Public Meeting Agenda

California Housing Finance Agency Board of Directors
Thursday, March 20, 2025
9:00 a.m.

Meeting Location:
California Department of Food and Agriculture
1220 N Street, Auditorium
Sacramento, CA 95814

This meeting is also available to view on livestream. Please note, public comments cannot be made when viewing on livestream.
https://www.calhfa.ca.gov/about/events/board-meetings/books/2025/20250320/2025-03-20-board.htm

1. Roll Call

2. Approval of the minutes of the February 20, 2025 meeting 1

3. Chairperson/Executive Directors comments

4. Report from the Audit and Risk Management Committee (Dalila Sotelo)

5. Discussion, recommendation, and possible action regarding a final loan commitment for the following project: (Stephanie McFadden) 5

NUMBER	DEVELOPMENT	LOCALITY	UNITS
24-008	Monarch	Sacramento/Sacramento	241

Resolution No. 25-06 42

6. Discussion, recommendation, and possible action regarding a permanent loan increase for the following project (Stephanie McFadden) 45

NUMBER	DEVELOPMENT	LOCALITY	UNITS
21-017	College Creek Apartments	Santa Rosa/Sonoma	164

Resolution No. 25-07 94

14. Other Board matters

15. Public comment: Opportunity for members of the public to address the Board on matters within the Board’s authority

16. Adjournment

NOTES:

PARKING: Public parking for 500 Capitol Mall is available at: 1) Building parking structure with entrance on N street ($2 per 20 minutes, $6 per hour, $24 daily maximum); 2) Limited metered street parking; and 3) Other nearby parking structures (costs vary)

MINUTES

California Housing Finance Agency (CalHFA)
Board of Directors Meeting
February 20, 2025
Meeting noticed on February 10, 2025

1. Roll Call

The California Housing Finance Agency Board of Directors Meeting was called to order at 10:13 a.m. by Chair Cervantes. A quorum of members was present.

MEMBERS PRESENT:	Cervantes, Feigles (for Sin), Franklin, Kergan (for Moss), Henning (for Ma), Prince, Olmstead (for Velasquez), Russell, Sotelo, White, Williams
MEMBERS ARRIVING AFTER ROLL CALL:	None
MEMBERS ABSENT:	Assefa, Cabildo, Limon, Perrault (for Stephenshaw)
STAFF PRESENT:	Claire Tauriainen, Melissa Flores, Stephanie McFadden, Steve Gallagher, Erwin Tam, Kelly Madsen
GUEST SPEAKERS:	Kevin Harbison, Senior VP, Ravello Holdings Phil Ram, Principal, Ravello Holdings Rob Morgan, Principal, Trestle Build
Early departures:	Prince

2. Approval of the Minutes – January 28, 2025

On a motion by Russell, the minutes were approved by unanimous consent of all members in attendance.

3. Chairperson/Executive Director comments

Chairperson comments:

- Chair Cervantes welcomed everyone to the meeting. He shared that Melissa Flores, Assistant Director of Board Relations and External Communications was leaving CalHFA for a new position with a different state agency. He opened the floor to member comments, where Flores was thanked for all her 21 years of excellent service to CalHFA and the State.

Executive Director comments:

- Chief Deputy Director Franklin shared that Board members would discuss Governor Newsom's proposal for a mortgage relief program for victims of natural disasters during agenda item 7.

- The new MyAccess program will soft launch on March 17.

- Director of Multifamily Programs, Stephanie McFadden, recently spoke on a panel at the California Developers Roundtable.

- She closed her comments by congratulating Kelly Madsen for her recent appointment as the Director of Enterprise Risk Management and Compliance.

4. <u>Presentation on the Mixed-Income Program</u>

Presented by Stephanie McFadden, Director of Multifamily Programs and Steve Gallagher, Housing Finance Chief

McFadden and Gallagher provided the Board with an overview of the Mixed-Income Program (MIP) including historical insight into the program and some of the external and internal challenges and opportunities. They shared that since 2019, MIP has produced over 11,600 units of affordable housing. The Board then engaged in a candid discussion about the program.

Rob Morgan provided a public comment on this item.

5. <u>Discussion, recommendation, and possible action to approve a final loan commitment for Maison's Village Phase II, Project No. 24-004, for 191 units in Palmdale, Los Angeles County – Resolution 25-03</u>

Presented by Stephanie McFadden, with guest speakers Kevin Harbison and Phil Ram

On a motion by White, the Board approved **<u>Resolution No. 25-03.</u>** The votes were as follows:

AYES: Cervantes, Kergan (for Moss), Henning (for Ma), Feigles (for Sin), Olmstead (for Velasquez), Prince, Russell, Sotelo, White, Williams

NOES: None

ABSTENTIONS: None

ABSENT: Cabildo, Limon

6. Discussion, recommendation, and possible action to approve a final loan commitment for North City Affordable, Project No. 24-006, for 224 units in San Marcos, San Diego County – Resolution No. 25-04

Presented by Stephanie McFadden, with guest speaker Rob Morgan

On a motion by Henning, the Board approved **Resolution No. 25-04.** The votes were as follows:

AYES: Cervantes, Feigles (for Sin), Henning (for Ma), Olmstead (for Velasquez), Prince, Sotelo, White, Williams

NOES: None

ABSTENTIONS: None

ABSENT: Cabildo, Kergan (for Moss), Limon

RECUSALS: Russell

7. Discussion, recommendation, and possible action to approve an expansion of the National Mortgage Settlement fund usage

Presented by Rebecca Franklin, Chief Deputy Director and Claire Tauriainen, General Counsel

On a motion by Prince, the Board approved **Resolution No. 25-05**, as amended. The votes were as follows:

AYES: Cervantes, Feigles (for Sin), Henning (for Ma), Kergan (for Moss), Olmstead (for Velasquez), Prince, Russell, Sotelo, White, Williams

NOES: None

ABSTENTIONS: None

ABSENT: Cabildo, Limon

8. Update on 2024-25 Q2 Strategic Plan and Operating Budget ending December 31, 2024

Presented by Rebecca Franklin, Erwin Tam, Director of Financing and Kelly Madsen, Director of Enterprise Risk Management

Franklin, Madsen, and Tam reviewed the Agency's goals, strategic objectives and operating budget for the second quarter of fiscal year 2024-25.

9. Informational written reports:

Chair Cervantes asked if there were any questions about the written reports and there were none.

10. Other Board matters

Chair Cervantes asked if there were any other Board matters to discuss and member Russell stated that he would like to engage in discussions about non-LIHTC, non-tax credit ways to develop affordable housing at a future meeting.

11. Public comment

Chair Cervantes asked if there were any members of the public who wanted to provide public comment and there were none.

Written public comments were received regarding an Accessory Dwelling Unit developer from:
- Steven Sonza
- Lara Zanzucchi

12. Adjournment

As there was no further business to be conducted, Chair Cervantes adjourned the meeting at 1:08 p.m.

CalHFA

M E M O R A N D U M

To: Board of Directors **Date:** March 20, 2025

From: Stephanie McFadden, Director of Multifamily Programs
California Housing Finance Agency

Subject: Agenda Item 5 – Final Loan Commitment for Monarch, Project No. 24-008

Action: CalHFA Senior Loan Committee has recommended that Chief Deputy Director, Rebecca Franklin, seek Board approval and final loan commitment for the Monarch Development by approving Resolution Number 25-06.

Development Information:

- The Executive Director has Board delegated authority to approve loans up to $15,000,000, therefore, the Monarch Development is seeking Board approval for a $21,083,000 tax-exempt permanent loan and a $4,000,000 Mixed-Income Program subsidy loan, to construct a 241-unit new construction development at a total development cost per unit of $450,913.

- Both the permanent loan (40-year amortization) and MIP subsidy loan (residual receipts) will have terms of 30 years.

- The Monarch Development is proposed to be constructed in Sacramento, Sacramento County and developed by Mutual Housing California.

- Energy efficient and green design features include: The development will meet Title 24 requirements (15% or more energy efficient than existing standards) per TCAC and will utilize Energy Star rated appliances.

- The recommended underwriting exceptions are: 1) the CalHFA loans will be secured against the leasehold interest in the land and fee interest in the improvements, which is an exception to the MIP term sheet, but meets CalHFA underwriting standards; 2) the developer is requesting a larger than 50% share of surplus cash distribution to comply with tax credit investor requirements.

Executive Summary	
CalHFA Project Number	24008
Project Name	Monarch
Type of Development	New Construction
Type of Project	Non-Targeted
Total Units [MIP Restricted Units]	241 (239 restricted)
Street Address	805 R Street
City, County, Zip Code	Sacramento, Sacramento County, 95811
Borrower (Legal entity name)	805 Mutual Housing Associates, L.P.
Developer(s)	Mutual Housing California
Co-Developer	N/A
Approved Conduit Issuances	
Conduit T/E Issuance [CDLAC Meeting: 8/7/2024]	Up to $61,000,000 (Includes 10% cushion and rounded to nearest $1m) (assuming current need $55,161,072)
Conduit Taxable Issuance	$0
Recycled Bond Volume Cap	$0
Requested CalHFA Financing for Approval	
CalHFA Tax-Exempt Permanent Loan Amount	$21,083,000 UW Rate and Loan Term: Est. 6.76%, fixed; 1st lien; 40/30
CalHFA Taxable Permanent Loan Amount (if any)	$0
HUD Risk Sharing Requirement (1st lien loan)	Yes
CalHFA Subordinate/Subsidy Financing Type	Mixed-Income Program (MIP) 2024
CalHFA Subordinate/Subsidy Financing Amount	$4,000,000 UW Rate and Loan Term: 3.00%, fixed; 2nd lien; residual receipts; principal and accrued interest due in 30 years
Key Dates and Approvals	
SLC Initial Commitment Approval/ Declaration of Intent Date	4/22/2024
SLC Final Commitment Approval Date	2/28/2025
CDLAC Volume Cap Award Date	8/6/2024
CTCAC Tax Credit Award Date	8/6/2024
CDLAC Closing Deadline	5/5/2025
Construction Loan Closing Date [Est.]	4/15/2025
Est. CalHFA Loan Closing (perm conversion) Date	12/1/2027
Federal Tax Credits (LIHTC) Requested	Federal LIHTC Amount: $51,924,750 ($0.92/credit) ($215,455/unit)
State Tax Credits Requested	State Tax Credit Amount: $8,648,124 ($0.915/credit) ($35,884/unit)
Notes (if any):	

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1	Project Summary
1a	Project Description

Monarch (the "Project") is a new construction, family, mixed-income, and mixed-use project. The total development site area is 1.2 acres and is located in Sacramento, Sacramento County. The Project will consist of 1, 5-story mid-rise, elevator serviced building and 4,149 sq. ft of ground-floor commercial area. The commercial space will be leased directly to the tenant from the Borrower. The Project will have total 241 residential units, of which 239 units will be restricted between 30% and 70% of the Sacramento County Area Median Income (AMI). There will be 82 studio units (403 sq. ft.), 136 one-bedroom units (585 sq. ft.), and 21 two-bedroom units (916 sq. ft.). In addition, 1 two-bedroom unit and 1 three-bedroom unit (1,222 sq. ft.) will serve as the managers' units. 20 of the units restricted at 30% AMI will include project-based Section 8 vouchers provided by the Sacramento Housing & Redevelopment Agency ("SHRA") with an initial contract term of 20 years, with the possibility to renew the contract for 2 additional terms of 20 years each. These voucher units will be Permanent Supportive Housing for formerly homeless individuals and families referred to the Project through the Continuum of Care program. The Project will have 55 spaces for residential parking and no spaces for commercial parking, which complies with requirements for state surplus land.

The site currently consists of a single-level commercial structure occupied by the State of California (State Surplus Land) and is being used for light storage. Department of General Services has remediated all environmental hazards at no charge to the project. The remaining demolition will occur after construction loan closing. The construction budget includes $491,000 for demolition costs. Relocation requirements do not apply.

Environmental Risk: As described in section 9a, The Phase II Environmental Site Assessment dated 1/23/2024 detected elevated levels of volatile organic compounds (Benzene and Chloroform) in the ground water. To mitigate health risks, a vapor barrier will be installed during the course of construction, as recommended by the Phase I/II ESA consultant. Installation of the vapor barrier is included in the construction scope and will be verified prior to permanent loan closing. Although the presence of VOCs in soil vapor at the Site is considered a REC, it is the consultant's opinion that soil vapor at the detected concentration would not result in intrusion of soil vapor into the Site structures at concentrations that exceed the ESL of 14 ug/m3. Ninyo & Moore recommends no additional investigation of the Site at this time.

The Project's financing structure includes financing from: (i) Tax-exempt (T/E) bonds, (ii) Taxable construction loan, (iii) 4% Federal Low Income Housing Tax Credit (LIHTC) equity, (iv) State Housing Tax Credit Equity, (v) Federal Energy Tax Credit and Energy-efficient Home Tax Credits (45L), (vi) CADA Subordinate Gap Loan, (vii) HCD-LGMG Sponsor loan, (viii) Mutual Housing GP loans, (vi) CalHFA Tax-Exempt Permanent Loan, and (x) CalHFA Subordinate financing through Mixed-Income (MIP) Subsidy Loan.

The Project includes Certificated State Tax Credits, which will be contributed to the Project as a State Tax Credit Loan ("STC Loan") from Mutual Housing California. The Borrower will execute a promissory note in favor of Mutual Housing California in the estimated amount of $7,900,000 and deed of trust that will be secured against the property and recorded in last lien position. The State Tax Credit loan will bear 0% interest and will not require payments during the 55-year term of this loan, at which time the STC Loan is expected to be forgiven. Regardless, the STC loan maturity will occur 25 years after the CalHFA and MIP loans mature so there is no risk to the Agency as it relates to any potential repayment of the STC loan.

Residential Areas		Commercial Areas (If Mixed-use)	
Land Area (Acres)	1.2	Land Area (Acres)	1.2
Residential Units / Acre	201	Number of Lease spaces	2
Residential Area (Sq. Ft) (see note 1)	125,622	Commercial Area (Sq. Ft)	4,149
Community Area (Sq. Ft)	41,992	Commercial Parking Spaces	0
Supportive Services Area (Sq. Ft)	200	Master/Direct Lease?	Direct
Residential Parking Space	55	Condo Structure (not part of subject financing)	No

Notes (if any):

1. Excludes square footage of manager's unit.
2. The project includes 4,149 sq. ft of ground-floor commercial space that will not be subdivided and remain part of the project parcel. The commercial space will be a direct lease between the borrower and commercial tenant and is expected to be a triple-net structure. There is $1,380,552 for commercial improvements included in the construction budget that will be paid from sources other than CalHFA financing and tax credit equity.
3. Commercial income has not been included in the project's net operating income used to size CalHFA's amortizing debt. However, CalHFA policy requires any commercial income be applied annually towards repaying residual receipt loans. The current expectation is the developer will relocate their offices to this commercial space with $0 rent. Prior to permanent loan closing, in the event Mutual Housing California is not the commercial space lessor, an updated appraisal will be engaged to determine the potential commercial income for the commercial space. Any actual residual commercial income (surplus commercial cash after commercial expenses) will be required to be applied annually towards reducing residual receipt payments between subordinate lenders on a pro-rata basis.
4. The current ratio of commercial construction costs to tax-exempt bond proceeds is 2.5% ($1,380,552/$55,161,072). No more than 5% of the net CalHFA bond proceeds may be used for non-residential development costs; (IRC Section 142 and Treasury Regulation Section 1.142) AND
5. As a condition of financing non-residential/commercial construction, any lease payments collected in excess of payments necessary for debt service, operating expenses and any required reserves related to such property, shall be used to reduce rents on units reserved for occupancy by lower-income households and very low-income households in a multifamily rental housing development. (See H&S Code section 51334).

1b	Project Location Geocoder Information

The Project is located in Sacramento, Sacramento County. The site is currently owned by the State of California and is classified as State Surplus Land and will require 239 units to be restricted at or below 70% AMI. The land will be leased to the borrower by the State of California, as described in section 11.

Inside Principal City?	Yes	Underserved or Distressed Tract?	No
Census Tract (CT)	40900-06-067-0011.03	% Population Below Poverty Line	26.18%
CT Minority Population %	54.74%	Rural Area?	No
CT Income Level	select	2024 Est. CT Median Family Income	$113,700
CDLAC/TCAC Opportunity Area Category		Moderate Resource	
CDLAC/TCAC Geographic Region		Capital Region: El Dorado, Placer, Sacramento, Sutter, Yuba, and Yolo Counties	
Project is located in DDA?		No	
Project is located in Federally-designated Qualified Census Tract (QCT) for LIHTC purposes?		Yes	

2	Development and Financing Team		
Developer (Sponsor): Mutual Housing California		**Co-developer (if any):** N/A	
New to CalHFA?	No	New to CalHFA?	select
Affordable Housing/LIHTC experience?	Yes	Affordable Housing/LIHTC experience?	select
Has Projects in California?	Yes	Has Projects in California?	select
Borrower (Legal entity): 801 R Mutual Housing Associates, L.P.		**Co-Borrower (if any):**	
Construction (Senior) Lender: 1) Banner Bank		**Construction Subordinate Lender(s):** 1) City of Sacramento 2) CADA Gap Loan 3) HCD-LGMG Sponsor Loan	
Permanent 1st lien Lender: 1) CalHFA		**Permanent Subordinate Lender(s):** 1) CalHFA MIP (2nd lien) 2) CADA Gap Loan (3rd lien) (residual receipts) 3) HCD-LGMG Sponsor Loan (4th lien) (repaid from borrower's surplus cash)	
Federal LIHTC Investor: Enterprise Housing Credit Investments, LLC		**State LIHTC Investor:** Sugar Creek Capital	
Tax Credit Amount	$51,924,750	Tax Credit Amount	$8,648,124
Renewable Energy (45L) Tax Credit Investor: Enterprise Housing Credit Investments, LLC			
Tax Credit Amount	$602,500		
General Contractor: Sunseri Construction		**Management Company (Property Manager):** Mutual Housing Management	
Is an affiliate of Developer?	No	Is an affiliate of Developer?	Yes
Experience with CalHFA?	Yes	Total number of properties managed	23
Architect: Kuchman Architects		**Service Provider:** Mutual Housing California	
Has worked with GC?	Yes	Required by TCAC or other Funding sources?	Yes
Has experience designing and managing similar projects?	Yes	Terms of service (on-site, number of years)	15
		Support Services Cost (per Operating budget)	$37,000
Has housing projects in CA?	Yes	Per unit cost of services meets USRM req.?	Yes
Financial Advisor: California Housing Partnership		**Project Consultant:** N/A	

Notes (if any):

1. The renewable energy 45L tax credits will be obtained by the developer through the California Energy Commission after construction completion. . The developer confirmed that the credits are not a competitive source and that they are awarded provided that the project's energy model is 10% above code (which the current plans do) . The executed LOI from Enterprise Housing Credit Investments includes the purchase of the 45L credits at approximately $0.92 per credit. In the event the project does

not receive 45L credits, the resulting funding gap will be paid through additional deferred developer fee. See section 5f for further details.

3	Summary of Material Changes from Initial Commitment Approval
For any changes marked ☒ please explain the changes and the impact of such changes either in CDLAC scoring, financial risk to the Agency, or any other material impact to the underwriting of the loan	
☐	Changes in Borrower/Sponsor entities including Co-developer(s), if any
☒	Changes in Other Development Team members: Construction Lender, Tax Credit Investor, General Contractor, Property Management Agent, Other lenders including subordinate lenders
☐	Changes in Project Scope (for example, addition of non-residential component)
☐	Changes in CalHFA loan amount (>10%) or changes in loan terms
☐	Changes in construction schedule and rent-up/conversion timeline
☒	Significant changes in project capital stack impacting project viability: DSCR, exit analysis, etc.
☐	Significant changes in Operating budget as well as rental assistance/operating subsidy assumptions
☐	Changes in CalHFA required reserves
☒	Changes in Affordability Restrictions including Unit distribution for regulated units
☐	Other material underwriting, project scope or financial structuring changes

Notes:

- Development Team Member Changes:
  - State Tax Credit Investor is Sugar Creek Capital (Enterprise Housing Credit Investments, LLC at Initial Commitment)
  - Renewable Energy (45L) Tax Credit Investor is Enterprise Housing Credit Investments, LLC (TBD at Initial Commitment)
- Changes in project capital stack:
  - At initial commitment approval, the City of Sacramento was providing $3MM subordinate loan. This has been incorporated into the CADA subordinate gap loan for final commitment approval. This loan will be repaid through residual receipts.
- Change in unit distribution for regulated unit
  - At initial commitment approval, the unit distribution was deficient 1 unit restricted at 30% AMI. To correct this error, one 50% AMI unit has been converted into a 30% AMI unit to meet MIP unit restriction requirements.

4	Requested CalHFA Financing for Approval

4a	CalHFA Financing Terms		
	CalHFA 1st Lien Perm Loan	**CalHFA Subordinate Loan (MIP Subsidy Loan)**	**Total CalHFA Financing**
Loan Amount ($)	$21,083,000	$4,000,000	$25,083,000
Loan Term (Year)	30	30	
Amort. Term (Year)	40		
Amort. Type	Partially Amortizing	Non-amortizing	
Lien Position	1st	2nd	
UW Interest Rate % (See Note 1)	Est. 6.76%	3.00%	
Loan to Value (%) (See Note 2)	59%	11%	
Combined LTV (CLTV) (%) (See Note 2)			70%
Loan to Cost (%) (See Note 3)	19%	4%	23%
Loan Repayment Source	Net Operating Income (NOI)	Residual Receipts	

Notes:
1. The CalHFA underwritten interest rate includes a spread of 2.47% which will be locked on 2/28/2025 for the CalHFA perm loan. The final rate will be locked prior to issuance of the Final Commitment Letter pursuant to the final commitment approval. A 50 bps underwriting cushion is also included in the CalHFA underwritten interest rate to account for MMD fluctuations prior to Construction Loan Close. Final CalHFA rate will be locked no more than 30 days prior to construction loan closing.
2. Maximum LTV limited to 90%, currently 59%, and maximum CLTV, currently 70%, to be limited to 120% of restricted appraised value based on an acceptable Appraisal. However, if the exit analysis requirements are not met per the Agency's underwriting standards, the CLTV shall not exceed 100%.
3. Loan to Cost, currently 19%, shall not exceed 100% of the total project development cost (see construction sources/uses for total development cost).

4b	CalHFA Loan(s) Security
Select ONE	Description
☐	The CalHFA Perm loan(s) will be secured by a first lien deed of trust (DoT) against the above-described Project site and improvements.
☐	The CalHFA Subordinate (MIP) loan will be secured by a second lien deed of trust (DoT) against the above-described Project site and improvements.
☐	The Agency shall encumber both the fee and leasehold interests in the Development as security for its deeds of trust and regulatory agreements.
☒	CalHFA loan(s) will be secured against the fee interest in the improvements and leasehold Interest in the land.
☒	Assignment of Borrower's interest in Project improvements, Project revenues and escrows

Notes (if any):
The commercial space will not be subdivided from the residential portion of the Project, therefore, CalHFA's loans will be secured against both portions. As described in section 1a, any commercial income is expected to go to the project and be applied annually towards reducing the residual receipt loans, split on a pro-rata basis. Commercial income is not included in CalHFA perm loan sizing. No CalHFA sources or tax credit equity will be used to pay for commercial improvement costs.

5	Project Budget & Total Development Cost
5a	Construction Financing

Construction Lender	Banner Bank
CDLAC/CTCAC Construction Closing Deadline	5/5/2025

	Bond Issuance Amount	Type of Issuance
Construction Conduit Issuance Amount	$55,161,072	Tax-Exempt
Construction Conduit Issuance Amount	$0	Taxable
Construction Conduit Issuance Amount	$0	T/E Recycled
Total	$55,161,072	

	Loan Amount	UW Rate	Loan Term
Construction Loan (T/E) (Interest-only, 1st lien during construction)	$55,161,072	Est. 7.13%, Fixed (See Note 1)	36 months + 1 6-month extension
Construction Loan (Taxable) (Interest-only, 1st lien during construction)	$19,900,122	Est. 7.48%, Fixed (See Note 2)	36 months + 1 6-month extension
CADA Gap Loan	$11,250,000	3.00% simple (See Note 4)	36-months deferred during construction. 55-years during permanent.
Sponsor Loan (HCD-LGMG)	$10,000,000	0.00% interest (See Note 5)	36-months deferred during construction. 55-years during permanent.

Notes:

1. Construction Loan T/E is a fixed rate SOFR + 170 bps. Current SOFR as of 2/13/2025 is 4.34% and the all-in rate is 6.04%.
2. Construction Loan (Taxable) is a fixed rate SOFR + 205 bps. Current SOFR as of 2/13/2025 is 4.34% and the all-in rate is 6.39%.
3. The Capital Area Community Development Corporation approved a funding reservation of $11,250,000 via an award letter dated 12/15/2022 for a residual receipts loan at 3% simple interest and 55 years term to be used to support the project's construction and permanent financing.
4. Sponsor Loan (HCD-LGMG) HCD- Excess Sites Local Government Matching Grant Program ("Sponsor Loan-HCD LGMG") $10,000,000 was awarded 2/28/2023. For true debt purposes, this source will be provided through a sponsor loan with a 0.00% interest rate for a term of 55 years. This loan is expected to be secured against the leasehold interest of the property and fee interest in the improvements. This loan is expected to be repaid through the borrower's 50% portion of surplus cash.
5. Construction interest reserve may be re-sized based on the final locked rate at construction closing. Any resulting funding gaps will be covered by the Developer until permanent loan closing.

5b	Construction Sources	
Construction Sources:	Amount ($)	% of Total
Banner Bank Tax Exempt Construction Loan (Loan)	$55,161,072	54.29%
Banner Bank Conventional Construction Loan (Loan)	$19,900,122	19.59%
CADA Gap Loan (Loan)	$11,250,000	11.07%
Sponsor Loan - HCD LGMG (Loan)	$10,000,000	9.84%
Accrued Deferred Interest (Accrued Interest)	$369,293	0.36%
Deferred Developer Fee (Developer Fee, Deferral)		
Renewable Energy Tax Credit (45L) Equity (Equity, LIHTC Investor)	$554,300	0.55%
Enterprise LIHTC Equity Constr. (Equity, LIHTC Investor)	$4,366,300	4.30%
GP Capital - Sponsor (Equity, General Partner)	$100	0.00%
Total Construction Sources	**$101,601,187**	**100%**

5c	Construction Uses	
Construction Uses:	Amount ($)	% of Total
Land and Improvement Value	$0	0.00%
Other Acquisition Costs	$611,000	0.60%
Construction/Rehab Costs	$79,071,500	77.83%
Soft Costs (A&E, Legal, Title, and Other Soft Cost)	$5,443,118	5.36%
Hard Cost contingency (5.67% of hard costs)	$4,008,025	3.94%
Soft Cost contingency (3.00% of eligible soft costs) (See notes)	$250,000	0.25%
Financing Costs (Interest Reserves, Fees, Taxes, and Insurance)	$7,272,221	7.16%
Local Impact Fees and Permit Fees	$1,792,000	1.76%
Deferred Developer Fee	$0	0.00%
Cash Portion Developer Fee	$1,139,992	1.12%
Other Costs (TCAC Fees, Furnishing, and Other Misc. Fees)	$2,013,331	1.98%
Operating Reserves	$0	0.00%
Total Construction Uses	**$101,601,187**	**100%**
Total Construction Cost per unit	**$421,582**	
Total Construction Cost per CalHFA MIP Regulated Unit	**$425,110**	

Notes (if any):

1. CalHFA will require review and approval of independent third-party prepared plan and cost review report for project plans and specifications (plan & specs) and cost review prior to construction loan closing.
2. The total hard cost contingency in the project is 5.67% of the Hard costs, which includes the contingency in the GC Schedule of Values (SOV). Prior to construction loan closing, the final SOV will be reviewed by the CalHFA inspector to meet the USRM requirements and project scope for completion within the stipulated budget.
3. The total soft cost contingency in the project summary is only 1.01% of eligible costs which appears to be lower than CalHFA USRM required minimum of 2% of eligible costs. This is attributed to construction lender and investor underwriting requirements to include contingencies in specific line items as opposed to a single soft cost contingency line item. The actual soft cost contingency calculation is 3% and meets CalHFA's minimum underwriting requirements.

Total Development Costs	**$ 108,670,130**	
Total Construction Costs	$ (79,071,500)	
Construction Loan Interest Reserve	$ (6,386,390)	
Operating Reserve	$ (1,108,832)	
Construction hard Cost Contingency	$ (4,008,025)	
Soft Cost Contingency	$ (250,000)	
Developer Overhead/Profit	$ (6,921,980)	
Basis for Soft Cost Contingency Calc	**$ 10,923,403**	
Actual Soft Cost Contingency	**$ 358,702**	**3.00%**

5d	Third-party Plan & Cost Review Summary
General Contractor (GC) Name:	Sunseri Construction
GC Budget (per Schedule of Values)	$78,347,781 (based on preliminary draft received 2/3/2025)
% of Builder overhead, profit, and general requirements (TCAC allowable 14%)	5% of construction subtotal + general conditions
Type of Construction Contract:	Stipulated Sum
GC Contract Executed? If not, provide status:	Draft GC contract received 2/3/2025 and is under review by all parties. Pending final pricing. Final GC contract must be approved by CalHFA prior to construction loan closing.
GC Hard-Cost Contingency and Sufficiency:	GC contingency is additional $1,000,000 above hard cost contingency.

Notes:

- Banner Bank has engaged, GTG Consultants, Inc. to perform an independent third-party review of project plans and specifications (plan & specs) and cost review.
- The draft Plan and Cost Review report has been completed and reviewed by CalHFA Inspector. The final Plan and Cost Review and sign off by CalHFA Inspector is a condition to construction closing.

5e	Permanent Sources and Uses	
Permanent Sources:	Amount ($)	% of Total
CalHFA Tax-Exempt Perm Loan (Loan)	$21,083,000	19.4%
CalHFA MIP (Loan)	$4,000,000	3.7%
CADA Gap Loan (Loan)	$11,250,000	10.4%
Sponsor Loan - HCD LGMG (Loan)	$10,000,000	9.2%
Accrued Deferred Interest (Accrued Interest)	$369,293	0.3%
Deferred Developer Fee (Developer Fee, Deferral)	$4,421,980	4.1%
Sponsor Loan 1 (Loan)	$1,307,653	1.2%
GP Capital (Equity, General Partner)	$100	0.0%
Renewable Energy Tax Credit (45L) Equity (Equity, LIHTC Investor)	$554,300	0.5%
Tax Credit Equity (Equity, LIHTC Investor)	$55,683,804	51.2%
Total Permanent Sources	$108,670,130	1%

Permanent Uses:	Amount ($)	% of Total
Total Loan Payoffs/Equity	$101,601,187	93.5%
Other Acquisition Costs	$0	0.0%
Equity	$0	0.0%
Financing costs	$178,123	0.2%
Soft costs	$0	0.0%
Operating Reserves	$1,108,832	1.0%
Cash Developer Fee paid at Perm Conversion	$1,360,008	1.3%
Deferred Developer Fees paid from cashflow	$4,421,980	4.1%
Total Permanent Uses	**$108,670,130**	**100%**
Total Development Cost per unit	**$450,913**	
Total Development Cost per CalHFA MIP Restricted Unit	**$454,687**	
Notes (if any):		

5f	Federal and State Tax Credits			
Federal LIHTC Tax Credit Investor /Syndicator	Enterprise Housing Credit Investments, LLC			
State Housing Tax Credit Investor /Purchaser	Sugar Creek Capital			
Other Tax Credit Investor/Purchaser	Enterprise Housing Credit Investments, LLC			
Tax Credit Type	**Tax Credits Amount ($)**	**Pricing (per Credit)**	**Tax Credit Equity ($)**	**Tax Credit Equity per CTCAC Restricted Unit ($)**
Federal Tax Credits (New Const/Rehab)	$51,924,750	$0.92	$47,770,770	$199,878
State Housing Tax Credits	$8,648,124	$0.915	$7,913,033	$33,109
Renewable Energy (45L) Tax Credit Investor	$602,500	$0.92	$554,300	$2,319
Total	$61,175,374		$56,238,103	$235,306

Notes (if any):

1. The Project was awarded volume cap for bonds and Federal LIHTC tax credit allocation in the CDLAC/TCAC meeting on 8/6/2024.
2. The Project has been awarded State Housing Tax Credits by CalHFA.
3. The renewable energy 45L tax credits will be obtained by the developer through the California Energy Commission after construction. The developer confirmed that the credits are not a competitive source and that they are awarded provided that the project's energy model is 10% above code (which the current plans do). The executed LOI from Enterprise Housing Credit Investments includes the purchase the 45L credits at approximately $0.92 per credit.

50% Aggregate Basis Test Requirements	
Accountant prepared Draft Financial Projections date	4/15/2024
Accounting firm name	Gubb & Barshay LLP
T/E Private-Activity Bond Volume Cap Allocated	$55,161,072
Aggregate Basis of building and land costs considered	$105,068,709
% of Aggregate basis financed by T/E Bonds	52.5%
50% Test met per IRC Sec. 42 (h) for LIHTC?	Yes

Notes (if any):

5g	Developer Fee	
Developer fee category:	TCAC Maximum Limit	Actual Amount in Project Budget
Upfront Cash Developer Fee (a)	$5,317,910	$2,500,000
Deferred Developer Fee (DDF) paid from project cash-flow (b)	N/A	$4,421,980
Total Developer Fee (a) + (b)	$18,604,975	$6,921,980
Excess Developer Fee above TCAC Maximum Limit as General Partner (GP) contribution		**$0**

Notes (if any):

1. For the Final Commitment underwriting, the Borrower must provide evidence that the DDF repayment structure is required pursuant to the Tax Credit Investor's requirements (LOI) and/or Limited Partnership Agreement (LPA).

