Public Meeting Agenda

California Housing Finance Agency Board of Directors
Thursday, May 22, 2025
10:00 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/2025/20250522/2025-05-22-board.htm

NUMBER	DEVELOPMENT	LOCALITY	UNITS
24-005	Julian Street Studios	San Jose/Santa Clara	305

NOTES:

PARKING: 1114 P Street parking lot ($7 per hours, $24 daily max); Minimal street parking available via meter.

REFRESHMENTS: Available on the premises at Kindred Seoul and The State Grind. No food or coffee is allowed in the Boardroom.

MINUTES

California Housing Finance Agency (CalHFA)
Board of Directors Workshop
March 19, 2025
Meeting noticed on March 7, 2025

1. Roll Call

The California Housing Finance Agency Board of Directors Workshop was called to order at 1:05 p.m. by Chair Cervantes. A quorum of members was present.

MEMBERS PRESENT:	Cervantes, Franklin, Kergan (for Moss), Limon, Olmstead (for Velasquez), Russell, Sin, Williams
MEMBERS ARRIVING AFTER ROLL CALL:	Henning (for Ma), White
MEMBERS ABSENT:	Assefa, Cabildo, Perrault (for Stephenshaw), Prince, Sotelo
STAFF PRESENT:	Marc Victor, Courtney Pond, Erwin Tam
EARLY DEPARTURES:	Henning, Kegan (replaced by Moss), Sin
GUEST SPEAKERS:	James Hacker, Deputy Cabinet Secretary, Office of Governor Gavin Newsom
	Myles White, Deputy Legislative Affairs Secretary, Office of Governor Gavin Newsom
	Albert Luong, Director, HBC Capital Markets
	Geoff Proulx, Managing Director, Morgan Stanley
	Michael Lopez, Facilitator, Michael J. Lopez Consulting

2. Opening comments

Chair Cervantes welcomed everyone to the meeting.

3. Presentations and discussions

A. Governor Newsom's Housing Priorities: Goals, Opportunities & Challenges

Presented by Hacker and White

Hacker and White discussed CalHFA's unique role as the state's affordable housing lender and highlighted the importance of CalHFA's partnerships with the Administration, other state agencies, and external stakeholders in creating affordable housing solutions statewide.

B. Financing the Future: CalHFA's Role in Affordable Housing Finance

Presented by Luong, Proulx, and Tam

Luong, Proulx, and Tam discussed the importance of working collaboratively with other state housing agencies and learn from their successes to determine the best financing products for CalHFA's future.

C. Board Roundtable Discussion: Envisioning CalHFA's Future

Facilitated by Lopez

Lopez engaged the Board in a discussion examining CalHFA's future by reflecting on past data, challenging assumptions and preparing for strategic planning with a fresh perspective.

4. Workshop recap and wrap-up

Chair Cervantes provided a brief recap of the workshop topics and thanked everyone for their participation.

5. Public comment

Chair Cervantes asked if there were any comments from the public and there were none.

6. Adjournment

As there was no further business to be conducted, Chair Cervantes adjourned the meeting at 4:33 p.m.

MINUTES

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

1. Roll Call

The California Housing Finance Agency Board of Directors Meeting was called to order at 9:08 a.m. by Chair Cervantes. A quorum of members was present.

MEMBERS PRESENT: Cervantes, Henning (for Ma), Kergan (for Moss), Franklin, Feigles (for Sin), Olmstead (for Velasquez), Russell, Williams

MEMBERS ARRIVING AFTER ROLL CALL: Limon, White

MEMBERS ABSENT: Assefa, Cabildo, Perrault (for Stephenshaw), Prince, Sotelo

STAFF PRESENT: Marc Victor, Courtney Pond, Stephanie McFadden, Steve Gallagher, Erwin Tam

Early departures: Henning (for Ma)

2. Approval of the Minutes – February 20, 2025

On a motion by Henning, 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 thanked staff for organizing the workshop held the day before and Board members for the participation at the workshop.

Executive Director comments:

- Chief Deputy Director Franklin shared that the emergency mortgage relief program has been named CalAssist Mortgage Fund and that CalHFA hopes to launch the program as quickly as possible.

- MyAccess down payment program launched on March 17.

- The Mixed-Income Program received 48 applications for 2025. Staff are currently processing the applications.

- The Request for Information sent to localities and public entities regarding a new middle-income housing program received 26 submissions which are currently being reviewed.

- A delegation from CalHFA recently attended the National Council of State Housing Agencies' annual Legislative Conference in Washington, D.C., where they met with 15 congressional offices to advocate for affordable housing and disaster relief for Californians.

- Ms. Franklin closed her comments by sharing that CalHFA recently held an all-staff event to kick-off the 50th Anniversary of the Agency.

4. Report from the Audit and Risk Management Committee

Presented by Dr. Frederick White, Audit and Risk Management Committee Member

Dr. White shared that the Audit and Risk Management Committee met on February 20, 2025 and that CalHFA received a clean audit opinion for both the GAAP financial statements audit and the Single Audit. He further reported that the agreed-upon procedures from the compliance audit of the MyHome and Dream for All programs revealed no findings.

5. Discussion, recommendation, and possible action to approve a final loan commitment for Monarch, Project No. 24-008, for 241 units in Sacramento, Sacramento County – Resolution No. 25-06

Presented by Stephanie McFadden, Director of Multifamily Programs

On a motion by Russell, the Board approved **Resolution No. 25-06.** The votes were as follows:

AYES: Cervantes, Kergan (for Moss), Limon, Russell, Feigles (for Sin), Olmstead (for Velasquez), White, Williams

NOES: None

ABSTENTIONS: Henning (for Ma)

ABSENT: Cabildo, Prince, Sotelo

6. Discussion, recommendation, and possible action to approve a permanent loan increase for College Creek Apartments, Project No. 21-017, for 164 units in Santa Rosa, Sonoma County – Resolution No. 25-07

Presented by Stephanie McFadden

On a motion by White, the Board approved **Resolution No. 25-07.** The votes were as follows:

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

NOES: None

ABSTENTIONS: None

ABSENT: Cabildo, Prince, Sotelo

RECUSALS: Russell

7. Discussion, recommendation, and possible action 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 – Resolution No. 25-08

Presented by Erwin Tam, Director of Financing

On a motion by Williams, the Board approved **Resolution No. 25-08**. The votes were as follows:

AYES: Cervantes, Kergan (for Moss), Limon, Feigles (for Sin), Olmstead (for Velasquez), Russell, White, Williams

NOES: None

ABSTENTIONS: None

ABSENT: Cabildo, Henning (for Ma), Prince, Sotelo

8. **<u>Discussion, recommendation, and possible action authorizing the financing of the Agency's multifamily housing program from non-bond sources and related financial agreements and contracts for services – Resolution No. 24-09</u>**

Presented by Erwin Tam

On a motion by Limon, the Board approved **<u>Resolution No. 25-09.</u>** The votes were as follows:

AYES:	Cervantes, Kergan (for Moss), Limon, Feigles (for Sin), Olmstead (for Velasquez), Russell, White, Williams
NOES:	None
ABSTENTIONS:	None
ABSENT:	Cabildo, Henning (for Ma), Prince, Sotelo

9. **<u>Discussion, recommendation, and possible action authorizing the Agency's single family bond indentures, the issuance of single family bonds, credit facilities for homeownership purposes, and related financial agreements and contract for services – Resolution No. 25-10</u>**

Presented by Erwin Tam

On a motion by Russell, the Board approved **<u>Resolution No. 25-10.</u>** The votes were as follows:

AYES:	Cervantes, Kergan (for Moss), Limon, Feigles (for Sin), Olmstead (for Velasquez), Russell, White, Williams
NOES:	None
ABSTENTIONS:	None
ABSENT:	Cabildo, Henning (for Ma), Prince, Sotelo

10. **<u>Discussion, recommendation, and possible action authorizing the Agency's single family non-bond financing mechanisms for homeownership purposes, and related financial agreements and contracts for services – Resolution No. 25-11</u>**

Presented by Erwin Tam

On a motion by White, the Board approved **Resolution No. 25-11.** The votes were as follows:

AYES:	Cervantes, Kergan (for Moss), Limon, Feigles (for Sin), Olmstead (for Velasquez), Russell, White, Williams
NOES:	None
ABSTENTIONS:	None
ABSENT:	Cabildo, Henning (for Ma), Prince, Sotelo

11. Discussion, recommendation, and possible action authorizing approval of applications to the California Debt Limit Allocation Committee for private activity bond allocations for the Agency's programs – Resolution No. 25-12

Presented by Erwin Tam

On a motion by White, the Board approved **Resolution No. 25-12.** The votes were as follows:

AYES:	Cervantes, Kergan (for Moss), Limon, Feigles (for Sin), Olmstead (for Velasquez), Russell, White, Williams
NOES:	None
ABSTENTIONS:	None
ABSENT:	Cabildo, Henning (for Ma), Prince, Sotelo

12. Discussion, recommendation, and possible action to amend and restate the definition of "disaster" in Resolution No. 25-05 – Resolution No. 25-13

Presented by Rebecca Franklin

On a motion by Limon, the Board approved Resolution No. 25-13. The votes were as follows:

AYES:	Cervantes, Kergan (for Moss), Limon, Feigles (for Sin), Olmstead (for Velasquez), Russell, White, Williams
NOES:	None

ABSTENSTIONS: None

ABSENT: Cabildo, Henning (for Ma), Prince, Sotelo

13. Informational written reports

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

14. Other Board matters

Chair Cervantes asked if there were any other Board matters to discuss and member Russell requested a report to the Board regarding the Governor's proposal to reorganize the Business, Consumer Services and Housing Agency.

15. Public comment

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

16. Adjournment

As there was no further business to be conducted, Chair Cervantes adjourned the meeting at 10:00 a.m.

M E M O R A N D U M

To: Board of Directors **Date:** May 22, 2025

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

Subject: Agenda Item #5 – Final Loan Commitment for Julian Street Studios, Project No. 24-005

Action: CalHFA Senior Loan Committee has recommended that Chief Deputy Director, Rebecca Franklin, seek Board approval and final loan commitment for the Julian Street Studios Development by approving Resolution Number 25-14.

Development Information:

- The Executive Director has Board delegated authority to approve loans up to $15,000,000, therefore, the Julian Street Studios Development is seeking Board approval for a $44,863,000 tax-exempt permanent loan and a $4,000,000 Mixed-Income Program subsidy loan, to construct a 305-unit new construction development at a total development cost per unit of $498,364.

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

- The Julian Street Studios Development is proposed to be constructed in San Jose, Santa Clara County and developed by JSL Real Estate Corporation (with Corporation for Better Housing as co-developer).

- Energy efficient and green design features include: A photovoltaic solar system, LEED Silver Certification, enhanced insulation, Transit-Oriented Design walkable to high-quality transit, sustainable construction methods, and Energy Star appliances.

- Recommended underwriting exception are: 1) the CalHFA regulatory agreements will not be recorded in senior position as the City of San Jose is requiring a Density

Bonus Agreement to be recorded in senior position to the CalHFA Deeds of Trust; and 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	24005
Project Name	Julian Street Studios
Type of Development	New Construction
Type of Project	Family
Total Units [MIP Restricted Units]	305 [301 restricted]
Street Address	1271 & 1279 E. Julian Street
City, County, Zip Code	San Jose, Santa Clara County, 95116
Borrower (Legal entity name)	1271 E. Julian St., L.P.
Developer	JSL Real Estate Corporation
Co-Developer(s)	Corporation for Better Housing, AC Julian GP, LLC
Approved Conduit Issuances	
Conduit T/E Issuance [CDLAC Meeting: 8/6/2024]	$79,000,000 (Includes 10% cushion and rounded to nearest $1m) (assuming current need $71,850,000)
Conduit Taxable Issuance	$61,000,000 (Includes 10% cushion and rounded to nearest $1m) (assuming current need $55,250,000)
Recycled Bond Volume Cap to be utilized, if available at conversion by CalHFA	$13,000,000 (Includes 10% cushion and rounded to nearest $1m) (assuming current need $11,250,000) Expected Conversion: 12/1 27
Requested CalHFA Financing for Approval	
CalHFA Tax-Exempt Permanent Loan Amount	$44,863,000 UW Rate and Loan Term: [6.61%, fixed; 1st lien; 40/17]
CalHFA Taxable Permanent Loan Amount (if any)	$0 UW Rate and Loan Term: N/A
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; 40/17]
Key Dates and Approvals	
SLC Initial Commitment Approval **Declaration of Intent Date - 2/21/2024**	4/22/2024
SLC Final Commitment Approval Date	5/7/2025
CDLAC Volume Cap Award Date	8/6/2024
CTCAC Tax Credit Award Date	8/6/2024
CDLAC Closing Deadline	7/10/2025 (Extension requested from CDLAC)
Construction Loan Closing Date [Est.]	6/30/2025
Est. CalHFA Loan Closing (perm conversion) Date	12/1/2027
Federal Tax Credits (LIHTC) Requested	Federal LIHTC Amount: $68,269,550 ($0.88/credit) ($226,809/restricted unit)
State Tax Credits Requested	State Tax Credit Amount: $36,054,485 ($0.88/credit) ($119,782/restricted unit)

1	**Project Summary**
1a	Project Description

Julian Street Studios (the "Project") is a new construction, family, mixed-income project. The total development site area is 0.97 acres and is located in San Jose, Santa Clara County. The Project will consist of 1, 7-story, high-rise, elevator-serviced building. The Project will have total 305 residential units, of which 301 units will be restricted between 30% and 70% of the Santa Clara County Area Median Income (AMI). All 301 of the restricted units will be studios (385 sq. ft.). In addition, there will be 2 one-bedroom units, 1 two-bedroom unit, and 1 three-bedroom unit reserved as the managers' units. The Project will have 10 spaces for staff parking which complies with the expected density bonus requirements of 0 residential spaces for projects located near transit in the City of San Jose.

The Project site currently includes 1 single-family home and 1 duplex which will be demolished during the course of construction. The residents will be relocated by the seller, at no cost to the Project, prior to the borrower taking ownership of the vacant site. The age of the structures will require hazardous material reports and remediation plans acceptable to CalHFA prior to construction loan closing. The cost of the remediation is estimated to be $60,000.

The Project's financing structure includes financing from Tax-exempt (T/E) bonds, Taxable bonds, T/E Recycled bonds, 4% Federal Low Income Housing Tax Credit (LIHTC) equity, State Housing Tax Credit Equity, CalHFA Tax-Exempt Permanent Loan, and CalHFA Subordinate financing through Mixed-Income (MIP) Subsidy Loan.

Residential Areas		Commercial Areas (If Mixed-use)	
Land Area (Acres)	0.97	Land Area (Acres)	N/A
Residential Units / Acre	314	Number of Lease spaces	N/A
Residential Area (Sq. Ft)	130,032	Commercial Area (Sq. Ft)	N/A
Community Area (Sq. Ft)	6,363	Commercial Parking Spaces	N/A
Supportive Services Area	N/A	Master Lease?	N/A
Residential Parking Space	0	Condo Structure (not part of subject financing)	N/A

Notes (if any):

1b	Project Location Geocoder Information

The Project is located in San Jose, Santa Clara County. The project will be subject to a density bonus agreement ("DBA"), required by the city, at construction closing. The DBA will restrict 301 units at or below 80% AMI. In exchange for these restrictions, the DBA will allow for reduced parking requirements, as well as other concessions that will be identified prior to CalHFA final approval. The DBA will be subject to CalHFA subordination or standstill agreement at permanent loan closing.

