOANS	*Interest Rate*														
MIP---Simple	*2.00%*	8,820,000	8,575,232	8,307,319	8,015,814	7,700,263	7,360,206	6,995,178	6,604,609	6,180,306	5,721,108	5,225,825	4,693,238	4,122,096	3,511,118
0---Compounding	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonneville Recycled T/E Bonds---Simple	*6.50%*	13,594,511	13,674,777	13,728,590	13,755,441	13,754,811	13,726,175	13,669,000	13,582,746	13,466,866	13,320,803	13,143,998	12,935,879	12,695,872	12,423,392
0---Simple	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0---Compounding	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0---	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0---	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Residual Receipts Payments		22,414,511	22,250,009	22,035,909	21,771,255	21,455,074	21,086,381	20,664,178	20,187,356	19,647,171	19,041,911	18,369,823	17,629,117	16,817,968	15,934,510

PROJECTED PERMANENT LOAN CASH FL0WS				Alamo Street Apartments
Final Commitment			Project Number	21-016-A/X/S
	YEAR	28	29	30
RENTAL INCOME	**CPI**			
Restricted Unit Rents	2.50%	9,701,517	9,944,055	10,192,656
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%	52,975	54,300	55,657
Parking & Storage Income	2.50%	-	-	-
Miscellaneous Income	2.50%	-	-	-
GROSS POTENTIAL INCOME (GPI)		**9,754,492**	**9,998,354**	**10,248,313**
VACANCY ASSUMPTIONS	**Vacancy**			
Restricted Unit Rents	5.00%	485,076	497,203	509,633
Unrestricted Unit Rents	7.00%	-	-	-
Commercial Rents	50.00%	-	-	-
Project Based Rental Subsidy	5.00%	-	-	-
Other Project Based Subsidy	3.00%	-	-	-
Income during renovations	20.00%	-	-	-
Other Subsidy (Specify)	0.00%	-	-	-
Laundry Income	5.00%	2,649	2,715	2,783
Parking & Storage Income	50.00%	-	-	-
Miscellaneous Income	50.00%	-	-	-
TOTAL PROJECTED VACANCY LOSS		**487,725**	**499,918**	**512,416**
EFFECTIVE GROSS INCOME (EGI)		**9,266,767**	**9,498,437**	**9,735,898**
OPERATING EXPENSES	**CPI / Fee**			
Administrative Expenses	3.50%	467,960	484,339	501,291
Management Fee	3.23%	299,317	306,800	314,469
Utilities	3.50%	579,729	600,019	621,020
Operating & Maintenance	3.50%	1,084,017	1,121,958	1,161,226
Ground Lease Payments	3.50%	-	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500
Other Agency Monitoring Fee	0.00%	24,800	24,800	24,800
Real Estate Taxes	1.25%	45,172	45,737	46,308
Other Taxes & Insurance	3.50%	560,995	580,630	600,952
Required Reserve Payments	1.00%	88,631	89,517	90,413
TOTAL OPERATING EXPENSES		**3,158,121**	**3,261,299**	**3,367,979**
NET OPERATING INCOME (NOI)		**6,108,646**	**6,237,137**	**6,367,918**
DEBT SERVICE PAYMENTS	**Lien #**			
Perm	1	2,849,535	2,849,535	2,849,535
-	-	-	-	-
-	-	-	-	-
Bonneville Recycled T/E Bonds	2	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
MIP Annual Fee (applicable for MIP only deals)	-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		**2,849,535**	**2,849,535**	**2,849,535**
CASH FLOW AFTER DEBT SERVICE		**3,259,111**	**3,387,602**	**3,518,383**
DEBT SERVICE COVERAGE RATIO		**2.14**	**2.19**	**2.23**
Date Prepared:	03/29/22		Senior Staff Date:	4/6/22

		28	29	30
LESS: Asset Management Fee	3%	10,000	10,000	10,000
LESS: Partnership Management Fee	3%	27,100	27,100	27,100
net CF available for distribution		**3,222,011**	**3,350,502**	**3,481,283**
Developer Residual Receipts Payment	*100%*			
Deferred developer fee repayment	8,880,000			

Payments for Residual Receipt Payments				
RESIDUAL RECEIPTS LOANS	*Payment %*	1,611,006	1,675,251	1,740,641
MIP	*46.67%*	751,803	781,784	812,299
0		-	-	-
Bonneville Recycled T/E Bonds	*53.33%*	859,203	893,467	928,342
0	*0.00%*	-	-	-
0	*0.00%*	-	-	-
0	*0.00%*	-	-	-
0	*0.00%*	-	-	-
Total Residual Receipts Payments	**100.00%**	1,611,006	1,675,251	1,740,641