2. Any outstanding Deferred Developer Fee remaining at Year 15, even if within TCAC Maximum Limit, will be paid from Borrower's 50% share surplus cash distribution. 3. Any outstanding Deferred Developer Fee remaining in Year 15 and above TCAC Maximum Limit will be treated as developer contribution. The Limited Partnership Agreement (LPA) and the Tax Credit Investor written approval evidencing that any outstanding deferred developer fee remaining in Year 15 will be treated as a GP contribution will be required prior to construction closing.
Note (if any):

5h	Evidence of Cost Containment for projects seeking subsidy
Cost Containment Certification received from Developer?	Yes
Cost Containment Certification acceptable to CalHFA?	Yes
Comments on Cost Containment Strategy: The Developer certified that below cost containment measures have been implemented to minimize construction costs: 1. All major subcontractor and self-performing trades have been competitively bid out. 2. GC has created a critical path schedule to help manage and mitigate potential delays.	
Note (if any):	

5i	Evidence of Subsidy Efficiency
Per the CalHFA Term Sheet requirement, a subsidy efficiency analysis is completed at Initial Commitment, Final Commitment, prior to construction loan closing, and at closing of the CalHFA subordinate financing (perm conversion). Based on the final subsidy efficiency analysis, the CalHFA subsidy loan may be reduced prior to construction closing or perm conversion. Parameters of Subsidy Efficiency Analysis [Verify with the FA and check all that apply]	
☒	Year 1 DSCR is 1.20x maximum [If initial DSCR is >1.0x, indicate approval by Credit Officer has been obtained, and describe the reason]
☒	Confirmed that the on-going minimum DSCR of 1.15x through the term of the CalHFA 1st lien permanent loan based on the Financial Analysis completed at final commitment per Agency's underwriting standards (USRM). A final check will be completed at construction closing and at perm conversion. [Any deviation to be noted here and in the USRM deviation section]
☒	Cash-flow after debt service is limited to (i) Higher of 25% of the anticipated annual must pay debt service payment, or (ii) 8% of gross income, during each of the first 3 years project operation. [Any deviation to be noted here and in the USRM deviation section]
☒	Inflation factors and vacancy rates are consistent with the Agency's underwriting standards (USRM) [Any deviation to be noted here and in the USRM deviation section]
☒	Developer Fee requirements consistent with CalHFA underwriting standards and/or CTCAC Regulation 10327(c)2(B) [Any deviation to be noted here and in the USRM deviation section]
☒	Confirmed the reasonableness of the Capitalized Reserves to be consistent with Agency's underwriting standards (USRM) and the verified with the Investor Limited Partnership Agreement. [Any deviation to be noted here and in the USRM deviation section]
☒	State Tax Credits (STC) maximum requested amount is consistent with CTCAC Regulations 10317 [Any deviation to be noted here and in the Term Sheet variation section]
☐	Confirmed that the Acquisition Cost (if applicable) is the lesser of: i. Purchase price pursuant to a current purchase and sales agreement between unrelated parties, or

	ii. Purchase price of an arm's length transaction executed within the past 10 years plus reasonable carrying costs, or iii. Appraised "as-is" value based on a current 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.

5j	High-Cost Explanation

Total Development Cost (TDC)	$108,670,130
Total Units	241
TDC/Unit	$459,179
High-Cost Explanation provided by Developer per CDLAC Regs Section 5233?	N/A
High-Cost explanation acceptable to CalHFA?	N/A
Summary of Project-specific factors contributing to high cost:	
i. Project located in HUD high-cost designated area?	☐
ii. State Prevailing Wage (PW) applicable to the project?	☐
iii. Increase in development cost due to demolition of existing building or structures?	☐
iv. Increase in development cost due to high environmental remediation costs?	☐
v. Increase in development cost due to significant off-site improvements due to site specific conditions?	☐
vi. Increase in development cost due to additional parking spaces or Type 1 podium garage or other commercial space requirements by City, community feedback or other?	☐
vii. Other atypical costs included in the development cost budget?	☐
viii. <Additional critical factors noted in the Certification from Developer>	☐
Comments (for any ☒ response, please indicate the costs per the Development Budget line-items)	

6	Affordability Requirements
6a	CalHFA Regulatory Agreement Requirements

The CalHFA Permanent Financing Bond Regulatory Agreement will restrict a minimum of 40% of the total units at or below 60% AMI; with 30% of the total units (73 units) at or below 60% AMI and 10% of the total units (25 units) at 50% AMI for 55 years.

The CalHFA Subsidy Regulatory Agreement will restrict 239 units between 30% and 120% of AMI for a term of 55 years.

Number of Regulated Units and AMI Restrictions by Each Agency

Number of Units and Percentage of AMI Rents Restricted by each Agency											
Regulating Agency	Number of Units Restricted For Each AMI Category									Total Units	Percentage
	Lien	30%	40%	50%	60%	70%	80%	120%		Regulated	Regulated
CalHFA Bond	2nd			25	73					98	41%
CalHFA MIP	3rd	25		48		25		141		239	100%
CTCAC	5th	25		74	112	28				239	100%
HCD (LGMG)	1st	25		74	112	28				239	100%
City of Sacramento	4th	25		74	112	28				239	100%
Ground Lease				24			215			239	100%
TOTALS		25	0	74	112	28	0	0		239	100%

Notes (if any):

1. The CalHFA MIP Subsidy Regulatory Agreement requires 30% of total units (73 units) be restricted at or below 50% of AMI. Of these, a minimum of 10% of total units must be at or below 30% of AMI (25 units at 30% AMI and 48 units at 50% AMI). An additional 10% of total units (25 units) must be restricted between 60% and 80% of AMI with a minimum average of 70% of AMI for a term of 55 years.
2. The rents for the 60% to 80% tranche will be determined by the minimum income limit of 70% of AMI, not to exceed 80% of AMI. The remaining 141 restricted units will be restricted at or below 120% of AMI.
3. In addition, the Project will be restricted by the following jurisdictions described below:
    a. The City of Sacramento regulatory agreement (wrapped into CADA's regulatory agreement) will restrict 25 units at or below 30% AMI, 74 units at or below 50% AMI, 112 units at or below 60% AMI, and 28 units at or below 70% AMI.
    b. Housing and Community Development LGMG regulatory agreements will restrict 25 units at or below 30% AMI, 74 units at or below 50% AMI, 112 units at or below 60% AMI, and 28 units at or below 70% AMI. This regulatory agreement is required to be recorded in senior lien position and will be subject to CalHFA standstill agreement.
4. The HCD ground lease requires a separate regulatory agreement ("HCD (LGMG) Excess Sites Regulatory Agreement") that will restrict 24 units at or below 50% AMI and 215 units restricted at or below 80% AMI for a term of 99 years.

6b	Unit Distribution for each AMI category

The table below outlines the distribution of units for each unit size by AMI category.

Rent Limit Summary Table								
	Studio	1-bdrm	2-bdrm	3-bdrm	4-bdrm	5-bdrm	Total	% Total
30%	18	7	0	0	0	0	25	10%
40%	0	0	0	0	0	0	0	0%
50%	24	44	6	0	0	0	74	31%
60%	39	64	9	0	0	0	112	46%
70%	1	21	6	0	0	0	28	12%
Manager	0	0	1	1	0	0	2	1%
Total	82	136	22	1	0	0	241	
AMI Avg	50.6%	56.8%	60.0%				54.94%	

Note (if any):

- The initial rents at permanent loan closing and in subsequent years must not be less than the underwritten rent levels outlined in the "Rent Summary Table" of the Financial Analysis enclosed as part of this Staff Report.

7	**Financial Analysis**
7a	Market Study Summary

Market Study firm:	Market Study Date: 2/2/2024
Market Study date within 180 days?	Yes
Proposed Market Rents for subject property	Studio- $1,776 1 Br- $2,092 2 Br- $2,495 (CalHFA MIP Term Sheet requires maximum allowable rents for all CalHFA restricted units to be lesser of (i) applicable TCAC max rents, or (ii) 10% below market rate for the term of the CalHFA loan. The underwritten rents will be confirmed independently by the appraisal from a third-party appraiser firm engaged by CalHFA and for the term of the CalHFA loan)
Targeted population income range	30% - 70% AMI
Absorption Period	4 months
Absorption rate	60 units per month
Project Amenities appropriate and sufficient for market and intended tenants?	Yes
Special Needs Housing – demand/need for Special Needs population, availability of area service providers and sufficiency of on-site services at subject property	Yes
Utility allowance schedule included in market study report?	Yes
Regional Market Overview	

- The Primary Market Area ("PMA") is the central and norther portion of the city of Sacramento (population of 55,187). A Secondary Market Area ("SMA") was deemed unnecessary by the market study consultant, due to the high demand for affordable units in the PMA, however, demographics for the County of Sacramento (population of 577,798) are included and should be considered the SMA for underwriting purposes.
- The general population in the PMA is anticipated to increase by 3.4% per year and the population in the SMA will increase by 0.3% per year.
- Unemployment in the PMA is 4.9% and the SMA is 4.7%, which evidences a strong employment area.
- Median home value in the PMA is $540,000.

Local Market Area Analysis

- **Supply:**
    - There are currently 21 affordable family projects in the PMA and they are 99% occupied with long wait lists.
    - There is 1 affordable project(s) under construction expected to complete in May 2024.
    - There is 1 affordable project(s) with a total of 134 estimated units that has been approved by the locality that has yet to start construction.

- **Demand/Absorption:**
    - The project will need to capture 10.2% of the total demand for family units in the PMA. The affordable units are anticipated to lease up at a rate of 40-60 units per month and reach full occupancy within 4-6 months of opening.
- **Summary:**
    - The Market Study absorption and lease-up timelines are in alignment in the Developer's lease-up plan and operating proforma assumptions.

7b	Appraisal Summary	
Appraiser firm: CBRE Valuation & Advisory Services	Appraisal Date: TBD. CalHFA provided report comments 2/4/2025 and updated report is pending. CalHFA approval of final appraisal is required prior to construction loan closing and included in the conditions of approval.	
Engaged by: Banner Bank	Reliance by CalHFA (if co-engaged): Yes	
Appraisal within 180 days of Final Commitment?	Yes	
Appraisal premise	Interest appraised	Valuation
Market Value as-is	Leasehold Interest	$6,240,000
Market Value upon completion/stabilization as if unencumbered by restricted rents	Leasehold Interest	$27,820,000
Market Value upon completion/stabilization as encumbered by restricted rents	Leasehold Interest	$35,210,000
Land Value – net of demolition costs	Leasehold Interest	$6,240,000

	Underwritten NOI	***Appraisal NOI***
Appraiser Firm	CBRE Valuation and Advisory Services	CBRE Valuation and Advisory Services
Appraisal Date	TBD	TBD
Appraised As-is Value	$6,240,000	$6,240,000
Appraised Land Value	$6,770,000	$6,770,000
Appraised As-Completed Value (Restricted)	$35,210,000	$35,210,000
Appraisal Investment Value	$113,680,000	$113,680,000
Appraisal Cap rate	5.0%	5.0%
NOI (Stabilized Year)	$1,789,829	$1,848,591
Appraisal Cap rate	5.0%	5.0%
As-completed Restricted Value Calculated for UW NOI	$35,210,000	$35,210,000
1st Lien Loan	$21,083,000	$21,083,000
Does the Perm loan include Cash equity payment?	No	No
LTV	58.1%	58.9%
Max LTV allowed	90.00%	90.00%
LTV Check	Ok	Ok
Total CalHFA loans	$25,083,000	$25,083,000
CLTV calculated	70.0%	70.0%
Max CLTV allowed	120%	120%
CLTV Check		
LTV Stress Test for HUD Risk Share Underwriting Requirements		
Cap Rate Stress %	0.50%	0.50%
Cap Rate for Stress Test 1	6.00%	6.00%
1st Lien Loan	$21,083,000	$21,083,000
Restricted Value	$32,542,353	$32,542,353
LTV (Stress Test 1)	64.9%	64.9%
Total CalHFA loans	$25,083,000	$25,083,000
CLTV (Stress Test 1)	77%	77%
	Ok	Ok

Comments:
The Borrower's estimated NOI is $1,789,829 which is approximately $5,635 (~0.3%) lower than the estimated NOI on the appraisal report of $1,784,194 which is a minor deviation. Regardless, the CalHFA underwriting has been adjusted to match the appraisal NOI for this approval.

- Considering these deviations, the proposed operating expenses are reasonable based on the Developer's experience with operating a similar project in the area and per the property management agreement.
- The proposed operating expense is consistent with and is reasonable based on the appraisal report.
- The absorption rate is 40 units per month and should equals a 6-month lease-up period is consistent with the market study.

7c	Project Operating Budget Assumptions		
Total Units	241	Construction Start Date	4/1/2025
Regulated Units	239	Construction Completion Date	6/1/2027
Manager Units (Market Rate)	2	Construction Period (months)	26
Total Residential Square Feet	125,622	Lease-up Commencement Date:	6/1/2027
Avg Sq Ft/Unit	553	Lease-up Completion Date	10/1/2027
Rental Subsidies?	Yes	Lease-up Period (months)	4
No. of Units with Rental Subsidies	20	Est. Stabilization /Perm Conversion Date	12/1/2027
Rental Subsidy Contract Term (Initial)	20	Lease-up Completion to Stabilization (months)	6

7d			Project Operating Cash-flow Summary		
Operating Budget and Reserve Balances					
	Year 1	Year 5	Year 10	Year 15	Terminal Year
Adjusted Gross Income	3,476,388	3,837,282	4,341,532	4,912,045	7,114,106
Other Income/Subsidies	287,364	305,889	330,784	357,768	453,170
Projected Vacancy and Discount Loss	188,188	207,159	233,616	263,491	378,364
Effective Gross Income (EGI)	3,575,564	3,936,012	4,438,700	5,006,322	7,188,912
Total Operating Expenses	1,785,735	2,038,982	2,408,176	2,846,041	4,712,739
Reserve For Replacement	84,350	87,775	92,252	96,958	112,565
Net Operating Income (NOI)	1,789,829	1,897,031	2,030,525	2,160,281	2,476,173
Total Debt Service & Other Payments	1,528,289	1,528,289	1,528,289	1,528,289	1,528,289
Cash Flow After Debt Service	261,540	368,741	502,235	631,992	947,884
Debt Service Coverage Ratio	**1.17**	**1.24**	**1.33**	**1.41**	**1.62**
Income/Expense Ratio	**2.00**	**1.93**	**1.84**	**1.76**	**1.53**
Less:					
LP Management Fee*	35,887	40,391	46,824	54,282	0
GP Partnership Management Fee (See Note 2)	5,000	5,628	6,524	7,563	0
Other CalHFA approved Partnership Fee					
Total Fees	$40,887.00	$46,019.00	$53,348.00	$61,845.00	$ 0.00
Annual Cap Limit	$40,500	$45,583	$52,843	$61,260	$95,441
[*Note: Any Fees above the Annual Cap to be paid from Developer Distribution % below]					
Cashflow for Distribution					
Developer Distribution %	100%	100%	100%	50%	50%
Cumulative Developer Distribution	220,653	1,358,475	3,351,768	5,143,207	11,245,063

Residual Receipts %	0%	0%	0%	50%	50%
Cumulative Residual Receipts Repayment	0	0	0	819,567	6,921,424
Unpaid/Accrued CalHFA loan Balance					
Perm Loan	20,976,667	20,471,830	19,615,697	18,416,415	11,086,580
MIP Loan	4,000,000	4,000,000	4,000,000	3,859,805	2,308,857
Reserves Balances					
Operating Reserve	1,108,832	1,108,832	1,108,832	1,108,832	1,108,832
Rent Reserve					
Transition Operating Reserve					
Replacement Reserve					
Other Reserve					
Notes:					

7e	Rental Assistance and Other Subsidy			
[Background if any]				
Type of Rental Subsidy	**Subsidy Administrator**	**Initial Term of Rental Subsidy Contract**	**Eligible Units**	**Renewal/Additional Term for Subsidy Contract**
Project-based Vouchers	Sacramento Housing and Redevelopment Agency	20	20	2 20-year extensions
Section 8	N/A	N/A	N/A	N/A
Other rental assistance	N/A	N/A	N/A	N/A
Other Operating Subsidy	N/A	N/A	N/A	N/A

Notes (if any):

1. The Project will receive PBVs under the Section 8 program for 20 units for an initial term of 20 years with the possibility to renew the contract for 2 additional terms of 20 years each. Renewal is subject to annual HUD appropriations and SHRA administerial approval. The Sacramento Housing and Redevelopment Agency will be the contract administrator. Residents for these units will be referred to the project through Sacramento Continuum of Care.

Other State and Local Subsidies:

Other State Subsidies: The Project will be funded by other state funds which include:

1. HCD-Excess Sites Local Government Matching Grant Program ("Sponsor Loan-HCD LGMG") $10,000,000 was awarded 2/28/2023. For true debt purposes, this source will be provided at construction loan closing through a sponsor loan with a 0.00% interest rate for a term of 55 years commencing at permanent loan conversion. This loan is expected to be secured against the leasehold interest of the property and fee interest in the improvements. The loan is expected to be repaid through the borrower's 50% portion of surplus cash after DDF is fully repaid.

Other Locality Subsidies: The Project will be funded by other locality funds which include:

2. Capital Area Development Authority Loan ("CADA loan") $8,250,000 was awarded on 12/15/2022 and has an interest rate of 3.00% for a term of 55 years. This loan is being increased to include a $3MM contribution from the City of Sacramento for a total CADA loan amount of $11,250,000. This loan is expected to be secured against the leasehold interest of the property and fee interest in the improvements. The loan is intended to be available for permanent financing and will be repaid through a pro-rata share of residual receipts after DDF is repaid.

7f	Reserve Requirements	
Name of Reserve	**Amount**	**Comments**
Operating Expense Reserve (OER)	$1,108,832	4 months of operating expenses, reserve deposits, and debt service payments will be funded at perm closing and will be held and maintained at that level for the term of the CalHFA permanent loan. The reserve will be held by CalHFA and in the event the OER is drawn down during the term of the loan, the OER must be replenished over a 12-month period to the original level.
Replacement Reserves (RR)	$0 (capitalized) $84,350 (annually)	The capitalized RR amount is not required for new construction projects. The annual RR amount is sized based on $350 per unit. CalHFA will hold this reserve.
Transitional Operating Reserve (TOR)	N/A	SHRA policy allows for up to 2 20-year extensions to HAP contract term subject to annual appropriations and administerial approval by SHRA.
Notes:		

7g	Exit Analysis Requirements		
Exit Year	29	**Assumed Refi Year**	29
Cap Rate Increase	2.00%	**Interest Rate Increase**	3.00%
UW Loan Amount	$21,083,000	**Max. Refi Loan Size**	$19,829,913
Appraised Value	$35,077,416	**Max LTV at Refi**	57%
Unpaid Principal Balance (1st Lien)	$0	**Unpaid Principal Balance (MIP Subsidy Loan)**	$0

Notes:

1. The primary source of repayment for both the CalHFA 1st lien loan and MIP subsidy loan is refinance of the Project's first mortgage. The Exit analysis test for refinancing indicates that the Project will have the ability to fully repay the balance of the Agency's 1st lien and MIP loans.

8	Insurance Requirements

8a	Seismic Review and Earthquake Insurance
Seismic Review Required?	Yes
Earthquake Insurance Required?	No

- This new construction Project will be built to State and City of Sacramento Building Codes. However, the building design required a seismic review which was completed on December 11, 2024 by MHP, Inc. This report determined SEL/SUL (475) at 4% and 7%, respectively. Therefore, the project will not be subject to Earthquake Insurance. Receipt of a certification by the engineer on record that Project has been built to current seismic code acceptable to the Agency prior to permanent closing.

8b	**Flood Designation and Insurance**		
Flood Zone Designation:	Zone X	Flood Insurance Required?	Yes

The subject is located in Flood Zone X (area of minimum flood hazard). Zone X is the area determined to be outside the 500-year floodplain and protected by levee from 100-year floodplain. Regardless, new HUD flood guidelines beginning in 2024 do not take the protected levee into account when determining risk and requires the project elevation be at least 2 feet above base flood elevation whereas the project elevation is less than 2 feet above base flood elevation. Flood insurance is required and has been included in the project operating budget.

8c	**Other Insurance Requirements**

None

9	**Third-party reports and diligence**		
9a	Environmental Review Summary		
Environmental Phase I Site Assessment Firm:	Ninyo & Moore		
Phase I ESA Report Date:	12/21/2024	Reliance Letter with CalHFA as relying party?	Y
Phase II ESA Report Date:	1/23/2024		
NEPA Review Completed?	No	NEPA review Date of completion:	Estimated March 2025.

- The Phase II Environmental Site Assessment dated 1/23/2024 detected elevated levels of volatile organic compounds (Benzene and Chloroform) in the ground water. To mitigate health risks, a vapor barrier will be installed during the course of construction, as recommended by the Phase I/II ESA consultant. Installation of the vapor barrier is included in the construction scope and will be verified prior to permanent loan closing.
- Although the presence of VOCs in soil vapor at the Site is considered a REC, it is the consultant's opinion that soil vapor at the detected concentration would not result in intrusion of soil vapor into the Site structures at concentrations that exceed the ESL of 14 ug/m3. Ninyo & Moore recommends no additional investigation of the Site at this time.

Other Environmental Reports	
Asbestos-containing Material (ACM) Survey Required?	No
Date of Survey:	N/A
Lead-Based Paint (LBP) Survey Required?	No
Date of Survey:	N/A
Other Environmental Reports /studies completed:	Geotechnical Investigation dated 1/12/2023

10		**Risk Identification and Mitigations**
10a		Underwriting and Term Sheet Variations
Select all that applies AND add any other applicable deviations from USRM or Term Sheet that are not listed		
☐	i.	Initial DSCR greater than 1.20x?
☐	ii.	Deviation from LTV and CLTV requirements per Agency's underwriting standards
	iii.	The Project's proposed operating expenses are below CTCAC minimum
	iv.	Utility Allowance less than HUD's allowance?
☐	v.	Affordability restrictions (rent and income limits) are NOT in compliance with CalHFA Term Sheets and CalHFA Regulatory Agreement
☐	vi.	Deviation in Agency's underwriting standards (USRM) requirements for CalHFA regulated unit sizes (by bedroom count) to be distributed substantially on a pro rata basis across income ranges proportionately to their availability in the development?
☐	vii.	Maximum allowable rents for all restricted units is NOT in compliance with CalHFA Term Sheets
☐	viii.	Variation in CalHFA Loan(s) requirements for lien position recordation per Program Term Sheets
☐	ix.	Variation in CalHFA Loan(s) requirement for loan security and repayment per Agency's underwriting standards (USRM) and Program Term Sheets
☐	x.	CalHFA Regulatory Agreements (MIP affordability covenants) are not recorded in senior position to all foreclosable debt.
☐	xi.	Exceptions related to the Development Team experience or qualifications including deficiency in diligence obtained or lack of supporting evidence, per the requirements in the Agency's underwriting standards
☒	xii.	Exceptions related to Ground Lease structure requirements not meeting the minimum: the ground lease structure is acceptable to Legal, and satisfies the requirement that the first lien perm loan is secured against both fee and leasehold interests in the subject property. The ground lease term exceed any CalHFA subsidy or perm loan term(s) by 10 years or more. The ground lease rents are nominal. The term of the ground lease is equal to or longer than the term of the CalHFA Regulatory Agreement. (See Note 1)
☐	xiii.	Failure to meet CalHFA Exit Analysis test requirements
☒	xiv. •	Deviation from the CalHFA Program Term Sheet requirement for surplus cash distribution allowing higher than 50% distribution to the Developer To comply with tax credit investor requirements that the deferred developer fee be fully repaid by year 15, the developer is requesting a larger than 50% share of surplus cash distribution to be applied towards reducing the deferred developer fee until the earlier of full repayment or year 15.
☐	xv.	Project-based rental subsidy contract term is less than Agency's 1st lien perm loan and/or the proposed rental subsidy contract does not contain an automatic renewal provision.

☐	xvi.	Deviation from the Agency's underwriting standards and/or CDLAC/TCAC regulations related to maximum Developer Fee including cash/upfront fee and Deferred Developer fee requirements
☐	xvii.	Deviations from the Agency's underwriting standards related to Construction Cost budget concerns, contingency requirements below minimum, sources/uses imbalance, sources for environmental remediation and/or off-site improvements not identified or finalized, etc.
☐	xviii.	<Other>

For any response that is ☒ checked, please explain below and discuss potential mitigation strategies:

1. See 11b.

11	Supplementary Project Information
11a	Form of Site Control and Expiration

Current Ownership of Entity of Record:	State of California (HCD)

The current owner of the site, the State of California (HCD Lessor), and the Project sponsors, Mutual Housing California and Capitol Area Development Authority ("Optionee"), entered into a Ground Lease Option Agreement dated 8/19/2022 which expired on 8/19/2024 ("Expiration Date"). The parties entered into an Extension Agreement on 8/20/2024 to extend the Option Agreement until 8/21/2025.

11b	Ground Lease (if applicable)		
Ground Lessor	State of California (HCD State Surplus Land)	Capitalized Ground Lease Payment and Source	$99
Ground Lease Term	99 years	On-going Ground Lease Payment and Source	$0

The MIP term sheet states that the first lien permanent loan shall be secured against both the fee and leasehold interests in the Property. The HCD Lessor requested that the CalHFA loans be secured solely against the leasehold interest in the land and fee interest in the improvements. This is an exception to the term sheet, but because this request meets the conditions of the Agency's underwriting standards to permit limiting the security interest to the leasehold, and the ground lease rents are nominal, the Multifamily Lending Division recommends granting this request. All Agency subordinate loans shall be secured in the same manner. However, if any lender encumbers both fee and leasehold interests in the land, the CalHFA loan documents will also secure in the fee and leasehold interests in the land. The final ground lease document is subject to CalHFA approval. Lessor must provide approval of CalHFA ground lease rider.

Defaults under any loans used to capitalize payments or ongoing residual receipt payments required by the ground lease must not constitute a default under the ground lease.

11c	Displacement and Relocation of existing tenants

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

11d	Net Loss of Affordable Units

The Project is a new construction project, with no related demolition of existing affordable housing, hence no existing affordable housing units will be lost nor will existing residential households be displaced as a result of this development.

11e	Project Amenities		
Project Amenities:	Present?	Unit Amenities	Present?
Community Room	☒	Central Heating	☒
Fitness Room	☒	Central A/C	☒
Computer Room	☒	Microwave	☐
Central Laundry Facilities	☒	Washer/Dryer Hookups	☐
Gated Entry	☒	Dishwasher	☒
Security Patrol	☒	Garbage Disposal	☒
Gym	☐	Free Internet Service	☐
<Other>	☐	<Other>	☐
<Other>	☐	<Other>	☐
<Other>	☐	<Other>	☐
<Other>	☐	<Other>	☐
Notes (if any):			

11f	Legislative Districts & Local Support
Congress:	#7 Doris Matsui
Assembly:	#6 Maggy Krell
State Senate	#8 Angelique Ashby
Local Support:	

12	**Development Team Experience**	
12a	Developer / Project Sponsor	
Name	Experience with CalHFA	If new, describe if minimum development experience requirements are met per USRM
Mutual Housing California	0 projects in the CalHFA development pipeline other than the subject. 5 projects completed, all operating as expected.	N/A
Co-developer Name	N/A	N/A

Developer Relationship Summary
[Pipeline]

Other than the subject property, Mutual Housing California does not have any projects in CalHFA's development pipeline.

Project Name	Project Status	Construction Loan Closing	Est. conversion	Perm Loan Amount	CalHFA Subsidy Amount
N/A	N/A	N/A	N/A	N/A	N/A

Mutual Housing Management (affiliated to developer) has 5 projects in CalHFA's Asset Management portfolio that are performing as expected.

Developer Relationship Summary
[Portfolio]

Project Name	Project Status	Loan Origination Date	Loan Maturity Date	Loan Amount	UPB as of 01/07/2025	Most Recent DSCR	Most Recent Occ.	Most Recent Risk Rating	Project Type	Performance Issues
Moore Village	Active - Loan Paid In Full	Affordability Restrictions Only								N/A
Mutual Housing at the Highlands	Active	5/25/2010	6/1/2065	$2,968,839	$2,968,839	N/A	96%	N/A	MHSA	N/A
Northstar/ Twin Pines	Active - Loan Paid In Full	Affordability Restrictions Only								N/A
Owendale Mutual Hsg	Active	PRA 811 Only								N/A
Tremont Green	Active - Loan Paid In Full	Affordability Restrictions Only								N/A

12b	General Contractor
General Contractor name:	Sunseri Construction
Affiliated entity of the Developer/Borrower?	No
Experience with CalHFA?	Yes

The general contractor (GC) is Sunseri Construction, which has extensive experience in constructing similar affordable housing projects in California and is familiar with CalHFA. The GC and the developer have worked on 7 project(s) that has been completed and is working on 2 projects that are in development stage (including Monarch).

12c	Architect and Engineering (A&E) firm
Architect name:	Kuchman Architects
Affiliated entity of the GC?	No
Affiliated entity of the Developer/Borrower?	No
Experience with CalHFA?	Yes

The architect is Kuchman Architects, which has extensive experience in designing and managing similar affordable housing projects in California through the locality's building permit process and is familiar with CalHFA.

The architect and the developer have worked on 4 project(s) that have been completed and has one project in predevelopment.

12d	Management Agent (Property Manager)
Name of the Firm	Mutual Housing Management
Third-party or Borrower Affiliate?	Borrower affiliate
Management Fee (Annual fee %)	3.5%
Management Fee (Other incentives)	N/A
Total number of properties managed by the Property Manager (PM)	24
Total number of properties managed for the Developer	18
Total number of properties the PM has in CalHFA portfolio	5
Any property management issues for CalHFA portfolio projects under the management of the Property Manager?	N/A

Notes (if any):

12e	Borrower Affiliated Entities	
Borrower Legal Entity	805 R Mutual Housing Associates, L.P.	
Borrower Entity Type	a California limited partnership	
Member	% interest	Legal Entity Name:
Managing General Partner	0.005%	805 R Mutual Housing Association, LLC
Administrative General Partner	0.005%	805 R CADA Association, LLC
Investor Limited Partner	99.99%	Mutual Housing Corporation (initial, to be replaced with tax credit investors, see below)
	100.00%	

Managing General Partner	805 R Mutual Housing Association, LLC
Type of Legal Entity	a California limited liability company
Ownership	% interest
Mutual Housing California, a California nonprofit public benefit corporation	100%

Administrative General Partner	805 R CADA Association, LLC
Type of Legal Entity	a California limited liability company
Ownership	% interest
Capitol Area Community Development Corporation, a California nonprofit public benefit corporation	100%

Investor Limited Partner	Enterprise Housing Credit Investments & Sugar Creek Capital
Comments on Tax Credit Investor: CalHFA has prior experience with both Enterprise Housing Credit Investments and Sugar Creek Capital. Comments on LPA nuances/concerns: None to report at this time.	
Notes (if any):	

12f	Support Service Provider(s)
Name of Service Provider	Mutual Housing California
Required by TCAC or other funding sources?	Yes
Term of Services (on-site, number of years)	20
Support Services Budget included in the Operating Budget	$90,000
Per unit cost of support services meets USRM thresholds?	Yes
The Residential Services arm of Mutual Housing California will provide the services for all tenants. Services will include 19 hours/week of financial counseling, housing counseling, and leadership development.	

12g	Other Development Team Members (if applicable)
Name of Firm:	N/A
Role:	N/A
Experience: N/A	

13	**Conditions for Approval**

Approval is conditioned upon:

1. Subject to all MIP program requirements pursuant to applicable term sheets.
2. The CalHFA MIP loan subsidy will be, in the Agency's sole discretion, the lesser of 1) the principal amount as stated on hereto or 2) an amount as determined by the Agency in the event the financial assumptions change prior to construction loan closing and/or permanent loan closing.
3. All MIP Loan principal and interest will be due and payable at maturity.
4. No site work or construction commenced prior to the issuance of a HUD Firm Approval Letter, per the HUD Risk Sharing program requirements.
5. CalHFA requires that MIP affordability covenants be recorded in senior position to all foreclosable debt.
6. Funds from the CalHFA permanent loan and/or the subsidy loan shall not be used to fund or offset any portion of the commercial or offsite improvements construction costs, except to the extent such costs are attributable to improvements for the exclusive use by the tenants of the Project.
7. The CalHFA loan(s) will be secured against the leasehold interest in the land and fee interest in the improvements. All subordinate loans are to be secured in the same manner. However, if any lender encumbers both fee and leasehold interests in the land, the CalHFA loan documents will also secure in the fee and leasehold interests in the land. The final ground lease document is subject to CalHFA approval. Lessor must provide approval of CalHFA ground lease rider.
8. Defaults under any loans used to capitalize payments or ongoing residual receipt payments required by the ground lease must not constitute a default under the ground lease.
9. CalHFA will require that the local funding regulatory agreements to contain provisions allowing rent increases to the maximum TCAC rents if rental subsidies are no longer available.
10. CalHFA will require that the local funding regulatory agreements to contain provisions allowing rent increases to the maximum TCAC rents in an event of default.
11. Evidence of acceptable flood insurance will be required prior to permanent loan closing.
12. Receipt of a certification by the engineer on record that Project has been built to current seismic code acceptable to the Agency prior to permanent closing
13. Prior to permanent loan closing, receipt of acceptable commercial space lease to Mutual Housing California for office use. In the event Mutual Housing California is not the commercial space lessor, the actual commercial space lessor agreement is subject to CalHFA review and approval.
14. Prior to permanent loan closing, in the event Mutual Housing California is not the commercial space lessor, an updated appraisal will be engaged to determine the potential commercial income for the commercial space. Any actual residual commercial income will be required to be applied annually towards reducing residual receipt payments between subordinate lenders on a pro-rata basis.
15. The draft appraisal has been submitted and the final appraisal will be subject to Agency's review and approval prior to execution of the CalHFA forward rate lock when an analysis of the appraisal NOI will be completed. In the even the appraised NOI is less than the NOI used for this approval, the CalHFA loan amount may be reduced to meet CalHFA underwriting standards prior to execution of the forward rate lock.

16. At all times appraised NOI will serve as a maximum for underwriting and loan sizing.
17. No more than 5% of the net CalHFA bond proceeds may be used for non-residential development costs; (IRC Section 142 and Treasury Regulation Section 1.142) AND
18. As a condition of financing non-residential/commercial construction, any lease payments collected in excess of payments necessary for debt service, operating expenses and any required reserves related to such property, shall be used to reduce rents on units reserved for occupancy by lower-income households and very low-income households in a multifamily rental housing development. (See H&S Code section 51334).

14	**Approval Recommendation and Action**
14a	Staff Recommendation and Approval Authorizing the Issuance of a Final Commitment

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

The Final Commitment of the Agency is subject to all CalHFA underwriting standards, applicable Term Sheet and CalHFA regulatory requirements, and any other applicable requirements. Any material deviation from the original financing structure, project changes, underwriting assumptions, or the failure of a condition of the Final Commitment Letter, if issued, can result in the Agency's decision to not proceed with the financing of the project at any stage during underwriting and prior to the closing of the Agency's financing.

14b	Senior Loan Committee Action

Senior Loan Committee recommends approval of the Final Commitment of the described financing in the amount(s) requested, subject to the above proposed terms and conditions.