Inside Principal City?	Yes	Underserved or Distressed Tract?	No
Census Tract (CT)	41940-06-085-5014.01	% Population Below Poverty Line	13.24%
CT Minority Population %	88.19%	Rural Area?	No
CT Income Level	Low	2024 Est. CT Median Family Income	$180,400
CDLAC/TCAC Opportunity Area Category		Low Resource	
CDLAC/TCAC Geographic Region		South and West Bay Region: San Mateo and Santa Clara 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): JSL Real Estate Corporation		**Co-developer(s) (if any):** Corporation for Better Housing	
New to CalHFA?	Yes	New to CalHFA?	No
Affordable Housing/LIHTC experience?	Yes	Affordable Housing/LIHTC experience?	Yes
Has Projects in California?	No	Has Projects in California?	Yes
Borrower (Legal entity): 1271 E. Julian St., L.P.		**Co-Borrower (if any):** N/A	
Construction (Senior) Lender: 1) Banc of California		**Construction Subordinate Lender(s):** N/A	
Permanent 1st lien Lender: 1) CalHFA		**Permanent Subordinate Lender(s):** 1) CalHFA (2nd lien)	
Federal LIHTC Investor: Palm Drive Associates, LLC		**State LIHTC Investor:** Palm Drive Associates, LLC	
Tax Credit Amount	$68,269,550	Tax Credit Amount	$36,054,485
Solar Tax Credit Investor:			
Tax Credit Amount	$306,828		
General Contractor: BLH Construction Co.		**Management Company (Property Manager):** WinnResidential California LP	
Is an affiliate of Developer?	Yes	Is an affiliate of Developer?	No
Experience with CalHFA?	Yes	Total number of properties managed	172
Architect: Y&M Architects		**Service Provider:** LifeSteps	
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)	$28,600
Has housing projects in CA?	Yes	Per unit cost of services meets USRM req.?	Yes
Financial Advisor:		**Project Consultant:**	

Notes (if any):

1. Tax credit pricing based on executed Letter of Interest from Palm Drive Associates, LLC dated 2/27/2025.
2. JSL Real Estate Corporation ("JSL") is an emerging developer that was formed in 2005 and is wholly owned by its CEO, Jake Lingo. JSL has not been the lead developer on any prior projects, though its CEO has been in the housing development industry since 2005. To meet development team requirements, JSL has partnered with Corporation for Better Housing, which has extensive experience in developing LIHTC projects.
3. The Borrower will add an additional administrative general partner, AC Julian GP, LLC. The developer fee split is to be determined and an updated organizational chart is to come. The timing

for this is expected to be post construction closing due to the time needed to obtain the HUD 2530.

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:
  - Construction Lender is Banc of California (US Bank at Initial Commitment)
  - Investor is Palm Drive Associates, LLC (Walker & Dunlop at Initial Commitment)
- Change in CalHFA perm loan amount
  - 16% increase from what was approved at Initial Commitment
  - The Borrower will add an additional administrative general partner, AC Julian GP, LLC. The developer fee split is to be determined, and an updated organizational chart is to come. The timing for this is expected to be post construction closing due to the time needed to obtain the HUD 2530

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 ($)	$44,863,000	$4,000,000	$48,863,000
Loan Term (Year)	17	17	
Amort. Term (Year)	40		
Amort. Type	Partially Amortizing	Non-amortizing	
Lien Position	1st	2nd	
UW Interest Rate % (See Note 1)	6.61%	3.00%	
Loan to Value (%) (See Note 2)	57.22%	5.10%	
Combined LTV (CLTV) (%) (See Note 2)			62.32%
Loan to Cost (%) (See Note 3)	29.5%	2.6%	32.1%
Loan Repayment Source	Net Operating Income (NOI)	Residual Receipts	

Notes:
1. The spreads locked on 3/10/25 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 included 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% and maximum CLTV 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 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.
☐	[If ground lease owned by for-profit entity, add:] The Agency shall encumber both the fee and leasehold interests in the Development as security for its deeds of trust and regulatory agreements.
☐	[If ground lease owned by locality/non-profit and it meets USRM requirements, add:] 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):

1. The City of San Jose is requiring the Density Bonus Agreement ("DBA") to be recorded in senior position to the CalHFA Regulatory Agreements and Deeds of Trust. The DBA will restrict 301 units at or below 80% AMI. In exchange for these restrictions, the DBA will allow for reduced parking requirements, as well as other concessions that will be identified prior to CalHFA final approval. The DBA will not have foreclosure rights and is subject to CalHFA subordination or standstill requirements at permanent loan closing. The City of San Jose is reviewing the CalHFA boilerplate standstill agreement.

5	**Project Budget & Total Development Cost**
5a	Construction Financing

Construction Lender	Banc of California
CDLAC/CTCAC Construction Closing Deadline	7/10/2025

	Bond Issuance Amount	Type of Issuance
Construction Conduit Issuance Amount	$71,850,000	Tax-Exempt
Construction Conduit Issuance Amount	$55,250,000	Taxable
Construction Conduit Issuance Amount	$11,250,000	T/E Recycled
Total	$138,350,000	

	Loan Amount	UW Rate	Loan Term
Construction Loan (T/E) (Interest-only, 1st lien during construction)	$83,100,000	6.83%, Fixed (See Note 1)	36 months + 1 6-month extension
Construction Loan (Taxable) (Interest-only, 1st lien during construction)	$55,250,000	7.08%, Fixed (See Note 2)	36 months + 1 6-month extension

Notes:

1. Construction Loan T/E is a variable rate SOFR+250 bps, Index 30-day Average SOFR. Current index as of 3/10/25 is 4.33% and the all-in rate is 6.83%. The loan term includes six months extension at $15,000.
2. Construction Loan (Taxable) is a variable rate SOFR+275 bps, Index 30-day Average SOFR. Current index as of 3/10/25 is 4.33% and the all-in rate is 7.08%. The loan term includes six months extension at $15,000.
3. 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.

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5b	Construction Sources

Construction Sources:	Amount ($)	% of Total
Banc of California TE (Loan)	$71,850,000	51.84%
Banc of California REC (Loan)	$11,250,000	8.12%
Banc of California TAX (Loan)	$55,250,000	39.86%
Tax Credit Equity	$250,000	0.18%
Total Construction Sources	**$138,600,000**	**100%**

5c	Construction Uses	
Construction Uses:	Amount ($)	% of Total
Land and Improvement Value	$8,150,000	5.88%
Other Acquisition Costs	$250,000	0.18%
Construction/Rehab Costs	$83,803,389	60.43%
Soft Costs (A&E, Legal, Title, and Other Soft Costs)	$9,355,800	6.75%
Hard Cost contingency	$4,187,476	3.02%
Soft Cost contingency	$1,794,500	1.29%
Financing Costs (Interest Reserves, Fees, Taxes, and Insurance)	$20,618,548	14.88%
Local Impact Fees and Permit Fees	$7,608,000	5.49%
Deferred Developer Fee	$0	0.00%
Cash Portion Developer Fee	$1,364,787	1.02%
Other Costs (TCAC Fees, Furnishing, and Other Misc. Fees)	$1,467,500	1.06%
Operating Reserves	$0	0.00%
Total Construction Uses	**$138,600,000**	**100%**
Total Construction Cost per unit	**$454,426**	
Total Construction Cost per CalHFA MIP Regulated Unit	**$460,465**	

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. Acquisition Costs included in the budget is $8,150,000 which is in compliance with Agency's underwriting (USRM) standards.
3. The total hard cost contingency in the project is 5.70% of the hard costs, which includes the contingency in the GC Schedule of Values (SOV) and has been reviewed by the CalHFA inspector to meet the USRM requirements and project scope for completion within the stipulated budget.
4. The total soft cost contingency in the project is 3.08% of eligible costs and has been reviewed by the Multifamily staff to meet the USRM requirements and project scope for completion within the stipulated budget.
5. The construction budget includes $2,020,000 for offsite improvements. Pursuant to the USRMs the offsite improvements must be funded by non-CalHFA sources.

5d	Third-party Plan & Cost Review Summary
General Contractor (GC) Name:	BLH Construction
GC Budget (per Schedule of Values)	$83,999,510
% of Builder overhead, profit, and general requirements (TCAC allowable 14%)	12.3%
Type of Construction Contract:	GMP
GC Contract Executed? If not, provide status:	In process

GC Hard-Cost Contingency and Sufficiency:	5.70% - Exceeds USRM and Investor LOI minimums

Notes:

- Banc of California has engaged, Hillman, to perform an independent third-party review of project plans and specifications (plan & specs) and cost review.
- The draft/final 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.
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- The project hard cost contingency in the General Contractor's Schedule of Values (SOV) as well as the project hard cost contingency included in the overall budget are sufficient per the review completed by CalHFA inspector and meets the USRM requirements for minimum contingency levels.
- The project budget includes $60,000 in environmental remediation costs which has been reviewed by the CalHFA Inspector for its scope and sufficiency.

5e	Permanent Sources and Uses

Permanent Sources:	Amount ($)	% of Total
CalHFA Perm (Loan)	$44,863,000	29.5%
CalHFA MIP (Loan)	$4,000,000	2.6%
Solar Tax Credits (0)	$306,828	0.2%
Deferred Developer Fee (0)	$11,035,213	7.3%
Tax Credit Equity (0)	$91,795,970	60.4%
Total Permanent Sources	**$152,001,011**	**100%**

Permanent Uses:	Amount ($)	% of Total
Total Loan Payoffs	$138,600,000	91.2%
Equity	$0	0.0%
Financing costs	$712,945	0.004%
Soft costs	$0	0.0%
Operating Reserves	$1,706,732	%
Cash Developer Fee paid at Perm Conversion	$0	0.0%
Deferred Developer Fees paid from cashflow	$11,035,213	7.2%
Total Permanent Uses	**$152,001,011**	**100%**
Total Development Cost per unit	**$498,364**	
Total Development Cost per CalHFA MIP Restricted Unit	**$504,987**	
Notes (if any):		

5f	Federal and State Tax Credits			
Federal LIHTC Tax Credit Investor /Syndicator		Palm Drive Associates, LLC		
State Housing Tax Credit Investor /Purchaser		Palm Drive Associates, LLC		
Other Tax Credit Investor/Purchaser		N/A		
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)	$68,269,550	$0.88	$60,071,196	$199,572
Federal Tax Credits (Acq.)	$0		$0	$0
State Housing Tax Credits	$36,054,485	$0.88	$31,724,774	$105,398
<Other Tax Credits: Solar, etc.>	$306,828	$0.88	$306,828	
Total	$104,630,863		$92,102,798	$304,970

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 TCAC.

50% Aggregate Basis Test Requirements	
Accountant prepared Draft Financial Projections date	October 1, 2024
Accounting firm name	Bowman
T/E Private-Activity Bond Volume Cap Allocated	$71,850,000
Aggregate Basis of building and land costs considered	$140,704,520
% of Aggregate basis financed by T/E Bonds	51.06%
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)	$6,000,000	$1,418,666
Deferred Developer Fee (DDF) paid from project cash-flow (b)	N/A	$10,981,334
Total Developer Fee (a) + (b)		$12,400,000
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. Value engineering firm will be engaged during the design process to help identify potential cost savings.
3. GC will be required to provide a minimum of 3 bids (when available) for each trade, particularly for all major trades.
4. The developer and contractor will develop a critical path method to ensure key construction milestones are met.

Note (if any):

5i	Evidence of Subsidy Efficiency

Per the CalHFA Term Sheet requirement, a subsidy efficiency analysis 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
☒	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.
☒	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.
☒	Inflation factors and vacancy rates are consistent with the Agency’s underwriting standards (USRM)
☒	Developer Fee requirements consistent with CalHFA underwriting standards and/or CTCAC Regulation 10327(c)2(B)
☒	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.
☒	State Tax Credits (STC) maximum requested amount is consistent with CTCAC Regulations 10317
☒	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.
☒	CalHFA Loan Agreement has the requirement that Construction cost savings funds evidenced by the Final Cost Certification will be used to reduce the CalHFA subsidy (MIP) loan prior to CalHFA MIP loan closing.

5j	High-Cost Explanation	
Total Development Cost (TDC)		$152,001,011
Total Units		305
TDC/Unit		$498,364
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 (92 units) at or below 60% AMI and 10% of the total units (31 units) at 50% AMI for 55 years.

The CalHFA Subsidy Regulatory Agreement will restrict 301 of 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%**	**50%**	**60%**	**70%**	**80%**	**110%**	**120%**	**Regulated**	**Regulated**
CalHFA Bond	2nd		31	92					123	41%
CalHFA MIP	3rd	31	61		31			178	301	100%
CTCAC	4th	47	136	87	31				301	100%
Density Bonus	1st	47	136	87	31				301	100%
TOTALS		**47**	**136**	**87**	**31**			**178**	**301**	**100%**

Notes (if any):

1. The CalHFA MIP Subsidy Regulatory Agreement requires 30% of total units at or below 50% of AMI. Of these, a minimum of 10% of total units must be at or below 30% of AMI (31 units at 30% AMI and 61 units at 50% AMI). An additional 10% of total units (31 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 178 units restricted units will be restricted at or below 120% of AMI.
3. In addition, the City of San Jose is requiring a Density Bonus Agreement which will be subject to CalHFA review and approval and further subjected to a CalHFA subordination or standstill agreement at permanent loan closing.

6b	Unit Distribution for each AMI category

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

AMI Category	**Total**	**Studio**	**1-bdrm**	**2-bdrm**	**3-bdrm**	**4-bdrm**	**% of Total**
30% AMI	47	47					15%
40% AMI							
50% AMI	136	136					45%
60% AMI	87	87					29%
70% AMI	31	31					10%
80% AMI							
100% AMI							
110% AMI							
120% AMI							
Manager's Unit	4		2	1	1		1%
Total	**305**	**301**	**2**	**1**	**1**		**100%**

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.
- The CalHFA regulatory agreement(s) will require minimum underwriting rent levels as outlined above.

7	Financial Analysis
7a	Market Study Summary

Market Study firm: Novogradac	Market Study Date: 2/13/2024
Market Study date within 180 days?	No
Proposed Market Rents for subject property	Studio- $3,088 (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	6 months
Absorption rate	45 units monthly
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	N/A
Utility allowance schedule included in market study report?	Yes

Regional Market Overview

- The Primary Market Area is the central portion of the city of San Jose (population of 178,064) and the Secondary Market Area (“SMA”) is San Jose-Sunnyvale-Santa Clara, CA Metropolitan Statistical Area (population of 2,064,942)
- The general population in the PMA is anticipated to increase by 0.5% per year and the population in the SMA will increase by 0.3% per year.
- Unemployment in the SMA is 3.5%, which evidences a strong employment area.
- Median home value in the PMA is $890,000.

Local Market Area Analysis

- **Supply:**
    - There are currently 35 affordable family projects in the PMA that are 99% occupied with long wait lists.
    - There are 7 affordable project(s) under construction.
    - There are 4 affordable project(s) with a total of 553 estimated units that may be approved by the locality that have yet to start construction.
- **Demand/Absorption:**
    - The project will need to capture 22.1% of the total demand for family units in the PMA. The affordable units are anticipated to lease up at a rate of 45 units per month and reach full occupancy within 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: Colliers International	Appraisal Date: CalHFA provided report comments 1/14/25 and updated report is pending. CalHFA approval of final appraisal is required prior to construction loan closing and included in conditions of approval.	
Engaged by: Banc of California	Reliance by CalHFA (if co-engaged): Yes	
Appraisal within 90 days of Final Commitment?	Yes	
Appraisal premise	Interest appraised	Valuation
Market Value as-is	Fee Simple	$8,000,000
Market Value upon completion/stabilization as if unencumbered by restricted rents	Fee Simple	$101,300,000
Market Value upon completion/stabilization as encumbered by restricted rents	Fee Simple	$74,500,000
Land Value – net of demolition costs	Fee Simple	$8,000,000
	Underwritten NOI	***Appraisal NOI***
Appraiser Firm	Colliers International	Colliers International
Appraisal Date	TBD	TBD
Appraised As-is Value	$8,000,000	$8,000,000
Appraised Land Value	$8,000,000	$8,000,000
Appraised As-Completed Value (Restricted)	$74,500,000	$74,500,000
Appraisal Investment Value	$101,300,000	$101,300,000
Appraisal Cap rate	5.00%	5.00%
NOI (Stabilized Year)	$3,675,033	$3,724,040
Appraisal Cap rate	5.00%	5.00%
As-completed Restricted Value Calculated for UW NOI	$73,500,000	$78,400,000
1st Lien Loan	$44,863,000 -	$44,863,000 -
Does the Perm loan include Cash equity payment?	No	No
LTV	61.04%	57.22%
Max LTV allowed	90.00%	90.00%
LTV Check	OK	OK
Total CalHFA loans	$48,863,000 -	$48,863,000 -
CLTV calculated	66.48%	62.32%
Max CLTV allowed	120%	120%
CLTV Check	OK	OK
LTV Stress Test for HUD Risk Share Underwriting Requirements		
Cap Rate Stress %	0.50%	0.50%
Cap Rate for Stress Test 1	5.50%	5.50%

1st Lien Loan	$44,863,000	$44,863,000 -
Restricted Value	$61,250,550	$64,765,913
LTV (Stress Test 1)	73.25%	69.27%
Total CalHFA loans	$48,863,000 -	$48,863,000 -
CLTV (Stress Test 1)	79.78%	75.45%
	OK	OK

Comments:
The Borrower's estimated NOI is $3,675,033 which is approximately $49,007 (~1.33%) lower than the estimated NOI on the appraisal report. 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 capture rate and absorption rate are 45 units per month and should equal a six -month lease-up period which is generally consistent with the market study.
- Cap Rate comments: The cap rate of 5.00% is based on the most recent information on comparable properties, which is six months old. Assuming an increase in cap rates due to current market conditions by 50 basis-points (5.50%), the LTV would be 69.27% which is below underwriting standards.