Balances for Residual Receipt Payments				
RESIDUAL RECEIPTS LOANS	*Interest Rate*			
MIP---Simple	*2.00%*	2,858,990	2,164,368	1,425,871
0---Compounding	*0.00%*	-	-	-
Bonneville Recycled T/E Bonds---Simple	*6.50%*	12,117,849	11,778,646	11,405,179
0---Simple	*0.00%*	-	-	-
0---Compounding	*0.00%*	-	-	-
0---	*0.00%*	-	-	-
0---	*0.00%*	-	-	-
Total Residual Receipts Payments		14,976,840	13,943,014	12,831,050

CalHFA
California Housing Finance Agency

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/. 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).

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

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

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.

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.

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),

Qualifications (continued)	• Review of Excess Sources over final Uses as approved by CalHFA resulting from any of the following: · An increase in tax credit equity, · An increase in permanent loan debt due to a combination of permanent loan rate reduction and/or reduction to operating expense assumptions; • Construction Cost Savings as evidenced by final cost certification, funds shall be used to reduce the MIP loan prior to CalHFA MIP loan closing or if required by other subordinate lenders, funds may be split on a pro rata basis between CalHFA and other subordinate lenders. • State tax credit request is expected to be within a range of $50,000 to $75,000 per unit. The projects that evidence the most efficient use of 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, • Acquisition cost shall be the lesser of 1) the purchase price pursuant to a current purchase and sales agreement between unrelated parties, 2) the purchase price of an arm's length transaction executed within the past 10 years plus reasonable carrying costs, or 3) the appraised "as-is" value based on an Appraisal acceptable to CalHFA in its sole discretion. The appraised value of the real estate may be considered if the arm's length transaction exceeds 10 years.
CalHFA Mixed-Income Qualified Construction Lender	A CalHFA Qualified Construction Lender is defined as a Construction Lender that has closed at least five (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.
CalHFA Mixed-Income Development Team Qualifications	The **Developer/Co-Developer/General Partner** must be registered to do business and in good standing in the state of California. A CalHFA Qualified Developer/Co-Developer/General Partner must have developed at least three (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). The proposed **Project Manager** must have personally managed the development of at least two (2) comparable projects within the past five (5) years **Financial Consultants** hired to assist the Developer in meeting the minimum experience requirements must be able to provide details regarding at least three (3) comparably financed projects over the last five (5) years. **Architects** new to CalHFA must provide information for three (3) comparable projects they designed that were built and occupied within the past five (5) years in the State of California. **General Contractor (GC)** must be licensed by the State of California. GCs new to CalHFA must provide information related to three (3) comparable (in design) projects built in the past five (5) years. Similar information will be required for the proposed on-site construction supervisor. The on-site construction supervisor must have overseen three (3) comparable projects built in the past five (5) years, and they must have overseen the projects from construction start to final completion.

CalHFA Mixed-Income Development Team Qualifications (Continued)	**Management Company** must have a local presence or a field office in Northern or Southern CA (depending on the location of the Project) and have experience managing at least 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).
Permanent First Lien Loan	Must be provided by CalHFA. The permanent loan must meet an initial minimum DSCR of at least 1.15 and must maintain a DSCR of 1.0 or higher for the term of the permanent first lien loan.
Construction First Lien Loan	Provided by a CalHFA Mixed-Income Qualified Construction Lender. All parties shall permit the Agency to, in its sole and absolute discretion, recycle all or a portion of any Bond volume cap related to a paydown of the Bond financed loans, at the conversion of the construction financing to permanent financing and payoff of the Construction Loan, pursuant to the authority provided in Section 146(i)(6) of the Internal Revenue Code of 1986 and CDLAC Regulation Section 5060 (the "Bond Recycling"). The Bond documents, loan documents and any other documents related to the financing of the Development shall contain any necessary approvals and permit all actions necessary to accomplish a Bond Recycling.
Limitations	1. MIP cannot be combined with the CTCAC 9% program. 2. MIP cannot be combined with other state subordinate debt and/or subsidy programs (this does not include state tax credits) with the exception of the Infill Infrastructure Grant, 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. 3. Projects that have a below market rate component as a result of an inclusionary obligation or are 100% below market as a result of an inclusionary obligation must demonstrate master developer commitment through a dollar-for-dollar match of CalHFA's resources. Match can be obtained through a monetary match or equivalent in-kind contributions (e.g., land donation, land use fee concessions.) 4. At the time of MIP application to CalHFA, a project must not have already received an allocation of 4% federal and/or state tax credits from CTCAC or a tax-exempt bond allocation from CDLAC. 5. Projects will not be eligible for other subsidy resources from CalHFA in addition to MIP.
Mixed-Income Project Occupancy Requirements	**BOND REGULATORY AGREEMENT REQUIREMENTS (ALL PROJECTS):** Must maintain either (a) 20% of the units must be rent restricted and occupied by individuals whose incomes are 50% or less of AMI with adjustments for household size ("20% @ 50% AMI"), OR (b) 40% or more of the units must be both rent restricted and occupied by individuals whose incomes are 60% or less of AMI with adjustments for household size ("40% @ 60% AMI"): in the latter case, CDLAC requires a minimum of 10% of the unit types must be at 50% or less of AMI ("10% @ 50% AMI").