Digitally signed by Erwin Tam
Date: 2025.03.04
15:28:07
-08'00'
Date: ____________________

Erwin Tam
Director of Financing & Senior Loan Committee Chairperson

Approved by:

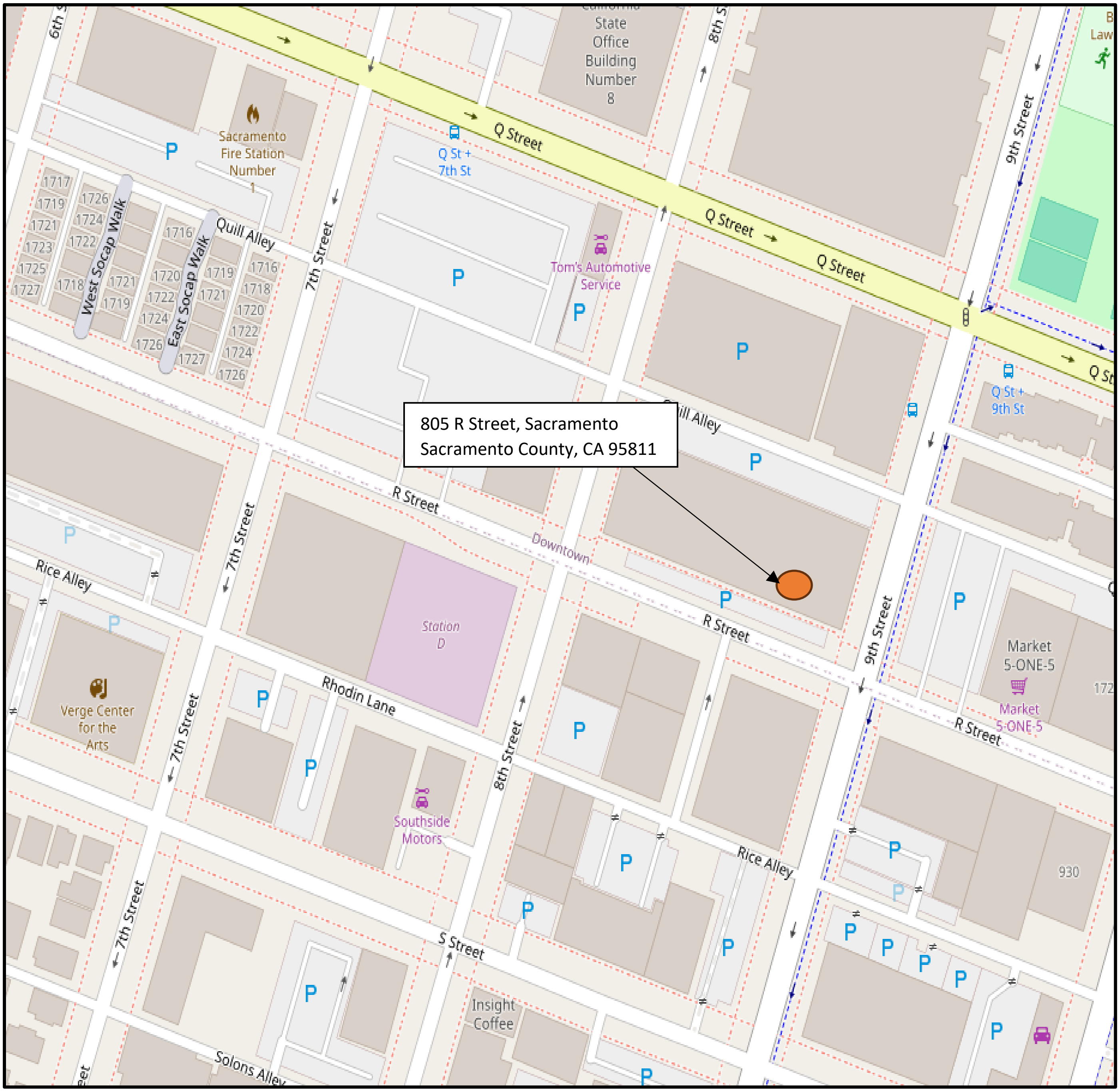
Rebecca Franklin

Digitally signed by Rebecca Franklin
DN: OU=Executive Office, O=California Housing Finance Agency, CN=Rebecca Franklin, E=rfranklin@calhfa.ca.gov
Reason: I am the author of this document
Location:
Date: 2025.03.04 16:10:03-08'00'
Foxit PDF Editor Version: 2024.4.1

Date: 3/4/2025

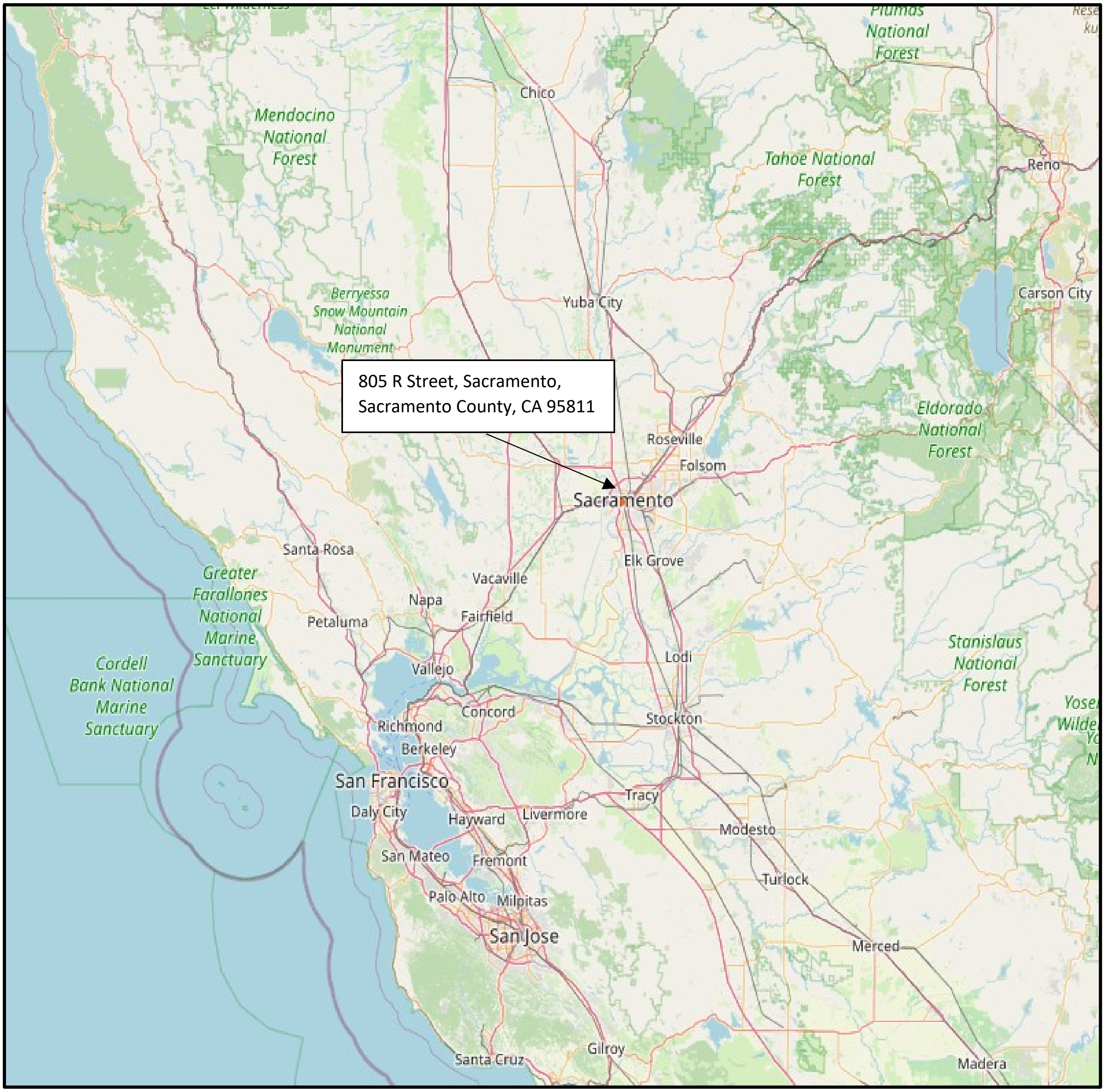
Rebecca Franklin
Chief Deputy Director
CalHFA

Monarch
Near



Monarch

Far


805 R Street, Sacramento,
Sacramento County, CA 95811
Mendocino National Forest
Chico
Plumas National Forest
Tahoe National Forest
Reno
Carson City
Berryessa Snow Mountain National Monument
Yuba City
Roseville
Folsom
Sacramento
Eldorado National Forest
Santa Rosa
Elk Grove
Greater Farallones National Marine Sanctuary
Vacaville
Napa
Fairfield
Petaluma
Cordell Bank National Marine Sanctuary
Vallejo
Lodi
Stanislaus National Forest
Concord
Richmond
Berkeley
Stockton
San Francisco
Daly City
Hayward
Livermore
Tracy
Modesto
San Mateo
Fremont
Turlock
Palo Alto
Milpitas
San Jose
Merced
Gilroy
Santa Cruz
Madera

BOARD OF DIRECTORS
OF THE CALIFORNIA HOUSING FINANCE AGENCY

RESOLUTION NO. 25-06

RESOLUTION AUTHORIZING A FINAL LOAN COMMITMENT

WHEREAS, the California Housing Finance Agency (the "***Agency***") has received a loan application on behalf of 805 R Mutual Housing Associates, L.P., a California limited partnership (the "***Borrower***"), seeking a loan commitment, the proceeds of which are to be used to provide financing for a multifamily housing development located in the City of Sacramento County of Sacramento, California, to be known as Monarch Apartments (the "***Development***"); and

WHEREAS, the loan application has been reviewed by Agency staff which prepared a report presented to the Board on the meeting date recited below (the "***Staff Report***"), recommending Board approval subject to certain recommended terms and conditions; and

WHEREAS, Agency staff has determined or expects to determine prior to making a binding commitment to fund the loan for which the application has been made, that (i) the Agency can effectively and prudently raise capital to fund the loan for which the application has been made, by direct access to the capital markets, by private placement, or other means and (ii) any financial mechanisms needed to insure prudent and reasonable financing of loans can be achieved; and

WHEREAS, pursuant to the Executive Director's authority to issue Conduit Bonds, under Resolution 24-10 the Agency has filed an application with the California Debt Limit Allocation Committee ("***CDLAC***") for an allocation of California Qualified Private Activity Bonds for the Development; and

WHEREAS, pursuant to Resolution 24-10, the Agency may additionally issue refunding bonds utilizing "Recycled" private activity bond volume cap pursuant to 26 U.S.C. 146(i)(6); and

WHEREAS, the Development has received a TEFRA Resolution as required by the Tax Equity and Fiscal Responsibility Act of 1983, and under 26 U.S.C. section 147(f); and

WHEREAS, Section 1.150-2 of the Treasury Regulations requires the Agency, as the issuer of tax-exempt bonds, to declare its reasonable official intent to reimburse prior expenditures for the Development with proceeds of a subsequent borrowing; and

WHEREAS, on February 21, 2024, the Executive Director exercised the authority delegated to her under Resolution 15-16 to declare the official intent of the Agency to reimburse such prior expenditures for the Development; and

WHEREAS, the Agency has conditionally approved a subsidy loan pursuant to CalHFA's Mixed-Income Program ("***MIP***") pursuant to its authority under Resolutions 19-02 and 19-14; and

WHEREAS, the Board wishes to grant the staff the authority to enter into a loan commitment to provide permanent financing for the development and taking out the Conduit Bonds upon Agency staff determining in its judgment that reasonable and prudent financing mechanisms can be achieved;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors (the "***Board***") of the California Housing Finance Agency as follows:

1. The Executive Director, or in her absence, the Chief Deputy Director, is hereby authorized to execute and deliver a final commitment letter, in a form acceptable to the Agency, and subject to recommended terms and conditions set forth in the Staff Report and any terms and conditions as the Board has designated in the Minutes of the Board Meeting, in relation to the Development described above and as follows:

PROJECT NUMBER	DEVELOPMENT NAME/ LOCALITY	MORTGAGE AMOUNT	
24-008-A/X/N	MONARCH City of Sacramento County of Sacramento	$21,083,000.00	Tax-Exempt Bond 1st Lien Loan with HUD Risk Share
		$ 4,000,000.00	Mixed-Income Program Residual Receipts 2nd Lien Loan

The Board recognizes that in the event that staff cannot determine that reasonable and prudent financing mechanisms can be achieved, the staff will not enter into loan commitments to finance the Development. In addition, access to capital markets may require significant changes to the terms of loans submitted to the Board. Notwithstanding paragraph 2 below, the staff is authorized to make any needed modifications to the loan which in staff's judgment are directly or indirectly the result of the disruptions to the capital markets referred to above.

2. The Executive Director may modify the terms and conditions of the loan or loans as described in the Staff Report, provided that major modifications, as defined below, must be submitted to this Board for approval. "Major modifications" as used herein means modifications which either (i) increase the total aggregate amount of any loans made pursuant to the Resolution by more than 7%; or (ii) modifications which in the judgment of the Executive Director, or in her absence, the Chief Deputy Director of the Agency, adversely change the financial or public purpose aspects of the final commitment in a substantial way.

SECRETARY'S CERTIFICATE

I, Marc Victor, the undersigned, do hereby certify that I am the duly authorized Secretary of the Board of Directors of the California Housing Finance Agency, and hereby further certify that the foregoing is a full, true, and correct copy of Resolution No. 25-06 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 20th day of March, 2025, at which meeting all said directors had due notice, a quorum was present and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

IN WITNESS WHEREOF, I have executed this certificate hereto this 20th day of March 2025.

ATTEST: ______________________________

MARC VICTOR
Secretary of the Board of Directors of the
California Housing Finance Agency

CalHFA

MEMORANDUM

To: Board of Directors **Date:** March 20, 2025

From: Stephanie McFadden, Director of Multifamily Programs
California Housing Finance Agency

Subject: Agenda Item 6 – Permanent Loan Increase for College Creek Apartments, Project No. 21-017

Action: CalHFA Senior Loan Committee has recommended that Chief Deputy Director, Rebecca Franklin, seek Board approval and permanent loan increase for the College Creek Apartments Development by approving Resolution Number 25-07.

Development Information:

- On October 21, 2021 the CalHFA Board of Directors approved a $28,140,000 permanent tax-exempt loan and a $4,000,000 Mixed Income Program ("MIP") subsidy loan for College Creek Apartments.

- Both the permanent loan (40-year amortization) and MIP subsidy loan (residual receipts) have terms of 17 years.

- Construction Financing closed on February 1, 2022 and construction was completed on May 4, 2024.

- During construction, the development experienced cost increases, which have resulted in a financing gap that is being partially mitigated by the proposed permanent loan increase of $5,900,000 (21% increase).

- Any permanent loan increase above 7% of the previously approved amount requires a new approval by the CalHFA Board.

CALHFA LOAN APPROVAL

This is to memorialize that on February 21, 2025 CalHFA approved the following action for the project described as follows:

College Creek Apts - CalHFA# 21-017-A/X/N

$34,040,000 (Tax-Exempt Permanent Loan HUD Risk Sharing)

☐ Initial Commitment approval; or

☒ Recommendation to the Board of Directors that it authorize the issuance of a amended final commitment; or

☐ Issue a final commitment pursuant to Board Resolution No. 20-16, authorizing Senior Staff to approve loan commitments under $15,000,000; or

☐ Issue a modified final commitment for an increase of less than 7% pursuant to Board Resolution No. 20-16;

☐ Issue a final commitment under the guidelines of the Non-Profit Predevelopment Loan Program pursuant to Board Resolution No. 13-13; or

☐ Issue an approval for bond Issuance under the guidelines of the Conduit Issuer Program pursuant to Board Resolution No. 24-10.

☐ Issue a final commitment under the guidelines of the CalHFA Mixed Income Program pursuant to Board Resolution Nos. 19-02 and 24-11.

Rebecca Franklin

Rebecca Franklin
Chief Deputy Director

SOURCE OF HAT OR NON-HAT FUNDS:

☐ FAF Dollar Amount:________________________

☐ Earned Surplus (Pre-80) Dollar Amount:________________________

☐ Earned Surplus (Post-80) Dollar Amount:________________________

☐ Agency Funds Dollar Amount:________________________

☐ Other:_________ Dollar Amount:________________________

State of California

M E M O R A N D U M

To:	**Senior Loan Committee**	**Date: February 21, 2025**
From:	**Kevin Brown, Housing Finance Officer** **Torin Heenan, Attorney**	
Subject:	**Post-approval modifications to Final Commitment issued for CalHFA Perm loan and MIP Subordinate loan financing approved by Senior Loan Committee and CalHFA Board of Directors.**	

Project: College Creek Apartments
Borrower: Santa Rosa 669, L.P.
Total Units: 164 /Family New Construction
City/County: Santa Rosa, Sonoma County
Developer: USA Properties Fund, Inc.
Managing General Partner ("MGP"): Riverside Charitable Corporation
Administrative General Partner ("AGP"): USA Santa Rosa 669, Inc. (principals affiliated with USA Properties Fund, Inc.)
Construction Lender: Bank of America
Investor: Bank of America
CalHFA Project #: 21017-A/X/N

Project Background

The Project is the new construction of two three-story buildings and one four-story building that includes 164 total residential units. 163 units will be reserved for individuals and families earning 30% to 70% of AMI for the County of Sonoma. On October 21, 2021, the CalHFA Board of Directors ("Board") approved the final commitment under Resolution 21-18 for a $28,140,000 permanent tax-exempt loan (1st lien, 40 year-partially amortizing due in year 17) ("Permanent Loan") and a $4,000,000 CalHFA 2021 Mixed-Income Program ("MIP") 2nd lien residual receipts loan to finance the Project.

CalHFA secured a tax-exempt bond allocation for the construction financing of the Project in the amount of $33,100,000 from the California Debt Limit Allocation Committee ("CDLAC") on August 11, 2021. The Project also received an award of $22,896,670 of 4% Federal tax credits and $6,332,580 of State tax credits on August 11, 2021, from the California Tax Credit Allocation Committee ("CTCAC"). As project costs increased, and in an effort to meet the 50% aggregate basis requirement for CTCAC, the project received its first supplemental bond allocation of $2,650,000 on July 20, 2022, and a second supplemental bond allocation of $2,250,000 on December 11, 2024 resulting in a total of $38,000,000 in vol cap allocation to date. The current aggregate basis is projected to be 51.48%.

The Final Commitment Letter ("FCL") was issued by the Agency on November 10, 2021, with a permanent loan closing deadline of January 31, 2025. The interest rate on the CalHFA 1st lien loan was locked at 3.88% on January 12, 2022.

On November 8, 2024, CalHFA amended the FCL extending the permanent loan closing deadline to May 1, 2025.

Current Status and Request Summary

The construction financing closed on February 1, 2022. Construction was completed on May 4, 2024, and the property completed its 90-day stabilization requirement at the end of January 2025. The Project is expected to convert by the May 1, 2025, deadline, however, there has been a significant increase in the development budget of 16% over the original budget approved in the FCL, which necessitates the CalHFA Board to approve the requested 21% increase in Permanent Loan amount. Any increase above 7% of the permanent loan amount approved by the Board requires re-approval by the CalHFA Board.

CalHFA Permanent Loan Increase and new rate lock

During construction, the Project experienced increases to the development costs, that have fully expended the hard and soft cost contingencies. The increased costs are attributed to the impacts of COVID-19, which caused supply and labor shortages. The budget has also experienced increases in the variable interest rate of the construction loan. The variable interest rate on the Bank of America construction loan is tied to the 1-month Secured Overnight Financing Rate (SOFR). As the Federal Reserve increased the fed funds rate, the SOFR followed closely behind, which increased the expected interest carry significantly from construction close through expected permanent loan conversion. The project was originally underwritten with a rate of 3.30% (for the T/E Construction loan) and 3.25% (for the Taxable construction loan) and the most current rate is 6.47% (for the T/E Construction loan) and 6.47% (for the Taxable Construction loan). As a result, the project currently is facing a permanent period financing gap of $11,004,266, which the Borrower is requesting to partially mitigate by requesting an increase in CalHFA perm loan amount.

CalHFA Financing issued a blended rate of 4.26% on 2/3/2025 for the increased loan amount of $34,040,000. This rate is locked for permanent loan closing. If the loan amount changes or the project fails to close by May 1, 2025, the rate lock will expire and the new rate, if issued, will be at the sole discretion of the Agency.

Multifamily has completed the updated underwriting for the requested loan increase and determined that the Project can support a $5,900,000 (21%) increase to the permanent loan at current project rental rates and the estimated 4.17% interest and DSCR of 1.15x for the permanent loan. Per the updated Appraisal dated 2/3/2025, the LTV is expected to be 88% and CLTV of 99%. The increase to the CalHFA permanent loan will cover a portion of the funding gap. The remaining funding gap will be resolved with an approximate ~$237,000 increase of Net Operating Income during construction, ~$3,295,000 increase to tax credit equity, which will be available at TCAC 8609 cost certification due to increased tax credit basis, as well as an increase of ~$1,580,000 to the developer fee which is expected to be deferred.

The largest of the cost increases are related to construction costs, which were related to labor and material shortages during the pandemic, increase in construction period loan costs because of increased construction interest reserve requirements due to escalating interest rates, and recent loan extension, and permanent loan costs attributed to the increase of permanent loan fees and recent extension, as well as a developer reallocation of predevelopment expenses from acquisition costs to other construction costs. An analysis of changes of the sources and uses between Final Commitment Approval vs. current proposed Permanent Conversion is outlined below:

Permanent Financing Sources	Final Commitment Approval 10/21/21	Proposed Amount	Difference	Percent Change
CalHFA Perm Loan	$28,140,000	$34,040,000	$5,900,000	21.0%
CalHFA MIP Subsidy Loan	$4,000,000	$4,000,000	$0	0.0%
Sonoma County CDC Seller Carryback Loan	$4,428,000	$4,428,000	$0	0.0%
NOI During Construction	$625,623	$862,770	$237,147	37.9%
Deferred Developer Fee	$3,706,304	$5,291,200	$1,584,896	42.8%
Tax Credit Equity	$27,858,400	$31,153,442	$3,295,042	11.8%
Total Permanent Sources	**$68,758,327**	**$79,775,412**	**$11,017,085**	16.0%

Total Development Costs	Final Commitment Approval 10/21/21	Proposed Amount	Difference	Percent Change
Acquisition Costs	$4,844,248	$4,429,187	($415,061)	-8.6%
Construction Costs	$40,151,815	$51,013,582	$10,861,767	27.1%
Architectural Fees	$1,287,282	$1,239,833	($47,449)	-3.7%
Engineering Fees	$471,451	$417,918	($53,533)	-11.4%
Contingency	$3,572,376	$0	($3,572,376)	-100.0%
Construction Period Costs	$3,784,916	$7,388,842	$3,603,926	95.2%
Permanent and Other Loan Costs	$507,885	$776,944	$269,059	53.0%
Legal Fees	$254,505	$120,000	($134,505)	-52.8%
Operating Reserves	$607,582	$724,706	$117,124	19.3%
Third Party Reports	$190,621	$27,721	($162,900)	-85.5%
Other Construction Costs	$5,639,342	$4,585,479	($1,053,863)	-18.7%
Developer Fee	$7,446,304	$9,051,200	$1,604,896	21.6%
Total Development Costs	**$68,758,327**	**$79,775,412**	$11,017,085	16.0%

The underwriting assumptions have been updated based on actual rents and operating expenses provided by the property management company, which have been verified by a recent appraisal dated February 3, 2025, prepared by Pacific Real Estate Appraisals. The chart below shows the changes in the key underwriting and operating budget line-items with the above indicated changes incorporated:

Underwriting/Operating Assumptions	Final Commitment Approval 10/21/21	Revised	Difference	Percent Change
Permanent Loan Interest Rate	3.95%	4.26%	0.31%	7.85%
Effective Gross Income	$2,662,918	$3,165,270	$502,352	18.86%
Total Operating Expense & Replacement Reserves	$966,763	$1,124,988	$158,225	16.37%
Net Operating Income	$1,696,155	$2,040,282	$344,127	20.29%
Operating Expense Reserves (3-months)	$604,194	$724,706	$120,512	19.95%
Initial DSCR at Year 1	1.18	1.15	-0.03	-2.54%
DSCR at Year 17	1.62	1.59	-0.03	-1.85%
Unpaid MIP Loan Principal Balance (UBP) at Refi	$2,435,894	$2,549,318	$113,424	4.66%
Restricted Value	$35,170,000	$38,500,000	$3,330,000	9.47%
Capitalization Rate	5.0%	5.5%	0.5%	10.00%
Permanent Loan-to-Value	80%	88%	8%	10.00%
Combined Loan-to-Value	91%	99%	8%	8.79%

Developer Relationship Background

The Developer, USA Properties Fund, Inc., is a for-profit entity with a range of experience including construction of multifamily and rental housing. The Developer currently has 5 projects in the CalHFA development pipeline, including the subject Project which is being presented for a loan modification approval.

Status of CalHFA Construction Pipeline Projects:

Projects In CalHFA Pipeline	Total Units	CalHFA Perm Loan Amount	MIP/Other Subsidy Loan Amount	Actual Construction Closing	Target Perm Closing	Under Construction?	Progressing as Expected?	Notes
College Creek (Subject property)	164	$34,040,000	$4,000,000 (MIP 2021)	2/1/2022	4/30/2025	Complete	Yes	
Terracina at the Dunes	142	$18,778,500	$2,800,000 (MIP 2021)	6/2/2022	5/15/2025	Complete	Yes	100% occupied. Expecting request to increase permanent financing.
Vintage at Woodman	239	$0 (Citibank)	$11,850,000 (MIP 2020)	11/13/2020	5/30/2025	Complete	Yes	
8181 Allison	147	$20,685,000	$7,076,000 (MIP 2022)	12/16/2022	12/1/2025	77%	No	Construction schedule delayed approx. 200 days due to labor shortages. No further delays expected at this time.
Mainline North	151	$23,950,000	$7,025,000 (MIP 2022)	12/16/2022	9/1/2025	78%	No	Construction schedule delayed approx. 75 days due to material delays for elevators and scheduling permit inspections.
Total 5 Projects:	**843**	**$97,453,500**	**$32,751,000**					

The Developer has 5 projects in CalHFA's Asset Management Portfolio as described in the chart below. All are performing as expected.

Project Number	Project Name	Loan Origination Date	Loan Maturity Date	Loan Amount	UPB as of 01/07/2025	Most Recent DSCR	Most Recent Occ.	Project Type
16025S	Rancho Carrillo Apartments	6/29/2017	8/1/2057	$ 14,500,000	$ 13,231,381	1.68	97%	CalHFA Perm
13034S	Regency Court - Monrovia	3/27/2014	4/1/2056	$ 5,530,000	$ 5,143,463	1.59	98%	CalHFA Perm
12005M	Verbena Crossing Apartments MHSA	12/20/2012	4/1/2048	$ 1,687,290	$ 1,687,290	N/A	98%	MHSA
12053S	Vintage at Kendall Apartments MHSA	12/12/2012	12/1/2029	$ 10,580,000	$ 9,040,922	1.51	98%	CalHFA Perm
10020M	Vintage at Snowberry Senior Apartments MHSA	9/28/2010	9/1/2065	$ 1,622,400	$ 1,622,400	N/A	99%	MHSA
12052S	Vintage at Stonehaven	12/12/2012	12/1/2029	$ 13,650,000	$ 11,631,217	1.62	100%	CalHFA Perm

Recommendation:

The purpose of this request is to approve the following changes to the Project's financing and issue a third amendment to the CalHFA Final Commitment Letter:

1) Allow the increase of the CalHFA permanent first lien loan from $28,140,000 to $34,040,000.

Recommended for approval by Senior Loan Committee:

Erwin Tam
SLC Chair & Director of Financing

Approved By:

Rebecca Franklin, Chief Deputy Director

Attachments: Permanent Conversion Financial Analysis.
Final Commitment Approval Staff Report dated 10/4/2021 and approved by CalHFA board on 10/21/2021.

PROJECT SUMMARY — Modification

Acquisition, Rehab, Construction & Permanent Loans — **Project Number 21-017-A/X/N**

Project Full Name	College Creek	**Borrower Name:**	Santa Rosa 669, LP
Project Address	2150 West College Avenue	**Managing GP:**	Riverside Charitable Corp
Project City	Santa Rosa	**Developer Name:**	USA Multi-Family Development
Project County	Sonoma	**Investor Name:**	Bank of America
Project Zip Code	95401	**Prop Management:**	USA Multifamily Management Inc.
		Tax Credits:	4
Project Type:	Permanent Loan Only	**Total Land Area (acres):**	5.79
Tenancy/Occupancy:	Individuals/Families	**Residential Square Footage:**	134,114
Total Residential Units:	164	**Residential Units Per Acre:**	28.32
Total Number of Buildings:	3		
Number of Stories:	3 & 4	**Covered Parking Spaces:**	0
Unit Style:	Flat	**Total Parking Spaces:**	272
Elevators:	1		

Acq/Construction/Rehab Financing	Loan Amount ($)	Loan Fees	Loan Term (Mo.)	Amort. Period (Yr.)	Starting Interest Rate
Conduit - BOA - Tax Exempt	35,750,000	0.700%	36	--	6.470%
Conduit- USA Properties Fund	2,250,000	--	480	--	3.000%
BOA - Taxable	9,350,000	0.700%	36	--	6.470%
Sonoma County CDC Seller Carryback Loan	4,428,000	--	660	660	3.000%
Developer/GC Bridge to Perm	9,646,044	--	--	--	--
Investor Equity Contribution	10,929,078	--	--	--	--
Deferred Developer Fees	5,291,200	--	--	--	--

Permanent Financing	Loan Amount ($)	Loan Fees	Loan Term (Yr.)	Amort. Period (Yr.)	Starting Interest Rate
Perm	34,040,000	1.000%	17	40	4.260%
MIP	4,000,000	1.000%	17	55	2.000%
Sonoma County CDC Seller Carryback Loan	4,428,000	--	55	55	3.000%
Deferred Developer Fees	5,291,200	NA	NA	NA	NA
NOI-Construction	862,770	NA	NA	NA	NA
Investor Equity Contributions	31,153,442	NA	NA	NA	NA

Appraised Values Upon Completion of Rehab/Construction

Appraisal Date:	2/3/25	**Capitalization Rate:**	5.50%
Investment Value ($)	60,070,000	**Restricted Value ($)**	38,500,000
Construct/Rehab LTC	62%	**CalHFA Permanent Loan to Cost**	43%
Construct/Rehab LTV	60%	**CalHFA 1st Permanent Loan to Value**	88%
		Combined CalHFA Perm Loan to Value	99%

Additional Loan Terms, Conditions & Comments

Construction/Rehab Loan

Payment/Performance Bond	Waived	
Completion Guarantee Letter of Credit	N/A	
Permanent Loan		
Operating Expense Reserve Deposit	$724,706	Cash
Initial Replacement Reserve Deposit	$0	Cash
Annual Replacement Reserve Per Unit	$300	Cash

Date Prepared: 1/28/25 — Senior Staff Date: 2/21/25

UNIT MIX AND RENT SUMMARY	Modification
College Creek	Project Number 21-017-A/X/N

PROJECT UNIT MIX

Unit Type of Style	Number of Bedrooms	Number of Baths	Average Size (Sq. Ft.)	Number of Units	Est. No. of Tenants
Flat	1	1	596	64	96
Flat	2	2	840	58	174
Flat	3	2	1,125	42	189
-	-	-	-	-	0
-	-	-	-	-	0
-	-	-	-	-	0
				164	459

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

Agency	Number of Units Restricted For Each AMI Category						
	30%	40%	50%	60%	70%	80%	120%
CalHFA Bond/RiskShare	0	0	17	49	0	0	0
CalHFA MIP	0	0	17	0	17	0	129
Tax Credit	17	0	43	42	61	0	0
County CDC Seller Carryb	0	0	0	0	0	81	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
1 Bedroom	CTCAC	30%	4	$719	$2,275	$1,556	32%
	CTCAC	50%	5	$1,238		$1,037	54%
	CTCAC	60%	4	$1,498		$777	66%
	CTCAC	70%	5	$1,757		$518	77%
	CTCAC	30%	2	$728		$1,547	32%
	CTCAC	50%	11	$1,247		$1,028	55%
	CTCAC	60%	12	$1,507		$768	66%
	CTCAC	70%	21	$1,766		$509	78%
2 Bedrooms	CTCAC	30%	4	$847	$3,000	$2,153	28%
	CTCAC	50%	6	$1,470		$1,530	49%
	CTCAC	60%	5	$1,781		$1,219	59%
	CTCAC	70%	5	$2,092		$908	70%
	CTCAC	30%	2	$860		$2,140	29%
	CTCAC	50%	10	$1,483		$1,517	49%
	CTCAC	60%	11	$1,794		$1,206	60%
	CTCAC	70%	14	$2,105		$895	70%
3 Bedrooms	CTCAC	30%	2	$964	$3,000	$2,036	32%
	CTCAC	50%	4	$1,684		$1,316	56%
	CTCAC	60%	4	$2,043		$957	68%
	CTCAC	70%	4	$2,403		$597	80%
	CTCAC	30%	3	$982		$2,018	33%
	CTCAC	50%	7	$1,702		$1,298	57%
	CTCAC	60%	6	$2,061		$939	69%
	CTCAC	70%	12	$2,421		$579	81%
Date Prepared:	1/28/25					Senior Staff Date:	2/21/25

SOURCES & USES OF FUNDS					Modification
College Creek			Project Number	21-017-A/X/N	
SOURCES OF FUNDS	CONST/REHAB $	PERMANENT $	TOTAL PROJECT SOURCES OF FUNDS SOURCES ($)	PER UNIT ($)	%
Conduit - BOA - Tax Exempt	35,750,000				0.0%
Conduit- USA Properties Fund	2,250,000				0.0%
-	-				0.0%
BOA - Taxable	9,350,000				0.0%
Sonoma County CDC Seller Carryback Loan	4,428,000				0.0%
-	-				0.0%
-	-				0.0%
Developer/GC Bridge to Perm	9,646,044				0.0%
-	-				0.0%
-	-				0.0%
Construct/Rehab Net Oper. Inc.	-				0.0%
Deferred Developer Fee	-				0.0%
Developer Equity Contribution	-				0.0%
Investor Equity Contribution	10,929,078				0.0%
Perm		34,040,000	34,040,000	207,561	42.7%
MIP		4,000,000	4,000,000	24,390	5.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
Sonoma County CDC Seller Carryback Loan		4,428,000	4,428,000	27,000	5.6%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
NOI- Construction		862,770	862,770	5,261	1.1%
-		-	-	-	0.0%
-		-	-	-	0.0%
Construct/Rehab Net Oper. Inc.		-	-	-	0.0%
Deferred Developer Fees		5,291,200	5,291,200	32,263	6.6%
Developer Equity Contribution		-	-	-	0.0%
Investor Equity Contributions		31,153,442	31,153,442	189,960	39.1%
TOTAL SOURCES OF FUNDS	**72,353,122**	**79,775,412**	**79,775,412**	**486,435**	**100.0%**
TOTAL USES OF FUNDS (BELOW)	**72,353,122**	**79,775,412**	**79,775,412**	**486,435**	**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		**72,353,122**			
ACQUISITION COSTS					
Lesser of Land Cost or Appraised Value	4,428,800	-	4,428,800	27,005	5.6%
Demolition Costs	-	-	-	-	0.0%
Legal & Other Closing Costs	-	-	-	-	0.0%
Escrow & other closing costs	-	-	-	-	0.0%
Verifiable Carrying Costs	387	-	387	2	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	**4,429,187**	**-**	**4,429,187**	**27,007**	**5.6%**
CONSTRUCTION/REHAB COSTS					
Offsite Improvements	289,555	-	289,555	1,766	0.4%
Environmental Remediation (Hard Costs)	-	-	-	-	0.0%
Site Work (Hard Cost)	7,876,804	-	7,876,804	48,029	9.9%
Structures (Hard Cost)	35,705,566	-	35,705,566	217,717	44.8%