7c	Project Operating Budget Assumptions		
Total Units	305	Construction Start Date	8/1/2025
Regulated Units	301	Construction Completion Date	8/1/2027
Manager Units (Market Rate)	4	Construction Period (months)	24
Total Residential Square Feet	130,032	Lease-up Commencement Date:	9/1/2027
Avg Sq Ft/Unit	389	Lease-up Completion Date	2/1/2028
Rental Subsidies?	0	Lease-up Period (months)	5
No. of Units with Rental Subsidies	0	Est. Stabilization /Perm Conversion Date	5/1/2028
Rental Subsidy Contract Term (Initial)	0	Lease-up Completion to Stabilization (months)	9

7d	Project Operating Cash-flow Summary				
Operating Budget and Reserve Balances					
	Year 1	Year 5	Year 10	Year 15	Terminal Year (17)
Adjusted Gross Income	5,859,300	6,467,571	7,317,463	8,279,038	8,698,164
Other Income/Subsidies	36,600	40,400	45,708	51,715	54,333
Projected Vacancy and Discount Loss	294,795	325,399	368,159	416,538	437,625
Effective Gross Income (EGI)	5,601,105	6,182,572	6,995,013	7,914,215	8,314,872
Total Operating Expenses	1,926,072	2,200,465	2,600,531	3,075,060	3,288,761
Reserve For Replacement	76,250	79,346	83,394	87,647	89,409
Net Operating Income (NOI)	**3,675,033**	**3,982,107**	**4,394,482**	**4,839,155**	**5,026,111**
Total Debt Service & Other Payments	3,194,124	3,194,124	3,194,124	3,194,124	3,194,124
Cash Flow After Debt Service	480,909	787,983	1,200,358	1,645,031	1,831,987
Debt Service Coverage Ratio	**1.15**	**1.25**	**1.38**	**1.52**	**1.57**
Income/Expense Ratio	**2.91**	**2.81**	**2.69**	**2.57**	**2.53**
Less:					
LP Management Fee*	15,000	16,883	19,572	22,689	0
GP Partnership Management Fee (See Note 2)	20,000	22,510	26,095	30,252	0
Other CalHFA approved Partnership Fee					
Total Fees	**$35,000.00**	**$39,393.00**	**$45,667.00**	**$52,941.00**	**$ 0.00**
Annual Cap Limit	**$38,000**	**$42,769**	**$49,581**	**$57,478**	**$60,979**
[*Note: Any Fees above the Annual Cap to be paid from Developer Distribution % below]					
Cashflow for Distribution					
Developer Distribution %	74%	74%	74%	70%	50%
Cumulative Developer Distribution	329,972	2,205,314	5,867,426	11,035,213	12,820,137
Residual Receipts %	26%	26%	26%	30%	50%
Cumulative Residual Receipts Repayment	115,936	774,840	2,061,528	3,966,836	5,751,760
Unpaid/Accrued CalHFA Loan Balance					
Perm Loan	44,627,263	43,512,362	41,634,432	39,023,353	37,712,878
MIP Loan	4,000,000	3,898,079	3,271,390	1,967,571	723,812
Reserves Balances					
Operating Reserve	1,706,732	1,706,732	1,706,732	1,706,732	1,706,732
Rent Reserve					
Transition Operating Reserve					
Replacement Reserve					
Other Reserve					

Notes: 1. None

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	HUD/County/Other	N/A	N/A	N/A
Section 8	HUD/County/Other	N/A	N/A	N/A
Other rental assistance	HUD/County/Other	N/A	N/A	N/A
Other Operating Subsidy	HUD/County/Other	N/A	N/A	N/A
Notes (if any): Project does not include rental or operating subsidies.				

7f	Reserve Requirements	
Name of Reserve	**Amount**	**Comments**
Operating Expense Reserve (OER)	$1,706,732	4 months of operating expense 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 for the term of the CalHFA permanent loan and in the event the OER is drawn down during the term of the loan, the OER must be replenished over a 12-month period to the original level.
Replacement Reserves (RR)	$0 (capitalized) $76,250 (annually)	A capitalized RR is not required for new construction projects. The annual RR amount is sized based on $250 per unit per year. CalHFA will hold this reserve.
Transitional Operating Reserve (TOR)	N/A	N/A

7g	Exit Analysis Requirements		
Exit Year	2041	**Assumed Refi Year**	2041
Cap Rate Increase	2.00%	**Interest Rate Increase**	3.00%
UW Loan Amount	$44,863,000	**Max. Refi Loan Size**	$40,325,389
Appraised Value	$70,419,876	**Max LTV at Refi**	57%
Unpaid Principal Balance (1st Lien)	$0	**Unpaid Principal Balance (MIP Subsidy Loan)**	$723,812

Notes:

- 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 loan. The MIP Subsidy loan will have an outstanding balance of $723,812. Hence, the refinancing is insufficient to fully repay the CalHFA debt.

Mitigation:

- If needed to mitigate the refinance risk, the Developer will be required to repay any remaining balance from General Partner contribution as part of the final close-out of the partnership obligations to allow re-syndication.

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 San Jose Building Codes and a seismic review performed by ENGTEGRITY dated 2/14/25 determined that the PML is 18%; this is lower than the 20% threshold so the project will not be subject to Earthquake Insurance.

8b	**Flood Designation and Insurance**

Flood Zone Designation:	X	Flood Insurance Required?	No

The subject is located in Flood Zone X or C (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, however HUD now requires that the project floor level be at least two feet above Base Flood Elevation. The Project has been determined to meet this requirement therefore the Project will not be subject to flood insurance.

8c	**Other Insurance Requirements**

None

9	**Third-party reports and diligence**
9a	Environmental Review Summary

Environmental Phase I Site Assessment Firm:	EBA Engineering		
Phase I ESA Report Date:	1/29/2024	Reliance Letter with CalHFA as relying party?	Yes
Phase II ESA Report Date:			
NEPA Review Completed?	Yes	NEPA review Date of completion:	4/14/25

- A Phase I Environmental Site Assessment identified no evidence of Recognized Environmental Conditions (RECs) and did not recommend any additional investigation.

Other Environmental Reports	
Asbestos-containing Material (ACM) Survey Required?	No
Date of Survey:	
Lead-Based Paint (LBP) Survey Required?	No
Date of Survey:	
Other Environmental Reports /studies completed:	Geotechnical, 1/24/2023

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 (City of San Jose Density Bonus Agreement)
☐	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 term of the ground lease is equal to or longer than the term of the CalHFA Regulatory Agreement.
☐	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
☐	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:

i. The City of San Jose will record a Density Bonus Agreement senior to the CalHFA documents and CalHFA will record a standstill agreement.
ii. To pay the deferred developer fee down by Year 15 pursuant to tax credit investor requirements, up to 100% of residual receipts will be needed. The Borrower will pay off the outstanding balance of the MIP loan at refinancing.

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

Current Ownership of Entity of Record:	Yi First Seed LLC

The current owner of the site, Yi First Seed LLC, and the Project co-developer, Corporation for Better Housing, entered into a Purchase and Sale Agreement ("PSA") dated 11/29/2023 which expires on 9/29/2024 for an amount of $7,650,000. The PSA was amended a third time on 1/24/25 and the purchase price increased to $8,150,000 with a closing deadline of 3/31/25. The developer has obtained a fourth extension dated 3/31/25 with a new deadline of 6/30/25.

11b	Ground Lease (if applicable)

Ground Lessor	N/A	Capitalized Ground Lease Payment and Source	N/A
Ground Lease Term	N/A	On-going Ground Lease Payment and Source	N/A

11c	Displacement and Relocation of existing tenants

The Project site currently includes 1 single-family home and 1 duplex which will be demolished during the course of construction. These homes are not rent restricted or otherwise designated "affordable". The residents will be relocated by the seller, at no charge to the Project, prior to the borrower taking ownership of the vacant site.

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	☐
Gym	☐	Washer/Dryer Hookups	☐
Picnic Area	☒	Dishwasher	☒
Central Laundry Facilities	☒	Garbage Disposal	☒

Gated Entry	☒	Free Internet Service	☐
Surveillance Cameras	☒	<Other>	☐
<Other>	☐	<Other>	☐
<Other>	☐	<Other>	☐
<Other>	☐	<Other>	☐
Notes (if any):			

11f	Legislative Districts & Local Support
Congress:	#18 Zoe Lofgren
Assembly:	#25 Ash Kalra
State Senate	#15 Dave Cortese
Local Support: The City of San Jose sent a locality contribution letter dated 5/29/2024 stating the city has no position (neither support nor oppose) on the project.	

12	**Development Team Experience**	
12a	Developer / Project Sponsor	
Name	Experience with CalHFA	If new, describe if minimum development experience requirements are met per USRM
JSL Real Estate Corporation	1 project in the pipeline (subject project) 0 projects completed	Emerging developer and does not meet the min 7-point requirements and is listed as a Co-Developer/Sponsor to demonstrate its Share of Developer Fee.

Developer Relationship Summary
[Pipeline]

Project Name	Project Status	Construction Loan Closing	Est. conversion	Perm Loan Amount	CalHFA Subsidy Amount
Julian Street Studios	Initial Commitment	6/30/2025	2/1/2028	$44,863,000	$4,000,000
			Grand Total	$48,863,000	

Co-Developer / Project Sponsor

Name	Experience with CalHFA	If new, describe if minimum development experience requirements are met per USRM
Corporation for Better Housing	4 projects in pipeline 5 projects completed	N/A

Co-Developer Relationship Summary [Pipeline]					
Project Name	Project Status	Construction Loan Closing	Est. conversion	Perm Loan Amount	CalHFA Subsidy Amount
The Atchison	Under Construction	12/1/2020	6/15/2025	$0	$10,000,000
Kawana Springs	Under Construction	11/30/2020	6/1/2025	$0	$7,450,000
Santa Rosa Avenue Apts.	Under Construction	11/29/21	11/15/2025	$0	$7,600,000
Shiloh Crossing	Under Construction	12/21/2022	2/1/2026	$21,696,000	$15,442,362
			Grand Total	$62,188,362	

Co-Developer Relationship Summary [Portfolio]								
Project Name	Project Status	Loan Origination Date	Loan Maturity Date	Loan Amount	UPB as of [date]	Most Recent DSCR	Most Recent Occ. (%)	Most Recent Risk Rating
Blackstone McKinley TOD	Active - AM	11/9/22	12/1/62 12/1/77	$3,305,000 $1,760,000	$3,232,217 $1,760,000	2.4	97	N/A
Crenshaw Family Apartments	Active - AM	9/28/2017	10/1/2057	$1,880,000 $300,000	$1,715,478 $300,000	0.21	92	Watchlist
Oak Creek Apartments	Active - AM	12/19/2019	3/1/2060 12/1/2074	$10,000,000 $1,500,000	$9,491,180 $1,488,304	0.82	85	Watchlist
Woodlake Terrace	Active - AM	11/16/2021	12/1/2061 11/1/2076	$1,600,000 $494,121	$1,551,380 $494,121	0.70	91	Watchlist
Reedley Village	Active - AM	8/30/2022	9/1/2052 9/1/2077	$1,050,000 $640,000	$1,023,684 $640,000	2.15	99	N/A

Notes:
Asset Management is working with the Borrower on the Watchlist projects to understand the circumstances and identify ways to Improve cashflow to increase DSCR. The Developer has responsibility for 76 projects of which 30 (40%) do not break even. This is mitigated by the Developer's overall DSCR being 1.30X, indicating that sufficient cash flow exists to support the underperforming projects in their portfolio.

12b	General Contractor
General Contractor name:	BLH Construction Co.
Affiliated entity of the Developer/Borrower?	Yes
Experience with CalHFA?	Yes

The general contractor (GC) is BLH Construction Co., 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 78 project(s) that have been completed and is working on 4 projects that are in the development stage.

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

The architect is The Dahlin Group, which has extensive experience in designing and managing similar affordable housing projects in California through the locality's building permit process, however, CalHFA is not familiar with the architect.

The architect and the developer have not yet worked together on any projects although the architect is very experienced with designing modular projects like the subject.

12d	Management Agent (Property Manager)
Name of the Firm	WinnResidential California LP
Third-party or Borrower Affiliate?	No
Management Fee (Annual fee %)	4.5%
Management Fee (Other incentives)	None
Total number of properties managed by the Property Manager (PM)	183 affordable projects in CA
Total number of properties managed for the Developer	89
Total number of properties the PM has in CalHFA portfolio	14
Any property management issues for CalHFA portfolio projects under the management of the Property Manager?	No – Asset Management reports that experience with Winn has been positive.
Notes (if any):	

12e	Borrower Affiliated Entities	
Borrower Legal Entity	**1271 E. Julian St., L.P.**	
Borrower Entity Type	A California limited partnership	
Member	% interest	Legal Entity Name:
Managing General Partner	0.048%	Corporation for Better Housing
Administrative General Partner	0.052%	JSL Real Estate Corporation
Investor Limited Partner	99.90%	Palm Drive Associates, LLC
	100.00%	

Managing General Partner	Corporation for Better Housing
Type of Legal Entity	A California nonprofit public benefit corporation
Ownership	% interest
	100%
	0%

Administrative General Partner	JSL Real Estate Corporation
Type of Legal Entity	A California Corporation
Ownership	% interest
CEO/Sole Owner: Jake Lingo	100%

Investor Limited Partner	Palm Drive Associates, LLC

Comments on Tax Credit Investor:

Comments on LPA nuances/concerns:

Notes (if any):
An additional administrative general partner, AC Julian GP, LLC, will be admitted. Documentation, HUD 2530 and a revised organizational chart will be submitted to CalHFA post construction closing. The developer fee split is under negotiation.

12f	Support Service Provider(s)
Name of Service Provider	LifeSTEPS
Required by TCAC or other funding sources?	Yes
Term of Services (on-site, number of years)	15
Support Services Budget included in the Operating Budget	$28,600
Per unit cost of support services meets USRM thresholds?	Yes

The Borrower has elected to provide supportive services to the residents through LifeSteps. Services will include 84 hours/week of adult education, health, and skill building classes and 106 hours/week of health and wellness services and programs.

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

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 offsite improvement construction costs, except to the extent such costs are attributable to improvements for the exclusive use by the tenants of the Project
7. The Borrower has requested that higher than 50% of surplus cash be available for the repayment of the deferred developer's fee (DDF) until the earlier of year 15 of operations is complete or full repayment of the DDF. Thereafter, the surplus cash split shall be 50% to Borrower and 50% to Residual Receipt lender(s). As a condition of this approval, the Borrower must provide evidence that the DDF repayment structure is required pursuant to the Limited Partnership Agreement (LPA). In addition, the owner must provide evidence of investor and all residual receipt lender(s) approvals of the total deferred developer's fee structure and residual receipt split. Residual receipt lenders must also agree to defer the payments on their loans.
8. Any default as to any loans by the Agency for the Development shall constitute a default under any other loans by the Agency for the Development.
9. The draft appraisal has been submitted and the final appraisal will be subject to Agency's review and approval prior to construction loan closing.
10. The total deferred developer's fee of $11,035,213 will not be fully repaid by year 15 per project cashflow, therefore the owner must provide evidence of investor approval of the total deferred developer's fee structure. Receipt of LPA and investor written approval evidencing that any outstanding deferred developer fee remaining in Year 15 will be treated as a developer contribution will be required prior to construction closing.
11. The locality is requiring the Borrower to encumber the Property by recording a Density Bonus Agreement. Prior to constructing loan closing and closing of the CalHFA loan(s), the Density Bonus Agreement is subject to CalHFA review and approval in accordance with agency underwriting standards. The Density Bonus Agreement will be subject to CalHFA subordination and/or standstill requirements at permanent loan closing.
12. Final environmental remediation and plan for existing structures must be provided and approved by CalHFA prior to construction loan closing. In addition, evidence of environmental clearance must be provided and approved by CalHFA prior to permanent loan closing.