Mixed-Income Project Occupancy Requirements (Continued)	**MIXED INCOME REGULATORY AGREEMENT REQUIREMENTS (ALL PROJECTS):** **Affordability Requirements:** 1. To qualify, a project must meet the following affordability restrictions, 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: a. 10% of total units at or below 50% of AMI, b. 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 c. 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. (Deviations from the average unit affordability levels of 70% AMI will only be considered if Market Study supports such deviations.) 2. 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.
Mixed-Income Project Occupancy Requirements (Continued)	**MAXIMUM ALLOWABLE RENTS:** 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.
Mixed-Income Subordinate Loan	1. Maximum loan amount for each project shall not exceed the lesser of $8 million or the aggregate MIP loan amount calculated based on up to $50,000 per MIP regulated units, unless an exception is approved by Agency in its sole discretion. a. Maximum loan per restricted (tax credit or CalHFA) units between 30%-120% AMI shall be up to $50,000. b. Projects located within the Highest or High Resource areas designated on the CTCAC/HCD Opportunity Area Map shall be eligible for an additional amount up to $10,000 per MIP regulated unit. Opportunity Map Home Page: www.treasurer.ca.gov/ctcac/opportunity.asp 2. Loan size based on project need but cannot be more than 50% of the permanent loan amount.

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

Last revised: 01/2021

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.

TAX-EXEMPT PERMANENT LOAN PROGRAM

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

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

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

Jennifer Beardwood, Housing Finance Specialist
500 Capitol Mall, Suite 1400, MS-990
Sacramento, CA 95814
916.326.8805
jbeardwood@calhfa.ca.gov

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

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

Last revised: 1/2022

CONDUIT ISSUER PROGRAM

MULTIFAMILY HOUSING BONDS

Term sheet effective for applications submitted after March 1, 2022

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

<table>
<tr><td>Qualifications</td><td>

Available to for-profit, nonprofit or public agency sponsors.
Nonprofit borrowers may be eligible for 501(c)(3) bonds.
If bond proceeds are utilized to pay off an existing CalHFA portfolio loan visit www.calhfa.ca.gov for the CalHFA Portfolio Loan Prepayment Policy.

</td></tr>
<tr><td>Bond Amount</td><td>Bond amount is determined by the loan amount of the selected construction lender.</td></tr>
<tr><td>Fees
(subject to change)</td><td>

Application Fee: $5,000 non-refundable, due at time of application submittal (covers the cost of the TEFRA required for tax-exempt issuances) and is credited toward the CalHFA Issuer Fee.
Issuer Fee:

The greater of $15,000 or 18.75 basis points of the Bond amount if lesser than or equal to $20 million.
If more than $20 million: $37.500 + 5 basis points for the amount above $20 million.

Annual Administrative Fee: 5 bps of the tax-exempt bond issuance amount due at construction loan closing and due annually thereafter until permanent loan conversion. After permanent loan conversion, billed annually in advance, 5 bps of unpaid principal balance amount of tax-exempt bond financed loan(s) until bonds are fully redeemed. Minimum Annual Administrative Fee shall be $4,000 through both the Qualified Project Period and the CDLAC compliance period.

For taxable only issuances, annual administrative fees above will be charged based on the taxable bond financed loan(s) for the term of the CalHFA affordability restrictions.

If used in conjunction with a CalHFA permanent loan product, the annual administrative fee will not be duplicated. Please refer to the applicable permanent loan term sheet for the annual administrative fee.
Public Sale: Additional fee of $5,000 to $10,000 applies when Bonds are sold to the public.
CDLAC Allocation Fee: 0.035% of the Bond amount, $1,200 of which is due at time of CDLAC application submittal with the remaining fee due at construction loan closing and payable to CDLAC.
CDLAC Performance Deposit: 0.50% of the requested Bond amount, not to exceed $100,000, due at time of CDLAC application submittal. Deposit to be refunded after the Bond closing, upon receipt of authorization letter from CDLAC.