SOURCES & USES OF FUNDS					Modification
College Creek			**Project Number**	**21-017-A/X/N**	
General Requirements	1,831,760	-	1,831,760	11,169	2.3%
Contractor Overhead	2,245,137	-	2,245,137	13,690	2.8%
Contractor Profit	2,245,138	-	2,245,138	13,690	2.8%
Contractor Bond	-	-	-	-	0.0%
Contractor Liability Insurance	819,622	-	819,622	4,998	1.0%
Personal Property	-	-	-	-	0.0%
HVAC/Resident Damage	-	-	-	-	0.0%
TOTAL CONSTRUCT/REHAB COSTS	**51,013,582**	**-**	**51,013,582**	**311,058**	**63.9%**

SOURCES & USES OF FUNDS					Modification
College Creek			Project Number	21-017-A/X/N	
USES OF FUNDS	CONST/REHAB $	PERMANENT $	TOTAL PROJECT USES OF FUNDS USES ($)	PER UNIT ($)	%
RELOCATION COSTS					
Relocation Expense	-	-	-	-	0.0%
Relocation Compliance Monitoring	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL RELOCATION COSTS	**-**	**-**	**-**	**-**	**0.0%**
ARCHITECTURAL FEES					
Design	1,239,833	-	1,239,833	7,560	1.6%
Supervision	-	-	-	-	0.0%
TOTAL ARCHITECTURAL FEES	**1,239,833**	**-**	**1,239,833**	**7,560**	**1.6%**
SURVEY & ENGINEERING FEES					
Engineering	417,918	-	417,918	2,548	0.5%
Supervision	-	-	-	-	0.0%
ALTA Land Survey	-	-	-	-	0.0%
TOTAL SURVEY & ENGINEERING FEES	417,918	-	417,918	2,548	0.5%
CONTINGENCY RESERVES					
Hard Cost Contingency Reserve	-	-	-	-	0.0%
Soft Cost Contingency Reserve	-	-	-	-	0.0%
TOTAL CONTINGENCY RESERVES	-	-	-	-	0.0%
CONSTRUCT/REHAB PERIOD COSTS					
Loan Interest Reserve					
Conduit - BOA - Tax Exempt	3,180,394	-	3,180,394	19,393	0.039867
Conduit- USA Properties Fund	-	-	-	-	0
-	-	-	-	-	0.0%
BOA - Taxable	-	-	-	-	0.0%
Sonoma County CDC Seller Carryback Lo	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Loan Fees					
Conduit - BOA - Tax Exempt	299,950	-	299,950	1,829	0.4%
Conduit- USA Properties Fund	-	-	-	-	0.0%
-	-	-	-	-	0.0%
BOA - Taxable	-	-	-	-	0.0%
Sonoma County CDC Seller Carryback Lo	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Other Const/Rehab Period Costs					
Deficit Const/Rehab NOI (Net Operating In	-	-	-	-	0.0%
Credit Enhancement & Application Fees	361,305	-	361,305	2,203	0.5%
Owner Paid Bonds/Insurance	-	-	-	-	0.0%
CalHFA Inspection Fees	18,000	-	18,000	110	0.0%
Real Estate Taxes During Rehab	-	-	-	-	0.0%
Completion Guaranty Fee	-	-	-	-	0.0%
Wage Monitoring Fee (Davis Bacon, Preva	-	-	-	-	0.0%
Insurance During Rehab	-	-	-	-	0.0%
Title & Recording Fees	160,881	-	160,881	981	0.2%
Construction Management & Testing	12,500	-	12,500	76	0.0%
Interest prior to conversion	3,265,062	-	3,265,062	19,909	4.1%
Bond Issuer Fee	45,375	-	45,375	277	0.1%
Other (construction 3rd party/misc)	45,375	-	45,375	277	0.1%
TOTAL CONST/REHAB PERIOD COSTS	**7,388,842**	**-**	**7,388,842**	**45,054**	**9.3%**

SOURCES & USES OF FUNDS					Modification
College Creek			Project Number	21-017-A/X/N	
USES OF FUNDS	CONST/REHAB $	PERMANENT $	TOTAL PROJECT USES OF FUNDS USES ($)	PER UNIT ($)	%
PERMANENT LOAN COSTS					
Loan Fees					
CalHFA Application Fee	-	-	-	-	0.0%
Perm	170,200	170,200	340,400	2,076	0.4%
MIP	20,000	20,000	40,000	244	0.1%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Sonoma County CDC Seller Carryback Lo	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Permanent Loan Cost of Issuance Fee	55,000	55,000	110,000	671	0.1%
Credit Enhancement & Application Fees	-	-	-	-	0.0%
Title & Recording (closing costs)	-	-	-	-	0.0%
CalHFA Fees	-	7,500	7,500	46	0.0%
-	-	-	-	-	0.0%
Other (CDIAC fee)	-	-	-	-	0.0%
TOTAL PERMANENT LOAN COSTS	**245,200**	**531,744**	**776,944**	**4,737**	**1.0%**
LEGAL FEES					
CalHFA Construction/Rehab Loan Legal Fees	-	-	-	-	0.0%
Other Construction/Rehab Loan Legal Fees	-	-	-	-	0.0%
CalHFA Permanent Loan Legal Fees	17,500	17,500	35,000	213	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	85,000	-	85,000	518	0.1%
CalHFA Bond Counsel	-	-	-	-	0.0%
TOTAL LEGAL FEES	**102,500**	**17,500**	**120,000**	**732**	**0.2%**
OPERATING RESERVES					
Operating Expense Reserve Deposit	-	724,706	724,706	4,419	0.9%
Initial Replacement Reserve Deposit	-	-	-	-	0.0%
Transition Operating Reserve Deposit	-	-	-	-	0.0%
Rent-Up Reserve Deposit	-	-	-	-	0.0%
HOME Program Replacement Reserve	-	-	-	-	0.0%
Investor Additional Required Reserve	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL OPERATING RESERVES	**-**	**724,706**	**724,706**	**4,419**	**0.9%**
REPORTS & STUDIES					
Appraisal Fee	17,721	-	17,721	108	0.0%
Market Study Fee	10,000	-	10,000	61	0.0%
Physical Needs Assessment Fee	-	-	-	-	0.0%
Environmental Site Assessment Reports	-	-	-	-	0.0%
HUD Risk Share Environmental / NEPA Review F	-	-	-	-	0.0%
CalHFA Earthquake Waiver Review Fee	-	-	-	-	0.0%
Relocation Consultant	-	-	-	-	0.0%
Soils Reports	-	-	-	-	0.0%
Acoustical Reports	-	-	-	-	0.0%
Termite/Dry Rot	-	-	-	-	0.0%
Consultant/Processing Agent	-	-	-	-	0.0%
Other	-	-	-	-	0.0%
TOTAL REPORTS & STUDIES	**27,721**	**-**	**27,721**	**169**	**0.0%**

SOURCES & USES OF FUNDS					Modification
College Creek			Project Number	21-017-A/X/N	
USES OF FUNDS	CONST/REHAB $	PERMANENT $	TOTAL PROJECT USES OF FUNDS		
			USES ($)	PER UNIT ($)	%
OTHER COSTS					
TCAC Application, Allocation & Monitor Fees	95,587	-	95,587	583	0.1%
CDLAC Fees	13,300	-	13,300	81	0.0%
Local Permits & Fees	29,240	-	29,240	178	0.0%
Local Impact Fees	3,421,866	-	3,421,866	20,865	4.3%
Other Local Fees	-	-	-	-	0.0%
Syndicator/Investor Fees & Expenses	-	-	-	-	0.0%
Furnishings	383,988	-	383,988	2,341	0.5%
Accounting & Audits	52,684	-	52,684	321	0.1%
Advertising & Marketing Expenses	-	-	-	-	0.0%
Financial Consulting	-	-	-	-	0.0%
Miscellaneous Administrative Fees	-	-	-	-	0.0%
HUD Risk Share Insurance (First Year Prepaid)	-	-	-	-	0.0%
Other Inspections	-	-	-	-	0.0%
Predevelopment Expense	588,814	-	588,814	3,590	0.7%
TOTAL OTHER COSTS	**4,585,479**	**-**	**4,585,479**	**27,960**	**5.7%**
SUBTOTAL PROJECT COSTS	**69,450,262**	**73,627,072**	**70,724,212**	**431,245**	**88.7%**
DEVELOPER FEES & COSTS					
Developer Fees, Overhead & Profit	2,902,860	6,148,340	9,051,200	55,190	11.3%
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	**2,902,860**	**6,148,340**	**9,051,200**	**55,190**	**11.3%**
TOTAL PROJECT COSTS	**72,353,122**	**79,775,412**	**79,775,412**	**486,435**	**100.0%**

PROJECTED INITIAL ANNUAL RENTAL OPERATING BUDGET			Modification
College Creek	**Project Number**		**21-017-A/X/N**
INCOME	**AMOUNT**	**PER UNIT**	**%**
Rental Income			
Restricted Unit Rents	$ 3,290,868	$ 20,066	103.97%
Unrestricted Unit Rents	25,260	154	0.80%
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	14,405	88	0.46%
Parking & Storage Income	-	-	0.00%
Miscellaneous Income	-	-	0.00%
GROSS POTENTIAL INCOME (GPI)	**$ 3,330,533**	**$ 20,308**	**105.22%**
Less: Vacancy Loss	**$ 165,263**	**$ 1,008**	**5.22%**
EFFECTIVE GROSS INCOME (EGI)	**$ 3,165,270**	**$ 21,316**	**100.00%**
OPERATING EXPENSES	**AMOUNT**	**PER UNIT**	**%**
Social Programs & Services	22,464	137	0.71%
Utilities	259,126	1,580	8.19%
Operating & Maintenance	96,045	586	3.03%
Ground Lease Payments	-	-	0.00%
CalHFA Monitoring Fee	7,500	46	0.24%
Other Monitoring Fees	4,000	24	0.13%
Real Estate Taxes	-	-	0.00%
Other Taxes & Insurance	86,100	525	2.72%
Assisted Living/Board & Care	-	-	0.00%
SUBTOTAL OPERATING EXPENSES	**$ 1,075,788**	**$ 6,560**	**33.99%**
-	$ -	-	0.00%
-	$ -	-	0.00%
Sonoma County CDC Seller Carryback Loan	$ -	-	0.00%
-	$ -	-	0.00%
-	$ -	-	0.00%
-	$ -	-	0.00%
MIP Annual Fee (applicable for MIP only deals)	$ -	-	0.00%
TOTAL DEBT SERVICE & OTHER PAYMENTS	**$ 1,773,836**	**$ 10,816**	**56.04%**
EXCESS AFTER DEBT SERVICE & MONITORING FEES	**$ 266,446**	**$ 1,625**	**8.42%**
DEBT SERVICE COVERAGE RATIO (DSCR)	**1.15**	**to 1**	
Date: 1/28/25		Senior Staff Date:	02/21/25

PROJECTED PERMANENT LOAN CASH FL0WS										College Creek			
Modification									Project Number	21-017-A/X/N			
	YEAR	1	2	3	4	5	6	7	8	9	10	11	12
RENTAL INCOME	**CPI**												
Restricted Unit Rents	2.50%	3,290,868	3,373,140	3,457,468	3,543,905	3,632,503	3,723,315	3,816,398	3,911,808	4,009,603	4,109,843	4,212,589	4,317,904
Unrestricted Unit Rents	2.50%	25,260	25,892	26,539	27,202	27,882	28,579	29,294	30,026	30,777	31,546	32,335	33,143
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%	14,405	14,765	15,134	15,513	15,900	16,298	16,705	17,123	17,551	17,990	18,440	18,901
Parking & Storage Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-
GROSS POTENTIAL INCOME (GPI)		**3,330,533**	**3,413,796**	**3,499,141**	**3,586,620**	**3,676,285**	**3,768,192**	**3,862,397**	**3,958,957**	**4,057,931**	**4,159,379**	**4,263,364**	**4,369,948**
VACANCY ASSUMPTIONS	**Vacancy**												
Restricted Unit Rents	5.00%	164,543	168,657	172,873	177,195	181,625	186,166	190,820	195,590	200,480	205,492	210,629	215,895
Unrestricted Unit Rents	0.00%	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Rents	50.00%	-	-	-	-	-	-	-	-	-	-	-	-
Project Based Rental Subsidy	5.00%	-	-	-	-	-	-	-	-	-	-	-	-
Other Project Based Subsidy	3.00%	-	-	-	-	-	-	-	-	-	-	-	-
Income during renovations	20.00%	-	-	-	-	-	-	-	-	-	-	-	-
Parking & Storage Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL PROJECTED VACANCY LOSS		**165,264**	**169,395**	**173,630**	**177,971**	**182,420**	**186,981**	**191,655**	**196,447**	**201,358**	**206,392**	**211,551**	**216,840**
EFFECTIVE GROSS INCOME (EGI)		**3,165,269**	**3,244,401**	**3,325,511**	**3,408,649**	**3,493,865**	**3,581,212**	**3,670,742**	**3,762,511**	**3,856,573**	**3,952,988**	**4,051,812**	**4,153,108**
OPERATING EXPENSES	**CPI / Fee**												
Administrative Expenses	3.50%	464,817	481,086	497,924	515,351	533,388	552,057	571,379	591,377	612,075	633,498	655,670	678,619
Management Fee	5.00%	158,200	162,155	166,209	170,364	174,623	178,989	183,463	188,050	192,751	197,570	202,509	207,572
Utilities	3.50%	259,126	268,195	277,582	287,298	297,353	307,760	318,532	329,681	341,219	353,162	365,523	378,316
Operating & Maintenance	3.50%	96,045	99,407	102,886	106,487	110,214	114,071	118,064	122,196	126,473	130,899	135,481	140,223
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
Real Estate Taxes	1.25%	-	-	-	-	-	-	-	-	-	-	-	-
NET OPERATING INCOME (NOI)		**2,040,281**	**2,083,253**	**2,126,989**	**2,171,498**	**2,216,787**	**2,262,865**	**2,309,738**	**2,357,415**	**2,405,901**	**2,455,203**	**2,505,329**	**2,556,284**
DEBT SERVICE PAYMENTS	**Lien #**												
Perm	1	1,773,836	1,773,836	1,773,836	1,773,836	1,773,836	1,773,836	1,773,836	1,773,836	1,773,836	1,773,836	1,773,836	1,773,836
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sonoma County CDC Seller Carryback Loan	3	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
MIP Annual Fee (applicable for MIP only deals)	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		**1,773,836**	**1,773,836**	**1,773,836**	**1,773,836**	**1,773,836**	**1,773,836**	**1,773,836**	**1,773,836**	**1,773,836**	**1,773,836**	**1,773,836**	**1,773,836**
CASH FLOW AFTER DEBT SERVICE		**266,445**	**309,417**	**353,153**	**397,662**	**442,951**	**489,029**	**535,902**	**583,578**	**632,064**	**681,367**	**731,493**	**782,447**
DEBT SERVICE COVERAGE RATIO		**1.15**	**1.17**	**1.20**	**1.22**	**1.25**	**1.28**	**1.30**	**1.33**	**1.36**	**1.38**	**1.41**	**1.44**
Date Prepared:	01/28/25								Senior Staff Date:	2/21/25			

		1	2	3	4	5	6	7	8	9	10	11	12
LESS: LP Asset Management Fee	3%	7,500	7,725	7,957	8,195	8,441	8,695	8,955	9,224	9,501	9,786	10,079	10,382
LESS: MGP Partnership Management Fee	2%	21,648	22,081	22,523	22,973	23,432	23,901	24,379	24,867	25,364	25,871	26,389	26,917
net CF available for distribution		**237,297**	**279,611**	**322,673**	**366,493**	**411,077**	**456,433**	**502,567**	**549,487**	**597,199**	**645,710**	**695,024**	**745,149**
	DDF interest	3%											
Deferred developer fee repayment	5,291,200	5,291,200	5,205,520	5,073,687	4,893,544	4,662,862	4,379,339	4,040,593	3,644,166	3,187,520	2,668,030	2,082,990	1,429,604
	100%	237,297	279,611	322,673	366,493	411,077	456,433	502,567	549,487	597,199	645,710	695,024	745,149
		5,053,903	4,925,910	4,751,013	4,527,051	4,251,785	3,922,906	3,538,026	3,094,679	2,590,320	2,022,320	1,387,965	684,455
Payments for Residual Receipt Payments		*0%*											50%
RESIDUAL RECEIPTS LOANS	*Payment %*	-	-	-	-	-	-	-	-	-	-	-	-
MIP	*47.46%*	-	-	-	-	-	-	-	-	-	-	-	-
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-
Sonoma County CDC Seller Carryback Loan	*52.54%*	-	-	-	-	-	-	-	-	-	-	-	-
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-
Total Residual Receipts Payments	**100.00%**	-	-	-	-	-	-	-	-	-	-	-	-
Balances for Residual Receipt Payments													
RESIDUAL RECEIPTS LOANS	*Interest Rate*												
MIP---Simple	*2.00%*	4,000,000	4,080,000	4,160,000	4,240,000	4,320,000	4,400,000	4,480,000	4,560,000	4,640,000	4,720,000	4,800,000	4,880,000
0---Simple	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-
Sonoma County CDC Seller Carryback Loan---Sir	*3.00%*	4,428,000	4,560,840	4,693,680	4,826,520	4,959,360	5,092,200	5,225,040	5,357,880	5,490,720	5,623,560	5,756,400	5,889,240
0---Simple	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-
0---Simple	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-
0---	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-
0---	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-
Total Residual Receipts Payments		**8,428,000**	8,640,840	8,853,680	9,066,520	9,279,360	9,492,200	9,705,040	9,917,880	10,130,720	10,343,560	10,556,400	10,769,240

PROJECTED PERMANENT LOAN CASH FLOWS

Modification

	YEAR	13	14	15	16	17
RENTAL INCOME	**CPI**					
Restricted Unit Rents	2.50%	4,425,852	4,536,498	4,649,910	4,766,158	4,885,312
Unrestricted Unit Rents	2.50%	33,972	34,821	35,692	36,584	37,499
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%	19,373	19,857	20,354	20,863	21,384
Parking & Storage Income	2.50%	-	-	-	-	-
Miscellaneous Income	2.50%	-	-	-	-	-
GROSS POTENTIAL INCOME (GPI)		**4,479,197**	**4,591,177**	**4,705,956**	**4,823,605**	**4,944,195**
VACANCY ASSUMPTIONS	**Vacancy**					
Restricted Unit Rents	5.00%	221,293	226,825	232,496	238,308	244,266
Unrestricted Unit Rents	0.00%	-	-	-	-	-
Commercial Rents	50.00%	-	-	-	-	-
Project Based Rental Subsidy	5.00%	-	-	-	-	-
Other Project Based Subsidy	3.00%	-	-	-	-	-
Income during renovations	20.00%	-	-	-	-	-
Parking & Storage Income	50.00%	-	-	-	-	-
Miscellaneous Income	50.00%	-	-	-	-	-
TOTAL PROJECTED VACANCY LOSS		**222,261**	**227,818**	**233,513**	**239,351**	**245,335**
EFFECTIVE GROSS INCOME (EGI)		**4,256,935**	**4,363,359**	**4,472,443**	**4,584,254**	**4,698,860**
OPERATING EXPENSES	**CPI / Fee**					
Administrative Expenses	3.50%	702,370	726,953	752,397	778,731	805,986
Management Fee	5.00%	212,761	218,080	223,532	229,121	234,849
Utilities	3.50%	391,557	405,262	419,446	434,126	449,321
Operating & Maintenance	3.50%	145,131	150,210	155,468	160,909	166,541
Ground Lease Payments	3.50%	-	-	-	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500	7,500	7,500
Real Estate Taxes	1.25%	-	-	-	-	-
NET OPERATING INCOME (NOI)		**2,608,073**	**2,660,702**	**2,714,177**	**2,768,500**	**2,823,677**
DEBT SERVICE PAYMENTS	**Lien #**					
Perm	1	1,773,836	1,773,836	1,773,836	1,773,836	1,773,836
-	-	-	-	-	-	-
-	-	-	-	-	-	-
Sonoma County CDC Seller Carryback Loan	3	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
MIP Annual Fee (applicable for MIP only deals)	-	-	-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		**1,773,836**	**1,773,836**	**1,773,836**	**1,773,836**	**1,773,836**
CASH FLOW AFTER DEBT SERVICE		**834,237**	**886,866**	**940,340**	**994,663**	**1,049,840**
DEBT SERVICE COVERAGE RATIO		**1.47**	**1.50**	**1.53**	**1.56**	**1.59**
Date Prepared:	01/28/25					

		13	14	15	16	17
LESS: LP Asset Management Fee	3%	10,693	11,014	11,344	11,685	12,035
LESS: MGP Partnership Management Fee	2%	27,455	28,004	28,564	29,135	29,718
net CF available for distribution		**796,088**	**847,848**	**900,432**	**953,843**	**1,008,087**
	DDF interest					
Deferred developer fee repayment	5,291,200	704,989	-	-	-	-
	100%	704,989	-	-	-	-
		-	-	-	-	-

Payments for Residual Receipt Payments						
RESIDUAL RECEIPTS LOANS	*Payment %*	45,550	423,924	450,216	476,922	504,043
MIP	*47.46%*	21,618	201,198	213,676	226,351	239,223
0	*0.00%*	-	-	-	-	-
Sonoma County CDC Seller Carryback Loan	*52.54%*	23,931	222,726	236,540	250,571	264,820
0	*0.00%*	-	-	-	-	-
0	*0.00%*	-	-	-	-	-
0	*0.00%*	-	-	-	-	-
0	*0.00%*	-	-	-	-	-
Total Residual Receipts Payments	**100.00%**	45,550	423,924	450,216	476,922	504,043

Balances for Residual Receipt Payments						
RESIDUAL RECEIPTS LOANS	*Interest Rate*					
MIP---Simple	*2.00%*	4,960,000	5,018,382	4,897,184	4,763,508	4,617,157
0---Simple	*0.00%*	-	-	-	-	-
Sonoma County CDC Seller Carryback Loan---Sir	*3.00%*	6,022,080	6,130,989	6,041,103	5,937,403	5,819,672
0---Simple	*0.00%*	-	-	-	-	-
0---Simple	*0.00%*	-	-	-	-	-
0---	*0.00%*	-	-	-	-	-
0---	*0.00%*	-	-	-	-	-
Total Residual Receipts Payments		10,982,080	11,149,370	10,938,286	10,700,911	10,436,829

SENIOR STAFF LOAN APPROVAL

This is to memorialize that on 10/04/2021 Senior Staff approved the following action for the project described as follows:

College Creek Apartments - CalHFA# 21-017-A/X/N
$ 33,100,000 Tax Exempt Bond- Conduit
$ 28,140,000 Tax Exempt Permanent Loan HUD Risk Sharing
$ 4,000,000 MIP Subsidy

- ☐ Initial Commitment approval; or
- ☒ Recommendation to the Board of Directors that it authorize the issuance of a final commitment; or
- ☐ Issue a final commitment pursuant to Board Resolution No. 20-16, authorizing Senior Staff to approve loan commitments under $15,000,000; or
- ☐ Issue a modified final commitment for an increase of less than 7% pursuant to Board Resolution No. 20-16;
- ☐ Issue a final commitment under the guidelines of the Non-Profit Predevelopment Loan Program pursuant to Board Resolution No. 13-13; or
- ☐ Issue an approval for bond Issuance under the guidelines of the Conduit Issuer Program pursuant to Board Resolution No. 21-04.
- ☐ Issue a final commitment under the guidelines of the CalHFA Mixed Income Program pursuant to Board Resolution No. 19-02.

Tiena Johnson Hall

Tiena Johnson Hall
Executive Director

SOURCE OF HAT OR NON-HAT FUNDS:

☐ FAF	Dollar Amount:________
☐ Earned Surplus (Pre-80)	Dollar Amount:________
☐ Earned Surplus (Post-80)	Dollar Amount:________
☐ Agency Funds	Dollar Amount:________
☐ Other:________	Dollar Amount:________

CalHFA MULTIFAMILY PROGRAMS DIVISION

Final Commitment Staff Report & Request for Loan Approval of Permanent Take-Out Loan for Tax Exempt Financing with Mixed Income Program Subsidy Financing

Senior Loan Committee "Approval": 10/04/2021 for Board Meeting on 10/21/2021

Project Name, County:	College Creek Apartments, Sonoma County	
Address:	2150 West College Avenue, Santa Rosa, 95401	
CalHFA Project Number:	21-017-A/X/N	Total Units: 164
Requested Financing by Loan Program:	$33,100,000	**Tax Exempt Bond – Conduit Issuance Amount**
	$28,140,000	**Tax Exempt Permanent Loan HUD Risk Sharing**
	$4,000,000	**Subsidy GAP Loan funded by MIP funds**

DEVELOPMENT/PROJECT TEAM

Developer:	USA Multi-Family Development, Inc.	**Borrower:**	Santa Rosa 669, LP
Permanent Lender:	CalHFA	**Construction Lender:**	Bank of America, N.A.
Equity Investor:	Bank of America, N.A.	**Management Company:**	USA Multifamily Management, Inc.
Contractor:	USA Construction Management, Inc. (USACM)	**Architect**	LPAS Architecture & Design
Loan Officer:	N/A	**Loan Specialist:**	Kevin Brown
Asset Manager:	Jessica Doan	**Loan Administration:**	Natalie Cooper
Legal (Internal):	Torin Heenan	**Legal (External):**	N/A
Concept Meeting Date:	4/7/2021	**Approval Expiration Date:**	180 days from Approval

LOAN TERMS

1.		**CONDUIT ISSUANCE/ Bank of America CONSTRUCTION LOAN**	**PERMANENT LOAN**	**MIP (GAP) LOAN**
	Total Loan Amount	$33,100,000 (T/E) $12,000,000 (Tax)	$28,140,000	$4,000,000
	Loan Term & Lien Position	36 months - interest only; 1st Lien Position during construction; one 6-month extension at 0.25%	40 year partially - amortizing due in Year 17; 1st Lien Position at permanent loan closing	17 year - Residual Receipts; 2nd Lien Position during permanent loan closing
	Interest Rate (subject to change and locked 30 days prior to loan closing)	BSBY Daily Floating + 2.00% Underwritten at 3.30% variable (T/E) and 3.25% variable (Tax)	MMD15 + 2.55% Underwritten at 3.95% that includes a .25% cushion	Greater of 1% Simple Interest or the Applicable Federal Rate at time of MIP closing (Underwritten at 2.00%)

			Estimated rate based on a 36-month forward commitment.	
	Loan to Value (LTV)	LTV is estimated to be 55% of investment value	80% of restricted value	N/A
	Loan to Cost	LTC is estimated to be 78% of investment value	41%	N/A

PROJECT SUMMARY

2.	**Legislative Districts**	**Congress:**	#5 Mike Thompson	**Assembly:**	#10 Marc Levine	**State Senate:**	#2 Mike McGuire

Brief Project Description

College Creek Apartments (the "Project") is a family, new mixed-income Project, consisting of two three-story buildings and one four-story elevator building containing 164 units. The project consists of 64 1 bedrooms (596 s.f.), 57 2 bedrooms (840 s.f.), 42 3 bedrooms (1,125 s.f.) and 1 2-bedroom Manager's unit. The site consists of former Sonoma County Water Agency Administrative buildings that are currently in disrepair and vacant. The structures will be demolished during the construction period. The project is not in a disaster area and not part of the locality's disaster recovery strategy/plan.

Financing Structure: The Project's financing structure includes tax-exempt bonds, 4% tax credits, Agency's Tax-Exempt Loan Program with HUD Risk Share and Mixed-Income Program, and Sonoma County CDC Seller Carryback Loan ("Seller Carryback"). The project will be income averaged, pursuant to TCAC regulations.

Tax Credits and/or CDLAC Status: The developer received an allocation of tax-exempt bonds and 4% tax credits on 8/11/2021.

Ground Lease: N/A

Project Amenities: The Project includes a community room, swimming pool, fitness room, computer room, playground, basketball court, and central laundry rooms and bike storage in each building. Unit amenities will include central heating, central air, washer/dryer hookups, dishwasher, garbage disposal, and patio/balconies.

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

- Grocery stores – 0.45 mile
- Schools – 0.34 to 1.31 miles
- Public Library – 1.65 miles
- Public transit - 0.27 mile
- Retail – 0.87 mile
- Park and recreation – 0.28 mile
- Hospitals – 2.98 miles
- Post Office – 1.64 miles

Non-displacement <u>and</u> 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 this development.

		Commercial Space: The Project does not include commercial space.

MISSION

3.	CalHFA Mission/Goals
This Project and financing proposal provide 163 units of affordable housing with a range of restricted rents between 30% AMI and 70% of AMI which will support much needed rental housing that will remain affordable for 55 years.	

ANTICIPATED PROJECT MILESTONES & SCHEDULE

4.	CDLAC/TCAC Closing Deadline:	02/07/2022	Est. Construction Loan Closing:	01/15/2022
	Estimated Construction Start:	01/15/2022	Est. Construction Completion:	09/15/2023
	Estimated Stabilization and Conversion to Perm Loan(s):		01/15/2025	

SOURCES OF FUNDS

5.

Construction Period Financing				
SOURCE	**AMOUNT**	**LIEN POSITION**	**INTEREST RATE**	**DEBT TYPE**
Citibank - Tax Exempt	$33,100,000	1	3.30%	Interest Only
Citibank - Taxable	$12,000,000	2	3.25%	Interest Only
Seller Carryback	$4,428,000	3	3.00%	Residual Receipt
Tax Credit Equity	$4,725,784	N/A	N/A	N/A
NOI- Construction	$625,623	N/A	N/A	N/A
Deferred Developer Fee	$3,706,301	N/A	N/A	Payable from Cash Flow
TOTAL	**$58,585,711**	**$357,230**	**Per Unit**	
Permanent Financing				
SOURCE	**AMOUNT**	**LIEN POSITION**	**INTEREST RATE**	**DEBT TYPE**
CalHFA Permanent Loan	$28,140,000	1	3.95%	Balloon 40/17
CalHFA MIP Loan	$4,000,000	2	2.00%	Residual Receipt
Seller Carryback	$4,428,000	3	3.00%	Residual Receipt
Tax Credit Equity	$27,858,400	N/A	N/A	N/A
NOI - Construction	$625,623	N/A	N/A	N/A
Deferred Developer Fee	$3,706,304	N/A	3.00%	Payable from Cash Flow
TOTAL DEVELOPMENT COST:	**$68,758,327**	**$419,258**	**Per Unit**	

Subsidy Efficiency: $4,000,000 ($24,540 per MIP restricted unit)

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

- 4% Federal Tax Credits: $24,057,053 assuming estimated pricing of $0.955 ($146,689 per total units).
- State Tax Credits: $6,331,947 assuming estimated pricing of $0.75 ($38,609 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 be funded by a seller carryback loan in the amount of $4,428,000 from the Sonoma County Community Development Commission (SCCDC) as part of the purchase of the land under a Disposition Development Agreement between SCCDC and USA Properties Fund, Inc. **Cost Containment Strategy:** The Developer, USA Multi-Family Development, Inc., strives to develop high quality affordable housing in a cost-efficient manner starting with site selection and preliminary design. As a fully vertically integrated developer, they bring in all functional disciplines (Architecture, Development, Construction, Property Management) early in the design process with their architect and other design consultants to design the project in the most cost-effective manner. The Developer's general contractor affiliated company, USACM, fully bids all construction trades, obtains at least three bids, and does not self-perform any trades. USACM develops a detailed critical path construction schedule to ensure the project is delivered on time and within budget, and utilizes a Stipulated Sum construction contract with a provision that cost saving go to the borrower. The Developer and USACM complete a post construction audit to evaluate and identify further process improvements.
6.	Equity – Cash Out (estimate): Not Applicable

TRANSACTION OVERVIEW

7.	**Proposal and Project Strengths**

- The Project has been awarded 4% tax credits which generates equity representing approximately 41% 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 70% of AMI.
- Sonoma County Community Development Commission (SCCDC) has invested in the success of the Project as demonstrated by a seller carryback loan commitment of $4,428,000 as part of the purchase of the land under a Disposition Development Agreement.
- The projected portion of the developer's fee that will be collected at or prior to permanent loan conversion is $3,740,000 which could be available to cover cost overruns and/or unforeseen issues during construction.

8.	**Project Weaknesses with Mitigants:**

- A Phase I Environmental Site Assessment performed by Krazan and Associates, Inc., dated March 10, 2021 revealed no evidence of recognized environmental conditions, so no additional investigation was recommended. However, the report includes ASTM scope findings regarding ground water management, Asbestos Contaminant Materials (ACM) contained in the existing structures. Remediation of all environmental findings is a part of the construction plan and budget. Evidence of environmental clearance will be required as a prerequisite to closing of the CalHFA permanent and MIP loans.
- The exit analysis assumes 5.0% 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 loan but may only have the ability to repay a portion of the Agency's subsidy MIP loan in the estimated amount of $2,144,131, leaving an estimated outstanding balance of $2,435,894. This is as expected by CalHFA given the requirement that the MIP loan be co-terminus with the permanent first mortgage. The primary source of repayment for both the first mortgage and the MIP subsidy loan is refinance of the project's first mortgage. To the extent such a refinance is insufficient to fully repay the MIP loan, it is contemplated that any remaining balance will be paid from a general partner contribution as part of the final close out of partnership obligations to allow re-syndication.

9.	Underwriting Standards or Term Sheet Variations
None	

10.	Project Specific Conditions of Approval

Approval is conditioned upon

- No site work or construction commenced prior to the issuance of a HUD Firm Approval Letter.
- CalHFA requires that MIP affordability covenants be recorded in senior position to all foreclosable debt.
- The CalHFA subsidy will be, in the Agency's sole discretion, the lesser of 1) the principal amount as state on hereto or 2) an amount as determined by the Agency in the event the financial assumptions change prior to construction loan closing and/or permanent loan closing. For instance, if the permanent loan interest rate decreased, then the subsidy may be reduced due to additional debt generated by the lower interest rate. The debt service coverage ratio ("DSCR") shall be a maximum of 1.20. An increase of the subsidy loan will not be allowed and will be subject to Agency's approval.
- Receipt of Lien Priority/Position Estoppel in form and substance acceptable by CalHFA from the county, SCCDC.
- Receipt of a certification by the engineer on record that Project has been built to current seismic code acceptable to the Agency prior to permanent closing.
- Receipt of LPA evidencing equity investor's requirements that the residual receipt split must be modified to 100% towards the earlier of repayment of deferred developer's fee or 15 years. In addition, the owner must provide evidence of investor and SCCDC approval of the total deferred developer's fee structure and residual receipt split.
- A Groundwater Management Plan acceptable to all lenders, including, CalHFA must be provided prior to construction closing.
- Borrower shall provide an Asbestos Mitigation Plan acceptable to all lenders, including CalHFA prior to construction closing. Borrower shall also provide evidence of compliance with the plan and that hazardous materials were disposed of properly prior to permanent loan closing.
- Subject to NEPA approval prior to construction closing.
- An updated Phase I report is required prior to construction closing.
- CalHFA will require a copy of an independent review of the costs prepared for the construction lender by a 3rd Party consultant prior to construction loan closing.