13. CalHFA final commitment letter will include the requirement that Construction cost savings funds evidenced by the Final Cost Certification will be used to reduce the CalHFA subsidy (MIP) loan prior to CalHFA MIP loan closing.
14. Prior to final CalHFA approval, developer must provide evidence the expiration of the Purchase and Sales Agreement is extended beyond the anticipated construction loan closing date.
15. 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.
16. The LPA is not final, and this submission is based on the LOI provided by the investor. The LPA will be finalized prior to construction loan closing and reviewed to assure that it is acceptable to the Agency and consistent with the assertions made in the LOI.
17. The Phase I environmental report dated 1/29/24 may be stale dated if the FCL is not issued by 5/29/25. If so, then an update will be required confirming that no RECs exist, consistent with the existing report.

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.

Erwin Tam ______________________ Date: 5/7/2025

Erwin Tam
Director of Financing & Senior Loan Committee Chairperson

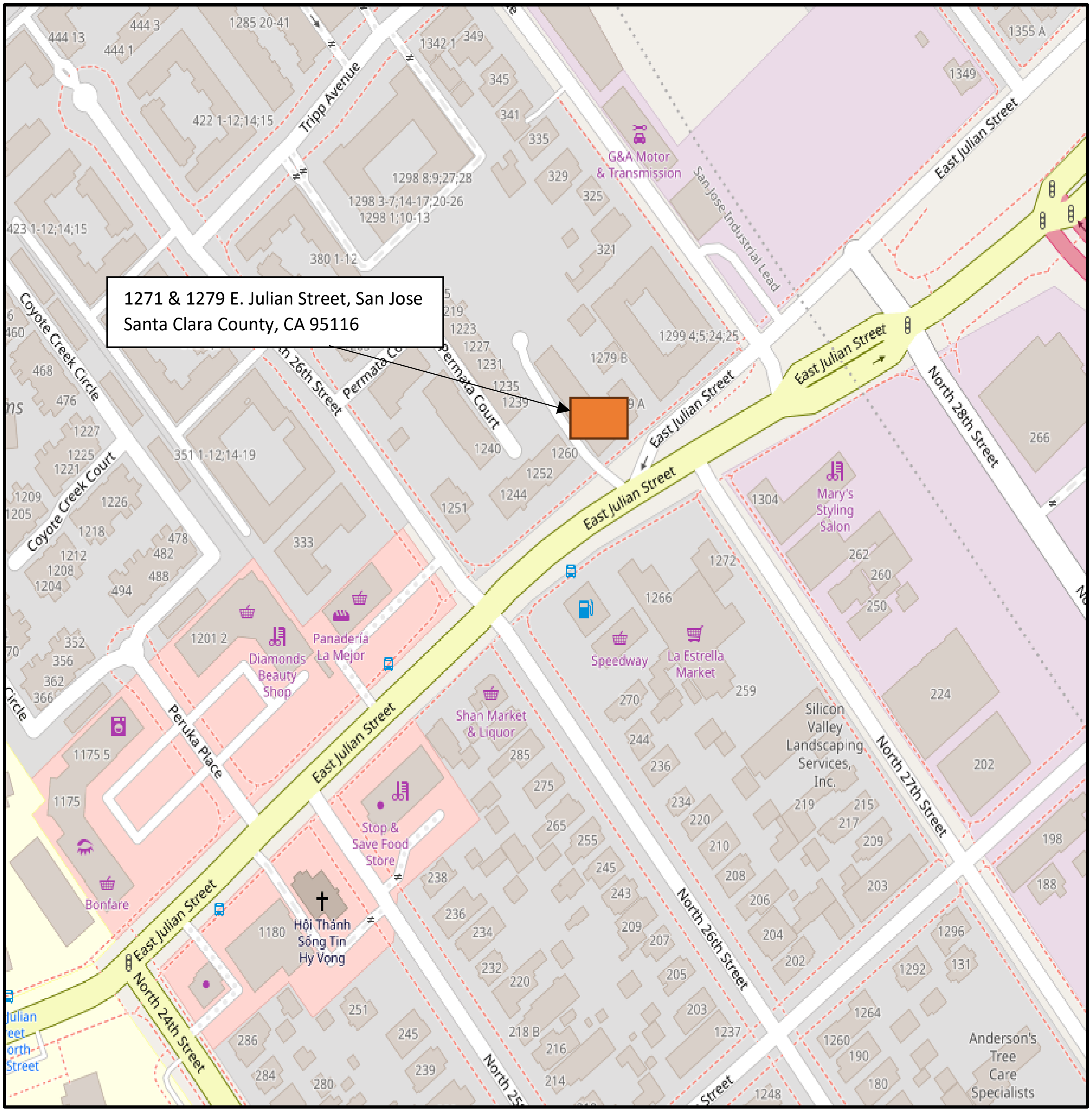
Approved by:

Rebecca Franklin
Digitally signed by Rebecca Franklin
DN: OU=Executive Office, O=California Housing Finance Agency, CN=Rebecca Franklin, E=rfranklin@calhfa.ca.gov
Location:
Foxit PDF Editor Version: 2024.4.1
______________________ Date: 05/08/2025

Rebecca Franklin
Chief Deputy Director
CalHFA

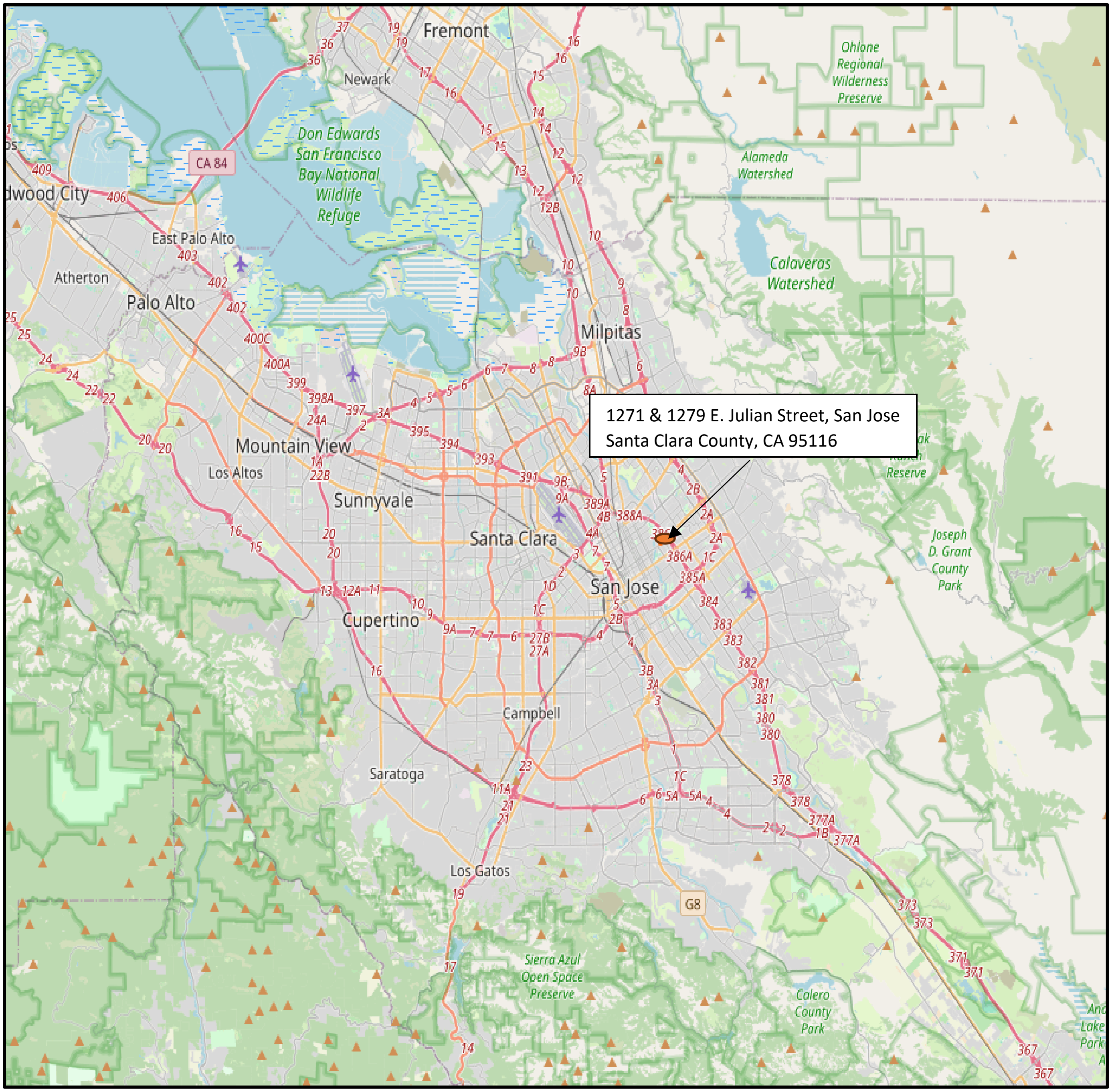
Julian Street Apartments

Near



Julian Street Apartments

Far



BOARD OF DIRECTORS
OF THE CALIFORNIA HOUSING FINANCE AGENCY

RESOLUTION NO. 25-14

RESOLUTION AUTHORIZING A FINAL LOAN COMMITMENT

WHEREAS, the California Housing Finance Agency (the "***Agency***") has received a loan application on behalf of 1271 E. Julian St., 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 San Jose, County of Santa Clara, California, to be known as Julian Street Studios (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 25-08, 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	
24-005-A/X/N	JULIAN STREET STUDIOS City of San Jose, County of Santa Clara California	$44,863,000.00	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, Claire Tauriainen, 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. 25-14 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 22nd day of May, 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 22nd day of May, 2025.

ATTEST: ________________________________
CLAIRE TAURIAINEN
Secretary of the Board of Directors of the
California Housing Finance Agency

MEMORANDUM

To: Board of Directors **Date:** May 22, 2025

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

Subject: Agenda Item #6 – Final Loan Commitment for Vera Avenue Apartments, Project No. 24-003

Action: CalHFA Senior Loan Committee has recommended that Chief Deputy Director, Rebecca Franklin, seek Board approval and final loan commitment for the Vera Avenue Apartments Development by approving Resolution Number 25-15.

Development Information:

- The Executive Director has Board delegated authority to approve loans up to $15,000,000, therefore, the Vera Avenue Apartments Development is seeking Board approval for a $28,538,000 tax-exempt permanent loan and a $4,000,000 Mixed-Income Program subsidy loan, to construct a 178-unit new construction development at a total development cost per unit of $581,003.

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

- The Vera Avenue Apartments Development is proposed to be constructed in Redwood City, San Mateo County and developed by Summix, LLC (with Corporation for Better Housing as co-developer).

- Energy efficient and green design features include: A photovoltaic solar system, enhanced insulation, Transit-Oriented Design walkable to high-quality transit, sustainable construction methods, and Energy Star appliances.

- Recommended underwriting exceptionss are: 1) the CalHFA regulatory agreements will not be recorded in senior position as Redwood City is requiring a Density Bonus Agreement to be recorded in senior position to the CalHFA Deeds of Trust; and 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	24003
Project Name	Vera Avenue Apts.
Type of Development	New Construction
Type of Project	Family
Total Units [MIP Restricted Units]	178 [176 restricted]
Street Address	112 Vera Avenue
City, County, Zip Code	Redwood City, San Mateo County
Borrower (Legal entity name)	112 Vera Ave., L.P.
Developer(s)	Summix LLC
Co-Developer	Corporation for Better Housing
Approved Conduit Issuances	
Conduit T/E Issuance [CDLAC Meeting: 8/6/2024]	$55,000,000 (Includes 10% cushion and rounded to nearest $1m) (assuming current need $49,815,000)
Conduit Taxable Issuance	$40,000,000 (Includes 10% cushion and rounded to nearest $1m) (assuming current need $35,500,000)
Recycled Bond Volume Cap to be utilized, if available at conversion by CalHFA	$9,000,000 (Includes 10% cushion and rounded to nearest $1m) (assuming current need $8,000,000) Expected Conversion: 12/1/27
Requested CalHFA Financing for Approval	
CalHFA Tax-Exempt Permanent Loan Amount	$28,538,000 UW Rate and Loan Term: Est. 6.67%, fixed; 1st lien; 40/17
CalHFA Taxable Permanent Loan Amount (if any)	$0 UW Rate and Loan Term: N/A
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 17 years
Key Dates and Approvals	
SLC Initial Commitment Approval **Declaration of Intent Date – 2/21/2024**	4/22/2024
SLC Final Commitment Approval Date	5/7/2025
CDLAC Volume Cap Award Date	8/6/2024
CTCAC Tax Credit Award Date	8/6/2024
CDLAC Closing Deadline	7/11/2025
Construction Loan Closing Date [Est.]	6/30/2025
Est. CalHFA Loan Closing (perm conversion) Date	12/1/2027
Federal Tax Credits (LIHTC) Requested	Federal LIHTC Amount: $46,926,320 ($0.88/credit) ($266,627/restricted unit)
State Tax Credits Requested	State Tax Credit Amount: $23,969,101 ($0.88/credit) ($136,188/restricted unit)

1	Project Summary
1a	Project Description

Vera Avenue Apts. (the "Project") is a new construction, family, mixed-income project. The total development site area is 0.6 acres and is located in Redwood City, San Mateo County. The Project will consist of one, 7-story high-rise, elevator serviced building. The Project will have a total of 178 residential units, of which 176 units will be restricted between 30% and 70% of the San Mateo County Area Median Income (AMI). There will be 25 studio units (411 sq. ft.) and 153 one-bedroom units (450 sq. ft.). In addition, 2 of the one-bedroom units will serve as the managers' units. The Project will have 6 spaces for residential parking which complies with the Redwood City parking requirements as well as density bonus requirements as described in sections 1b and 3b.

The site is currently occupied by 5 partially built single family residential structures that are vacant and will be demolished during construction. These structures began construction in 2019 and do not pose any environmental risks.

The Project's financing structure includes financing from: Tax-exempt (T/E) bonds, Taxable bonds, Recycled T/E bonds, 4% Federal Low Income Housing Tax Credit (LIHTC) equity, State Housing Tax Credit Equity, CalHFA Tax-Exempt Permanent Loan, and CalHFA Subordinate financing through Mixed-Income (MIP) Subsidy Loan.

Residential Areas		Commercial Areas (If Mixed-use)	
Land Area (Acres)	0.6	Land Area (Acres)	N/A
Residential Units / Acre	297	Number of Lease spaces	N/A
Residential Area (Sq. Ft)	93,870	Commercial Area (Sq. Ft)	N/A
Community Area (Sq. Ft)	3,580	Commercial Parking Spaces	N/A
Supportive Services Area	N/A	Master Lease?	N/A
Residential Parking Space	6	Condo Structure	N/A

Notes (if any):

1b	Project Location Geocoder Information

The Project is in Redwood City, San Mateo County. The project will be subject to a density bonus agreement ("DBA"), required by the city, at construction closing. The DBA is expected to restrict 176 units at or below 70% AMI. In exchange for these restrictions, the DBA will allow for reduced parking requirements, increased building height, and reduced setback requirements. The DBA will be subject to CalHFA subordination or standstill agreement at permanent loan closing.