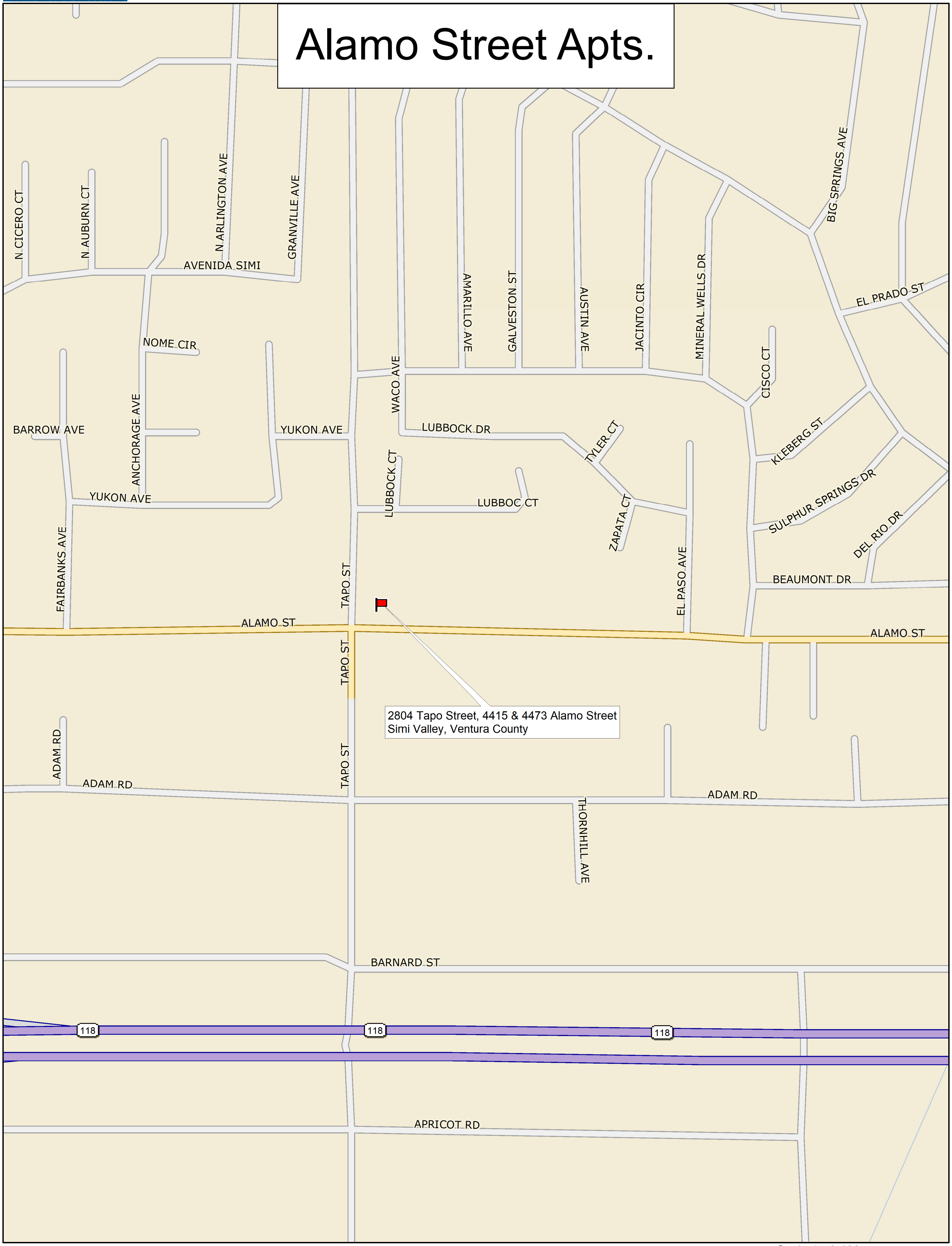
The Borrower shall be responsible for all other costs of Bond issuance including fees of the underwriter, trustee, rating agencies, lender, compliance administrator, all Bond counsel legal fees, and any other parties required to complete the transaction.
</td></tr>
</table>

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

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. • Any units restricted by the Agency pursuant to this program, including those units restricted in addition to the minimum requirements set forth above, shall be rented at rents up to 30% of the applicable income restriction using the occupancy assumptions required in the Agency's Regulatory Agreement. Rents for all restricted units must be at least 10% below market rents as evidenced by a current market study or an appraisal. • Borrower will be required to enter into a Regulatory Agreement which will be recorded against the Project for the Qualified Project Period (as defined in the CalHFA Regulatory Agreement). This includes the later of the federally-required qualified project period, repayment of the Bond funded loan, redemption of the Bonds, the full term of the CDLAC Resolution requirements or 55 years.