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 40% of the total units at or below 60% AMI with 10% of these units at or below 50% of AMI for 55 years.

The CalHFA MIP Subsidy Regulatory Agreement requires 10% of total units (17 units) be restricted at or below 50% of AMI, 10% of total units (17 units) be restricted between 60% and 80% of AMI with a minimum average of 70% of AMI, not to exceed 80% of AMI, and 79% of the total units (129 units) be restricted at or below 120% of AMI for a term of 55 years.
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 County will restrict 81 units at or below 80% of AMI for a term of 55 years.

Rent Limit Summary Table							
Restrictions @ AMI	**Total**	**Studio**	**1-bdrm**	**2-bdrm**	**3-bdrm**	**4-bdrm**	**% of Total**
30%	17	-	6	6	5	-	10.4%
40%	0	-	-	-	-	-	
50%	43	-	16	16	11	-	26.2%
60%	42	-	16	16	10	-	25.6%
70%	61	-	26	19	16	-	37.2%
100%	0	-	-	-	-	-	
110%	0	-	-	-	-	-	
120%	0	-	-	-	-	-	
Manager's Unit	0	-	-	1	-	-	0.6%
Total	**164**	**0**	**64**	**58**	**42**	**0**	**100.0%**

The average affordability restriction is 57.62% of AMI based on 163 TCAC restricted units.

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	70% AMI	70% AMI (60% to 80% Tranche)	80% AMI	<= 120% AMI	Mgrs. Unit	Total Units Regulated	% of Regulated Units
CalHFA Bond	1st	**55**		17	49					1	66	40%
CalHFA MIP Subsidy	2nd	**55**		17			17		129	1	163	99%
Sonoma Count CDC (SCCDC)	3rd	**55**						81		1	81	49%
Tax Credits	4th	**55**	17	43	42	61				1	163	99%

13.	Geocoder Information

Central City:	Yes	Underserved:	No
Low/Mod Census Tract:	Moderate	Below Poverty line:	14.41%
Minority Census Tract:	37.33%	Rural Area:	No

FINANCIAL ANALYSIS SUMMARY

14.	Capitalized Reserves:	
	Replacement Reserves (RR):	N/A
	Operating Expense Reserve (OER):	$604,194 *OER amount is size based on 3-months operating expenses, debt service, and annual replacement reserves deposits. CalHFA will hold this reserve.
	Transitional Operating Reserve (TOR):	N/A

15.	Cash Flow Analysis			
	1st Year DSCR:	1.18	**Project-Based Subsidy Term:**	N/A
	End Year DSCR:	1.62	**Annual Replacement Reserve Per Unit:**	$300/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%

*The developer/sponsor met the threshold requirements for the proposed OER budget, which is based on 3 months of total operating expense, reserves, and debt service.

16. Loan Security

The CalHFA loan(s) will be secured against the above-described Project site.

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

The exit analysis assumes 5.0% 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 loan but may only have the ability to repay a portion of the Agency's subsidy MIP loan in the estimated amount of $2,144,131, leaving an estimated outstanding balance of $2,435,894. This is as expected by CalHFA given the requirement that the MIP loan be co-terminus with the permanent first mortgage. The primary source of repayment for both the first mortgage and the MIP subsidy loan is refinance of the project's first mortgage. To the extent such a refinance is insufficient to fully repay the MIP loan, it is contemplated that any remaining balance will be paid from a general partner contribution as part of the final close out of partnership obligations to allow re-syndication.

APPRAISAL AND MARKET ANALYSIS

18. Appraisal Review **Dated: July 24, 2021**

- The appraisal dated September 12, 2021, prepared by Pacific Real Estate Appraisal, values the land at $5,050,000.
- The cap rate of 5.0% and projected net operating income, which is generally aligned with the proposed Project net operating income, were used to determine the appraised value of the subject site.
- The proposed operating expense is reasonable based on the appraisal report.
- The as-restricted stabilized value is $35,170,000 which results in the Agency's loan to value of 80%.
- The capture rate is 3.68% and the absorption rate is 20 to 27 units per month. Lease-up is expected to occur within 8 months of completion. The capture rate per the market study dated 1/25/21 was slightly higher at 5.9%, however, the estimated lease-up period is consistent between the appraisal and market study reports.

Market Study:	Kinetic Valuation Group, Inc.	Dated: January 25, 2021

Regional Market Overview

- The Primary Market Area is the city of Santa Rosa and the Roseland area (population of 174,000) and the Secondary Market Area ("SMA") is Sonoma County (population of 483,000)
- The general population in the PMA is anticipated to remain stable at 0.06% growth per year.
- Unemployment in the PMA is 6.1%, a substantial decrease from a peak of over 14% in March 2020 and slightly lower than the 7% unemployment rate in August 2021. The PMA has generally experienced a lower unemployment rate compared to other areas of California and is expected to return to a more normal level in 2023 when the project is in lease-up. Per the appraisal report, the unemployment for the SMA is 5.7%

Local Market Area Analysis

- **Supply:**
  - There are currently 24 LIHTC large family project(s) in the PMA and they have high occupancy rates and long wait lists.

- There are two (2) affordable family projects in the pipeline and one (1) affordable project under construction which is anticipated to complete in 2021.
- **Demand/Absorption:**
  - The project will need to capture 5.9% of the total demand for appropriately sized renter households by unit size in the PMA. The affordable units are anticipated to lease up at a rate of 20-27 units per month and reach stabilized occupancy within 6-8 months of completion.

DEVELOPMENT SUMMARY

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

- The property is located on the south side of West College Avenue between Stony Point Road to the east and West Cottage Place to the west, in the City of Santa Rosa, Sonoma County.
- The site is currently vacant, with level topography at street grade, measuring 5.79 acres and is generally irregular in shape.
- The site is zoned R-3-30, with permitted multifamily residential use.
- The subject is located in Flood Zone X. 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.
- The site consists of former Sonoma County Water Agency Administrative buildings that are currently in disrepair and vacant. The structures will be demolished; the construction budget includes over $400K for demolition.

20. Form of Site Control & Expiration Date

The current owner, Sonoma County Community Development Commission (SCCDC), of the site and the Project owner, USA Properties Fund, Inc., entered into Disposition and Development Agreement dated 01/26/2021 for an amount of $4,428,000 that will be financed by a residual receipts-based seller carryback loan from SCCDC.

21. Current Ownership Entity of Record

Title is currently vested in Sonoma County Community Development Commission as the fee owner.

22. Environmental Review Findings — **Dated: March 10, 2021**

- A Phase I Environmental Site Assessment performed by Krazan and Associates, Inc., dated March 10, 2021 revealed no evidence of recognized environmental conditions, so no additional investigation was recommended. However, the report includes ASTM scope findings regarding ground water management, Asbestos Contaminant Materials (ACM) contained in the existing structures. Remediation of all environmental findings is a part of the construction plan and budget. Evidence of environmental clearance will be required as a prerequisite to closing of the CalHFA permanent and MIP loans.
- A NEPA review has been initiated and will be completed by early November 2021.

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

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

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

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

PROJECT DETAILS

25. Residential Areas:

Residential Square Footage:	134,114	**Residential Units per Acre:**	28.32
Community Area Sq. Ftg:	4,124	**Total Parking Spaces:**	272
Supportive Service Areas:	N/A	**Total Building Sq. Footage:**	175,632

26.	**Mixed-Use Project:** ☐ Yes ☒ No				
		Non-Residential Sq. Footage:	N/A	**Number of Lease Spaces:**	N/A
		Master Lease:	N/A	**Number of Parking Spaces:**	N/A
27.	**Construction Type:**	Two three-story buildings and one four-story elevator serviced building, Type-V wood-framed residential building with surface parking spaces.			
28.	**Construction/Rehab Scope**	**Requires Demolition:** ☒ Yes ☐ No			

- The subject site is new construction.
- The Contractor is an affiliate of the Borrower entity. The contract will be structured as a Guaranteed Maximum Price (GMP) contract at 14% for builder overhead, profit, and general requirements, which is consistent with the maximum percentage permitted under CTCAC regulations.
- The locality requires certain offsite improvements that include utilities, grading, asphalt, sidewalk, striping, drive entries, landscaping, outfall assembly and trail assembly totaling $335K.

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 had established cost containment strategies that include:
  - A fully vertically integrated developer that brings all functional disciplines (Architecture, Development, Construction, Property Management) early in the design process with their architect and other design consultants to design the project in the most cost-effective manner.
  - At least three bids for all construction trades.
  - A detailed critical path construction schedule to ensure the project is delivered on time and within budget.
  - A Stipulated Sum construction contract with a provision that cost savings go to the borrower.
  - A post construction audit to evaluate and identify further process improvements.

ADDITIONAL DEVELOPMENT/ PROJECT TEAM INFORMATION

30. Borrower Affiliated Entities

- Managing General Partner: Riverside Charitable Corporation, a California limited liability company; 0.01% interest
- Administrative General Partner: USA Santa Rosa 669, Inc., a California Corporation; 0.09% interest
  - Sole Member: USA Properties Fund, Inc., a California corporation, 100% interest
- Investor Limited Partner: Bank of America, N.A and/or its affiliates.; 99.99% interest
- Special Limited Partner: Affiliate of Bank of America, N.A.; 0.00% interest

31. Developer/Sponsor

Founded in 1981 and headquartered in Roseville, CA, USA Properties Fund, Inc. (USA) is a vertically integrated, full-service real estate development, investment, and management company. USA Properties is a developer, owner, and manager of communities, from quality affordable family and senior communities to market-rate projects. USA Properties has completed 122 projects (17,010 units). In addition, the company has sixteen (16) projects (2,425 units) in the pipeline and six (6) projects under construction.

32. Management Agent

The Project will be managed by USA Multifamily Management, Inc. which has extensive experience in managing similar affordable housing projects in the area and manages five (5) projects in CalHFA's portfolio. They are performing as expected.

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

LifeSTEPS will provide supportive services for all of the tenant population through the life of the Project Ownership or a minimum of 15 years. Services will be funded through operation and conducted onsite and include adult education classes and health and wellness services and programs

34.	**Contractor** **Experienced with CalHFA?** ☒ **Yes** ☐ **No**
The general contractor, an affiliated company, is USA Construction Management, Inc. (USACM), which has extensive experience in constructing similar affordable housing projects in California and is familiar with CalHFA. They have completed six (6) projects in the CalHFA portfolio.	
35.	**Architect** **Experienced with CalHFA?** ☒ **Yes** ☐ **No**
The architect is LPAS Architecture & Design, which has extensive experience in designing and managing similar affordable housing projects in California through the locality's building permit process and is familiar with CalHFA. They have designed one project in the CalHFA portfolio.	
36.	**Local Review via Locality Contribution Letter**
The locality, City of Santa Rosa, returned the local contribution letter stating they strongly support the project.	

EXHIBITS: Detailed Financial Analysis and applicable Term Sheets

PROJECT SUMMARY — Final Commitment

Acquisition, Rehab, Construction & Permanent Loans — **Project Number 21-017-A/X/N**

Project Full Name	College Creek	**Borrower Name:**	Santa Rosa 669, LP
Project Address	2150 West College Avenue	**Managing GP:**	Riverside Charitable Corp
Project City	Santa Rosa	**Developer Name:**	USA Multi-Family Development
Project County	Sonoma	**Investor Name:**	Bank of America
Project Zip Code	95401	**Prop Management:**	USA Multifamily Management Inc.
		Tax Credits:	4
Project Type:	Permanent Loan Only	**Total Land Area (acres):**	5.79
Tenancy/Occupancy:	Individuals/Families	**Residential Square Footage:**	134,114
Total Residential Units:	164	**Residential Units Per Acre:**	28.32
Total Number of Buildings:	3		
Number of Stories:	3 & 4	**Covered Parking Spaces:**	0
Unit Style:	Flat	**Total Parking Spaces:**	272
Elevators:	1		

Acq/Construction/Rehab Financing	Loan Amount ($)	Loan Fees	Loan Term (Mo.)	Amort. Period (Yr.)	Starting Interest Rate
Conduit - BOA - Tax Exempt	33,100,000	0.700%	36	--	3.300%
BOA - Taxable	12,000,000	0.700%	36	--	3.250%
Sonoma County CDC Seller Carryback Loan	4,428,000	--	660	660	3.000%
NOI- Construction	625,623	--	--	--	--
Investor Equity Contribution	4,725,784	--	--	--	--
Deferred Developer Fees	3,706,304	--	--	--	--

Permanent Financing	Loan Amount ($)	Loan Fees	Loan Term (Yr.)	Amort. Period (Yr.)	Starting Interest Rate
Perm	28,140,000	1.000%	17	40	3.950%
MIP	4,000,000	1.000%	17	55	2.000%
Sonoma County CDC Seller Carryback Loan	4,428,000	--	55	55	3.000%
Deferred Developer Fees	3,706,304	NA	NA	NA	NA
NOI-Construction	625,623	NA	NA	NA	NA
Investor Equity Contributions	27,858,400	NA	NA	NA	NA

Appraised Values Upon Completion of Rehab/Construction

Appraisal Date:	7/24/21	**Capitalization Rate:**	5.00%
Investment Value ($)	60,070,000	**Restricted Value ($)**	35,170,000
Construct/Rehab LTC	77%	**CalHFA Permanent Loan to Cost**	41%
Construct/Rehab LTV	55%	**CalHFA 1st Permanent Loan to Value**	80%
		Combined CalHFA Perm Loan to Value	91%

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	$604,194	Cash
Initial Replacement Reserve Deposit	$0	Cash
Annual Replacement Reserve Per Unit	$300	Cash

Date Prepared: 10/5/21 — Senior Staff Date: 10/4/21

UNIT MIX AND RENT SUMMARY **Final Commitment**

College Creek **Project Number 21-017-A/X/N**

PROJECT UNIT MIX					
Unit Type of Style	Number of Bedrooms	Number of Baths	Average Size (Sq. Ft.)	Number of Units	Est. No. of Tenants
Flat	1	1	596	64	96
Flat	2	2	840	58	174
Flat	3	2	1,125	42	189
-	-	-	-	-	0
-	-	-	-	-	0
-	-	-	-	-	0
				164	459

NUMBER OF UNITS AND PERCENTAGE OF AMI RENTS RESTRICTED BY EACH AGENCY							
Agency	Number of Units Restricted For Each AMI Category						
	30%	40%	50%	60%	70%	80%	120%
CalHFA Bond/RiskShare	0	0	17	49	0	0	0
CalHFA MIP	0	0	17	0	17	0	129
Tax Credit	0	0	60	42	61	0	0
County CDC Seller Carryb	0	0	0	0	0	81	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	Unit Rent	Average Market Rents	Average Monthly Savings	% of Market Rents
Studios	CTCAC	30%	-	-	$1,750	-	-
	CTCAC	50%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	70%	-	-		-	-
	HCD	80%	-	-		-	-
	CTCAC	100%	-	-		-	-
	CTCAC	50%	16	$1,052		$1,148	48%
	CTCAC	120%	-	-		-	-
2 Bedrooms	CTCAC	30%	6	$730	$2,925	$2,195	25%
	CTCAC	50%	16	$1,253		$1,672	43%
	CTCAC	60%	16	$1,515		$1,410	52%
	CTCAC	70%	19	$1,777		$1,148	61%
	HCD	80%	-	-		-	-
	CTCAC	120%	-	-		-	-
	CTCAC	-	-	-		-	-
3 Bedrooms	CTCAC	30%	5	$836	$2,925	$2,089	29%
	CTCAC	50%	11	$1,441		$1,484	49%
	CTCAC	60%	10	$1,744		$1,181	60%
	CTCAC	70%	16	$2,046		$879	70%
	HCD	80%	-	-		-	-
	CTCAC	100%	-	-		-	-
	CTCAC	120%	-	-		-	-
4 Bedrooms	CTCAC	30%	-	-	-	-	-
	CTCAC	50%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	70%	-	-		-	-
	HCD	80%	-	-		-	-
	CTCAC	100%	-	-		-	-
	CTCAC	120%	-	-		-	-
5 Bedrooms	CTCAC	30%	-	-	-	-	-
	CTCAC	50%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	70%	-	-		-	-
	HCD	80%	-	-		-	-
	CTCAC	100%	-	-		-	-
	CTCAC	120%	-	-		-	-
Date Prepared:	10/5/21					Senior Staff Date:	10/4/21

SOURCES & USES OF FUNDS					Final Commitment
College Creek			Project Number	21-017-A/X/N	
SOURCES OF FUNDS	CONST/REHAB $	PERMANENT $	TOTAL PROJECT SOURCES OF FUNDS SOURCES ($)	PER UNIT ($)	%
Conduit - BOA - Tax Exempt	33,100,000				0.0%
-	-				0.0%
-	-				0.0%
BOA - Taxable	12,000,000				0.0%
Sonoma County CDC Seller Carryback Loan	4,428,000				0.0%
-	-				0.0%
-	-				0.0%
NOI- Construction	625,623				0.0%
-	-				0.0%
-	-				0.0%
Construct/Rehab Net Oper. Inc.	-				0.0%
Deferred Developer Fee	3,706,304				0.0%
Developer Equity Contribution	-				0.0%
Investor Equity Contribution	4,725,784				0.0%
Perm		28,140,000	28,140,000	171,585	40.9%
MIP		4,000,000	4,000,000	24,390	5.8%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
NOI- Construction		625,623	625,623	3,815	0.9%
-		-	-	-	0.0%
-		-	-	-	0.0%
Construct/Rehab Net Oper. Inc.		-	-	-	0.0%
Deferred Developer Fees		3,706,304	3,706,304	22,599	5.4%
Developer Equity Contribution		-	-	-	0.0%
Investor Equity Contributions		27,858,400	27,858,400	169,868	40.5%
TOTAL SOURCES OF FUNDS	**58,585,711**	**68,758,327**	**68,758,327**	**419,258**	**100.0%**

ACQUISITION COSTS					
Lesser of Land Cost or Appraised Value	4,428,000	-	4,428,000	27,000	6.4%
Demolition Costs	416,248	-	416,248	2,538	0.6%
Legal & Other Closing Costs	-	-	-	-	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	**4,844,248**	**-**	**4,844,248**	**29,538**	**7.0%**
CONSTRUCTION/REHAB COSTS					
Offsite Improvements	335,233	-	335,233	2,044	0.5%
Environmental Remediation (Hard Costs)	-	-	-	-	0.0%
Site Work (Hard Cost)	4,296,268	-	4,296,268	26,197	6.2%
Structures (Hard Cost)	29,837,450	-	29,837,450	181,936	43.4%
General Requirements	1,700,000	-	1,700,000	10,366	2.5%
Contractor Overhead	1,669,543	-	1,669,543	10,180	2.4%
Contractor Profit	1,669,543	-	1,669,543	10,180	2.4%
Contractor Bond	-	-	-	-	0.0%
Contractor Liability Insurance	643,779	-	643,779	3,925	0.9%
Personal Property	-	-	-	-	0.0%
HVAC/Resident Damage	-	-	-	-	0.0%
TOTAL CONSTRUCT/REHAB COSTS	**40,151,815**	**-**	**40,151,815**	**244,828**	**58.4%**

SOURCES & USES OF FUNDS					Final Commitment
College Creek			Project Number	21-017-A/X/N	
USES OF FUNDS	CONST/REHAB $	PERMANENT $	TOTAL PROJECT USES OF FUNDS USES ($)	PER UNIT ($)	%
RELOCATION COSTS					
Relocation Expense	-	-	-	-	0.0%
Relocation Compliance Monitoring	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL RELOCATION COSTS	**-**	**-**	**-**	**-**	**0.0%**
ARCHITECTURAL FEES					
Design	1,072,282	-	1,072,282	6,538	1.6%
Supervision	215,000	-	215,000	1,311	0.3%
TOTAL ARCHITECTURAL FEES	**1,287,282**	**-**	**1,287,282**	**7,849**	**1.9%**
SURVEY & ENGINEERING FEES					
Engineering	421,951	-	421,951	2,573	0.6%
Supervision	49,500	-	49,500	302	0.1%
ALTA Land Survey	-	-	-	-	0.0%
TOTAL SURVEY & ENGINEERING FEES	471,451	-	471,451	2,875	0.7%
CONTINGENCY RESERVES					
Hard Cost Contingency Reserve	2,994,321	-	2,994,321	18,258	4.4%
Soft Cost Contingency Reserve	578,055	-	578,055	3,525	0.8%
TOTAL CONTINGENCY RESERVES	3,572,376	-	3,572,376	21,783	5.2%
CONSTRUCT/REHAB PERIOD COSTS					
Loan Interest Reserve					
Conduit - BOA - Tax Exempt	695,199	2,636,067	3,331,266	20,313	0.048449
-	-	-	-	-	0
-	-	-	-	-	0.0%
BOA - Taxable	-	-	-	-	0.0%
Sonoma County CDC Seller Carryback Loa	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Loan Fees					
Conduit - BOA - Tax Exempt	231,700	-	231,700	1,413	0.3%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
BOA - Taxable	84,000	-	84,000	512	0.1%
Sonoma County CDC Seller Carryback Loa	-	-	-	-	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	110	0.0%
Real Estate Taxes During Rehab	16,400	-	16,400	100	0.0%
Completion Guaranty Fee	-	-	-	-	0.0%
Wage Monitoring Fee (Davis Bacon, Preva	-	-	-	-	0.0%
Insurance During Rehab	-	-	-	-	0.0%
Title & Recording Fees	37,500	-	37,500	229	0.1%
Construction Management & Testing	-	-	-	-	0.0%
Predevelopment Interest Expense	-	-	-	-	0.0%
Bond Issuer Fee	44,050	-	44,050	269	0.1%
Other (construction 3rd party/misc)	22,000	-	22,000	134	0.0%
TOTAL CONST/REHAB PERIOD COSTS	**1,148,849**	**2,636,067**	**3,784,916**	**23,079**	**5.5%**

SOURCES & USES OF FUNDS					Final Commitment
College Creek			Project Number		21-017-A/X/N
USES OF FUNDS	CONST/REHAB $	PERMANENT $	TOTAL PROJECT USES OF FUNDS USES ($)	PER UNIT ($)	%
PERMANENT LOAN COSTS					
Loan Fees					
CalHFA Application Fee	-	-	-	-	0.0%
Perm	140,700	140,700	281,400	1,716	0.4%
MIP	20,000	20,000	40,000	244	0.1%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Sonoma County CDC Seller Carryback Loa	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Permanent Loan Cost of Issuance Fee	55,000	55,000	110,000	671	0.2%
Credit Enhancement & Application Fees	-	-	-	-	0.0%
Title & Recording (closing costs)	-	37,500	37,500	229	0.1%
Year 1 - Taxes & Special Assessments and Insura	-	16,400	16,400	100	0.0%
CalHFA Fees	-	17,585	17,585	107	0.0%
Other	-	-	-	-	0.0%
Other (CDIAC fee)	-	5,000	5,000	30	0.0%
TOTAL PERMANENT LOAN COSTS	**215,700**	**292,185**	**507,885**	**3,097**	**0.7%**
LEGAL FEES					
CalHFA Construction/Rehab Loan Legal Fees	-	-	-	-	0.0%
Other Construction/Rehab Loan Legal Fees	35,000	-	35,000	213	0.1%
CalHFA Permanent Loan Legal Fees	17,500	17,500	35,000	213	0.1%
Other Permanent Loan Legal Fees	-	-	-	-	0.0%
Sponsor Legal Fees	75,000	-	75,000	457	0.1%
Organizational Legal Fees	-	-	-	-	0.0%
Syndication Legal Fees	-	-	-	-	0.0%
Borrower Legal Fee	47,505	-	47,505	290	0.1%
CalHFA Bond Counsel	62,000	-	62,000	378	0.1%
TOTAL LEGAL FEES	**237,005**	**17,500**	**254,505**	**1,552**	**0.4%**
OPERATING RESERVES					
Operating Expense Reserve Deposit	-	604,194	604,194	3,684	0.9%
Initial Replacement Reserve Deposit	-	-	-	-	0.0%
Transition Operating Reserve Deposit	-	-	-	-	0.0%
Rent-Up Reserve Deposit	-	-	-	-	0.0%
HOME Program Replacement Reserve	-	-	-	-	0.0%
Investor Additional Required Reserve	-	3,388	3,388	21	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL OPERATING RESERVES	**-**	**607,582**	**607,582**	**3,705**	**0.9%**
REPORTS & STUDIES					
Appraisal Fee	9,050	-	9,050	55	0.0%
Market Study Fee	4,250	-	4,250	26	0.0%
Physical Needs Assessment Fee	-	-	-	-	0.0%
Environmental Site Assessment Reports	137,802	-	137,802	840	0.2%
HUD Risk Share Environmental / NEPA Review F	2,500	-	2,500	15	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	37,019	-	37,019	226	0.1%
Other	-	-	-	-	0.0%
TOTAL REPORTS & STUDIES	**190,621**	**-**	**190,621**	**1,162**	**0.3%**

SOURCES & USES OF FUNDS					Final Commitment
College Creek			Project Number		21-017-A/X/N
USES OF FUNDS	CONST/REHAB	PERMANENT	TOTAL PROJECT USES OF FUNDS		
	$	$	USES ($)	PER UNIT ($)	%
OTHER COSTS					
TCAC Application, Allocation & Monitor Fees	80,855	-	80,855	493	0.1%
CDLAC Fees	11,585	-	11,585	71	0.0%
Local Permits & Fees	382,556	-	382,556	2,333	0.6%
Local Impact Fees	4,551,293	-	4,551,293	27,752	6.6%
Other Local Fees	-	-	-	-	0.0%
Syndicator/Investor Fees & Expenses	-	-	-	-	0.0%
Furnishings	266,500	-	266,500	1,625	0.4%
Accounting & Audits	25,000	-	25,000	152	0.0%
Advertising & Marketing Expenses	273,153	-	273,153	1,666	0.4%
Financial Consulting	-	-	-	-	0.0%
Miscellaneous Administrative Fees	-	-	-	-	0.0%
HUD Risk Share Insurance (First Year Prepaid)	-	-	-	-	0.0%
Other Inspections	12,000	-	12,000	73	0.0%
Other (Development cost)	36,400	-	36,400	222	0.1%
TOTAL OTHER COSTS	**5,639,342**	**-**	**5,639,342**	**34,386**	**8.2%**
SUBTOTAL PROJECT COSTS	**57,758,689**	**62,139,045**	**61,312,023**	**373,854**	**89.2%**
DEVELOPER FEES & COSTS					
Developer Fees, Overhead & Profit	827,022	6,619,282	7,446,304	45,404	10.8%
Consultant Processing Agent	-	-	-	-	0.0%
Project Administration	-	-	-	-	0.0%
Syndicator Consultant Fees	-	-	-	-	0.0%
Guarantee Fees	-	-	-	-	0.0%
Construction Oversight & Management	-	-	-	-	0.0%
Other Adminstration Fees	-	-	-	-	0.0%
Other (Specify) correction to balance	-	-	-	-	0.0%
CASH EQUITY OUT TO DEVELOPER	-	-	-	-	0.0%
TOTAL DEVELOPER FEES & COSTS	**827,022**	**6,619,282**	**7,446,304**	**45,404**	**10.8%**
TOTAL PROJECT COSTS	**58,585,711**	**68,758,327**	**68,758,327**	**419,258**	**100.0%**

PROJECTED INITIAL ANNUAL RENTAL OPERATING BUDGET			Final Commitment
College Creek	**Project Number**		**21-017-A/X/N**
INCOME	**AMOUNT**	**PER UNIT**	**%**
Rental Income			
Restricted Unit Rents	$ 2,786,016	$ 16,988	104.62%
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	17,056	104	0.64%
Parking & Storage Income	-	-	0.00%
Miscellaneous Income	-	-	0.00%
GROSS POTENTIAL INCOME (GPI)	**$ 2,803,072**	**$ 17,092**	**105.26%**
Less: Vacancy Loss	**$ 140,154**	**$ 855**	**5.26%**
EFFECTIVE GROSS INCOME (EGI)	**$ 2,662,918**	**$ 17,947**	**100.00%**
OPERATING EXPENSES	**AMOUNT**	**PER UNIT**	**%**
Social Programs & Services	21,800	133	0.82%
Utilities	226,484	1,381	8.51%
Operating & Maintenance	219,395	1,338	8.24%
Ground Lease Payments	-	-	0.00%
CalHFA Monitoring Fee	7,500	46	0.28%
Other Monitoring Fees	-	-	0.00%
Real Estate Taxes	9,840	60	0.37%
Other Taxes & Insurance	65,770	401	2.47%
Assisted Living/Board & Care	-	-	0.00%
SUBTOTAL OPERATING EXPENSES	**$ 966,763**	**$ 5,895**	**36.30%**
-	$ -	-	0.00%
-	$ -	-	0.00%
Sonoma County CDC Seller Carryback Loan	$ -	-	0.00%
-	$ -	-	0.00%
-	$ -	-	0.00%
-	$ -	-	0.00%
MIP Annual Fee (applicable for MIP only deals)	$ -	-	0.00%
TOTAL DEBT SERVICE & OTHER PAYMENTS	**$ 1,400,812**	**$ 8,542**	**52.60%**
EXCESS AFTER DEBT SERVICE & MONITORING FEES	**$ 246,143**	**$ 1,501**	**9.24%**
DEBT SERVICE COVERAGE RATIO (DSCR)	**$ 1 to 1**		
Date: 10/5/21		Senior Staff Date:	10/04/21

PROJECTED PERMANENT LOAN CASH FL0WS											College Creek		
Final Commitment										Project Number	21-017-A/X/N		
	YEAR	1	2	3	4	5	6	7	8	9	10	11	12
RENTAL INCOME	CPI												
Restricted Unit Rents	2.50%	2,786,016	2,855,666	2,927,058	3,000,235	3,075,240	3,152,121	3,230,924	3,311,698	3,394,490	3,479,352	3,566,336	3,655,494
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%	17,056	17,482	17,919	18,367	18,827	19,297	19,780	20,274	20,781	21,301	21,833	22,379
Parking & Storage Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-
GROSS POTENTIAL INCOME (GPI)		**2,803,072**	**2,873,149**	**2,944,978**	**3,018,602**	**3,094,067**	**3,171,419**	**3,250,704**	**3,331,972**	**3,415,271**	**3,500,653**	**3,588,169**	**3,677,873**
VACANCY ASSUMPTIONS	Vacancy												
Restricted Unit Rents	5.00%	139,301	142,783	146,353	150,012	153,762	157,606	161,546	165,585	169,724	173,968	178,317	182,775
Unrestricted Unit Rents	0.00%	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Rents	50.00%	-	-	-	-	-	-	-	-	-	-	-	-
Project Based Rental Subsidy	5.00%	-	-	-	-	-	-	-	-	-	-	-	-
Other Project Based Subsidy	3.00%	-	-	-	-	-	-	-	-	-	-	-	-
Income during renovations	20.00%	-	-	-	-	-	-	-	-	-	-	-	-
Parking & Storage Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL PROJECTED VACANCY LOSS		**140,154**	**143,657**	**147,249**	**150,930**	**154,703**	**158,571**	**162,535**	**166,599**	**170,764**	**175,033**	**179,408**	**183,894**
EFFECTIVE GROSS INCOME (EGI)		**2,662,918**	**2,729,491**	**2,797,729**	**2,867,672**	**2,939,364**	**3,012,848**	**3,088,169**	**3,165,373**	**3,244,507**	**3,325,620**	**3,408,761**	**3,493,980**
OPERATING EXPENSES	CPI / Fee												
Administrative Expenses	3.50%	303,864	314,499	325,507	336,899	348,691	360,895	373,526	386,600	400,131	414,135	428,630	443,632
Management Fee	5.03%	133,910	137,258	140,689	144,207	147,812	151,507	155,295	159,177	163,157	167,235	171,416	175,702
Utilities	3.50%	226,484	234,411	242,615	251,107	259,896	268,992	278,407	288,151	298,236	308,674	319,478	330,660
Operating & Maintenance	3.50%	219,395	227,074	235,021	243,247	251,761	260,572	269,692	279,132	288,901	299,013	309,478	320,310
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
Real Estate Taxes	1.25%	9,840	9,963	10,088	10,214	10,341	10,471	10,601	10,734	10,868	11,004	11,142	11,281
NET OPERATING INCOME (NOI)		**1,646,955**	**1,681,022**	**1,715,665**	**1,750,887**	**1,786,693**	**1,823,087**	**1,860,072**	**1,897,653**	**1,935,831**	**1,974,611**	**2,013,994**	**2,053,982**
DEBT SERVICE PAYMENTS	Lien #												
Perm	1	1,400,812	1,400,812	1,400,812	1,400,812	1,400,812	1,400,812	1,400,812	1,400,812	1,400,812	1,400,812	1,400,812	1,400,812
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sonoma County CDC Seller Carryback Loan	3	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
MIP Annual Fee (applicable for MIP only deals)	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		**1,400,812**	**1,400,812**	**1,400,812**	**1,400,812**	**1,400,812**	**1,400,812**	**1,400,812**	**1,400,812**	**1,400,812**	**1,400,812**	**1,400,812**	**1,400,812**
CASH FLOW AFTER DEBT SERVICE		**246,143**	**280,210**	**314,853**	**350,075**	**385,881**	**422,275**	**459,260**	**496,841**	**535,019**	**573,799**	**613,182**	**653,170**
DEBT SERVICE COVERAGE RATIO		**1.18**	**1.20**	**1.22**	**1.25**	**1.28**	**1.30**	**1.33**	**1.35**	**1.38**	**1.41**	**1.44**	**1.47**
Date Prepared:	10/05/21									Senior Staff Date:	10/4/21		
		1	2	3	4	5	6	7	8	9	10	11	12
LESS: LP Asset Management Fee	3%	7,500	7,725	7,957	8,195	8,441	8,695	8,955	9,224	9,501	9,786	10,079	10,382
LESS: MGP Partnership Management Fee	2%	21,648	22,081	22,523	22,973	23,432	23,901	24,379	24,867	25,364	25,871	26,389	26,917
net CF available for distribution		**216,995**	**250,404**	**284,374**	**318,906**	**354,007**	**389,679**	**425,926**	**462,750**	**500,154**	**538,142**	**576,714**	**615,872**
	DDF interest	3%											
Deferred developer fee repayment	3,706,304	3,706,304	3,593,988	3,443,891	3,254,303	3,023,459	2,749,535	2,430,652	2,064,868	1,650,181	1,184,528	665,778	91,736
	100%	216,995	250,404	284,374	318,906	354,007	389,679	425,926	462,750	500,154	538,142	576,714	91,736
		3,489,309	3,343,584	3,159,518	2,935,397	2,669,451	2,359,856	2,004,726	1,602,118	1,150,027	646,386	89,064	-
Payments for Residual Receipt Payments		0%											50%
RESIDUAL RECEIPTS LOANS	*Payment %*	-	-	-	-	-	-	-	-	-	-	-	262,068
MIP	*47.46%*	-	-	-	-	-	-	-	-	-	-	-	124,380
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-
Sonoma County CDC Seller Carryback Loan	*52.54%*	-	-	-	-	-	-	-	-	-	-	-	137,688
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-
Total Residual Receipts Payments	**100.00%**	-	-	-	-	-	-	-	-	-	-	-	262,068
Balances for Residual Receipt Payments													
RESIDUAL RECEIPTS LOANS	*Interest Rate*												
MIP---Simple	*2.00%*	4,000,000	4,080,000	4,160,000	4,240,000	4,320,000	4,400,000	4,480,000	4,560,000	4,640,000	4,720,000	4,800,000	4,880,000
0---Simple	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-
Sonoma County CDC Seller Carryback Loan---S	*3.00%*	4,428,000	4,560,840	4,693,680	4,826,520	4,959,360	5,092,200	5,225,040	5,357,880	5,490,720	5,623,560	5,756,400	5,889,240
0---Simple	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-
0---Simple	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-
0---	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-
0---	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-
Total Residual Receipts Payments		**8,428,000**	8,640,840	8,853,680	9,066,520	9,279,360	9,492,200	9,705,040	9,917,880	10,130,720	10,343,560	10,556,400	10,769,240