Inside Principal City?	Yes	Underserved or Distressed Tract?	No
Census Tract (CT)	06-081-6102.03	% Population Below Poverty Line	12.82%
CT Minority Population %	89.46%	Rural Area?	No
CT Income Level	Low	2024 Est. CT Median Family Income	$184,200
CDLAC/TCAC Opportunity Area Category		Low Resource	
CDLAC/TCAC Geographic Region		South and West Bay Region: San Mateo and Santa Clara 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): Summix, LLC		**Co-developer (if any):** Corporation for Better Housing	
New to CalHFA?	Yes	New to CalHFA?	No
Affordable Housing/LIHTC experience?	Yes	Affordable Housing/LIHTC experience?	Yes
Has Projects in California?	No	Has Projects in California?	Yes
Borrower (Legal entity): 112 Vera Ave., L.P.		**Co-Borrower (if any):** N/A	
Construction (Senior) Lender: 1) Banc of California		**Construction Subordinate Lender(s):** N/A	
Permanent 1st lien Lender: 1) CalHFA		**Permanent Subordinate Lender(s):** 1) CalHFA (2nd lien)	
Federal LIHTC Investor: Palm Drive Associates, LLC		**State LIHTC Investor:** Palm Drive Associates, LLC	
Tax Credit Amount	$46,926,320	Tax Credit Amount	$23,969,101
Solar Tax Credit Investor: **N/A**			
Tax Credit Amount	$194,363		
General Contractor: BLH Construction		**Management Company (Property Manager):** WinnResidential California LP	
Is an affiliate of Developer?	Yes	Is an affiliate of Developer?	No
Experience with CalHFA?	Yes	Total number of properties managed	237
Architect: AO Architects		**Service Provider:** LifeSteps	
Has worked with GC? (Two projects in pre-dev)	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)	$24,000
Has housing projects in CA?	Yes	Per unit cost of services meets USRM req.?	Yes
Financial Advisor:		**Project Consultant:**	

Notes (if any):

1. Tax credit pricing based on executed Letter of Interest from Palm Drive Associates, LLC dated 2/27/2025.
2. Summix LLC (“Summix”) is an emerging developer that was formed in 2015 and is wholly owned by its CEO, Justin Hardt. Summix has not been the lead developer on any prior projects, though its CEO has been in the housing development industry since 2004. To meet development team requirements, Summix has partnered with Corporation for Better Housing, which has extensive experience in developing LIHTC projects and meets CalHFA’s development team requirements.
3. The Borrower will add an additional administrative general partner, AC Redwood GP, LLC. The developer fee split is to be determined and an updated organizational chart is to come. The timing for this is expected to be post construction closing due to the time needed to obtain the

HUD 2530.

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:
  - Construction Lender is Banc of California (US Bank at Initial Commitment)
  - Investor is Palm Drive Associates, LLC (Walker & Dunlop at Initial Commitment)
  - The Borrower will add an additional administrative general partner, AC Redwood GP, LLC.

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 ($)	$28,538,000	$4,000,000	$32,538,000
Loan Term (Year)	17	17	
Amort. Term (Year)	40		
Amort. Type	Partially Amortizing	Non-amortizing	
Lien Position	1st	2nd	
UW Interest Rate % (See Note 1)	Est. 6.67%	3.00%	
Loan to Value (%) (See Note 2)	60.60%	8.05%	
Combined LTV (CLTV) (%) (See Note 2)			69.09%
Loan to Cost (%) (See Note 3)	27.6%	3.9%	31.5%
Loan Repayment Source	Net Operating Income (NOI)	Residual Receipts	

Notes: 1. The interest rate spread will be locked upon Final Commitment 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 included 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% and maximum CLTV 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 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.
☐	[If ground lease owned by for-profit entity, add:] The Agency shall encumber both the fee and leasehold interests in the Development as security for its deeds of trust and regulatory agreements.
☐	[If ground lease owned by locality/non-profit and it meets USRM requirements, add:] 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): 1. Redwood City is requiring the Density Bonus Agreement to be recorded in senior position to the CalHFA Regulatory Agreements and Deeds of Trust. The Density Bonus Agreement will not have foreclosure rights. The Density Bonus Agreement will be subject to CalHFA subordination and/or standstill agreements at permanent loan closing. Redwood City is reviewing the CalHFA boilerplate standstill agreement.	

5	Project Budget & Total Development Cost
5a	Construction Financing

Construction Lender	Banc of California
CDLAC/CTCAC Construction Closing Deadline	7/11/2025

	Bond Issuance Amount	Type of Issuance
Construction Conduit Issuance Amount	$49,815,000	Tax-Exempt
Construction Conduit Issuance Amount	$35,500,000	Taxable
Construction Conduit Issuance Amount	$8,000,000	T/E Recycled
Total	$93,315,000	

	Loan Amount	UW Rate	Loan Term
Construction Loan (T/E) (Interest-only, 1st lien during construction)	$57,815,000	6.83%, Fixed/Variable (See Note 1)	36-month with one 6-month extension
Construction Loan (Taxable) (Interest-only, 1st lien during construction)	$35,500,000	7.08%, Fixed/Variable (See Note 2)	36-month with one 6-month extension
<Other Construction loan>			

Notes:

1. Construction Loan T/E is a variable rate [SOFR+250 bps, Index 30-day Average SOFR]. Current SOFR as of 4/20/25 is 4.33% and the all-in rate is 6.83%. The loan term includes 6 months extension at $15,000.
2. Construction Loan (Taxable) is a variable rate [SOFR+275 bps, Index 30-day Average SOFR]. Current SOFR as of 4/20/25 is 4.33% and the all-in rate is 7.08%. The loan term includes 6 months extension at $15,000.
3. 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
Banc of California TE (Loan)	$49,815,000	53.24%
Banc of California REC (Loan)	$8,000,000	8.55%
Banc of California TAX (Loan)	$35,500,000	37.94%
Tax Credit Equity	$250,000	0.27%
Total Construction Sources	**$93,565,000**	**100%**

5c	Construction Uses	
Construction Uses:	Amount ($)	% of Total
Land and Improvement Value	$6,000,000	6.41%
Other Acquisition Costs	$250,000	0.27%
Construction/Rehab Costs	$59,103,642	63.17%
Soft Costs (A&E, Legal, Title, and Other Soft Cost)	$5,652,031	6.03%
Hard Cost contingency	$2,955,183	3.16%
Soft Cost contingency	$1,230,000	1.31%
Financing Costs (Interest Reserves, Fees, Taxes, and Insurance)	$12,057,144	12.89%
Local Impact Fees and Permit Fees	$3,657,000	3.91%
Deferred Developer Fee	$0	0.00%
Cash Portion Developer Fee	1,535,900	1.66%
Other Costs (TCAC Fees, Furnishing, and Other Misc. Fees)	$1,124,100	1.20%
Operating Reserves	$0	
Total Construction Uses	**$93,565,000**	**100%**
Total Construction Cost per unit	**$525,646**	
Total Construction Cost per CalHFA MIP Regulated Unit	**$531,619**	

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. Acquisition Costs included in the budget are $6,250,000, which complies with Agency's underwriting (USRM) standards. The total Acquisition costs include as-is land cost (per arms-length purchase and sales contract) of $6,000,000 and demolition costs of $250,000.
3. The total hard cost contingency in the project is 5.70% of the Hard costs, which includes the contingency in the GC Schedule of Values (SOV) and will be reviewed by the CalHFA inspector to meet the USRM requirements and project scope for completion within the stipulated budget.
4. The total soft cost contingency in the project is 3.39% of eligible costs and has been reviewed by Multifamily staff to meet the USRM requirements and project scope for completion within the stipulated budget.
5. The construction budget includes $1,750,000 for offsite improvements. Pursuant to the USRMs the offsite improvements must be funded by non-CalHFA sources.

5d	Third-party Plan & Cost Review Summary
General Contractor (GC) Name:	BLH Construction
GC Budget (per Schedule of Values)	$59,103,642
% of Builder overhead, profit, and general requirements (TCAC allowable 14%)	12.3%
Type of Construction Contract:	GMP
GC Contract Executed? If not, provide status:	In process
GC Hard-Cost Contingency and Sufficiency:	5.70% - Exceeds USRM and Investor LOI minimum
Notes:	

- Banc of California has engaged Hillman to perform an independent third-party review of project plans and specifications (plan & specs) and cost review.
- The draft/final Plan and Cost Review report is in process and will be reviewed by CalHFA Inspector. The final Plan and Cost Review will be signed off by CalHFA Inspector and is a condition to construction closing.
- The project hard cost contingency in the General Contractor's Schedule of Values (SOV) as well as the project hard cost contingency included in the overall budget are sufficient per the review completed by CalHFA inspector and meets the USRM requirements for minimum contingency levels.
- The project budget includes $40,000 in environmental remediation costs which has been reviewed by the CalHFA Inspector for its scope and sufficiency. The remediation is necessary to remove asbestos from five existing structures during demolition on the subject property.

5e	Permanent Sources and Uses

Permanent Sources:	Amount ($)	% of Total
CalHFA Perm (Loan)	$28,538,000	27.6%
CalHFA MIP (Loan)	$4,000,000	3.9%
Solar Tax Credits	$194,693	0.2%
Deferred Developer Fee	$8,304,100	8.0%
Tax Credit Equity	$62,381,740	60.3%
Total Permanent Sources	**$103,418,533**	**100%**

Permanent Uses:	Amount ($)	% of Total
Total Loan Payoffs	$93,565,000	90.5%
Other Acquisition Costs	$0	0.0%
Equity	$0	0.0%
Financing costs	$468,070	0.5%
Soft costs	$0	0.0%
Operating Reserves	$1,095,637	1.1%
Cash Developer Fee paid at Perm Conversion	$0	0.0%
Deferred Developer Fees paid from cashflow	$8,304,100	8.0%
Total Permanent Uses	**$103,418,533**	**100%**
Total Development Cost per unit	**$581,003**	
Total Development Cost per CalHFA MIP Restricted Unit	**$587,605**	
Notes (if any):		

5f	Federal and State Tax Credits			
Federal LIHTC Tax Credit Investor /Syndicator		Palm Drive Associates, LLC		
State Housing Tax Credit Investor /Purchaser		Palm Drive Associates, LLC		
Other Tax Credit Investor/Purchaser		N/A		
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)	$46,926,320	$0.88	$41,291,032	$234,608
Federal Tax Credits (Acq.)	$0		$0	$0
State Housing Tax Credits	$23,969,101	$0.88	$21,090,707	$119,834
<Other Tax Credits: Solar>	$194,363	$0.88	$194,363	$1,092
Total	$71,089,784		$62,576,102	$355,534

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 TCAC.

50% Aggregate Basis Test Requirements	
Accountant prepared Draft Financial Projections date	September 30, 2024
Accounting firm name	Bowman
T/E Private-Activity Bond Volume Cap Allocated	$49,815,000
Aggregate Basis of building and land costs considered	$97,145,925
% of Aggregate basis financed by T/E Bonds	51.28%
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)	$4,686,812	$1,535,900
Deferred Developer Fee (DDF) paid from project cash-flow (b)	N/A	$8,304,100
Total Developer Fee (a) + (b)		$9,840,000
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 a 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. Value engineering firm will be engaged during the design process to help identify potential cost savings.
3. GC will be required to provide a minimum of 3 bids (when available) for each trade, particularly for all major trades.
4. The developer and contractor will develop a critical path method to ensure key construction milestones are met.

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
☒	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.
☒	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.
☒	Inflation factors and vacancy rates are consistent with the Agency's underwriting standards (USRM)
☒	Developer Fee requirements consistent with CalHFA underwriting standards and/or CTCAC Regulation 10327(c)2(B)
☒	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.
☒	State Tax Credits (STC) maximum requested amount is consistent with CTCAC Regulations 10317
☒	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.
☒	CalHFA Loan Agreement has the requirement that Construction cost savings funds evidenced by the Final Cost Certification will be used to reduce the CalHFA subsidy (MIP) loan prior to CalHFA MIP loan closing.

5j	High-Cost Explanation	
Total Development Cost (TDC)		$103,418,533
Total Units		178
TDC/Unit		$581,003
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 (54 units) at or below 60% AMI and 10% of the total units (18 units) at 50% AMI for 55 years.

The CalHFA Subsidy Regulatory Agreement will restrict 176 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%	50%	60%	70%	80%	120%	Regulated	Regulated
CalHFA Bond	2nd		18	53				**71**	40%
CalHFA MIP	3rd	18	36		18		104	**176**	100%
CTCAC	4th	31	75	51	19			**176**	100%
Density Bonus	1st		9			152	15	**176**	100%
Ground Lease								**0**	0%
Other								**0**	0%
TOTALS		31	75	51	19	0	0	**176**	100%

Notes (if any):

1. The CalHFA MIP Subsidy Regulatory Agreement requires 30% of total units at or below 50% of AMI. Of these, a minimum of 10% of total units must be at or below 30% of AMI (18 units at 30% AMI and 36 units at 50% AMI). An additional 10% of total units (18 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 104 restricted units will be restricted at or below 120% of AMI.
3. In addition, Redwood City is requiring a Density Bonus Agreement which will be subject to CalHFA review and approval and further subjected to a CalHFA subordination or standstill agreement at permanent loan closing.

6b	Unit Distribution for each AMI category

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

AMI Category	Total	Studio	1-bdrm	2-bdrm	3-bdrm	4-bdrm	% of Total
30% AMI	31	5	26				17%
50% AMI	75	11	64				42%
60% AMI	51	6	45				29%
70% AMI	19	3	16				11%
Manager's Unit	2	0	2				1%
Total	178	25	153				100%

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.
- The CalHFA regulatory agreement(s) will require minimum underwriting rent levels as outlined above.

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

Market Study firm: Novogradac	Market Study Date: 2/12/2024
Market Study date within 180 days?	No
Proposed Market Rents for subject property	Studio- $3,020, 1BR- $3,148 CalHFA staff has confirmed that the underwritten rents are currently at least 10% below market rents, which is a CalHFA Term Sheet requirement, and will be verified per CalHFA ordered appraisal.
Targeted population income range	30% - 70% AMI
Absorption Period	5 months
Absorption rate	40 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	N/A
Utility allowance schedule included in market study report?	Yes

Regional Market Overview

- The Primary Market Area generally consists of the communities of Redwood City, Emerald Hills, North Fair Oaks, Atherton, and Menlo Park (population of 134,784) and the Secondary Market Area ("SMA") is San Francisco-Oakland-Berkeley, CA Metropolitan Statistical Area (population of 4,788,510)
- The general population in the PMA is anticipated to increase by 0.5% per year and the population in the SMA will increase by 0.1% per year.
- Unemployment in the SMA is 3.6%, which evidences a strong employment area.
- Median home value in the PMA is $1,700,000.

Local Market Area Analysis

- **Supply:**
  - There are currently 13 affordable family projects in the PMA and they are 96% occupied with long wait lists.
  - There are 4 affordable family projects under construction.
  - There are 7 affordable and affordable/market family projects with a total of 1,249 estimated units that have been proposed to the locality that have yet to start construction.
- **Demand/Absorption:**
  - The Project will need to capture 11.6% of the total demand for family units in the PMA. The affordable units are anticipated to lease up at a rate of 40 units per month and reach full occupancy within 5 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: Colliers International	Appraisal Date: TBD. CalHFA provided report comments 1/14/25 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: Banc of California	Reliance by CalHFA (if co-engaged): Yes	
Appraisal within 90 days of Final Commitment?	Yes	
Appraisal premise	Interest appraised	Valuation
Market Value as-is	Fee Simple	$7,980,000
Market Value upon completion/stabilization as if unencumbered by restricted rents	Fee Simple	$108,800,000
Market Value upon completion/stabilization as encumbered by restricted rents	Fee Simple	$49,600,000
Land Value – net of demolition costs	Fee Simple	$8,230,000
	Underwritten NOI	***Appraisal NOI***
Appraiser Firm	Colliers International	Colliers International
Appraisal Date	TBD	TBD
Appraised As-is Value	$7,980,000	$7,980,000
Appraised Land Value	$8,230,000	$8,230,000
Appraised As-Completed Value (Restricted)	$49,629,958	$49,629,958
Appraisal Investment Value	$108,800,000	$108,800,000
Appraisal Cap rate	5.00%	4.75%
NOI (Stabilized Year)	$2,354,753	$2,357,423
Appraisal Cap rate	N/A	4.75%
As-completed Restricted Value Calculated for UW NOI	$47,095,068	$49,629,958
1st Lien Loan	$28,538,000 -	$28,538,000 -
Does the Perm loan include Cash equity payment?	No	No
LTV	60.60%	57.50%
Max LTV allowed	90.00%	90.00%
LTV Check	TRUE	TRUE
Total CalHFA loans	$32,538,000 -	$32,538,000 -
CLTV calculated	69.09%	65.56%
Max CLTV allowed	120%	120%

CLTV Check	OK	OK
LTV Stress Test for HUD Risk Share Underwriting Requirements		
Cap Rate Stress %	0.50%	0.50%
Cap Rate for Stress Test 1	5.50%	5.25%
1st Lien Loan	$28,538,000	$28,538,000 -
Restricted Value	$42,813,698	$36,438,000
LTV (Stress Test 1)	66.66%	63.55%
Total CalHFA loans	$32,538,000 -	$32,538,000 -
CLTV (Stress Test 1)	76.00%	72.46%
	OK	OK

Comments:
The Borrower's estimated NOI is $2,354,753 which is approximately $2,670 (~0.11%) lower than the estimated NOI on the appraisal report:

- The proposed operating expense is consistent with and is reasonable based on the appraisal report.
- Considering the deviation, the proposed operating expenses are reasonable based on the developer's experience with operating a similar project in the area and per the management agreement.
- The capture rate and absorption rate are 40 units per month and should equal a 5-month lease-up period, which is generally consistent with the market study.
- Cap Rate comments: The cap rate of 4.75% is based on the most recent information on comparable properties, which is six months old. Assuming an increase in cap rates due to current market conditions by 50 basis-points (5.25%), the LTV would be 72.46% which is within underwriting standards.