Last revised: 03/2022

Alamo Street Apts.



TN

MN (11.7°E)

Scale 1 : 6,400

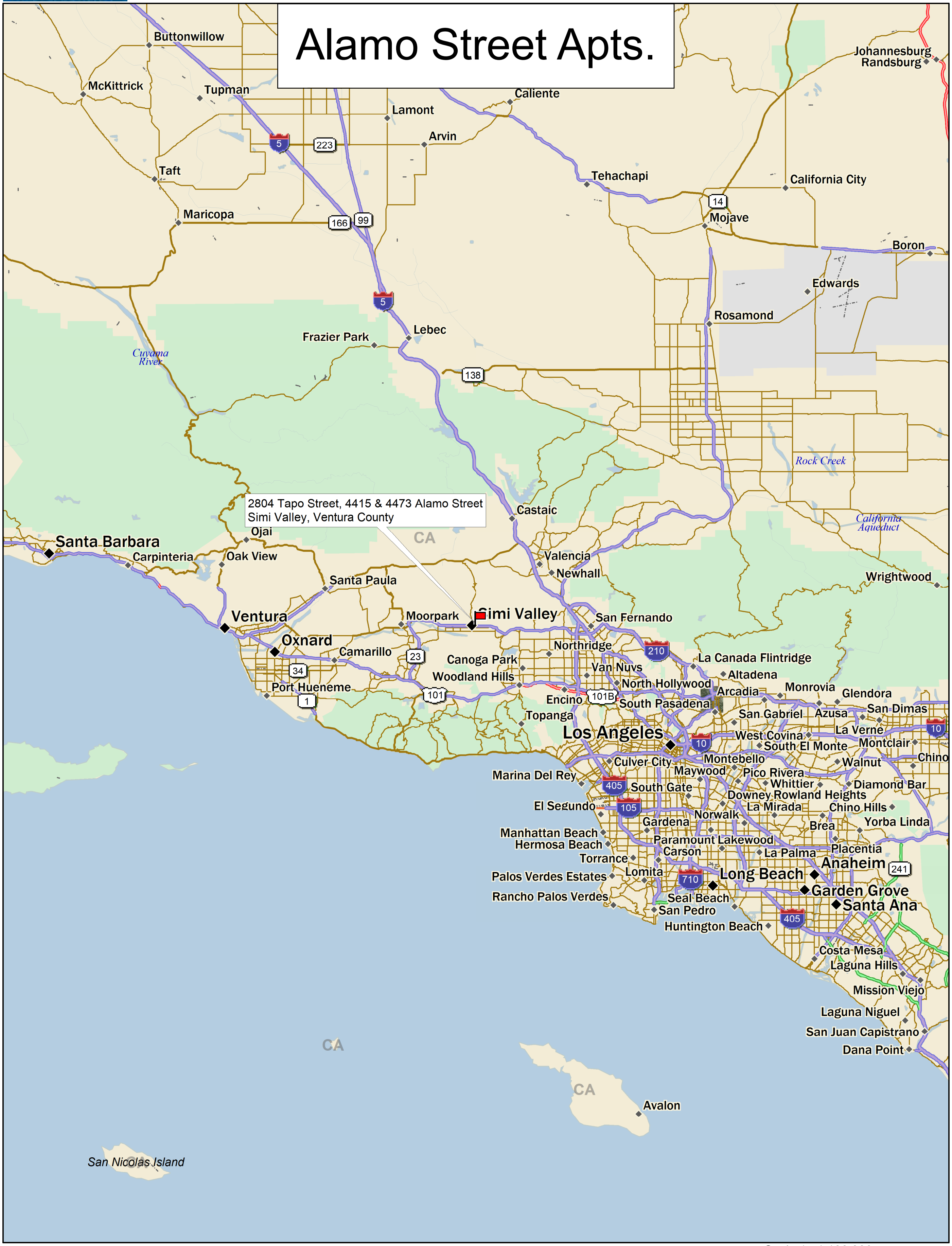
0 180 360 540 720 900 ft

0 40 80 120 160 200 m

1" = 533.3 ft

Data Zoom 15-0

Alamo Street Apts.



TN

MN (11.7°E)

Scale 1 : 1,100,000

1" = 17.36 mi

Data Zoom 7-5