PROJECTED PERMANENT LOAN CASH FL0WS

Final Commitment

	YEAR	13	14	15	16	17
RENTAL INCOME	**CPI**					
Restricted Unit Rents	2.50%	3,746,882	3,840,554	3,936,568	4,034,982	4,135,856
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%	22,938	23,512	24,100	24,702	25,320
Parking & Storage Income	2.50%	-	-	-	-	-
Miscellaneous Income	2.50%	-	-	-	-	-
GROSS POTENTIAL INCOME (GPI)		**3,769,820**	**3,864,066**	**3,960,667**	**4,059,684**	**4,161,176**
VACANCY ASSUMPTIONS	**Vacancy**					
Restricted Unit Rents	5.00%	187,344	192,028	196,828	201,749	206,793
Unrestricted Unit Rents	0.00%	-	-	-	-	-
Commercial Rents	50.00%	-	-	-	-	-
Project Based Rental Subsidy	5.00%	-	-	-	-	-
Other Project Based Subsidy	3.00%	-	-	-	-	-
Income during renovations	20.00%	-	-	-	-	-
Parking & Storage Income	50.00%	-	-	-	-	-
Miscellaneous Income	50.00%	-	-	-	-	-
TOTAL PROJECTED VACANCY LOSS		**188,491**	**193,203**	**198,033**	**202,984**	**208,059**
EFFECTIVE GROSS INCOME (EGI)		**3,581,329**	**3,670,862**	**3,762,634**	**3,856,700**	**3,953,117**
OPERATING EXPENSES	**CPI / Fee**					
Administrative Expenses	3.50%	459,159	475,230	491,863	509,078	526,896
Management Fee	5.03%	180,094	184,597	189,212	193,942	198,790
Utilities	3.50%	342,233	354,211	366,608	379,440	392,720
Operating & Maintenance	3.50%	331,521	343,124	355,133	367,563	380,428
Ground Lease Payments	3.50%	-	-	-	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500	7,500	7,500
Real Estate Taxes	1.25%	11,422	11,565	11,709	11,856	12,004
NET OPERATING INCOME (NOI)		**2,094,577**	**2,135,780**	**2,177,593**	**2,220,014**	**2,263,044**
DEBT SERVICE PAYMENTS	**Lien #**					
Perm	1	1,400,812	1,400,812	1,400,812	1,400,812	1,400,812
-	-	-	-	-	-	-
-	-	-	-	-	-	-
Sonoma County CDC Seller Carryback Loan	3	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
MIP Annual Fee (applicable for MIP only deals)	-	-	-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		**1,400,812**	**1,400,812**	**1,400,812**	**1,400,812**	**1,400,812**
CASH FLOW AFTER DEBT SERVICE		**693,765**	**734,968**	**776,781**	**819,202**	**862,232**
DEBT SERVICE COVERAGE RATIO		**1.50**	**1.52**	**1.55**	**1.58**	**1.62**
Date Prepared:	10/05/21					
		13	**14**	**15**	**16**	**17**
LESS: LP Asset Management Fee	3%	10,693	11,014	11,344	11,685	12,035
LESS: MGP Partnership Management Fee	2%	27,455	28,004	28,564	29,135	29,718
net CF available for distribution		**655,617**	**695,950**	**736,872**	**778,382**	**820,479**
	DDF interest					
Deferred developer fee repayment	3,706,304	-	-	-	-	-
	100%	-	-	-	-	-
		-	-	-	-	-
Payments for Residual Receipt Payments						
RESIDUAL RECEIPTS LOANS	*Payment %*	327,809	347,975	368,436	389,191	410,239
MIP	*47.46%*	155,581	165,152	174,863	184,713	194,703
0	*0.00%*	-	-	-	-	-
Sonoma County CDC Seller Carryback Loan	*52.54%*	172,228	182,823	193,573	204,478	215,536
0	*0.00%*	-	-	-	-	-
0	*0.00%*	-	-	-	-	-
0	*0.00%*	-	-	-	-	-
0	*0.00%*	-	-	-	-	-
Total Residual Receipts Payments	**100.00%**	327,809	347,975	368,436	389,191	410,239
Balances for Residual Receipt Payments						
RESIDUAL RECEIPTS LOANS	*Interest Rate*					
MIP---Simple	*2.00%*	4,835,620	4,760,040	4,674,888	4,580,025	4,475,312
0---Simple	*0.00%*	-	-	-	-	-
Sonoma County CDC Seller Carryback Loan---S	*3.00%*	5,884,392	5,845,004	5,795,021	5,734,287	5,662,650
0---Simple	*0.00%*	-	-	-	-	-
0---Simple	*0.00%*	-	-	-	-	-
0---	*0.00%*	-	-	-	-	-
0---	*0.00%*	-	-	-	-	-
Total Residual Receipts Payments		10,720,012	10,605,044	10,469,908	10,314,312	10,137,961

California Housing Finance Agency

TAX-EXEMPT PERMANENT LOAN PROGRAM

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

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) and minimum of 1.05x for the term of the Perm Loan. • 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. • 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 Administrative 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.

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TAX-EXEMPT PERMANENT LOAN PROGRAM

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.

TAX-EXEMPT PERMANENT LOAN PROGRAM

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"). 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). • 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: 4/2021

MIXED-INCOME LOAN PROGRAM

California Housing Finance Agency

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).

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Qualifications (continued)

READINESS:

Projects must have site control and be prepared to submit for a bond and tax credit allocation and will only receive funds if bonds are issued within the issuance timeframes specified in the California Debt Limit Allocation Committee's (CDLAC) Regulations Section 5100.

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

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

Cal HFA
California Housing Finance Agency

CONDUIT ISSUER PROGRAM

MULTIFAMILY HOUSING BONDS

Term sheet effective for applications submitted after May 1, 2020

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

Qualifications	• Available to for-profit, nonprofit or public agency sponsors. • Nonprofit borrowers may be eligible for 501(c)(3) bonds. • If bond proceeds are utilized to pay off an existing CalHFA portfolio loan visit www.calhfa.ca.gov for the CalHFA Portfolio Loan Prepayment Policy.
Bond Amount	Bond amount is determined by the loan amount of the selected construction lender.
Fees (subject to change)	• Application Fee: $5,000 non-refundable, due at time of application submittal (covers the cost of the TEFRA required for tax-exempt issuances) and is credited toward the CalHFA Issuer Fee. • Issuer Fee: 1. The greater of $15,000 or 18.75 basis points of the Bond amount if lesser than or equal to $20 million. 2. If more than $20 million: $37.500 + 5 basis points for the amount above $20 million. • Annual Administrative Fee: 5 bps of the tax-exempt bond issuance amount due at construction loan closing and due annually thereafter until permanent loan conversion. After permanent loan conversion, billed annually in advance, 5 bps of unpaid principal balance amount of tax-exempt bond financed loan(s) until bonds are fully redeemed. Minimum Annual Administrative Fee shall be $4,000 through both the Qualified Project Period and the CDLAC compliance period. For taxable only issuances, annual administrative fees above will be charged based on the taxable bond financed loan(s) for the term of the CalHFA affordability restrictions. If used in conjunction with a CalHFA permanent loan product, the annual administrative fee will not be duplicated. Please refer to the applicable permanent loan term sheet for the annual administrative fee. • Public Sale: Additional fee of $5,000 to $10,000 applies when Bonds are sold to the public. • CDLAC Allocation Fee: 0.035% of the Bond amount, $1,200 of which is due at time of CDLAC application submittal with the remaining fee due at construction loan closing and payable to CDLAC. • CDLAC Performance Deposit: 0.50% of the requested Bond amount, not to exceed $100,000, due at time of CDLAC application submittal. Deposit to be refunded after the Bond closing, upon receipt of authorization letter from CDLAC. The Borrower shall be responsible for all other costs of Bond issuance including fees of the underwriter, trustee, rating agencies, lender, compliance administrator, all Bond counsel legal fees, and any other parties required to complete the transaction.

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CONDUIT ISSUER PROGRAM

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

Last revised: 08/2020

BOARD OF DIRECTORS
OF THE CALIFORNIA HOUSING FINANCE AGENCY

RESOLUTION NO. 25-07

RESOLUTION AUTHORIZING AN AMENDMENT TO A FINAL LOAN COMMITMENT

WHEREAS, the California Housing Finance Agency (the "Agency") received a loan application on behalf of Santa Rosa 669, LP, a California limited partnership (the "Borrower"), seeking a loan commitment, the proceeds of which are to be used to provide financing for a multifamily housing development located in the City of Santa Rosa, County of Sonoma, California, to be known as College Creek Apartments (the "Development"); and

WHEREAS, at the Board meeting held on October 21, 2021, the Board approved Resolution 21-18 authorizing Agency staff to enter into a loan commitment for the Development and a Final Commitment Letter was issued by the Agency on November 10, 2021 and was subsequently extended by an amendment dated November 8, 2024 (collectively the "***Commitment***").

WHEREAS, the construction financing closed on February 1, 2022 and the Development subsequently experienced construction delays and increased development costs and a request has been made for an increase in the Agency's permanent loan, of more than 21% above what was approved in Resolution 21-18.

WHEREAS, the amount of the Mixed-Income Program loan conditionally approved for the Development by the Agency remains unchanged.

WHEREAS, a modification of the Commitment has been reviewed by Agency staff which prepared a report presented to the Board on the meeting date recited below (the "Staff Report"), recommending Board approval subject to certain recommended terms and conditions; and

WHEREAS, Agency staff has determined or expects to determine prior to making any modification of the Commitment to fund the loan for which this request has been made, that (i) the Agency can effectively and prudently raise capital to fund the loan as increased, by direct access to the capital markets, by private placement, or other means and (ii) any financial mechanisms needed to insure prudent and reasonable financing of loans can be achieved; and

WHEREAS, based upon the recommendation of staff and due deliberation by the Board, the Board has determined that a modification of the Commitment be made for the Development and the Board wishes to grant the staff the authority to amend the Commitment to provide permanent financing for the development and taking out the Conduit Bonds upon Agency staff determining in its judgment that reasonable and prudent financing mechanisms can be achieved;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors (the "Board") of the California Housing Finance Agency as follows:

1. The Executive Director, or in her absence, the Chief Deputy Director, is hereby authorized to modify and execute the Commitment, subject to recommended terms and conditions set forth in the Staff Report and any terms and conditions as the Board has designated in the Minutes of the Board Meeting, in relation to the Development described above and as follows:

PROJECT NUMBER	DEVELOPMENT NAME/ LOCALITY	MORTGAGE AMOUNT	
21-017-A/X/N	COLLEGE CREEK APARTMENTS City of Santa Rosa, Sonoma County California	$34,040,000.00	Tax Exempt Permanent 1st Mortgage
		$4,000,000.00	Mixed Income Program Subsidy Loan

The Board recognizes that in the event that staff cannot determine that reasonable and prudent financing mechanisms can be achieved, the staff will not modify the Commitment to finance the Development. In addition, access to capital markets may require significant changes to the terms of loans submitted to the Board. Notwithstanding paragraph 2 below, the staff is authorized to make any needed modifications to the loan which in staff's judgment are directly or indirectly the result of the disruptions to the capital markets referred to above.

2. The Executive Director may modify the terms and conditions of the loan or loans as described in the Staff Report, provided that major modifications, as defined below, must be submitted to this Board for approval. "Major modifications" as used herein means modifications which either (i) increase the total aggregate amount of any loans made pursuant to the Resolution by more than 7%; or (ii) modifications which in the judgment of the Executive Director, or in her absence, the Chief Deputy Director of the Agency, adversely change the financial or public purpose aspects of the final commitment in a substantial way.

SECRETARY'S CERTIFICATE

I, Marc Victor, the undersigned, do hereby certify that I am the duly authorized Secretary of the Board of Directors of the California Housing Finance Agency, and hereby further certify that the foregoing is a full, true, and correct copy of Resolution No. 25-07 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 20th day of March 2025, at which meeting all said directors had due notice, a quorum was present and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

IN WITNESS WHEREOF, I have executed this certificate hereto this 20th day of March 2025.

ATTEST: ______________________________

MARC VICTOR
Secretary of the Board of Directors of the
California Housing Finance Agency

MEMORANDUM

To: Board of Directors **Date:** March 10, 2025

From: Erwin Tam, Director of Financing
California Housing Finance Agency

Subject: Agenda Items 7-11 – Annual Financial Operations Resolutions

Background

The purpose of this memorandum is to provide the background on Resolutions 25-08, 25-09, 25-10, 25-11, and 25-12. Traditionally, these resolutions are presented together annually by the Financing Division. These resolutions authorize the financing and funding for CalHFA's lending programs through the end of the upcoming fiscal year on June 30, 2026.

Four of the resolutions are divided between the program unit – Multifamily and Single Family, and then by the funding source – Bond and Non-Bond. The fifth resolution authorizes the application to CDLAC for volume cap to issue tax-exempt private activity bonds. The resolutions are as follows:

	Multifamily Program	Single Family Program
"Bond"	Resolution No. 25-08	Resolution No. 25-10
"Non-Bond"	Resolution No. 25-09	Resolution No. 25-11
"CDLAC"	Resolution No. 25-12	

The resolutions specifically empower the Executive Director, the Chief Deputy Director, the Director of Financing, and any other individual specifically authorized in writing by the Executive Director.

Resolution 25-08: Multifamily Bond Resolution

The Multifamily Bond Resolution authorizes the issuance of taxable and tax-exempt bonds for the Agency's Multifamily Program. Specifically, Resolution 25-08 allows the

Agency to continue the Conduit Bond Program and establish one of the financial alternatives to fund its Permanent Loan Program.

The total dollar amount of the authorization is defined as the volume cap allocated to CalHFA by the California Debt Limit Allocation Committee (CDLAC) for the Agency's programs, plus $500 million of qualified 501(c)3 bonds, governmental purpose bonds, or federally taxable bonds. The Agency is also authorized to issue up to $3.5 billion in taxable or tax-exempt conduit bonds.

The Board approved the issuance of bonds under the Affordable Housing Revenue Bond ("AHRB") Indenture in 2023. CalHFA issued its first series of bonds under the AHRB Indenture in August 2023. The Agency is also authorized to refinance existing bonds either through AHRB or its standalone financings.

The issuance of bonds is also governed by the Agency's Investment and Debt Management Policy which was presented to the Board as recently as 2023. The Board is presented a semi-annual bond and swap report as of February 1 and August 1 of each year per the policy.

The resolution authorizes lines of credit up to $1 billion in total amount. CalHFA currently uses a line of credit for its bond recycling program. Additionally, the Agency is allowed to enter interest rate hedges for permanent loan commitments. Such hedges will be made in accordance with the Agency's Financial Risk Management Policy, as amended. The Financial Risk Management Policy was last presented to the board in 2023.

A **YES** vote means that the Agency will continue its conduit bond program and bond recycling program, have access to the capital markets to fund permanent loans, and be able to refinance outstanding multifamily bonds, subject to the principal amounts as described above.

A **NO** vote means that the Agency's conduit bond program will end on or about June 30, 2025. In addition, the Agency's authority to refinance existing bonds or issue new bonds for the purposes of financing multifamily developments will also end on or about June 30, 2025.

Resolution 25-09: Multifamily Non-Bond Resolution

The Multifamily Non-Bond Resolution authorizes the use of "externally-sourced non-bond funds" to finance its multifamily program. These funds include, but are not limited to, lines of credit, general fund appropriations (e.g. AB 101 and SB2), and restricted and unrestricted Agency funds.

This resolution also allows CalHFA to access the Federal Financing Bank ("FFB") as a financing alternative for multifamily permanent loans. FFB was recently extended indefinitely by the Biden Administration to allow HFAs more flexibility in funding affordable housing. The resolution authorizes lines of credit up to $1 billion in total amount. CalHFA currently uses a line of credit to warehouse multifamily loans prior to the public offering of tax-exempt bonds.

A **YES** vote means that the Agency will be able to fund subsidy loan commitments under MIP and have access to lines of credit from which to warehouse multifamily permanent loans, subject to the total amount as described above.

A **NO** vote means that the Agency's authority to fund MIP loans will end on or about June 30, 2025. In addition, the Agency's authority warehouse multifamily permanent loans, or to finance permanent loans or subsidy loans through non-bond sources will also end on or about June 30, 2025.

Resolution 25-10: Single Family Bond Resolution

The Single Family Bond Resolution authorizes the issuance of taxable and tax-exempt bonds for the Agency's Single Family Program.

The total dollar amount of the authorization is defined as the volume cap allocated to CalHFA by the California Debt Limit Allocation Committee (CDLAC) for the Agency's Single Family Programs, plus up to $2 billion of federally taxable bonds. The Agency is also authorized to refinance existing bonds.

The resolution only authorizes the issuance of bonds that use MBS as the collateral asset. The MBS is a security created when the Agency's financed mortgages are pooled together on a scheduled basis guaranteed by one of the Government Sponsored

Enterprises (GSE), such as Fannie Mae or Ginnie Mae. The resolution does not permit the financing of whole loans through the issuance of bonds.

In 2022, CalHFA redeemed the remaining bonds under the prior single family indenture. The Board approved the form of a new indenture in 2023 (the Homeownership Mortgage Bond Indenture, or "HOMR"). The Agency anticipates pricing of its first series of bonds to support single family programs, including the new MyAccess program the week of March 10, 2025.

The issuance of bonds is also governed by the Agency's Investment and Debt Management Policy which was presented to the Board as recently as 2023. The Board is presented a semi-annual bond and swap report as of February 1 and August 1 of each year per the policy.

A **YES** vote means that the Agency is authorized to issue and refund MBS bonds, subject to the amounts described above.

A **NO** vote means that the Agency's authority to issue and refund MBS bonds will end on or about June 30, 2025.

Resolution 25-11: Single Family Non-Bond Resolution

Resolution 25-11 authorizes the Agency's primary method of funding single family loans, through the MBS securitization model / TBA market. Since 2014, this has been the primary source of funding for the Agency's 1st lien mortgage loans for the Single Family Program.

This resolution also authorizes contracts for service in support of the TBA execution, including with a loan servicer and agreements required for GSE loan programs.

In addition to this, the resolution allows the Agency to fund up to $12 million in whole loans related to the SR-710 Affordable Sales Program and $25 million in subordinate loans. The Agency's MyHome and ZIP programs are not directly authorized by this resolution but are separately authorized.

A **YES** vote means that the Agency is authorized continue its current single family programs, including a master servicer contract and GSE securitization.

A **NO** vote means that the Agency's authority to use the TBA market to fund mortgages will end on or about June 30, 2025.

Resolution 25-12: California Debt Limit Advisory Committee (CDLAC) Resolution

Resolution 25-12 authorizes the Agency to apply for volume cap as established by CDLAC. CalHFA has used volume cap for its multifamily programs, including the conduit bond and permanent loan program.

Volume cap allocated for new multifamily developments with certain minimum affordability levels are eligible for Federal LIHTC (Low income housing tax credits). CalHFA supports the primary usage of the State's volume cap for multifamily developments that can receive Federal LIHTC.

In December 2023, CDLAC was presented a single-family volume cap alternative that was used by the State in prior years to assist homebuyers. In response to this, CDLAC acknowledged that single family may be allocated a pool later. CalHFA is uniquely positioned as the State's affordable housing lender to deliver lower cost mortgages to first time homebuyers should a single family pool be established. This resolution authorizes, but does not obligate, CalHFA to make an application for volume cap for its single family program.

The resolution authorizes the application of up to $3.5 billion in total volume cap for the Agency's programs. CalHFA is a non-voting member of CDLAC, and therefore this resolution only requests that these allocations. Actual awards are determined by the voting members of CDLAC in their sole discretion.

A **YES** vote means that the Agency is authorized to continue to apply for volume cap for its multifamily program and will be authorized to apply for volume cap for its single family program should a pool be created.

A **NO** vote means that the Agency's existing authority to apply for volume cap for its multifamily program will end on or about June 30, 2025.

BOARD OF DIRECTORS
OF THE CALIFORNIA HOUSING FINANCE AGENCY

RESOLUTION NO. 25-08

RESOLUTION AUTHORIZING THE FINANCING OF THE AGENCY'S MULTIFAMILY HOUSING PROGRAM, THE ISSUANCE OF MULTIFAMILY BONDS, THE AGENCY'S MULTIFAMILY BOND INDENTURES, CREDIT FACILITIES FOR MULTIFAMILY PURPOSES, AND RELATED FINANCIAL AGREEMENTS AND CONTRACTS FOR SERVICES

WHEREAS, the California Housing Finance Agency (the "Agency") has determined that there exists a need in California for the financing of mortgage loans for the acquisition, construction, rehabilitation, refinancing or development of multi-unit rental housing developments for the purpose of providing housing for persons and families of low or moderate income (each a "Development");

WHEREAS, the Agency has determined that it is in the public interest for the Agency to assist in providing such financing by means of an ongoing program to make or acquire, or to make loans to lenders to make or acquire, mortgage loans (the "Loans"), or to act as a conduit issuer, or otherwise to enter into such financial agreements and arrangements as may reasonably be required for the purpose of financing Developments (the "Multifamily Program");

WHEREAS, pursuant to Parts 1 through 4 of Division 31 of the Health and Safety Code of the State of California (the "Act"), the Agency has the authority to issue bonds to provide sufficient funds for the Multifamily Program, including the making of loans to finance Developments, the payment of capitalized interest on bonds, the establishment of reserves to secure bonds, and the payment of other costs of the Agency incident to, and necessary or convenient to, the issuance of bonds (the "Multifamily Program Purposes"); and

WHEREAS, pursuant to the Act, the Agency has the authority to enter into credit facilities and certain other agreements in connection with the Multifamily Program;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors (the "Board") of the California Housing Finance Agency as follows:

ARTICLE I
AUTHORIZATION AND TERMS OF REFUNDING BONDS

Section 1. **Determination of Need and Amount of Refunding Bonds**. The Agency is of the opinion and hereby determines that the offer, sale and issuance of one or more series of multifamily housing revenue bonds ("Refunding Bonds") in an aggregate amount not to exceed the aggregate principal amount of prior multifamily bonds to be redeemed or maturing in connection with such issuance (the related "Refunded Bonds"), plus if applicable, accrued interest, premium, and cost of issuance, is necessary to provide sufficient funds for the management of the Agency's existing debt related to the Multifamily Program, or to provide sufficient funds for Board-authorized, Agency financing of Developments (including permanent financing for Developments which may originally be financed in part by Conduit Bonds, as defined herein), or financing, refinancing or carrying existing Loans, and for related Multifamily Program Purposes.

Section 2. **Authorization and Timing of Refunding Bonds**. The Refunding Bonds described in Article I, Section 1 are hereby authorized to be issued for the purposes described in Article I, Section 1. Refunding Bonds may be issued at such time or times on or before June 30, 2026, as the Executive Director of the Agency (the "Executive Director") deems appropriate, upon consultation with the Treasurer of the State of California (the "Treasurer") as to the timing of each such issuance, upon specified terms and conditions, such Refunding Bonds may be issued on or before December 31, 2026.

Section 3. **Approval of Refunding Bond Indentures**. Refunding Bonds may be issued under and pursuant to any new indenture or similar form of document (each a "Refunding Bond New Indenture"), in one or more forms similar to one or more of the following (collectively, the "Refunding Bond Prior Indentures" and, together with the Refunding Bond New Indentures, the "Refunding Bond Indentures"):

(i) the Affordable Housing Revenue Bonds indenture, Dated as of August 1, 2023; or

(ii) any indenture authorizing Special Obligation Multifamily Housing Revenue Bonds

The Executive Director and the Secretary of the Board (the "Secretary") are hereby authorized and directed, for and on behalf and in the name of the Agency, to execute and acknowledge and to deliver with respect to each series of Refunding Bonds a Refunding Bond Indenture with such changes therein as the officers executing the same approve upon consultation with the Agency's legal counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

The Executive Director is hereby expressly authorized and directed, for and on behalf and in the name of the Agency, to determine in furtherance of the objectives of the Multifamily Program those matters required to be determined under the applicable Refunding Bond Indenture in connection with the issuance of each such series of Refunding Bonds.

ARTICLE II
AUTHORIZATION AND TERMS OF NEW MONEY BONDS

Section 1. **Determination of Need and Amount of New Money Bonds**. The Agency is of the opinion and hereby determines that the offer, sale and issuance of one or more series of multifamily housing revenue bonds ("New Money Bonds") in an aggregate amount not to exceed the sum of the following amounts is necessary to provide sufficient funds for new lending under the Multifamily Program:

(i) the aggregate amount of private activity bond allocations under federal tax law heretofore or hereafter made available to the Agency for such purpose (including pursuant to 26 U.S.C. 146(i)(6)), plus the preservation of allocations made available to other bond issuers pursuant to 26 U.S.C. 146(i)(6); and

(ii) if and to the extent the New Money Bonds are "qualified 501(c)(3) bonds" under federal tax law, are not "private activity bonds" under federal tax law, or are determined by the Executive Director to be intended not to be tax-exempt for federal income tax purposes, $500,000,000.

Section 2. **<u>Authorization and Timing of New Money Bonds</u>**. The New Money Bonds described in Article II, Section 1, are hereby authorized to be issued for the purpose of financing the acquisition, construction, rehabilitation, refinancing or development of Developments and for other Multifamily Program Purposes. New Money Bonds may be issued at such time or times on or before June 30, 2026, as the Executive Director deems appropriate, upon consultation with the Treasurer as to the timing of each such issuance; *provided, however,* that if the New Money Bonds are sold pursuant to a forward purchase agreement providing for the issuance of such New Money Bonds on a later date on or before December 31, 2026, upon specified terms and conditions, such New Money Bonds may be issued on such later date.

Section 3. **<u>Approval of New Money Bond Indentures</u>**. New Money Bonds may be issued under and pursuant to any new indenture or similar form of document (each a "New Money Bond New Indenture"), in one or more forms similar to one or more of the following (collectively, the "New Money Bond Prior Indentures" and, together with the New Money Bond New Indentures, the "New Money Bond Indentures"):

(i) the Affordable Housing Revenue Bonds indenture, dated August 1, 2023; or

(ii) any indenture authorizing Special Obligation Multifamily Housing Revenue Bonds.

The Executive Director and the Secretary are hereby authorized and directed, for and on behalf and in the name of the Agency, to execute and acknowledge and to deliver with respect to each series of New Money Bonds a New Money Bond Indenture with such changes therein as the officers executing the same approve upon consultation with the Agency's legal counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

The Executive Director is hereby expressly authorized and directed, for and on behalf and in the name of the Agency, to determine in furtherance of the objectives of the Multifamily Program those matters required to be determined under the applicable New Money Bond Indenture in connection with the issuance of each such series of New Money Bonds.

ARTICLE III
AUTHORIZATION AND TERMS OF CONDUIT BONDS

Section 4. **Determination of Need and Amount of Conduit Bonds**. The Agency is of the opinion and hereby determines that the offer, sale and issuance of one or more series of multifamily housing revenue bonds on a "conduit" basis, meaning that (a) the Agency is not liable for payment of the principal of, premium or interest on such bonds, except from revenues received from loans made or purchased with the proceeds of such bonds and related or ancillary collateral, (b) the Agency has not contributed or pledged any funds or assets to such bonds other than the collateral described in the immediately preceding clause, and (c) there is otherwise no obligation of or material financial risk to the General Fund of the Agency under the terms of such bonds (the "Conduit Bonds"), in an aggregate amount not to exceed the sum of the following amounts, is necessary to provide sufficient funds for the Multifamily Program:

(i) the aggregate amount of private activity bond allocations under federal tax law heretofore or hereafter made available to the Agency for such purpose (including pursuant to 26 U.S.C. 146(i)(6), or in connection with a refunding bond for which an allocation was made to another bond issuer), plus the preservation of allocations made available to other bond issuers pursuant to 26 U.S.C. 146(i)(6); and

(ii) if and to the extent the Conduit Bonds are (A) refunding bonds, in an aggregate amount not to exceed the aggregate amount of bonds to be redeemed or maturing in connection with such issuance, (B) "qualified 501(c)(3) bonds" under federal tax law, (C) are otherwise not "private activity bonds" under federal tax law, or (D) are determined by the Executive Director not to be intended to be tax-exempt for federal income tax purposes, $2,500,000,000.

Section 5. **Authorization and Timing of Conduit Bonds**. The Conduit Bonds described in Article III, Section 1 are hereby authorized to be issued for the purpose of providing funding for the Multifamily Program, and for other Multifamily Program Purposes. Conduit Bonds may be issued at such time or times on or before June 30, 2026, as the Executive Director deems appropriate, upon consultation with the Treasurer as to the timing of each such issuance; *provided, however,* that if Conduit Bonds are sold pursuant to a forward purchase agreement, upon specified terms and conditions, such Conduit Bonds may be issued on or before December 31, 2026.

Section 6. **Approval of Conduit Bond Indentures**. Conduit Bonds may be issued under and pursuant to any indenture or similar form of document (each a "Conduit Bond Indenture") meeting the requirements for Conduit Bonds described in Article III, Section 1.

The Executive Director and the Secretary are hereby authorized and directed, for and on behalf and in the name of the Agency, to execute and acknowledge and to deliver with respect to each series of Conduit Bonds a Conduit Bond Indenture with such changes therein as the officers executing the same approve upon consultation with the Agency's legal counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

The Executive Director is hereby expressly authorized and directed, for and on behalf and in the name of the Agency, to determine in furtherance of the objectives of the Multifamily Program those matters required to be determined under the applicable Conduit Bond Indenture in connection with the issuance of each such series of Conduit Bonds.

ARTICLE IV
PROVISIONS APPLICABLE TO ALL BONDS ISSUED UNDER THIS RESOLUTION

Section 1. **Approval of Forms and Terms of Bonds**. Refunding Bonds, New Money Bonds and Conduit Bonds (collectively, "Bonds") shall be in such denominations, have such registration provisions, be executed in such manner, be payable in such medium of payment at such place or places within or outside of the State of California, be subject to such terms of prepayment or redemption (including from such sinking fund installments as may be provided for) and contain such terms and conditions as each Refunding Bond Indenture, New Money Bond Indenture or Conduit Bond Indenture (each a "Bond Indenture") shall provide. Bonds shall have the maturity or maturities and shall bear interest at the fixed, adjustable or variable rate or rates deemed appropriate by the Executive Director in furtherance of the objectives of the Multifamily Program.

Bonds and the related Bond Indenture(s) may contain such provisions as may be necessary to accommodate an option to put or tender such Bonds prior to maturity for purchase by or on behalf of the Agency or a person other than the Agency, to accommodate the requirements of any provider of bond insurance or other credit enhancement or liquidity support or to accommodate the requirements of purchasers of indexed floating-rate bonds.

Bonds may be issued on a drawdown basis comprised of one or more advances. The date of the initial draw (or advance) for any issue of drawdown Bond shall be considered the issue date of such issue.

Bonds may otherwise have such commercially reasonable terms as may be approved by the Executive Director, such approval to be evidenced by the execution and delivery of the documents relating to such Bonds in accordance with this resolution.

Section 2. **Authorization of Disclosure**. The Executive Director is hereby authorized to circulate one or more preliminary official statements relating to Bonds and to execute and circulate one or more official statements relating to Bonds, and the circulation of such preliminary official statement and such official statement to prospective and actual purchasers of Bonds is hereby approved. The Executive Director is further authorized to hold information meetings concerning Bonds and to distribute other information and material relating to Bonds, including by posting of such information on one or more websites maintained by or at the direction of the Agency.

Section 3. **Authorization of Sale of Bonds**. Bonds are hereby authorized to be sold at negotiated or competitive sale or sales, including but not limited to private placements and public offerings. The Executive Director is hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver one or more agreements, by and among the Agency, the Treasurer, if applicable, and such purchasers or underwriters as the Executive Director may select (the "Purchasers"), relating to the sale of the Bonds, in such form as the Executive Director may approve upon consultation with the Agency's legal counsel, such approval to be evidenced conclusively by the execution and delivery of said agreements by the Executive Director.

The Treasurer is hereby authorized and requested, without further action of this Board and unless instructed otherwise by this Board, to sell the Bonds pursuant to the terms and conditions set forth in each such agreement as finally executed on behalf of the Agency. The Treasurer is hereby further authorized and requested to deposit the proceeds of any good faith deposit to be received by the Treasurer under the terms of such agreement in a special trust account for the benefit of the Agency, and the amount of such deposit shall be retained by the Agency, applied at the time of delivery of the applicable Bonds as part of the purchase price thereof, or returned to the Purchasers, as provided in such agreement.

Section 4. **Authorization of Execution of Bonds**. The Executive Director is hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest, for and on behalf and in the name of the Agency and under its seal, the Bonds, in an aggregate amount not to exceed the amount authorized hereby, in accordance with each Bond Indenture in one or more of the forms set forth in such indenture.

Section 5. **Authorization of Delivery of Bonds**. The Bonds when so executed shall be delivered to the trustee, fiscal agent or other authenticating agent ("Trustee") to be authenticated or caused to be duly and properly authenticated. The Trustee is hereby requested and directed to authenticate, or cause to be authenticated, the Bonds by the execution of the certificate of authentication and registration appearing thereon, and to deliver or cause to be delivered the Bonds when duly executed and authenticated to the Purchasers in accordance with written instructions executed on behalf of the Agency by the Executive Director, which instructions said officer is hereby authorized and directed, for and on behalf and in the name of the Agency, to execute and deliver to the Trustee.