7c	Project Operating Budget Assumptions		
Total Units	178	Construction Start Date	7/1/2025
Regulated Units	176	Construction Completion Date	7/1/2027
Manager Units (Market Rate)	2	Construction Period (months)	24
Total Residential Square Feet	93,870	Lease-up Commencement Date	8/1/2027
Avg Sq Ft/Unit	445	Lease-up Completion Date	9/1/2027
Rental Subsidies?	0	Lease-up Period (months)	5
No. of Units with Rental Subsidies	0	Est. Stabilization /Perm Conversion Date	3/31/2028
Rental Subsidy Contract Term (Initial)	0	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 (17)
Adjusted Gross Income	**3,762,972**	**4,153,617**	**4,699,436**	**5,316,981**	**5,586,153**
Other Income/Subsidies	21,360	23,577	26,676	30,181	31,709
Projected Vacancy and Discount Loss	189,217	208,860	236,306	267,358	280,893
Effective Gross Income (EGI)	3,595,115	3,968,335	4,489,806	5,079,804	5,336,969
Total Operating Expenses	1,240,362	1,417,317	1,675,365	1,981,499	2,119,380
Reserve For Replacement	44,500	46,307	48,669	51,152	52,180
Net Operating Income (NOI)	**2,354,753**	**2,551,018**	**2,814,442**	**3,098,305**	**3,217,589**
Total Debt Service & Other Payments	2,046,549	2,046,549	2,046,549	2,046,549	2,046,549
Cash Flow After Debt Service	308,204	504,468	767,892	1,051,756	1,171,040
Debt Service Coverage Ratio	**1.15**	**1.25**	**1.38**	**1.51**	**1.57**
Income/Expense Ratio	**2.90**	**2.80**	**2.68**	**2.56**	**2.52**
Less:					
LP Management Fee*	15,000	16,883	19,572	22,689	0
GP Partnership Management Fee (See Note 2)	20,000	22,510	26,095	30,252	0
Other CalHFA approved Partnership Fee					
Total Fees	**$35,000**	**$39,393**	**$45,667**	**$52,941**	**$ 0.00**
Annual Cap Limit	**$38,000**	**$42,769**	**$49,581**	**$57,478**	**$60,979**
[*Note: Any Fees above the Annual Cap to be paid from Developer Distribution % below]					
Cashflow for Distribution					
Developer Distribution %	89%	89%	89%	86%	50%
Cumulative Developer Distribution	243,152	1,639,283	4,388,558	8,304,100	9,445,115
Residual Receipts %	11%	11%	11%	14%	50%
Cumulative Residual Receipts Repayment	30,052	202,608	542,406	1,059,982	2,200,997
Unpaid/Accrued CalHFA loan Balance					
Perm Loan	28,390,480	27,691,715	26,511,523	24,865,679	24,037,976
MIP Loan	4,000,000	4,328,550	4,617,039	4,759,821	4,304,523
Reserves Balances					
Operating Reserve	1,095,637	1,095,637	1,095,637	1,095,637	1,095,637

Rent Reserve					
Transition Operating Reserve					
Replacement Reserve					
Other Reserve					
Notes: None					

7e	Rental Assistance and Other Subsidy			
N/A				
Type of Rental Subsidy	**Subsidy Administrator**	**Initial Term of Rental Subsidy Contract**	**Eligible Units**	**Renewal/Additional Term for Subsidy Contract**
Project-based Vouchers	HUD/County/Other	N/A	N/A	N/A
Section 8	HUD/County/Other	N/A	N/A	N/A
Other rental assistance	HUD/County/Other	N/A	N/A	N/A
Other Operating Subsidy	HUD/County/Other	N/A	N/A	N/A
Notes (if any): Project does not include rental or operating subsidies.				

7f	Reserve Requirements	
Name of Reserve	**Amount**	**Comments**
Operating Expense Reserve (OER)	$1,095,637	4 months of operating expense 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 for the term of the CalHFA permanent loan and in the event the OER is drawn down during the term of the loan, the OER must be replenished over a 12-month period to the original level.
Replacement Reserves (RR)	$0 (capitalized) $44,500 (annually)	A capitalized RR is not required for new construction projects. The annual RR amount is sized based on $250 per unit per year. CalHFA will hold this reserve.
Transitional Operating Reserve (TOR)	N/A	N/A

7g	Exit Analysis Requirements		
Exit Year	2041	**Assumed Refi Year**	2041
Cap Rate Increase	2%	**Interest Rate Increase**	3%
UW Loan Amount	$28,538,000	**Max. Refi Loan Size**	$25,676,448
Appraised Value	$45,070,639	**Max LTV at Refi**	57%

Unpaid Principal Balance (1st Lien)	$24,465,586	**Unpaid Principal Balance (MIP Subsidy Loan)**	$3,093,661

Notes:

- The primary source of repayment for both the CalHFA 1st lien loan and the MIP subsidy loan is the 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 loan, but only a portion of the MIP Subsidy loan leaving an outstanding balance of $3,093,661 (Principal and accrued interest). Hence, the refinancing is insufficient to fully repay the CalHFA debt.

Mitigation:

- To mitigate the refinance risk, the Developer will be required to repay any remaining balance from General Partner contribution as part of the final close-out of the partnership obligations to allow re-syndication.

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 Redwood City Building Codes. The developer engaged ENGTEGRITY to perform a PML study dated 2/14/25 which showed a loss estimate of 12%. This is below the 20% threshold so the Project will not be subject to Earthquake Insurance.

8b	**Flood Designation and Insurance**

Flood Zone Designation:	X	Flood Insurance Required?	No

The subject is located in Flood Zone X or C (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, however HUD now requires that the project floor level be at least two feet above Base Flood Elevation. The Project design shows that it will be built well above the Base Flood Elevation and the developer will obtain from FEMA a Letter of Map Adjustment (LOMA) substantiating this. Therefore, the Project will not be subject to flood insurance.

8c	**Other Insurance Requirements**

None

9	**Third-party reports and diligence**
9a	Environmental Review Summary

Environmental Phase I Site Assessment Firm:	EBA Engineering		
Phase I ESA Report Date:	4/29/2024	Reliance Letter with CalHFA as relying party?	Yes

Phase II ESA Report Date:	N/A		
NEPA Review Completed?	Yes	NEPA review Date of completion:	2/20/25

- A Phase I Environmental Site Assessment identified no evidence of Recognized Environmental Conditions (RECs) and did not recommend any additional investigation. The report is dated 1-29-24 and may be stale dated if the FCL is not issued prior to 5-29-25. If so, an updated report will be provided prior to construction close confirming no new REC's exist.

Other Environmental Reports	
Asbestos-containing Material (ACM) Survey Required?	No
Date of Survey:	4/29/24
Lead-Based Paint (LBP) Survey Required?	No
Date of Survey:	4/29/24
Other Environmental Reports /studies completed:	Geotechnical, 1/16/2024

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 (Redwood City Density Bonus Agreement)
☐	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 exceeds any CalHFA subsidy or perm loan term(s) by 10 years or more. The term of the ground lease is equal to or longer than the term of the CalHFA Regulatory Agreement.
☐	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

☐	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:

i. Redwood City will record a Density Bonus Agreement senior to the CalHFA documents and CalHFA will record a standstill agreement.
ii. To pay the deferred developer fee down by Year 15 pursuant to tax credit investor requirements, up to 100% of residual receipts will be needed. The Borrower will pay off the outstanding balance of the MIP loan at refinancing.

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

Current Ownership of Entity of Record:	Scott Galet, as Conservator of the Estate of Robert J. Galet, Conservatee

The current owner, Scott Galet, as Conservator of the Estate of Robert J. Galet, Conservatee, of the site and the Project developer, Corporation for Better Housing, entered into an arms-length transaction Purchase and Sale Agreement dated 9/27/2023 which expires on 9/30/2024 for an amount of $6,000,000. The developer obtained from the seller an extension to the agreement dated 2/28/25 that expires beyond the anticipated construction closing date. The developer deposited another $88,995 into escrow of which $50,000 will be applied to the purchase price.

11b	Ground Lease (if applicable)		
Ground Lessor	N/A	Capitalized Ground Lease Payment and Source	N/A
Ground Lease Term	N/A	On-going Ground Lease Payment and Source	N/A

11c	Displacement and Relocation of existing tenants

- The Project is new construction and existing structures are vacant. 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 because of this development.

11e	Project Amenities

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

11f	Legislative Districts & Local Support

Congress:	#15 Kevin Mullin
Assembly:	#21 Diane Papan
State Senate	#13 Josh Becker

Local Support:
The City of Redwood City sent a locality contribution letter dated 4/5/2024 indicating there is support for the project.

12	**Development Team Experience**
12a	Developer / Project Sponsor

Name	Experience with CalHFA	If new, describe if minimum development experience requirements are met per USRM
Summix, LLC	1 project in the pipeline (subject project) 0 projects completed	Emerging developer and does not meet the min 7-point requirements and is listed as a Co-Developer/Sponsor to demonstrate its Share of Developer Fee.

Developer Relationship Summary [Pipeline]					
Project Name	Project Status	Construction Loan Closing	Est. conversion	Perm Loan Amount	CalHFA Subsidy Amount
Vera Avenue Apartments	Initial Commitment	6/30/2025	12/1/2027	$28,538,000	$4,000,000
			Grand Total	$32,538,000	

Co-Developer / Project Sponsor		
Name	Experience with CalHFA	If new, describe if minimum development experience requirements are met per USRM
Corporation for Better Housing	4 projects in pipeline 5 projects completed	N/A

Co-Developer Relationship Summary [Pipeline]					
Project Name	Project Status	Construction Loan Closing	Est. conversion	Perm Loan Amount	CalHFA Subsidy Amount
The Atchison	Under Construction	12/1/2020	6/15/2025	$0	$10,000,000
Kawana Springs	Under Construction	11/30/2020	6/1/2025	$0	$7,450,000
Santa Rosa Avenue Apts.	Under Construction	11/29/21	11/15/2025	$0	$7,600,000
Shiloh Crossing	Under Construction	12/21/2022	2/1/2026	$21,696,000	$15,442,362
			Grand Total	$62,188,362	

Co-Developer Relationship Summary [Portfolio]								
Project Name	Project Status	Loan Origination Date	Loan Maturity Date	Loan Amount	UPB as of [date]	Most Recent DSCR	Most Recent Occ. (%)	Most Recent Risk Rating
Blackstone McKinley TOD	Active - AM	11/9/22	12/1/62 12/1/77	$3,305,000 $1,760,000	$3,232,217 $1,760,000	2.4	97	N/A
Crenshaw Family Apartments	Active - AM	9/28/2017	10/1/2057	$1,880,000 $300,000	$1,715,478 $300,000	0.21	92	Watchlist
Oak Creek Apartments	Active - AM	12/19/2019	3/1/2060 12/1/2074	$10,000,000 $1,500,000	$9,491,180 $1,488,304	0.82	85	Watchlist
Woodlake Terrace	Active - AM	11/16/2021	12/1/2061 11/1/2076	$1,600,000 $494,121	$1,551,380 $494,121	0.70	91	Watchlist
Reedley Village	Active - AM	8/30/2022	9/1/2052 9/1/2077	$1,050,000 $640,000	$1,023,684 $640,000	2.15	99	N/A

Notes:
Asset Management is working with the Borrower on the Watchlist projects to understand the circumstances and identify ways to Improve cashflow to increase DSCR. The Developer has responsibility for 76 projects of which 30 (40%) do not break even. This is mitigated by the Developer's overall DSCR being 1.30X, indicating sufficient cash flow exists to support the underperforming projects in their portfolio.

12b	General Contractor
General Contractor name:	BLH Construction Co.
Affiliated entity of the Developer/Borrower?	Yes
Experience with CalHFA?	Yes

The general contractor (GC) is BLH Construction Co., 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 78 projects that have been completed and are working on 4 projects that are in the development stage.

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

The architect is AO 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 not worked on any projects to date and are working on 2 projects that are in the development stage.

12d	Management Agent (Property Manager)
Name of the Firm	WinnResidential California LP
Third-party or Borrower Affiliate?	No
Management Fee (Annual fee %)	4.5%
Management Fee (Other incentives)	None
Total number of properties managed by the Property Manager (PM)	183 affordable projects in CA
Total number of properties managed for the Developer	89
Total number of properties the PM has in CalHFA portfolio	14
Any property management issues for CalHFA portfolio projects under the management of the Property Manager?	No – Asset Management reports that experience with Winn has been positive.
Notes (if any):	

12e	Borrower Affiliated Entities	
Borrower Legal Entity	**112 Vera Ave., L.P.**	
Borrower Entity Type	A California limited partnership	
Member	% interest	Legal Entity Name:
Managing General Partner	0.048%	Corporation for Better Housing
Administrative General Partner	0.052%	Summix, LLC
Investor Limited Partner	99.90%	Palm Drive Associates, LLC
	100.00%	

Managing General Partner	Corporation for Better Housing	
Type of Legal Entity	A California nonprofit public benefit corporation	
Ownership		100% interest
		0%
		0%

Administrative General Partner	Summix, LLC	
Type of Legal Entity	A California limited liability Company	
Ownership		% interest
Sole Member: Justin Hardt		100%

Investor Limited Partner	Palm Drive Associates, LLC

Comments on Tax Credit Investor:

Comments on LPA nuances/concerns:

Notes (if any):
An additional administrative general partner, AC Redwood GP, LLC, will be admitted. Documentation, HUD 2530 and a revised organizational chart will be submitted to CalHFA post construction closing. The developer fee split is under negotiation.

12f	Support Service Provider(s)
Name of Service Provider	LifeSTEPS
Required by TCAC or other funding sources?	Yes
Term of Services (on-site, number of years)	15
Support Services Budget included in the Operating Budget	$22,200
Per unit cost of support services meets USRM thresholds?	Yes

The Borrower has elected to provide supportive services to the residents through LifeSteps. Services will include 84 hours/week of adult education, health, and skill building classes and 106 hours/week of health and wellness services and programs.

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

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 offsite improvement construction costs, except to the extent such costs are attributable to improvements for the exclusive use by the tenants of the Project.
7. The Borrower has requested that higher than 50% of surplus cash be available for the repayment of the deferred developer's fee (DDF) until the earlier of year 15 of operations is complete or full repayment of the DDF. Thereafter, the surplus cash split shall be 50% to Borrower and 50% to Residual Receipt lender(s). As a condition of this approval, the Borrower must provide evidence that the DDF repayment structure is required pursuant to the Limited Partnership Agreement (LPA). In addition, the owner must provide evidence of investor and all residual receipt lender(s) approvals of the total deferred developer's fee structure and residual receipt split. Residual receipt lenders must also agree to defer the payments on their loans.
8. Any default as to any loans by the Agency for the Development shall constitute a default under any other loans by the Agency for the Development.
9. The draft appraisal has been submitted and the final appraisal will be subject to Agency's review and approval prior to construction loan closing.
10. The total deferred developer's fee of $8,304,100 will not be fully repaid by year 15 per project cashflow, therefore the owner must provide evidence of investor approval of the total deferred developer's fee structure. Receipt of LPA and investor written approval evidencing that any outstanding deferred developer fee remaining in Year 15 will be treated as a developer contribution will be required prior to construction closing.
11. The locality is requiring the Borrower to encumber the Property by recording a Density Bonus Agreement. Prior to construction loan closing and closing of the CalHFA loan(s), the Density Bonus Agreement is subject to CalHFA review and approval in accordance with agency underwriting standards.
12. Prior to final CalHFA approval, developer must provide evidence that the expiration of the Purchase and Sales Agreement has been extended beyond the anticipated construction loan closing date.

13. The draft appraisal has been submitted and the final appraisal will be subject to the Agency's review and approval prior to the execution of the CalHFA forward rate lock when an analysis of the appraisal NOI will be completed. In the event the appraisal 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.
14. At all times, appraised NOI will serve as the maximum for underwriting and loan sizing.
15. 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.
16. A Letter of Map Adjustment (LOMA) must be obtained from FEMA prior to permanent loan closing if the Project is to be exempt from flood insurance.
17. The LPA is not final, and this submission is based on the LOI provided by the investor. The LPA will be finalized prior to construction loan closing and reviewed to assure that it is acceptable to the Agency and consistent with the assertions made in the LOI.
18. The Phase I environmental report dated 1/29/24 may be stale dated if the FCL is not issued by 5/29/25. If so, then an update will be required confirming that no RECs exist, consistent with the existing report.
19. The site work monitoring agreement with the Muwekma Ohlone and Tamien Tribes must be executed prior to construction closing.

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.

Erwin Tam ______________________________ Date: 5/7/2025

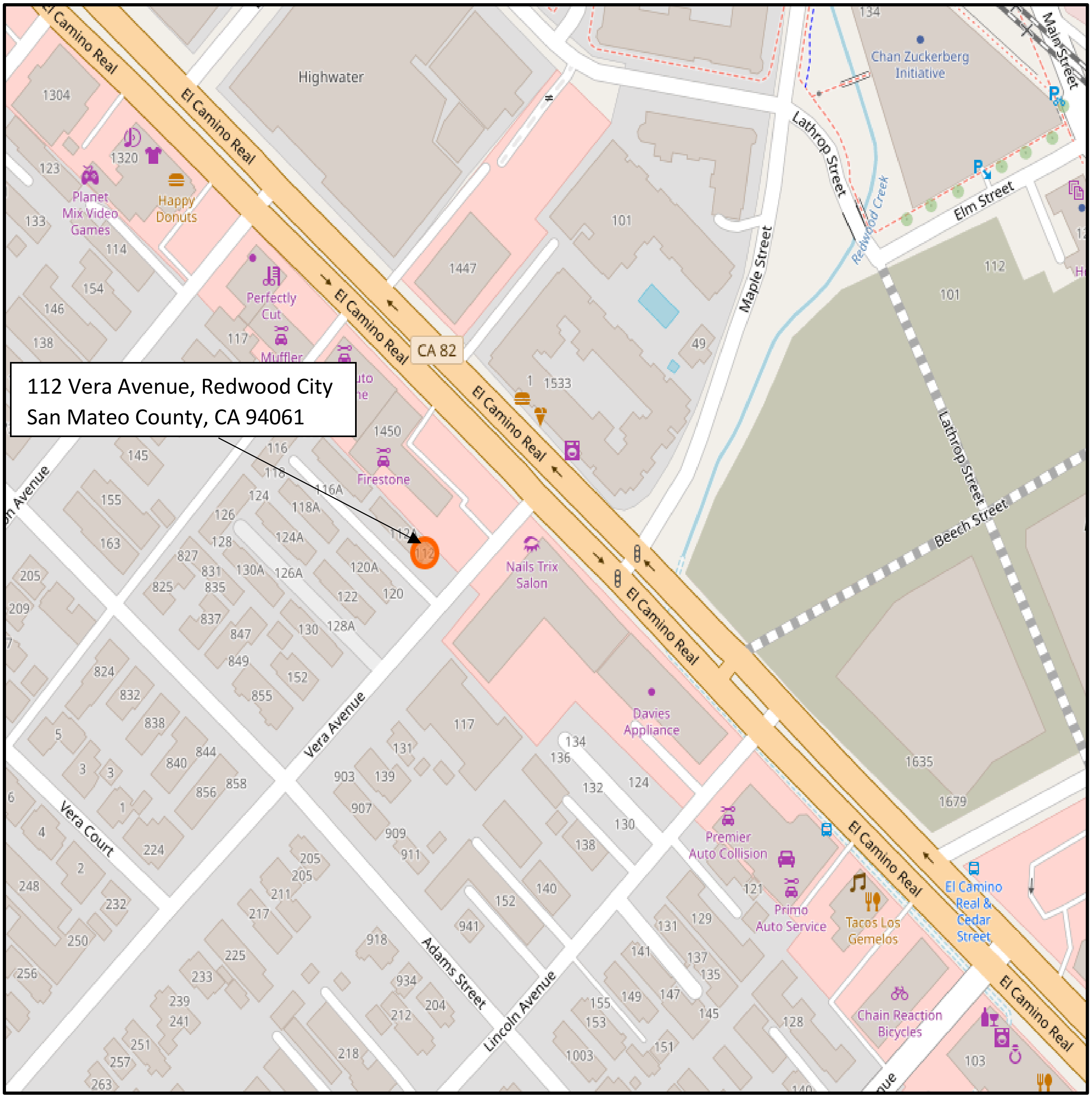
Erwin Tam
Director of Financing & Senior Loan Committee Chairperson

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
Location:
Foxit PDF Editor Version: 2024.4.1
______________________________ Date: 05/08/2025

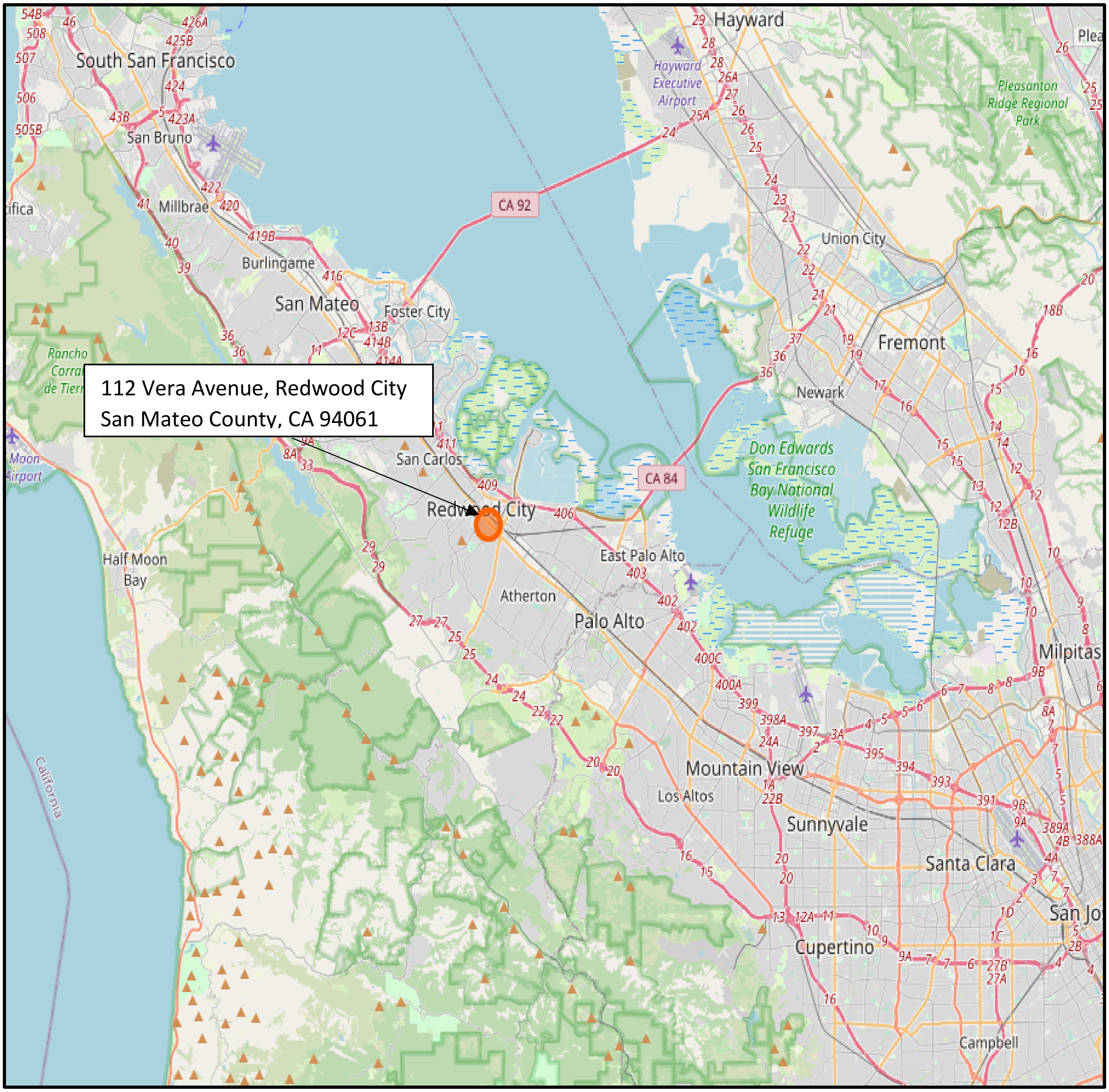
Rebecca Franklin
Chief Deputy Director
CalHFA

Vera Avenue Apartments Near



Vera Avenue Apartments

Far



BOARD OF DIRECTORS
OF THE CALIFORNIA HOUSING FINANCE AGENCY

RESOLUTION NO. 25-15

RESOLUTION AUTHORIZING A FINAL LOAN COMMITMENT

WHEREAS, the California Housing Finance Agency (the "***Agency***") has received a loan application on behalf of Vera Ave., 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 Redwood City, County of San Mateo, California, to be known as Vera Avenue 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 25-08, 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	
24-003-A/X/N	VERA AVENUE APARTMENTS Redwood City, San Mateo County California	$28,538,000.00	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, Claire Tauriainen, 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. 25-15 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 22nd day of May, 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 22nd day of May, 2025.

ATTEST: __________________________________

CLAIRE TAURIAINEN
Secretary of the Board of Directors of the
California Housing Finance Agency

MEMORANDUM

To: Board of Directors **Date:** May 22, 2025

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

Subject: Agenda Item #7 – Permanent Loan Increase for Terracina at the Dunes, Project No. 21014

Action: CalHFA Senior Loan Committee has recommended that Chief Deputy Director, Rebecca Franklin, seek Board approval and permanent loan increase for the Terracina at the Dunes Development by approving Resolution Number 25-16.

Development Information:

- On March 17, 2022 the CalHFA Board of Directors approved a $17,550,000 permanent tax-exempt loan and a $2,800,000 Mixed Income Program ("MIP") subsidy loan for Terracina at the Dunes.

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

- Construction Financing closed June 2022 and construction was completed November 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 $3,700,000 (21.1% 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 May 2, 2025 CalHFA approved the following action for the project described as follows:

Terracina at the Dunes - CalHFA# 21-014-A/X/N

$21,250,000 (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

Digitally signed by Rebecca Franklin
DN: OU=Executive Office, O=California Housing Finance Agency, CN=Rebecca Franklin, E=rfranklin@calhfa.ca.gov
Location:
Foxit PDF Editor Version: 2024.4.1

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: May 2, 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: Terracina at the Dunes
Borrower: Marina 706, L.P.
Total Units: 142 /Family New Construction
City/County: Marina, Monterey County
Developer: USA Properties Fund, Inc.
Managing General Partner ("MGP"): Riverside Charitable Corporation
Administrative General Partner ("AGP"): USA Marina 706, Inc. (principals affiliated with USA Properties Fund, Inc.)
Construction Lender: JPMorgan Chase Bank
Investor: WNC & Associates
CalHFA Project #: 21014-A/X/N

Project Background

The Project is the new construction of six three-story garden style buildings that will contain 142 total units across two project sites approximately ¾ of a mile apart. There are also two two-story buildings that include one onsite manager's office for both sites and one community room for each project site. 142 units will be reserved for individuals and families earning 30% to 70% of AMI for the County of Monterey. On March 17, 2022, the CalHFA Board of Directors ("Board") approved the final commitment under Resolution 22-04 for a $17,550,000 permanent tax-exempt loan (1st lien, 40 year-partially amortizing due in year 17) ("Permanent Loan") and a $2,800,000 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 $34,000,000 from the California Debt Limit Allocation Committee ("CDLAC") on December 8, 2021. The Project also received an award of $33,216,580 of 4% Federal tax credits and $3,644,895 of State tax credits on December 8, 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 a supplemental bond allocation of $1,600,000 on March 20, 2024 resulting in a total of $35,600,000 in vol cap allocation to date. The current aggregate basis is projected to be 51.98%.

The Final Commitment Letter ("FCL") was issued by the Agency on April 5, 2022 and was subsequently amended on May 11, 2022, to increase the permanent loan amount to $18,778,500. On April 23, 2025, CalHFA amended the FCL to extend the permanent loan closing deadline to August 30, 2025.
The interest rate on the CalHFA 1st lien loan was locked at 5.53% on May 5, 2022.

Current Status and Request Summary

The construction financing closed on June 2, 2022. Construction was substantially completed, and certificate of occupancy was issued in November 2024. The Project completed its 90-day stabilization requirement at the end of May 2025. The Project is expected to convert by July 2025.

During the construction period there were increases to the development budget of approximately 12.1% over the original budget approved in the FCL, which necessitates submission to the CalHFA Board for its approval of the requested 21.1% increase in the Permanent Loan amount. In accordance with the Resolution 22-04, any increase above 7% of the permanent loan amount approved by the Board requires an additional approval by the Board.

CalHFA Permanent Loan Increase and new rate lock

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. Delays in construction completion resulted in less NOI during construction as a funding source. The budget has also experienced increases in the variable interest rate of the construction loan. The variable interest rate on the JPMorgan Chase 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 1.95% (for the T/E Construction loan) and 2.45% (for the Taxable construction loan) and the most current rate is 6.7% (for the T/E Construction loan) and 6.7% (for the Taxable Construction loan). As a result, the project currently is facing a permanent period financing gap of $7,969,291 (compared to Board approval numbers dated 3/17/22), which the Borrower is requesting to partially mitigate by requesting an increase in the CalHFA permanent loan amount. Senior Staff and the Executive Director had previously increased the amount of the CalHFA permanent loan, within its authority, by an amendment to the FCL on May 11, 2022, as noted above, but due to increased costs up to the current date, additional CalHFA permanent loan proceeds are needed to balance the development budget for permanent loan closing.

CalHFA Financing issued a blended rate of 5.76% on 4/15/2025 for the increased loan amount of $21,250,000. This rate is locked for permanent loan closing. If the loan amount changes or the project fails to close by August 30, 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 $3,700,000 (21.1%) increase to the permanent loan amount, previously approved by the Board, at current project rental rates and the 5.76% permanent loan interest rate and DSCR of 1.15x for the permanent loan. Per the updated Appraisal dated 4/22/2025, the LTV is expected to be 77% and CLTV of 87%.

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 ~$2,355,131 increase of tax credit equity, which will be available at TCAC 8609 cost certification due to increased tax credit basis. The increased basis enabled the project to increase the developer fee by approximately $540,427. To mitigate cost increases further, the developer has deferred an additional $2,355,131 of the developer fee at CalHFA permanent loan closing. The result is a reduction in the cash developer fee at permanent closing of $2,384,975 compared to Board approval.