Section 6. **Authorization of Program Documents**. The Executive Director is hereby authorized and directed to execute all documents the Executive Director deems necessary or appropriate in connection with the Multifamily Program, including but not limited to (in each case with such other parties as the Executive Director may select in furtherance of the objectives of the Multifamily Program):

(a) regulatory agreements, loan agreements, origination and/or servicing agreements (or other loan-to-lender documents), developer agreements, financing agreements, investment agreements, intercreditor agreements, subordination agreements, agreements to enter into escrow and forward purchase agreements, escrow and forward purchase agreements, refunding agreements and continuing disclosure agreements;

(b) one or more mortgage sale agreements with such purchasers as the Executive Director may select in accordance with the objectives of the Multifamily Program (and any such sale of Loans may be on either a current or a forward purchase basis);

(c) contracts to conduct foreclosures of mortgages owned or serviced by the Agency with such attorneys or foreclosure companies as the Executive Director may select in accordance with the objectives of the Multifamily Program;

(d) contracts for the sale of foreclosed properties with such purchasers as the Executive Director may select in accordance with the objectives of the Multifamily Program, which may be on an all-cash basis or may include financing by the Agency; and

(e) any other agreements, including but not limited to real estate brokerage agreements and construction contracts, necessary or convenient for the rehabilitation, listing and sale of such foreclosed properties.

Section 7. **Authorization of Credit Facilities and Related Agreements.** The Executive Director is hereby authorized to enter into, for and in the name and on behalf of the Agency, one or more short-term or long-term credit facilities, together with any extensions or other amendments thereto, including but not limited to repurchase agreements, for the purposes of (i) improving the credit and/or liquidity profile of Bonds of the Agency, (ii) making or financing the purchase of Loans and/or mortgage-backed securities on an interim basis, prior to the sale thereof to third parties and/or the financing thereof with Bonds, whether issued or to be issued, or other internal or external Agency sources, as authorized by the Board; (iii) financing expenditures of the Agency incident to, and necessary or convenient to, the issuance of Bonds and/or the preservation of private activity bond volume cap for subsequent recycling, including, but not limited to, Agency expenditures to pay costs of issuance, capitalized interest, redemption price of Prior Bonds (as defined below) of the Agency or bonds issued by another issuer for the purpose of preservation of private activity volume cap for subsequent recycling, costs relating to credit enhancement or liquidity support, costs relating to investment products, or net payments and expenses relating to interest rate hedges and other financial products; and (iv) enabling the Agency to restructure existing debt and related purposes, including, but not limited to, the redemption of existing bonds and the acquisition of bonds that have been put to liquidity providers as bank bonds. Any such credit facility may be secured by any Loans, mortgage-backed securities and/or other assets thereunder and/or the general obligation of the Agency. Any such credit facility may be from any appropriate source as determined by the Director of Financing and approved by the Executive Director; provided, however, that the aggregate outstanding principal amount of credit facilities authorized under this resolution, as amended from time to time, may not at any time exceed $1,000,000,000. For purposes of clarity, the above limitation applicable to credit facilities does not limit the amount of Bonds authorized by this resolution.

The Executive Director is hereby further authorized to enter into, for and in the name and on behalf of the Agency, one or more reimbursement agreements, letter of credit agreements, standby bond purchase agreements, or other arrangements with respect to credit enhancement or liquidity support, and any intercreditor agreements related thereto, together with any extensions or other amendments thereto.

Section 8. **Use of Agency Moneys for Debt Restructuring**. The Executive Director is hereby authorized to use available Agency moneys (other than and in addition to the proceeds of Bonds) (i) to make or purchase loans to be financed by Bonds (including Bonds authorized by prior resolutions of the Board) in anticipation of draws on a credit facility, the issuance of Bonds or the availability of Bond proceeds for such purposes and (ii) to purchase Agency Bonds to enable the Agency to restructure its debt and for related purposes as authorized under Resolution No. 08-42 and any future Board resolutions amendatory or supplemental thereto.

The Executive Director is hereby authorized to use available Agency moneys to purchase Agency Bonds to enable the Agency to restructure its debt and for related purposes. Any Agency Bonds so purchased shall remain outstanding for all purposes except to the extent that the Executive Director expressly provides for the retirement or redemption, and cancellation, of such Bonds. Any Agency Bonds so purchased may be purchased and resold, in each case on such terms as may be determined by the Executive Director to be in the best interests of the Agency. The Agency may establish any account or accounts as may be necessary or desirable in connection with the purchase of such Bonds.

Section 9. **Authorization of Other Financial Agreements Related to Bonds**. The Executive Director is hereby authorized to enter into, for and in the name and on behalf of the Agency, any and all agreements and documents designed to amend, modify or replace existing agreements and documents related to Bonds to (i) reduce or hedge the amount or duration of any payment, interest rate, spread or similar risk with respect to Bonds or related investments, (ii) result in a lower cost of borrowing when used in combination with the issuance or carrying of Bonds or related investments, or (iii) enhance the relationship between risk and return with respect to the existing debt of the Multifamily Program or any portion thereof. Such agreements and other documents are authorized to be entered into with parties selected by the Executive Director, after giving due consideration for the creditworthiness of the counterparties, when applicable, or any other criteria in furtherance of the objectives of the management of the debt of the Multifamily Program.

Section 10. **Ratification of Prior Actions; Not a Repeal of Prior Resolutions**. All actions previously taken by the officers of the Agency in connection with the implementation of the Multifamily Program, including but not limited to the issuance of the Bonds, the issuance of any prior bonds of the Agency (the "Prior Bonds"), the execution and delivery of related financial agreements and related program agreements and the implementation of any credit facilities as described above are hereby approved and ratified.

This resolution is not intended to repeal in whole or in part any prior resolution of the Agency with respect to the authority granted to the Executive Director in relation to Prior Bonds and related agreements, including but not limited to (i) the authority to determine in furtherance of the objectives of the Multifamily Program those matters required to be determined in relation to Prior Bonds, whether under indentures or other related agreements, and (ii) the authority to amend, modify or replace financial agreements of the types described in Article IV, Section 9 of this resolution.

Section 11. **Authorization of Related Actions and Agreements**. The Treasurer and any duly authorized deputy thereof, the Executive Director, and any other persons authorized in writing by the Executive Director are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all agreements and documents which they individually or collectively deem necessary or advisable in order to consummate the issuance, sale, delivery, remarketing, conversion and administration of Bonds and Prior Bonds and otherwise to effectuate the purposes of this resolution, including declaring the official intent of the Agency for purposes of U.S. Treasury Regulations Section 1.150-2, and including executing and delivering any amendment or supplement to any agreement or document, or executing and delivering any termination agreement or other document relating to Bonds or Prior Bonds in any manner. Such agreements may include, but are not limited to, remarketing agreements, tender agreements or similar agreements regarding any put option for Bonds or Prior Bonds, broker-dealer agreements, market agent agreements, auction agent agreements or other agreements necessary or desirable in connection with the issuance of Bonds in, or the conversion of Bonds or Prior Bonds to or from, an auction rate mode or an indexed rate mode, agreements for the investment of moneys relating to the Bonds or Prior Bonds, reimbursement agreements, letter of credit agreements, intercreditor agreements or other arrangements relating to any credit enhancement or liquidity support or put option provided for the Bonds or the Prior Bonds, continuing disclosure agreements and agreements for necessary services provided in the course of the issuance of the bonds, including but not limited to, agreements with bond underwriters, remarketing agents, placement agents, private placement purchasers, bond trustees, fiscal agents, escrow agents, bond counsel and financial advisors and contracts for consulting services or information services relating to the financial management of the Agency, including advisors or consultants on interest rate swaps, cash flow management, and similar matters, and contracts for financial printing and similar services. The Executive Director, any persons authorized in writing by the Executive Director are hereby authorized and directed, jointly and severally, to provide as necessary for payment of costs of issuance related to Bonds and to provide for the Agency to contribute capital as necessary to facilitate the issuance of Bonds.

This resolution shall constitute full, separate, complete and additional authority for the execution and delivery of all agreements and instruments described in this resolution, without regard to any limitation in the Agency's regulations and without regard to any other resolution of the Board that does not expressly amend and limit this resolution.

Section 12. **Certain Definitions**. For purposes of this resolution, the term "financing" shall include both "financing and "refinancing", the term "bonds" shall include, as set forth in Section 50058 of the Act, "bonds, notes (including bond anticipation notes and construction loan notes), debentures, interim or other certificates, or other evidences of financial indebtedness issued by the Agency, the term "indenture" shall include indentures, trust agreements, loan agreements, financing agreements and all comparable documents providing for the issuance of bonds, and the term "costs of issuance" shall include costs of refunding or other customary transaction costs as applicable.

Section 13. **Additional Delegation**. Any and all actions by the Executive Director approved or authorized by this resolution may be taken instead by the Chief Deputy Director of the Agency or the Director of Financing of the Agency, or by any other person specifically authorized in writing by the Executive Director, and except to the extent otherwise taken by another person shall be taken by the Chief Deputy Director during any period during which the office of the Executive Director is vacant; provided, however that reference title Executive Director, Chief Deputy Director, and Director of Financing shall include any persons servicing in such capacities, respectively on an acting or interim basis.

SECRETARY'S CERTIFICATE

I, MARC VICTOR, the undersigned, do hereby certify that I am the duly authorized Secretary of the Board of Directors of the California Housing Finance Agency, and hereby further certify that the foregoing is a full, true, and correct copy of Resolution No. 25-08 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 20th day of March, 2025 at which meeting all said directors had due notice, a quorum was present and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

IN WITNESS WHEREOF, I have executed this certificate hereto this 20th day of March, 2025.

ATTEST: __________________________________

MARC VICTOR
Secretary of the Board of Directors of the
California Housing Finance Agency

BOARD OF DIRECTORS
OF THE CALIFORNIA HOUSING FINANCE AGENCY

RESOLUTION NO. 25-09

RESOLUTION AUTHORIZING THE FINANCING OF THE AGENCY'S MULTIFAMILY HOUSING PROGRAM FROM NON-BOND SOURCES AND RELATED FINANCIAL AGREEMENTS AND CONTRACTS FOR SERVICES

WHEREAS, the California Housing Finance Agency (the "Agency") has determined that there exists a need in California for the financing of mortgage loans for the acquisition, construction, rehabilitation, refinancing or development of multi-unit rental housing developments for the purpose of providing housing for persons and families of low or moderate income (the "Developments");

WHEREAS, the Agency has determined that it is in the public interest for the Agency to assist in providing such financing by means of an ongoing program (the "Multifamily Program") to make or acquire, or to make loans to lenders to make or acquire, mortgage loans, for the purpose of financing such Developments (the "Loans");

WHEREAS, pursuant to Parts 1 through 4 of Division 31 of the Health and Safety Code of the State of California (the "Act"), the Agency has the authority to borrow money and utilize its own funds as necessary to provide sufficient funds to finance the Multifamily Program, including the making of Loans, and the payment of other costs of the Agency incident to, and necessary or convenient to, the borrowing of money or use of the Agency's own funds; and

WHEREAS, pursuant to the Act, the Agency has the authority to enter into credit facilities, certificates of participation, forward interest rate locks, forward purchase agreements, purchase and sale agreements, financing agreements, loan agreements and certain other agreements for the purpose of financing the Multifamily Program, including the making of Loans and the payment of other costs of the Agency incident to, and necessary or convenient to, the financing of the Multifamily Program from non-bond sources;

WHEREAS, the Agency has, by its Resolutions 19-02 related to SB2, 19-14, 20-17, and 21-16 related to AB101, the authority to utilize funds related to SB2 and AB101, respectively, for the implementation of a broader mixed-income strategy and shall deploy these funds as part of various CalHFA programs.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors (the "Board") of the California Housing Finance Agency as follows:

ARTICLE I

AUTHORIZATION AND TERMS OF BORROWING TO FINANCE THE PROGRAM

Section 1. **<u>Determination of Need and Amount of Borrowing to Finance Programs.</u>** The Agency is of the opinion and hereby determines that the borrowing of funds from external non-bond sources ("Externally-Sourced Non-Bond Funds"), including but not limited to financing provided by the Federal Government, the selling or securitization of Loans within the Agency's portfolio ("Agency Loans"), the pledge of Agency Loans as collateral to secure financing, assigning or participations in Agency Loans is necessary to provide sufficient funds for new lending under the Multifamily Program.

Section 2. **<u>Authorization.</u>** The borrowing of Externally-Sourced Non-Bond Funds described in Section 1 is hereby authorized to be for the purpose of financing and/or refinancing Loans for the acquisition, construction, rehabilitation, refinancing or development of Developments and may be secured as to repayment by a general obligation pledge of the Agency.

Section 3. **<u>Approval of Non-Bond Fund Financing Agreements and Certain Other Financing Documents.</u>** The Executive Director and the Secretary are hereby authorized and directed, for and on behalf and in the name of the Agency, if appropriate, to execute and acknowledge and to deliver with respect to the borrowing of Externally-Sourced Non-Bond Funds, financing agreements, loan agreements, certificates of participation, investment agreements, purchase and sale agreements, forward purchase agreements, forward rate-lock agreements, and other agreements as may be necessary.

Section 4. **<u>Approval of Forms and Terms of Externally-Sourced Non-Bond Funds.</u>** Externally-Sourced Non-Bond Funds shall be in such denominations, have such registration provisions, be executed in such manner, be payable in such medium of payment at such place or places within or without California and contain such terms and conditions as each agreement for the provision of Externally-Sourced Non-Bond Funds, as finally approved, shall provide. Externally-Sourced Non-Bond Funds shall have the maturity or maturities and shall bear interest at fixed or convertible rates deemed appropriate by the Executive Director in furtherance of the objectives of the Multifamily Program.

Externally-Sourced Non-Bond Funds and the related agreements may contain such provisions as may be necessary to accommodate prepayment by or on behalf of the Agency or a person other than the Agency, and/or to accommodate the requirements of any provider of insurance or other credit enhancement.

No Externally-Sourced Non-Bond Funds shall be borrowed at a term in excess of fifty-five years or bear interest at a stated rate in excess of fifteen percent (15%) per annum.

ARTICLE II

AUTHORIZATION AND TERMS OF USE OF AGENCY NON-BOND FUNDS TO FINANCE THE PROGRAM

Section 1. **<u>Determination of Need and Amount of Additional Funds to Finance Programs.</u>** The Agency is of the opinion and hereby determines that the use of the funds of the Agency, from non-bond sources under Agency control, or from State of California funds administered by the Agency, including but not limited to SB2, AB101, and AB128 funds, (together "Agency Funds or Administered Funds") is necessary to provide sufficient funds for new lending under the Multifamily Program.

Section 2. **Authorization.** The use of Agency Funds or Administered Funds described in Section 5 is hereby authorized for the purpose of financing, including loan participations, carrying or warehousing, for future committed financing of the Agency by Externally-Sourced Non-Bond Funds or otherwise, or by other lenders, new Loans for the acquisition, construction, rehabilitation, refinancing or development of Developments, including providing subordinate or gap financing and to supplement interest rates or costs of the financing of Loans by the Agency as may be permitted under the statutes, regulations and/or agreements governing the use of such funds.

Security/Affordability Protection: Agency Funds or Administered Funds may also be used to provide supplemental financing for projects existing within the Agency's Loan portfolio that the Executive Director determines is necessary, reasonable and in the Agency's best interest for the purposes of (1) workouts to prevent defaults; (2) repairs for health and safety issues and related costs; (3) the preservation or enhancement of affordability; and (4) other purposes as determined by the Executive Director that advance the mission of the Agency.

ARTICLE III

PROVISIONS APPLICABLE TO THE USE OF EXTERNALLY SOURCED NON-BOND FUNDS AND AGENCY FUNDS OR ADMINISTERED FUNDS (COLLECTIVELY "NON-BOND FUNDS") AUTHORIZED UNDER THIS RESOLUTION

Section 1. **Authorization of the use of Non-Bond Funds for Lending within the Program.** The use of Non-Bond Funds is hereby authorized with regard to Multifamily Programs as determined by the Executive Director.

Section 2. **Authorization of Program Documents.** The Executive Director is hereby authorized and directed to execute all documents they deem necessary or appropriate in connection with the Multifamily Program, including, but not limited to, regulatory agreements, loan agreements, origination and servicing agreements (or other loan-to-lender documents), servicing agreements, developer agreements, financing agreements, investment agreements, intercreditor agreements, subordination agreements, agreements to enter into escrow and forward purchase agreements, escrow and forward purchase agreements, refunding agreements, continuing disclosure agreements, participation agreements and loan modification agreements, in each case with such other parties as the Executive Director may select in furtherance of the objectives of the Multifamily Program.

The Executive Director is hereby authorized to enter into, for and in the name and on behalf of the Agency, one or more mortgage sale agreements with such purchasers as the Executive Director may select in accordance with the objectives of the Multifamily Program. Any such sale of Loans may be on either a current or a forward purchase basis.

The Executive Director is hereby authorized to enter into, for and in the name and on behalf of the Agency, contracts to conduct foreclosures of mortgages owned or serviced by the Agency with such attorneys or foreclosure companies as the Executive Director may select in accordance with the objectives of the Multifamily Program.

The Executive Director is hereby authorized to enter into, for and in the name and on behalf of the Agency, contracts for the sale of foreclosed properties with such purchasers as the Executive Director may select in accordance with the objectives of the Multifamily Program. Any such sale of foreclosed properties may be on an all cash basis or may include financing by the Agency. The Executive Director and the other Authorized Employees are also authorized to enter into any other agreements, including but not limited to real estate brokerage agreements and construction contracts, necessary or convenient for the rehabilitation, listing and sale of such foreclosed properties.

Section 3. **Authorization of Credit Facilities**. The Executive Director is hereby authorized to enter into, for and in the name and on behalf of the Agency, one or more short-term or long-term credit facilities, including but not limited to repurchase agreements, together with any extensions or other amendments thereto, for the purposes of making or financing the purchase of Loans and/or mortgage-backed securities on an interim basis. The Agency may pledge its General Obligation as a credit support for said Credit Facilities. Any such credit facility may be from any appropriate source as determined by the Director of Financing and approved by the Executive Director; provided, however, that the aggregate outstanding principal amount of credit facilities authorized under this resolution, as amended from time to time, may not at any time exceed $1,000,000,000.

Section 4. **Ratification of Prior Actions; Not a Repeal of Prior Resolutions.** All actions previously taken by the officers of the Agency in connection with the implementation of the Multifamily Program, the execution and delivery of related financial agreements and related program agreements and the implementation of any credit facilities as described above are hereby approved and ratified.

This resolution is not intended to repeal in whole or in part any prior resolution of the Agency with respect to the authority granted to the Executive Director in relation to the use of Non-Bond Funds and related agreements, including but not limited to (1) the authority to determine in furtherance of the objectives of the Multifamily Program those matters required to be determined in relation to Non-Bond Funds, whether under indentures or other related agreements, and (2) the authority to amend, modify or replace financial agreements of the types described in Section 3 of this Resolution.

Section 5. **Authorization of Related Actions and Agreements.** The Executive Director, any other persons authorized in writing by the Executive Director are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all agreements and documents which they deem necessary or advisable in order to consummate the borrowing of Externally-Sourced Non-Bond Funds and otherwise to effectuate the purposes of this resolution including executing and delivering any amendment or supplement to any agreement or document relating to the Externally-Sourced Non-Bond Funds in any manner that would be authorized under this resolution if such agreement or document related to Externally-Sourced Non-Bond Funds authorized by this resolution. Subject in all cases to the express limitations set forth above in this resolution, such agreements, together with any extensions or other amendments thereto, may include, but are not limited to, reimbursement agreements, letter of credit agreements, intercreditor agreements or other arrangements relating to any credit enhancement or liquidity support, continuing disclosure agreements and agreements for necessary services provided in the course of the borrowing of the Externally-Sourced Non-Bond Funds, including but not limited to, agreements with counsel and financial advisors and contracts for consulting services or information services relating to the financial management of the Agency, including advisors or consultants on interest rate swaps, cash flow management, and similar matters, and contracts for financial printing and similar services. The Executive Director, any persons authorized in writing by the Executive Director and the other Authorized Employees are hereby authorized and directed, jointly and severally, to provide as necessary for payment of costs of borrowing related to Externally-Sourced Non-Bond Funds and to provide for the Agency to contribute capital as necessary to facilitate the borrowing of Externally-Sourced Non-Bond Funds.

This resolution shall constitute full, separate, complete and additional authority for the execution and delivery of all agreements and instruments described in this resolution, without regard to any limitation in the Agency's regulations and without regard to any other resolution of the Board that does not expressly amend and limit this resolution.

Section 6. **Additional Delegation.** All actions by the Executive Director approved or authorized by this resolution may be taken by the Chief Deputy Director of the Agency, the Director of Financing of the Agency or any other person specifically authorized in writing by the Executive Director and except to the extent otherwise taken by another person shall be taken by the Chief Deputy Director during any period in which the office of the Executive Director is vacant; provided, however that reference title Executive Director, Chief Deputy Director, and Director of Financing shall include any persons servicing in such capacities, respectively on an acting or interim basis..

Section 7. **Duration of Authority.** The authority granted under this resolution shall remain in full force and effect until June 30, 2026.

SECRETARY'S CERTIFICATE

I, MARC VICTOR, the undersigned, do hereby certify that I am the duly authorized Secretary of the Board of Directors of the California Housing Finance Agency, and hereby further certify that the foregoing is a full, true, and correct copy of Resolution No. 25-09 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 20th day of March, 2025 at which meeting all said directors had due notice, a quorum was present and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

IN WITNESS WHEREOF, I have executed this certificate hereto this 20th day of March, 2025.

ATTEST: ______________________________

MARC VICTOR
Secretary of the Board of Directors of the
California Housing Finance Agency

BOARD OF DIRECTORS
OF THE CALIFORNIA HOUSING FINANCE AGENCY

RESOLUTION NO. 25-10
RESOLUTION AUTHORIZING THE AGENCY'S SINGLE FAMILY BOND INDENTURES, THE ISSUANCE OF SINGLE FAMILY BONDS, CREDIT FACILITIES FOR HOMEOWNERSHIP PURPOSES, AND RELATED FINANCIAL AGREEMENTS AND CONTRACTS FOR SERVICES

WHEREAS, the California Housing Finance Agency (the "Agency") has determined that there exists a need in California for providing financial assistance, directly or indirectly, to persons and families of low or moderate income to enable them to purchase or refinance moderately-priced single family residences ("Residences");

WHEREAS, the Agency has determined that it is in the public interest for the Agency to assist in providing such financing by means of various programs, including whole loan and mortgage-backed securities programs (collectively, the "Single Family Program") to make loans to such persons and families, or to developers, for the acquisition, development, construction and/or permanent financing of Residences, consisting of first-lien self-amortizing loans (the "Primary Loans") and subordinate-lien non-amortizing loans for the purpose of providing down payment assistance (the "DPA Loans"; together with the Primary Loans, the "Loans");

WHEREAS, pursuant to Parts 1 through 4 of Division 31 of the Health and Safety Code of the State of California (the "Act"), the Agency has the authority to issue bonds to provide sufficient funds to finance the Single Family Program, including the purchase of mortgage-backed securities ("MBSs") secured by Primary Loans, the payment of capitalized interest on the bonds, the establishment of reserves to secure the bonds, and the payment of other costs of the Agency incident to, and necessary or convenient to, the issuance of the bonds;

WHEREAS, the Agency, pursuant to the Act, has from time to time issued various series of its mortgage revenue bonds and is authorized pursuant to the Act to issue additional bonds authorized under this resolution to be issued under prior or new indentures, the "Bonds") to provide funds to finance the Single Family Program;

WHEREAS, the Bonds may be issued for the primary purpose of purchasing MBSs and additionally for purchasing DPA Loans; and

WHEREAS, pursuant to the Act, the Agency has the authority to enter into credit facilities for the purpose of financing the Single Family Program, including the purchase of MBSs and the making of DPA Loans and the payment of other costs of the Agency incident to, and necessary or convenient to, the issuance of the Bonds.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors (the "Board") of the California Housing Finance Agency as follows:

ARTICLE I
AUTHORIZATION AND TERMS OF MBS BONDS

Section 1. **Determination of Need and Amount of MBS Bonds**. The Agency is of the opinion and hereby determines that the issuance of one or more series of MBS Bonds, in an aggregate amount not to exceed the sum of the following amounts, is necessary to provide sufficient funds for the Single Family Program:

(i) the aggregate amount available for the retirement of Bonds and/or other qualified mortgage bonds and deemed replaced for federal tax law purposes with proceeds of such issuance,

(ii) the aggregate amount of private activity bond allocations under federal tax law heretofore or hereafter made available to the Agency for such purpose, and

(iii) if and to the extent interest on one or more of such series of Bonds is determined by the Executive Director to be intended not to be excludable from gross income for federal income tax purposes, $2,000,000,000.

Section 2. **Authorization and Timing of MBS Bonds**. The MBS Bonds are hereby authorized to be issued in such aggregate amount at such time or times on or before June 30, 2026, as the Executive Director of the Agency (the "Executive Director") deems appropriate, upon consultation with the Treasurer of the State of California (the "Treasurer") as to the timing of each such issuance; *provided, however*, that if the bonds are sold pursuant to a forward purchase or drawdown agreement entered into on or before June 30, 2026 providing for the issuance of such Bonds on or before December 31, 2026 upon specified terms and conditions, such Bonds may be issued on such later date. Bonds issued on a drawdown basis may be comprised of one or more advances. The date of the initial draw (or advance) for any issue of drawdown Bond shall be considered the issue date of such issue.

Section 3. **Approval of Forms of Indentures Related to MBS Bonds and Amendments**. The Executive Director and the Secretary of the Board of Directors of the Agency (the "Secretary") are hereby authorized and directed, for and on behalf and in the name of the Agency in connection with the issuance of MBS Bonds, to execute and acknowledge and to deliver to the Trustees one or more new indentures, trust agreements or similar documents providing for the issuance of MBS Bonds (the "New MBS Indentures"), in one or more forms similar to one or more of the following (collectively, the "Prior Indentures"):

(i) that certain indenture pertaining to the HOMR Bonds, approved by the Board in Resolution 23-11 (the "HOMR Indenture")

(ii) that certain indenture pertaining to the AHRB Bonds, approved by the Board in Resolution 23-02 (the "AHRB Indenture").

(iii) that certain indenture pertaining to the Agency's Home Mortgage Revenue Bonds.

Each such New MBS Indenture may be executed, acknowledged and delivered with such changes therein as the officers executing the same approve upon consultation with the Agency's legal counsel, such approval to be conclusively evidenced by the execution and delivery thereof. Changes reflected in any New MBS Indenture may include provision for a supplemental pledge of Agency moneys or assets (including, but not limited to, a deposit from the Supplementary Bond Security Account created under Section 51368 of the Act) to additionally secure the MBS Bonds if appropriate in furtherance of the objectives of the Single Family Program.

The Executive Director and the Secretary are hereby authorized and directed, for and on behalf and in the name of the Agency, to execute and acknowledge and to deliver to the Trustees one or more amendments to any New MBS Indenture, each with such provisions as the officers executing the same approve upon consultation with the Agency's legal counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. **Approval of Forms of Series and Supplemental Indentures Related to MBS Bonds and Amendments**. The Executive Director and the Secretary are hereby authorized and directed, for and on behalf and in the name of the Agency, to execute and acknowledge and to deliver with respect to each series of MBS Bonds, if and to the extent appropriate, series and/or supplemental indentures (each an "MBS Supplemental Indenture") under the HOMR Indenture or a new MBS Indenture upon consultation with the Agency's legal counsel, such approval to be conclusively evidenced by the execution and delivery thereof. Changes reflected in any MBS Supplemental Indenture may include provision for a supplemental pledge of Agency moneys or assets (including but not limited to, a deposit from the Supplementary Bond Security Account created under Section 51368 of the Act) to additionally secure the Bonds if appropriate in furtherance of the objectives of the Single Family Program.

The Executive Director is hereby expressly authorized and directed, for and on behalf and in the name of the Agency, to determine in furtherance of the objectives of the Single Family Program those matters required to be determined under any New MBS Indenture, as appropriate, in connection with the issuance of each such series, including, without limitation, any reserve account requirement or requirements for such series.

The Executive Director and the Secretary are hereby authorized and directed, for and on behalf and in the name of the Agency, to execute and acknowledge and to deliver to the Trustees one or more amendments to any series and/or supplemental indentures under any New MBS Indenture, each with such provisions as the officers executing the same approve upon consultation with the Agency's legal counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. **Approval of Forms and Terms of MBS Bonds**. The MBS Bonds shall be in such denominations, have such registration provisions, be executed in such manner, be payable in such medium of payment at such place or places within or without California, be subject to such terms of redemption (including from such sinking fund installments as may be provided for) and contain such terms and conditions as each MBS Supplemental Indenture as finally approved shall provide. The MBS Bonds shall have the maturity or maturities and shall bear interest at the fixed rates or variable rates deemed appropriate by the Executive Director in furtherance of the objectives of the Single Family Program; *provided, however*, that no MBS Bond shall have a term in excess of thirty-five (35) years or bear interest at a stated rate in excess of fifteen percent (15%) per annum.

Section 6. **Authorization of Disclosure**. The Executive Director is hereby authorized to circulate one or more Preliminary Official Statements relating to the Bonds and, after the sale of the Bonds, to execute and circulate one or more Official Statements relating to the Bonds, and the circulation of such Preliminary Official Statements and such Official Statements to prospective and actual purchasers of the Bonds is hereby approved. The Executive Director is further authorized to hold information meetings concerning the Bonds and to distribute other information and material relating to the Bonds. Circulation of Preliminary Official Statements and Official Statements and distribution of information and material as provided above in this Section may be accomplished through electronic means or by any other means approved therefor by the Executive Director, such approval to be conclusively evidenced by such circulation or distribution.

Section 7. **Authorization of Sale of Bonds**. The Bonds are hereby authorized to be sold at negotiated or competitive sale or sales, including but not limited to private placements and public offerings. The Executive Director is hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver one or more purchase contracts (including one or more forward purchase agreements) relating to the Bonds, by and among the Agency, the Treasurer and such underwriters or other purchasers as the Executive Director may select (the "Purchasers"), in the form or forms approved by the Executive Director upon consultation with the Agency's legal counsel, such approval to be evidenced conclusively by the execution and delivery of said purchase contract by the Executive Director.

The Treasurer is hereby authorized and requested, without further action of the Board and unless instructed otherwise by the Board, to sell each series of Bonds at the time and place and pursuant to the terms and conditions set forth in each such purchase contract as finally executed. The Treasurer is hereby further authorized and requested to deposit the proceeds of any good faith deposit to be received by the Treasurer under the terms of a purchase contract in a special trust account for the benefit of the Agency, and the amount of said deposit shall be retained by the Agency, applied at the time of delivery of the applicable Bonds as part of the purchase price thereof, or returned to the Purchasers, as provided in such purchase contract.

Section 8. **Authorization of Execution of Bonds**. The Executive Director is hereby authorized and directed to execute, and the Secretary is hereby authorized to attest, for and on behalf and in the name of the Agency and under its seal, the Bonds, in an aggregate amount not to exceed the amount authorized hereby, in accordance with the New MBS Indenture(s) and in one or more of the forms set forth in the New MBS Indenture(s), as appropriate.

Section 9. **Authorization of Delivery of Bonds**. The Bonds, when so executed, shall be delivered to the Trustees to be authenticated by, or caused to be authenticated by, the Trustees. The Trustees are hereby requested and directed to authenticate, or cause to be authenticated, the

Bonds by executing the certificate of authentication and registration appearing thereon, and to deliver the Bonds when duly executed and authenticated to the Purchasers in accordance with written instructions executed on behalf of the Agency by the Executive Director, which instructions said officer is hereby authorized and directed, for and on behalf and in the name of the Agency, to execute and deliver. Such instructions shall provide for the delivery of the Bonds to the Purchasers upon payment of the purchase price or prices thereof.

Section 10. **Authorization of Purchase of MBSs and DPA Loans**. The proceeds of Bonds to be issued under the authority of this Resolution shall be used to purchase MBSs issued by Fannie Mae, Freddie Mac or Ginnie Mae and to purchase DPA Loans (but shall not be used to purchase Primary Loans or any other type of whole loans). The MBSs to be purchased shall be secured by Primary Loans that have terms of 30 years or less. The DPA Loans to be purchased shall have terms of 30 years or less and shall have been made only in connection with an associated Primary Loan that will secure an MBS to be purchased with proceeds of Bonds.

Section 11. **Authorization of Program Documents**. The Executive Director and the other officers of the Agency are hereby authorized to enter into, for and in the name and on behalf of the Agency, all documents they deem necessary or appropriate in connection with the Single Family Program, including, but not limited to, one or more mortgage purchase and servicing agreements (including mortgage-backed security pooling agreements) and one or more loan servicing agreements with such lender or lenders or such servicer or servicers as the Executive Director may select in accordance with the purposes of the Single Family Program, and any such selection of a lender or lenders or a servicer or servicers is to be deemed approved by this Board as if it had been made by this Board.

The Executive Director and the other officers of the Agency are hereby authorized to enter into, for and in the name and on behalf of the Agency, one or more mortgage sale agreements with such purchasers as the Executive Director may select in accordance with the objectives of the Single Family Program, including but not limited to such agreements with Fannie Mae, Freddie Mac or other government-sponsored enterprise or similar entity for such sales in bulk or otherwise. Any such sale of Loans may be on either a current or a forward purchase basis.

The Executive Director and the other officers of the Agency are hereby authorized to enter into, for and in the name and on behalf of the Agency, contracts to conduct foreclosures of mortgages owned or serviced by the Agency with such attorneys or foreclosure companies as the Executive Director may select in accordance with the objectives of the Single Family Program.

The Executive Director and the other officers of the Agency are hereby authorized to enter into, for and in the name and on behalf of the Agency, contracts for the sale of foreclosed properties with such purchasers as the Executive Director may select in accordance with the objectives of the Single Family Program. Any such sale of foreclosed properties may be on either an all cash basis or may include financing by the Agency. The Executive Director and the other officers of the Agency are also authorized to enter into any other agreements, including but not limited to real estate brokerage agreements and construction contracts necessary or convenient for the rehabilitation, listing and sale of such foreclosed properties.

The Executive Director and the other officers of the Agency are hereby authorized to enter into, for and in the name and on behalf of the Agency, (i) contracts or agreements for the purchase or sale of mortgage-backed securities; (ii) servicing agreements, including master servicing agreements, in connection with the operation of a program of mortgage-backed securities; (iii) agreements with government-sponsored enterprises, or other secondary market issuers or guarantors of mortgage-backed securities; and (iv) such other program documents as are necessary or appropriate for the operation of a program of mortgage-backed securities; any of the foregoing may, as applicable, be secured by any Loans, mortgage-backed securities and/or other assets thereunder and/or the general obligation of the Agency.

Section 12. **Authorization of Credit Facilities**. The Executive Director is hereby authorized to enter into, for and in the name and on behalf of the Agency, one or more short-term or long-term credit facilities, together with any extensions or other amendments thereto, including but not limited to repurchase agreements, for the purposes of (i) improving the credit and/or liquidity profile of Bonds of the Agency, (ii) financing the purchase of Loans and/or mortgage-backed securities on an interim basis, prior to the sale thereof to third parties and/or the financing thereof with Bonds, whether issued or to be issued; (iii) financing expenditures of the Agency incident to, and necessary or convenient to, the issuance of Bonds and/or the preservation of private activity volume cap for subsequent recycling, including, but not limited to, Agency expenditures to pay costs of issuance, capitalized interest, redemption price of prior bonds of the Agency or bonds issued by another issuer for the purpose of preservation for subsequent recycling, costs relating to credit enhancement or liquidity support, costs relating to investment products, or net payments and expenses relating to interest rate hedges and other financial products; and (iv) enabling the Agency to restructure existing debt and related purposes, including, but not limited to, the redemption of existing bonds and the acquisition of bonds that have been put to liquidity providers as bank bonds. Any such credit facility may be secured by any Loans, mortgage-backed securities and/or other assets thereunder and/or the general obligation of the Agency. Any such credit facility may be from any appropriate source as determined by the Director of Financing and approved by the Executive Director, provided, however, that the aggregate outstanding principal amount of credit facilities authorized under this resolution, as amended from time to time, may not at any time exceed $1,000,000,000. For purposes of clarity, the above limitation applicable to credit facilities does not limit the amount of Bonds authorized by this resolution.

The Executive Director is hereby authorized to use available Agency moneys (other than and in addition to the proceeds of bonds) (i) to make or purchase Loans and/or mortgage-backed securities to be financed by bonds (including bonds authorized by prior resolutions of this Board) in anticipation of draws on a credit facility, the issuance of Bonds or the availability of Bond or other Agency proceeds, as authorized by the Board, for such purposes and (ii) to purchase Agency bonds to enable the Agency to restructure its debt and for related purposes as authorized under Resolution No. 08-42 and any future Board resolutions thereto amendatory or supplemental.

Section 13. **Ratification of Prior Actions; Not a Repeal of Prior Resolutions**. All actions previously taken by the Agency relating to the implementation of the Single Family Program, the issuance of the Bonds, the issuance of any prior bonds (the "Prior Bonds"), the execution and delivery of related financial agreements and related program agreements and the implementation of any credit facilities as described above, including, but not limited to, such actions as the distribution of the Agency's Lender Program Manual, Mortgage Purchase and Servicing Agreement, Servicing Agreement, Developer Agreement, Servicer's Guide, Program Bulletins and applications to originate and service loans, and the sale of any foreclosed property, are hereby ratified.

This resolution is not intended to repeal in whole or in part any prior resolution of the Agency with respect to the authority granted to the Executive Director and the other officers of the Agency in relation to prior bonds and related agreements, including but not limited to (i) the authority to determine in furtherance of the objectives of the Single Family Program those matters required to be determined in relation to prior bonds, whether under indentures or other related agreements, and (ii) the authority to amend, modify or replace financial agreements of the types described in Section 11 of this resolution.

Section 14. **Authorization of Related Actions and Agreements**. The Treasurer and any duly authorized deputy thereof and the Executive Director and the other officers of the Agency and any other persons authorized in writing by the Executive Director are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all agreements and documents which they deem necessary or advisable in order to consummate the issuance, sale, delivery, remarketing, conversion and administration of Bonds and Prior Bonds and otherwise to effectuate the purposes of this resolution, including declaring the official intent of the Agency for purposes of U.S. Treasury Regulations Section 1.150-2, and including executing and delivering any amendment or supplement to any agreement or document relating to Bonds or Prior Bonds in any manner that would be authorized under this resolution if such agreement or document related to Bonds is authorized by this resolution. Such agreements may include, but are not limited to, remarketing agreements, tender agreements or similar agreements regarding any put option for the Bonds or Prior Bonds, broker-dealer agreements, market agent agreements, auction agent agreements or other agreements necessary or desirable in connection with the issuance of Bonds in, or the conversion of Bonds or Prior Bonds to, an indexed rate mode, agreements for the investment of moneys relating to the Bonds or Prior Bonds, reimbursement agreements, letters of credit, intercreditor agreements or other arrangements relating to any credit enhancement or liquidity support or put option provided for the Bonds or Prior Bonds, continuing disclosure agreements and agreements for necessary services provided in the course of the issuance of the bonds, including but not limited to, agreements with bond underwriters and placement agents, private placement purchasers, bond trustees, bond counsel and financial advisors and contracts for consulting services or information services relating to the financial management of the Agency, including advisors or consultants on interest rate swaps, cash flow management, and similar matters, and contracts for financial printing and similar services.

This resolution shall constitute full, separate, complete and additional authority for the execution and delivery of all agreements and instruments described in this resolution, without regard to any limitation in the Agency's regulations and without regard to any other resolution of the Board that does not expressly amend and limit this resolution.

The Executive Director is hereby authorized and directed, in connection with the issuance of bonds authorized under this resolution, to use funds of the Agency to purchase MBSs, make a capital contribution with respect to such bonds, establish reserves to secure such bonds, and pay other costs of the Agency incident to, and necessary or convenient to, the issuance of such bonds.

Section 15. **Authorization of Other Financial Agreements Related to Bonds**. The Executive Director is hereby authorized to enter into, for and in the name and on behalf of the Agency, any and all agreements and documents designed to amend, modify or replace existing agreements and documents related to Bonds to (i) reduce or hedge the amount or duration of any payment, interest rate, spread or similar risk with respect to Bonds or related investments, (ii) result in a lower cost of borrowing when used in combination with the issuance or carrying of Bonds or related investments, or (iii) enhance the relationship between risk and return with respect to the existing debt of the Single Family Program or any portion thereof. Such agreements and other documents are authorized to be entered into with parties selected by the Executive Director, after giving due consideration for the creditworthiness of the counterparties, when applicable, or any other criteria in furtherance of the objectives of the management of the debt of the Single Family Program.

Section 16. **Additional Delegation**. All actions by the Executive Director approved or authorized by this resolution may be taken by the Chief Deputy Director of the Agency, the Director of Financing of the Agency or any other person specifically authorized by delegation in writing by the Executive Director to take such actions, and except to the extent otherwise taken by another person shall be taken by the Chief Deputy Director during any period in which the office of the Executive Director is vacant; provided, however, that references to the title Executive Director, Chief Deputy Director, and Director of Financing shall include any persons serving in such capacities, respectively, on an acting or interim basis.

SECRETARY'S CERTIFICATE

I, MARC VICTOR, the undersigned, do hereby certify that I am the duly authorized Secretary of the Board of Directors of the California Housing Finance Agency, and hereby further certify that the foregoing is a full, true, and correct copy of Resolution No. 25-10 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 20th day of March, 2025 at which meeting all said directors had due notice, a quorum was present and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

IN WITNESS WHEREOF, I have executed this certificate hereto this 20th day of March, 2025.

ATTEST: ____________________________________

MARC VICTOR
Secretary of the Board of Directors of the
California Housing Finance Agency

BOARD OF DIRECTORS
OF THE CALIFORNIA HOUSING FINANCE AGENCY

RESOLUTION NO. 25-11
RESOLUTION AUTHORIZING THE AGENCY'S SINGLE FAMILY NON-BOND FINANCING MECHANISMS FOR HOMEOWNERSHIP PURPOSES, AND RELATED FINANCIAL AGREEMENTS AND CONTRACTS FOR SERVICES

WHEREAS, the California Housing Finance Agency (the "Agency") has determined that there exists a need in California for providing financial assistance, directly or indirectly, to persons and families of low and moderate income to enable them to purchase or refinance moderately priced single family homes;

WHEREAS, the Agency has determined that it is in the public interest for the Agency to assist in providing such financing by means of various programs, including whole loans and mortgage-backed securities programs (collectively, the "Single Family Program") to make or finance loans to such persons and families, to local public entities or to developers, for the acquisition, development, construction and/or permanent financing of homes (the "Loans");

WHEREAS, pursuant to Parts 1 through 4 of Division 31 of the Health and Safety Code of the State of California (the "Act"), the Agency may invest in, purchase, or make commitments to purchase, and take assignments from qualified mortgage lenders of mortgage loans, and purchase mortgage-backed securities ("MBSs") underlain by Loans; and

WHEREAS, the MBS securitization model has been authorized as the Agency's non-bond single family lending platform and requires the Agency to engage a master servicer(s) (A subset of MBS securitization, the TBA model, is an example of non-bond lending, the use of which was previously authorized by the Board in Resolution 13-09).

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors (the "Board") of the California Housing Finance Agency as follows:

ARTICLE I
AUTHORIZATION OF MBS SECURITIZATION STRATEGIES AND LOAN PRODUCTS

Section 1. The Agency's single family lending division is hereby authorized to utilize the MBS securitization model as the Agency's non-bond single family lending platform. The Agency's underwriting requirements shall conform to Fannie Mae, Freddie Mac, or Ginnie Mae ("GSE"), Federal Housing Administration ("FHA") products and programs, U.S. Department of Veterans Affairs ("VA"), and occasionally be combined with additional Agency overlays, such as those previously approved by the Board in Resolutions 13-18 and 14-08, which modified eligibility criteria and parameters for Conventional and FHA loan products, to determine loan product requirements. The Agency shall offer a variety of first loan options, consistent with GSE, VA, and FHA guidelines.

ARTICLE II

FUNDING AUTHORIZATION FOR LOAN PRODUCTS

Section 1. Funding of First-Lien Whole Loans. The Agency may purchase up to Twelve Million Dollars ($12,000,000) of whole loans using Agency funds allocated pursuant to the Budget Act of 2021, as amended by Senate Bill No. 129. Such loans shall be used to finance surplus residential property sales for the SR-710 Affordable Sales Program as authorized by the Board in Resolution No. 22-01. The Agency may not purchase additional first-lien whole loans using Agency funds.

Section 2. Funding of Subordinate Loans. The Agency may purchase a maximum of Twenty-Five Million Dollars ($25,000,000) of subordinate loans using Agency funds.

ARTICLE III

PROVISIONS APPLICABLE TO ALL SINGLE FAMILY LOAN PRODUCT ACTIVITIES

Section 1. Authorization of Program Documents. The Executive Director of the Agency (the "Executive Director") is hereby authorized to enter into, for and in the name and on behalf of the Agency, all documents they deem necessary or appropriate in connection with the Single Family Program, including, but not limited to, the following:

(i) One or more mortgage purchase and servicing agreements (including mortgage-backed security pooling agreements) and one or more loan servicing agreements with such lender or lenders or such servicer or servicers, as the Executive Director may select in accordance with the purposes of the Single Family Program, and any such selection of a lender or lenders or a servicer or servicers is to be deemed approved by this Board as if it had been made by this Board;

(ii) One or more mortgage sale agreements with such purchasers as the Executive Director may select in accordance with the objectives of the Single Family Program, including but not limited to such agreements with GSEs or a similar entity for such sales in bulk or otherwise. Any such sale of Loans may be on either a current or a forward purchase basis;

(iii) Agreements required for CalHFA to participate in the GSE's loan programs;

(iv) Inter-Agency agreements, monitoring agreements, memoranda of understanding, and similar such agreements for the facilitation of cooperative partnerships with other public entities;

(v) Contracts to conduct foreclosures of mortgages owned or serviced by the Agency with such attorneys or foreclosure companies as the Executive Director may select in accordance with the objectives of the Single Family Program;

(vi) Contracts for the sale of foreclosed properties with such purchasers as the Executive Director may select in accordance with the objectives of the Single Family Program. Any such sale of foreclosed properties may be on either an all cash basis or may include financing by the Agency. The Executive Director is also authorized to enter into any other agreements, including but not limited to real estate brokerage agreements and construction contracts necessary or convenient for the rehabilitation, listing and sale of such foreclosed properties; and

(vii) Master trade confirmation or similar agreements with a hedge facilitator; contracts and agreements with broker-dealers to hedge the Agency's loan commitments and all related documents required to carry out the activities described in the Agency's Master Hedge Policy, as may be amended from time to time; and such other program documents as are necessary or appropriate for the operation of a program of mortgage-backed securities.

Section 2. Authorization of Credit Facilities. The Executive Director is hereby authorized to enter into, for and in the name and on behalf of the Agency, one or more short-term or long-term credit facilities, including but not limited to repurchase agreements, together with any extensions or other amendments thereto, for the purposes of financing the purchase of Loans and/or mortgage-backed securities on an interim basis. The Agency may pledge its General Obligation as a credit support for said Credit Facilities. Any such credit facility may be from any appropriate source as determined by the Director of Financing and approved by the Executive Director, provided, however, that the aggregate outstanding principal amount of credit facilities authorized under this resolution, as amended from time to time, may not at any time exceed $1,000,000,000.

Section 3. Ratification of Prior Actions; Not a Repeal of Prior Resolutions. All actions previously taken by the Agency relating to the implementation of the Single Family Program, the execution and delivery of related financial agreements and related program agreements and the implementation of any credit facilities as described above, including, but not limited to, such actions as the distribution of the Agency's Lender Program Manual, Mortgage Purchase and Servicing Agreement, Servicing Agreement, Developer Agreement, Servicer's Guide, Program Bulletins and applications to originate and service loans, and the sale of any foreclosed property, are hereby ratified.

This Resolution is not intended to repeal in whole or in part any prior Resolution of the Agency with respect to the authority granted to the Executive Director in relation to related agreements, including but not limited to the authority to determine in furtherance of the objectives of the Single Family Program those matters required to be determined.

Section 4. Authorization of Related Actions and Agreements. The Executive Director and any other persons authorized in writing by the Executive Director are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all agreements and documents which they deem necessary or advisable in order to consummate the purchase and sale of residential home loans and mortgage-backed securities.

This Resolution shall constitute full, separate, complete and additional authority for the execution and delivery of all agreements and instruments described in this Resolution, without regard to any limitation in the Agency's regulations and without regard to any other resolution of the Board that does not expressly amend and limit this Resolution.

Section 5. Additional Delegation. Any and all actions by the Executive Director approved or authorized by this Resolution may be taken by the Chief Deputy Director of the Agency, the Director of Financing of the Agency, or by any other person specifically authorized by delegation in writing by the Executive Director to take such actions, and except to the extent otherwise taken by another person shall be taken by the Chief Deputy Director during any period in which the office of the Executive Director is vacant; provided, however that reference title Executive Director, Chief Deputy Director, and Director of Financing shall include any persons servicing in such capacities, respectively on an acting or interim basis.

Section 6. Duration of Authority. The authority granted under this Resolution shall remain in full force and effect until June 30, 2026.

SECRETARY'S CERTIFICATE

I, MARC VICTOR, the undersigned, do hereby certify that I am the duly authorized Secretary of the Board of Directors of the California Housing Finance Agency, and hereby further certify that the foregoing is a full, true, and correct copy of Resolution No. 25-11 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 20th day of March, 2025 at which meeting all said directors had due notice, a quorum was present and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

IN WITNESS WHEREOF, I have executed this certificate hereto this 20th day of March, 2024.

ATTEST: ______________________________

MARC VICTOR
Secretary of the Board of Directors of the
California Housing Finance Agency

RESOLUTION NO. 25-12

RESOLUTION OF THE CALIFORNIA HOUSING FINANCE AGENCY APPROVING APPLICATIONS TO THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE FOR PRIVATE ACTIVITY BOND ALLOCATIONS FOR THE AGENCY'S PROGRAMS

WHEREAS, the California Housing Finance Agency (the "Agency") has determined that there exists a need in California for the financing of mortgage loans for the acquisition, construction, rehabilitation, refinancing or development of multifamily rental housing developments (the "Developments") for the purpose of providing housing for persons and families of low or moderate income;

WHEREAS, the Agency has also determined that it is in the public interest for the Agency to assist in providing such financing by means of an ongoing program (the "Multifamily Program") to make or acquire, or to make loans to lenders to make or acquire, mortgage loans, for the purpose of financing such Developments;

WHEREAS, the Agency has also determined that there exists a need in California for providing financial assistance, directly or indirectly, to persons and families of low or moderate income to enable them to purchase or refinance moderately-priced single family residences ("Residences");

WHEREAS, the Agency has also determined that it is in the public interest for the Agency to assist in providing such financing by means of various programs, including whole loans and mortgage-backed securities programs (collectively, the "Single Family Program") to make loans to such persons and families, or to developers, for the acquisition, development, construction and/or permanent financing of Residences;

WHEREAS, pursuant to Parts 1 through 4 of Division 31 of the Health and Safety Code of the State of California (the "Act") , the Agency has the authority to issue bonds to provide sufficient funds to finance the Multifamily Program and the Single Family Program; and

WHEREAS, the Agency has by its Resolution No. 25-08 authorized the issuance of bonds for the Multifamily Program and has by its Resolution No. 25-10 authorized the issuance of bonds for the Single Family Program and desires to authorize application to the California Debt Limit Allocation Committee for private activity bond allocations to be used in connection with the issuance of all or a portion of such bonds in order for interest on such bonds to be excludable from gross income for federal income tax purposes.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors (the "Board") of the California Housing Finance Agency as follows:

Section 1. **Authorization to Apply to CDLAC**. The Executive Director of the Agency (the "Executive Director") is hereby authorized to apply from time to time to CDLAC for private activity bond allocations in an aggregate amount of up to $3,500,000,000 per year to be used in connection with bonds (including supplemental allocation) issued under Resolution No. 25-08, Resolution No. 25-10 and any other resolution heretofore or hereafter adopted by the Agency for the Multifamily Program and the Single Family Program.

Section 2. **Authorization of Related Actions and Agreements**. The Executive Director is hereby authorized and directed to do any and all things and to execute and deliver any and all agreements and documents which they may deem necessary or advisable in order to effectuate the purposes of this resolution, including but not limited to satisfying in the best interests of the Agency such conditions as CDLAC may establish for private activity bond allocation applications. The Executive Director is also hereby expressly authorized to accept on behalf and in the best interests of the Agency any private activity bond allocations offered by CDLAC, including but not limited to carryforward allocations, over and above those which may be granted pursuant to any application authorized hereinabove or in any prior resolution of the Board.

Section 3. **Additional Delegation**. Any and all actions by the Executive Director approved or authorized by this resolution may be taken instead by the Chief Deputy Director of the Agency or the Director of Financing of the Agency, or by any other person specifically authorized by delegation in writing by the Executive Director to take such actions, and except to the extent otherwise taken by another person shall be taken by the Chief Deputy Director during any period during which the office of the Executive Director is vacant; provided, however that reference title Executive Director, Chief Deputy Director, and Director of Financing shall include any persons servicing in such capacities, respectively on an acting or interim basis

SECRETARY'S CERTIFICATE

I, MARC VICTOR, the undersigned, do hereby certify that I am the duly authorized Secretary of the Board of Directors of the California Housing Finance Agency, and hereby further certify that the foregoing is a full, true, and correct copy of Resolution No. 25-12 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 20th day of March, 2025 at which meeting all said directors had due notice, a quorum was present and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

IN WITNESS WHEREOF, I have executed this certificate hereto this 20th day of March, 2025.

ATTEST: ________________________________

MARC VICTOR
Secretary of the Board of Directors of the
California Housing Finance Agency

BOARD OF DIRECTORS
OF THE CALIFORNIA HOUSING FINANCE AGENCY

RESOLUTION NO. 25-13

RESOLUTION AUTHORIZING AMENDING AND RESTATING DEFINITION OF "DISASTER" IN RESOLUTION 25-05

WHEREAS, per Government Code section 12531, authorized uses of the National Mortgage Settlement funding include HUD-certified housing counseling and mortgage assistance;

WHEREAS, to date the CalHFA Board of Directors has allocated one hundred forty-one million five hundred thousand dollars ($141,500,000) to fund statewide HUD-certified counseling;

WHEREAS, areas of Southern California and other regions of the state have ~~been ravaged by Presidentially-declared wildfires and other disasters since January 1, 2023~~, experienced devasting emergencies and disasters in the past few years, resulting in the loss of thousands of homes and businesses;

WHEREAS, displaced victims of ~~Presidentially-declared~~ these incidents ~~disasters~~ are facing numerous, complex issues such as finding replacement housing, navigating insurance claims, price-gouging, illegal foreclosures, and employment challenges;

WHEREAS, rapid deployment of the one hundred and thirty eight million dollars ($138,000,000) of remaining NMS funds would offer housing assistance to Californians destabilized by the ~~disasters~~ incidents;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors (the "Board") of the California Housing Finance Agency ("Agency") as follows:

1. HUD-certified Counseling Support

a. The Board directs up to $26 million to extend and expand the existing NMS Housing Counseling Program through December 2027. Standard HUD housing counseling services include foreclosure prevention, pre-purchase counseling, financial literacy, and eviction prevention.

b. All disaster victims would be eligible to receive free services including but not limited to, guidance on FEMA assistance applications, assistance finding and accessing resources for shelter/lodging, food, prescription medication and other medical assistance, pet assistance and financial aid, and answering general insurance questions. The services for disaster victims would be available for approximately six months from the date of the disaster.

2. Mortgage Assistance

a. The Board directs the use of one hundred twelve million dollars ($112,000,000) to fund a program that would provide 3 and up to 6 months of mortgage payments to ~~victims of the January 2025 L.A. Area wildfires and other Presidentially declared disasters in California since January 1, 2023.~~ California homeowners whose homes were destroyed or left uninhabitable in an incident that received a State of Emergency proclamation by the Governor, or a Major Disaster Declaration approved by the President between January 1, 2023 and January 8, 2025, inclusive. This program would need 4 to 6 months to ramp up and details would be finalized during that design period. Grants would go to directly to mortgage servicers.

b. The Executive Director and other authorized officers of the Agency are directed to create a mortgage assistance program that timely alleviates financial pressure on Californians who have lost their homes. The Board further directs regular reports on the program design, launch, and impact.

c. The Executive Director and other authorized officers of the Agency are directed to:

i. hire requisite staff and contractors to create and implement the program,

ii. build the necessary systems and infrastructure to create and implement the program,

iii. execute requisite agreements and contracts, and

iv. take all necessary and proper actions to create this program efficiently and effectively.

SECRETARY'S CERTIFICATE

I, MARC VICTOR, the undersigned, do hereby certify that I am the duly authorized Secretary of the Board of Directors of the California Housing Finance Agency, and hereby further certify that the foregoing is a full, true, and correct copy of Resolution No. 25-13 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 20th day of March, 2025, at which meeting all said directors had due notice, a quorum was present and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

IN WITNESS WHEREOF, I have executed this certificate hereto this 20th day of March 20, 2025.

ATTEST: ______________________________

MARC VICTOR
Secretary of the Board of Directors of the
California Housing Finance Agency

BOARD OF DIRECTORS
OF THE CALIFORNIA HOUSING FINANCE AGENCY

RESOLUTION NO. 25-13

RESOLUTION AUTHORIZING AMENDING AND RESTATING DEFINITION OF "DISASTER" IN RESOLUTION 25-05

WHEREAS, per Government Code section 12531, authorized uses of the National Mortgage Settlement funding include HUD-certified housing counseling and mortgage assistance;

WHEREAS, to date the CalHFA Board of Directors has allocated one hundred forty-one million five hundred thousand dollars ($141,500,000) to fund statewide HUD-certified counseling;

WHEREAS, areas of Southern California and other regions of the state have experienced devasting emergencies and disasters in the past few years resulting in the loss of thousands of homes and businesses;

WHEREAS, displaced victims of these incidents are facing numerous, complex issues such as finding replacement housing, navigating insurance claims, price-gouging, illegal foreclosures, and employment challenges;

WHEREAS, rapid deployment of the one hundred and thirty eight million dollars ($138,000,000) of remaining NMS funds would offer housing assistance to Californians destabilized by the incidents;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors (the "Board") of the California Housing Finance Agency ("Agency") as follows:

1. HUD-certified Counseling Support

a. The Board directs up to $26 million to extend and expand the existing NMS Housing Counseling Program through December 2027. Standard HUD housing counseling services include foreclosure prevention, pre-purchase counseling, financial literacy, and eviction prevention.

b. All disaster victims would be eligible to receive free services including but not limited to, guidance on FEMA assistance applications, assistance finding and accessing resources for shelter/lodging, food, prescription medication and other medical assistance, pet assistance and financial aid, and answering general insurance questions. The services for disaster victims would be available for approximately six months from the date of the disaster.

2. Mortgage Assistance

a. The Board directs the use of one hundred twelve million dollars ($112,000,000) to fund a program that would provide 3 and up to 6 months of mortgage payments to California homeowners whose homes were destroyed or left uninhabitable in an incident that received a State of Emergency proclamation by the Governor, or a Major Disaster Declaration approved by the President between January 1, 2023 and January 8, 2025, inclusive. This program would need 4 to 6 months to ramp up and details would be finalized during that design period. Grants would go to directly to mortgage servicers.

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c. The Executive Director and other authorized officers of the Agency are directed to:

   i. hire requisite staff and contractors to create and implement the program,

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SECRETARY'S CERTIFICATE

I, MARC VICTOR, the undersigned, do hereby certify that I am the duly authorized Secretary of the Board of Directors of the California Housing Finance Agency, and hereby further certify that the foregoing is a full, true, and correct copy of Resolution No. 25-13 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 20th day of March, 2025, at which meeting all said directors had due notice, a quorum was present and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

IN WITNESS WHEREOF, I have executed this certificate hereto this 20th day of March 20, 2025.

ATTEST: ______________________________

MARC VICTOR
Secretary of the Board of Directors of the
California Housing Finance Agency

M E M O R A N D U M

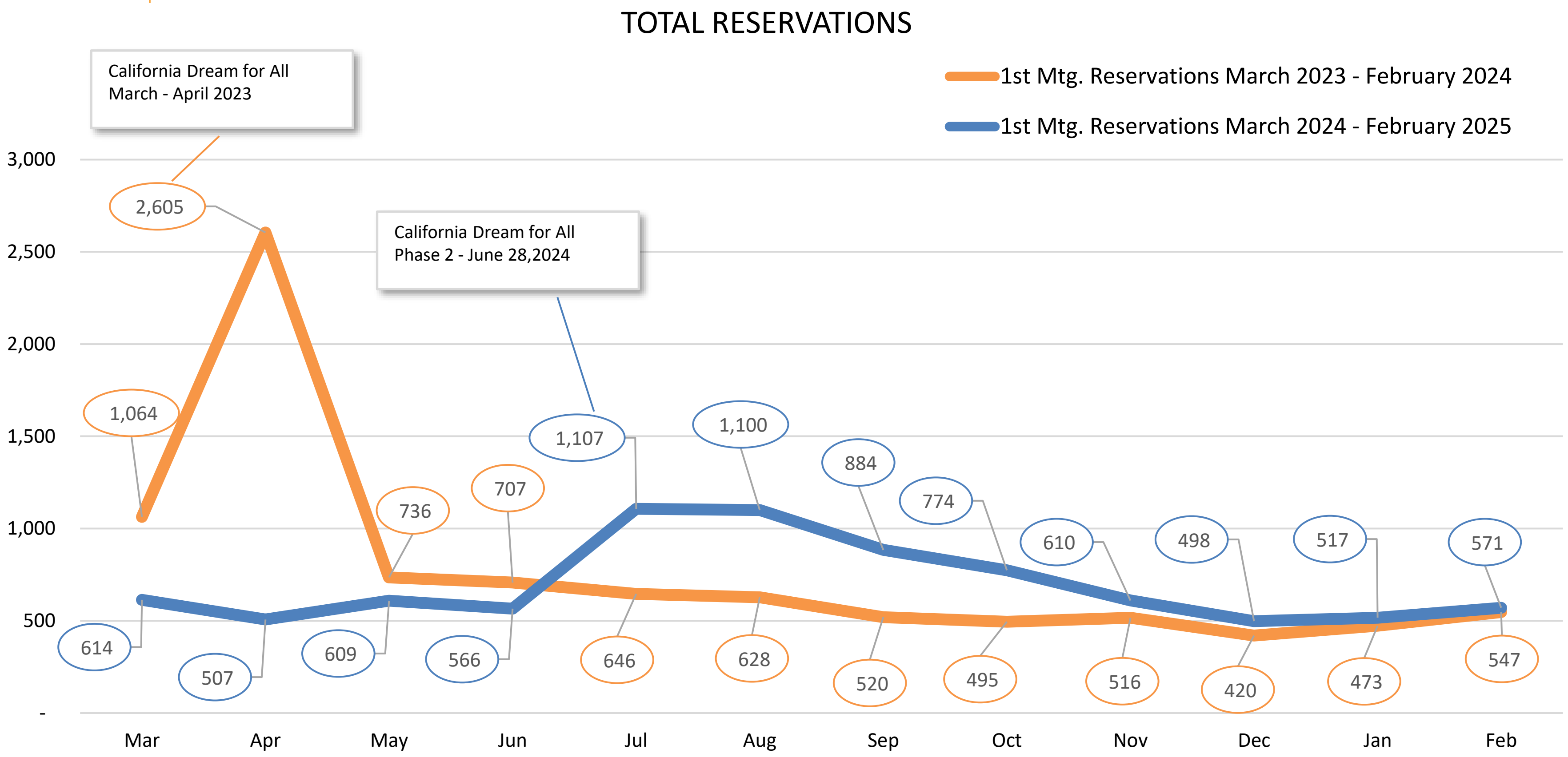
To: Board of Directors **Date:** March 20, 2025

From: Ellen Martin, Director of Homeownership Programs
California Housing Finance Agency

Subject: Agenda Item 13A – Single Family Loan Production Report

Attached please find the Single Family Loan Production report for the period February 2025.

Total Reservations March 2024 – February 2025

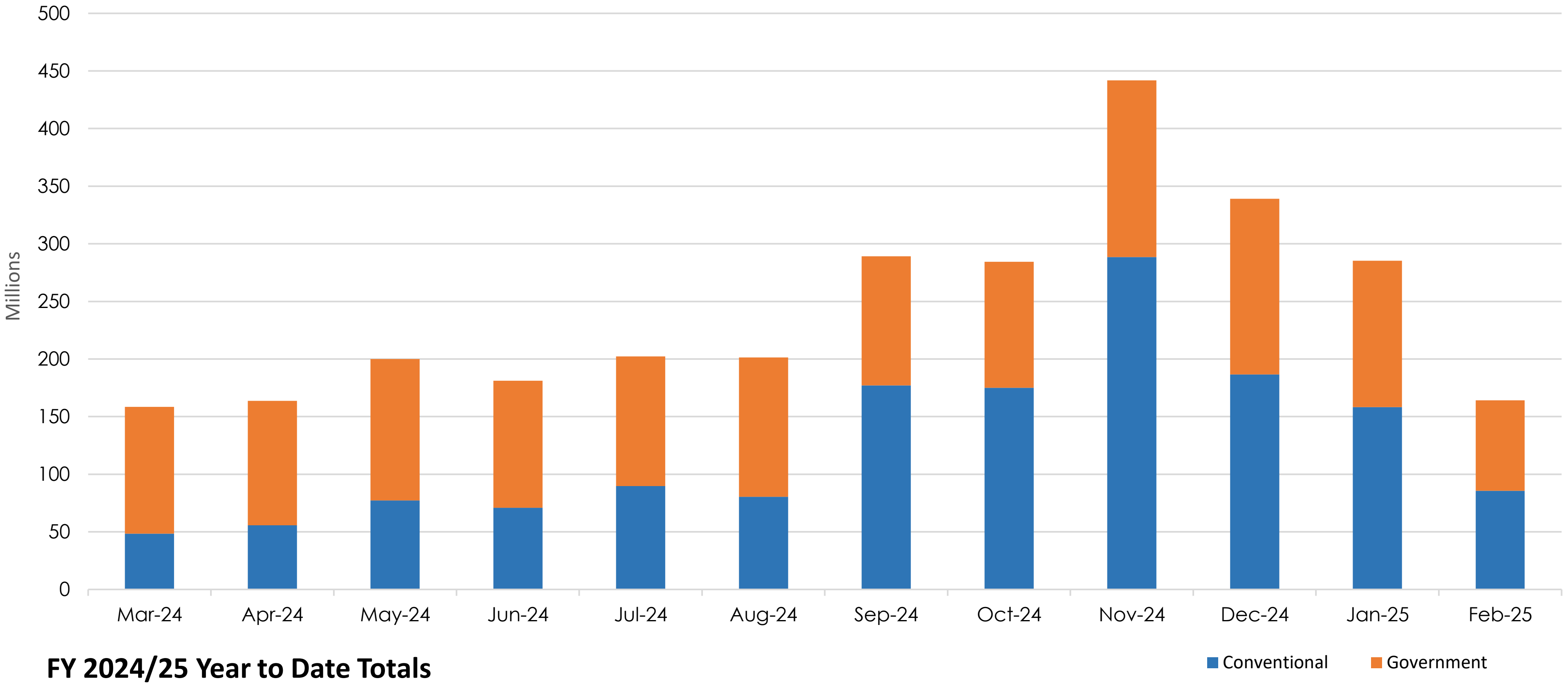


FY 2024/25 Year to Date Totals:		
Conventional	**3,422**	**57%**
FHA	**2,595**	**43%**
	6,017	

Rolling 12 Month Totals:

March 2023 - February 2024 = 9,357
March 2024 - February 2025 = 8,357

March 2024 – February 2025 Securitized



FY 2024/25 Year to Date Totals

Government (47%)			
FHA with ZIP	46	$	18,609,734
FHA no ZIP	2,199	$	936,093,867
VA	24	$	11,211,719
USDA	12	$	3,432,370
	2,281	$	969,347,690

Conventional (53%)			
Conventional with ZIP	69	$	31,412,002
Conventional no ZIP	960	$	488,783,645
LI/VLI Conventional with ZIP	14	$	4,482,240
LI/VLI Conventional no ZIP	230	$	76,603,020
DFA Conventional	1,331	$	640,269,815
	2,604	$	1,241,550,722

Total	**4,885**	**$**	**2,210,898,412**

Total Reservations March 2024 – February 2025

Lending by Region

By count for past 12 mos. securitized or funded

Mar 2024 - Feb 2025

MyHome – 5,372 Homeowners

Bay Area Region	12%
Capital Region	11%
Central Coast Region	3%
Central Valley Region	35%
Inland Empire Region	19%
Los Angeles Region	6%
Orange County Region	1%
Rural Areas	10%
San Diego Region	3%

Dream For All – 1,331 Homeowners

Bay Area Region	16%
Capital Region	10%
Central Coast Region	6%
Central Valley Region	15%
Inland Empire Region	19%
Los Angeles Region	16%
Orange County Region	7%
Rural Areas	5%
San Diego Region	7%