The largest of the cost increases are related to construction costs increase in construction period loan costs because of increased construction interest reserve requirements due to escalating interest rates. Construction costs also increased significantly due to labor and material shortages during the pandemic. An analysis of changes of the sources and uses between Final Commitment Approval vs. current proposed Permanent Conversion is outlined below:

Permanent Financing Sources	**Board Approval 3/17/22**	**Proposed Amount**	**Difference**	**Percent Change**
CalHFA Perm Loan	$17,550,000	$21,250,000	$3,700,000	21.1%
CalHFA MIP Subsidy Loan	$2,800,000	$2,800,000	$0	0.0%
Life Span Homes (Seller Note)	$7,788,000	$7,788,000	$0	0.0%
NOI During Construction	$1,532,167	$520,925	($1,011,242)	-66.0%
Deferred Developer Fee	$3,670,131	$6,595,533	$2,925,402	79.7%
Developer Equity	$1,000,000	$1,000,000	$0	0.0%
Tax Credit Equity	$31,703,057	$34,058,188	$2,355,131	7.4%
Total Permanent Sources	**$66,043,355**	**$74,012,646**	**$7,969,291**	12.1%

Total Development Costs	**Board Approval 3/17/22**	**Proposed Amount**	**Difference**	**Percent Change**
Acquisition Costs	$100	$21,390	$21,290	21290.0%
Construction Costs	$37,368,943	$45,912,934	$8,543,991	22.9%
Architectural Fees	$1,493,143	$717,133	($776,010)	-52.0%
Engineering Fees	$590,282	$1,287,555	$697,273	118.1%
Contingency	$4,094,945	$0	($4,094,945)	-100.0%
Construction Period Costs	$1,241,879	$3,820,139	$2,578,260	207.6%
Permanent and Other Loan Costs	$1,799,650	$1,915,707	$116,057	6.4%
Legal Fees	$170,000	$114,172	($55,828)	-32.8%
Operating Reserves	$478,494	$629,854	$151,360	31.6%
Third Party Reports	$64,550	$89,962	$25,412	39.4%
Other Construction Costs	$10,483,079	$10,705,083	$222,004	2.1%
Developer Fee	$8,258,290	$8,798,717	$540,427	6.5%
Total Development Costs	**$66,043,355**	**$74,012,646**	$7,969,291	12.1%

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 4/22/2025, 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	Board Approval 3/17/22	Revised	Difference	Percent Change
Permanent Loan Interest Rate*	5.53%	5.76%	0.23%	0.23%
Effective Gross Income	$2,056,676	$2,774,705	$718,029	34.91%
Total Operating Expense & Replacement Reserves	$953,558	$1,168,392	$214,834	22.53%
Net Operating Income	$1,103,118	$1,606,313	$503,195	45.62%
Operating Expense Reserves (3-months)	$478,494	$629,854	$151,360	31.63%
Initial DSCR at Year 1	1.16	1.18	0.02	1.72%
DSCR at Year 17	1.52	1.58	0.06	3.95%
Unpaid MIP Loan Principal Balance (UBP) at Refi	$3,113,319	$1,642,783	-$1,470,536	-47.23%
Restricted Value	$26,910,000	$27,750,000	$840,000	3.12%
Capitalization Rate	4.5%	6.0%	1.50%	1.50%
Permanent Loan-to-Value	65%	77%	12.00%	12.00%
Combined Loan-to-Value	78%	87%	9.00%	9.00%
* Initial perm loan interest rate locked 5/11/2022				

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 4 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
Terracina at the Dunes (subject property)	142	$21,250,000	$2,800,000 (MIP 2021)	6/2/2022	7/30/2025	Complete	Yes	
Vintage at Woodman	239	$0 (Citibank)	$11,850,000 (MIP 2020)	11/13/2020	7/30/2025	Complete	Yes	
8181 Allison	147	$20,685,000	$7,076,000 (MIP 2022)	12/16/2022	12/1/2025	84%	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	93%	No	Construction schedule delayed approx. 75 days due to material delays for elevators and scheduling permit inspections.
Total 4 Projects:	**679**	**$65,885,000**	**$28,751,000**					

The Developer has 7 projects in CalHFA's Asset Management Portfolio as described in the chart below. All are performing as expected.

USA Multifamily Development Inc

Project Name	Project Status	Loan Origination Date	Loan Maturity Date	Permanent Loan Amount	UPB as of 04/22/2025	Subsidy Loan Amount	Most Recent DSCR	Most Recent Occ.	Most Recent Risk Rating	Project Type	Performance Issues
21017N	College Creek Apts- MIP	4/23/2025	4/23/2042	$ 34,040,000	N/A	$ 4,000,000	1.18	NA	NA	CalHFA Perm/MIP	None
16025S	Rancho Carrillo Apartments	6/29/2017	8/1/2057	$ 14,500,000	$ 13,181,726	$ -	1.68	97%	N/A	CalHFA Perm	None
13034S	Regency Court - Monrovia	3/27/2014	4/1/2056	$ 5,530,000	$ 5,129,199	$ -	1.59	98%	N/A	CalHFA Perm	None
12005M	Verbena Crossing Apartments MHSA	12/20/2012	4/1/2048	$ -	N/A	$ 1,687,290	N/A	98%	N/A	MHSA Only	None
12053S	Vintage at Kendall Apartments MHSA	12/12/2012	12/1/2029	$ 10,580,000	$ 8,993,549	$ 2,339,720	1.51	98%	N/A	CalHFA Perm/MHSA	None
10020M	Vintage at Snowberry Senior Apartments MHSA	9/28/2010	9/1/2065	$ -	N/A	$ 1,622,400	N/A	99%	N/A	MHSA Only	None
12052S	Vintage at Stonehaven	12/12/2012	12/1/2029	$ 13,650,000	$ 11,569,382	$ -	1.62	100%	N/A	CalHFA Perm	None
				$ 78,300,000	$38,873,856	$ 9,649,410					

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 the current commitment amount of $18,778,500 to $21,250,000. This increase is 21.1% above the $17,550,000 amount approved by the Board on 3/17/22.

Recommended for approval by Senior Loan Committee:

Erwin Tam
SLC Chair & Director of Financing

Approved By:

Digitally signed by Rebecca Franklin
DN: OU=Executive Office, O=California Housing Finance Agency, CN=Rebecca Franklin, E=rfranklin@calhfa.ca.gov
Location:
Foxit PDF Editor Version: 2024.4.1

Rebecca Franklin, Chief Deputy Director

Attachments: Permanent Conversion Financial Analysis.
Final Commitment Staff Report dated 3/9/2022 and approved by CalHFA Board on 3/17/2022.

Internal Deal Point Summary — Final Commitment

Acquisition, Rehab, Construction & Permanent Loans — **Project Number** 21-014-A/X/N

Project Full Name	Terracina at the Dunes
Project Address	Imjin Parkway/4th Ave. and 2nd Ave./6th St
Project City	Marina
Project Zip Code	93933
Project County	Monterey
Borrower Name:	Marina 706, L.P., a California limited partnership
Managing General Partner:	Riverside Charitable Corporation
Developer Name:	USA Multi-Family Development, Inc.
Investor Name:	WNC & Associates, Inc.
Property Management Co:	USA Multifamily Management Inc.

Project Type:	Permanent Loan Only	**Total Land Area (acres):**	6.47
Tenancy/Occupancy:	Individuals/Families	**Residential Square Footage:**	105,727
Total Residential Units:	142	**Office/Common Area Square Footage:**	24,308
Total Number of Buildings:	8	**Commercial/Retail Square Footage:**	--
Number of Stories:	2 and 3	**Total Project Square Footage:**	130,035
Unit Style:	Flat	**Residential Units Per Acre:**	21.95
Elevators:	--	**Debt Service Coverage Ratio (DSCR) Year 1**	1.18
Covered Parking:	0	**Debt Service Coverage Ratio (DSCR) Year 30**	NA
Total Parking:	265	**Projected Cost of Subsidized Interest Rate**	NA
		Tax Credits	4

Acq/Construction/Rehab Financing	Loan Amount ($)	Lien #	Loan Fees	Loan Term (Mo.)	Interest Rates: Start Rate	Interest Type	Reset Period	Base Index	Index Spread	Amort. Period (Yr.)	Debt Service Payment: Period	Type
JP Morgan Chase T/E Constructio	34,000,000	1	0.750%	36	6.700%	Adj.	--	--	--	--	Monthly	Int.Only
JP Morgan Chase - Taxable (Con	7,500,000	2	0.750%	36	6.700%	Adj.	--	--	--	--	Monthly	Int.Only
JP Morgan Chase- T/E Suppleme	1,600,000	1	--	36	6.700%	Adj.	--	--	--	--	Monthly	Int.Only
--	--	-	--	--	--	--	--	--	--	--	--	--
--	--	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
--	1,000,000	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Investor Equity Contribution	14,635,552	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Permanent Financing	Loan Amount ($)	Lien #	Loan Fees	Loan Term (Yr.)	Interest Rates: Start Rate	Interest Type	Reset Period	Base Index	Index Spread	Amort. Period (Yr.)	Debt Service Payment: Period	Type
Perm	21,250,000	1	1.000%	17	5.760%	Fixed	--	--	--	40	Monthly	Amort.
MIP	2,800,000	2	1.000%	17	2.000%	Fixed	--	--	--	NA	Annual	R.R.
--	--	-	--	--	--	--	--	--	--	--	--	--
--	--	-	--	--	--	--	--	--	--	--	--	--
--	--	-	--	--	--	--	--	--	--	--	--	--
Life Span Home (Seller Note)	7,788,000	3	--	55	3.000%	Fixed	--	--	--	55	Maturity	*Other
--	--	-	--	--	--	--	--	--	--	--	--	--
--	--	-	--	--	--	--	--	--	--		--	--
--	--	-	--	--	--	--	--	--	--	--	--	--
Deferred Developer Fees	6,595,533	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Developer Equity Contribution	1,000,000	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Investor Equity Contributions	34,058,188	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Appraised Values Upon Completion of Rehab/Construction

Investment Value ($)	N/A	**Appraisal Date:**	N/A	**Restricted Value ($)**	N/A
Const/Rehab Loan to Cost	N/A	**Capitalization Rate:**	N/A	**Permanent Loan to Cost**	N/A
Const/Rehab Loan to Value	N/A			**Permanent Loan to Value**	N/A

Additional Loan Terms, Conditions & Comments

Construction/Rehab Loan		**Permanent Loan**		
Projected CalHFA Loan to Tax Cr. Basis	51.6%	**HUD Risk Share Insurance Requested**	0	
Project Is Located On Leased Land	No	**Operating Expense Reserve Deposit**	$629,854	Cash
Flood Insurance Required?	No	**Initial Replacement Reserve Deposit**	$0	Cash
Davis Bacon or Prev. Wage monitoring?	None	**Transition Operating Reserve Deposit**	$0	NA
Payment/Performance Bond	Required	**Rent-Up Reserve Deposit**	$0	NA
Completion Guarantee Letter of Credit	N/A	**HOME Program Replacement Reserve**	$0	NA
Earthquake Insurance Waiver Requested?	Yes	**Annual Replacement Reserve Per Unit**	$250	Cash

Date Prepared: 4/22/25 — Senior Staff Date: 5/2/25

UNIT MIX AND RENT SUMMARY **Final Commitment**

Terracina at the Dunes **Project Number 21-014-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	533	34	51
Flat	2	1	712	35	105
Flat	2	2	784	35	105
Flat	2	2	812	1	3
Flat	2	2	881	1	3
Flat	3	2	932	36	162
				142	429

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%
FA Bond/RiskShare	0	0	15	43	0	0	0
CalHFA MIP	0	0	15	0	15	0	110
Tax Credit	15	0	36	36	53	0	0
DDA	0	0	91	0	0	48	0
-	0	0	0	0	0	0	0
-	0	0	0	0	0	0	0
-	0	0	0	0	0	0	0

COMPARISON OF AVERAGE MONTHLY RESTRICTED RENTS TO AVERAGE MARKET RENTS							
Unit Type	Restricting Agency	% of Area Median Income	Average Restricted Rents: Number of Units	Average Restricted Rents: Unit Rent	Average Market Rents	Average Monthly Savings	% of Market Rents
Studios	CTCAC	30%	-	-	-	-	-
	CTCAC	50%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	70%	-	-		-	-
	CTCAC	80%	-	-		-	-
	CTCAC	100%	-	-		-	-
	CTCAC	80%	-	-		-	-
1 Bedroom	CTCAC	30%	3	$694	-	#VALUE!	#VALUE!
	CTCAC	50%	9	$1,190		#VALUE!	#VALUE!
	CTCAC	60%	9	$1,439		#VALUE!	#VALUE!
	CTCAC	70%	13	$1,687		#VALUE!	#VALUE!
	CTCAC	80%	-	-		-	-
	CTCAC	100%	-	-		-	-
	CTCAC	80%	-	-		-	-
2 Bedrooms	CTCAC	30%	8	$823	-	#VALUE!	#VALUE!
	CTCAC	50%	18	$1,419		#VALUE!	#VALUE!
	CTCAC	60%	18	$1,717		#VALUE!	#VALUE!
	CTCAC	70%	26	$2,015		#VALUE!	#VALUE!
	CTCAC	80%	-	-		-	-
	CTCAC	80%	-	-		-	-
	CTCAC	-	-	-		-	-
3 Bedrooms	CTCAC	30%	4	$940	-	#VALUE!	#VALUE!
	CTCAC	50%	9	$1,629		#VALUE!	#VALUE!
	CTCAC	60%	9	$1,973		#VALUE!	#VALUE!
	CTCAC	70%	14	$2,317		#VALUE!	#VALUE!
	CTCAC	80%	-	-		-	-
	CTCAC	100%	-	-		-	-
	CTCAC	80%	-	-		-	-
4 Bedrooms	CTCAC	30%	-	-	-	-	-
	CTCAC	50%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	70%	-	-		-	-
	CTCAC	80%	-	-		-	-
	CTCAC	100%	-	-		-	-
	CTCAC	80%	-	-		-	-
5 Bedrooms	CTCAC	30%	-	-	-	-	-
	CTCAC	50%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	70%	-	-		-	-
	CTCAC	80%	-	-		-	-
	CTCAC	100%	-	-		-	-
	CTCAC	80%	-	-		-	-
Date Prepared:	4/22/25					Senior Staff Date:	5/2/25

SOURCES & USES OF FUNDS SUMMARY					Final Commitment
Terracina at the Dunes			Project Number	21-014-A/X/N	
SOURCES OF FUNDS	CONST/REHAB $	PERMANENT $	TOTAL PROJECT FUNDS		
			SOURCES ($)	PER UNIT ($)	%
JP Morgan Chase T/E Construction Loa	34,000,000				0.0%
JP Morgan Chase - Taxable (Conduit)	7,500,000				0.0%
JP Morgan Chase- T/E Supplemental (C	1,600,000				0.0%
-	-				0.0%
-	-				0.0%
Other Non-CalHFA Sources of Funds	14,407,990				0.0%
Construct/Rehab Net Oper. Inc.	-				0.0%
Deferred Developer Fee	-				0.0%
Developer Equity Contribution	1,000,000				0.0%
Investor Equity Contribution	14,635,552				0.0%
Perm		21,250,000	21,250,000	149,648	28.9%
MIP		2,800,000	2,800,000	19,718	3.8%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
Life Span Home (Seller Note)		7,788,000	7,788,000	54,845	10.6%
Other Non-CalHFA Sources of Funds		520,925	-	-	0.0%
Construct/Rehab Net Oper. Inc.		-	-	-	0.0%
Deferred Developer Fees		6,595,533	6,595,533	46,447	9.0%
Developer Equity Contribution		1,000,000	1,000,000	7,042	1.4%
Investor Equity Contributions		34,058,188	34,058,188	239,846	46.3%
TOTAL SOURCES OF FUNDS	**73,143,542**	**74,012,646**	**73,491,721**	**517,547**	**100.0%**

USES OF FUNDS	CONST/REHAB $	PERMANENT $	TOTAL PROJECT COSTS		
			USES ($)	PER UNIT ($)	%
Payoff Acquisition/Rehab Financing		73,143,542			
Acquisition Costs	**21,390**	**-**	**21,390**	151	0.0%
Construction/Rehab Costs	**45,912,934**	**-**	**45,912,934**	323,331	62.0%
Relocation Costs	**-**	**-**	**-**	-	0.0%
Architectural Costs	**717,133**	**-**	**717,133**	5,050	1.0%
Surveys & Engineering Costs	1,287,555	-	1,287,555	9,067	1.7%
Contingency Reserves	-	-	-	-	0.0%
Loan Period Loan & Other Costs	**3,820,139**	**-**	**3,820,139**	26,902	5.2%
Permanent Loan Costs	**1,685,457**	**230,250**	**1,915,707**	13,491	2.6%
Legal Fees	**114,172**	**-**	**114,172**	804	0.2%
Operating Reserves	**-**	**629,854**	**629,854**	4,436	0.9%
Reports & Studies	**89,962**	**-**	**89,962**	634	0.1%
Other Construction/Rehab Costs	**10,705,083**	**-**	**10,705,083**	75,388	14.5%
Developer Fees, Costs, Equity-Out	**8,789,717**	**-**	**8,798,717**	61,963	11.9%
TOTAL PROJECT COSTS	**73,143,542**	**74,003,646**	**74,012,646**	**521,216**	**100.0%**

PROJECTED INITIAL ANNUAL RENTAL OPERATING BUDGET			Final Commitment
Terracina at the Dunes	**Project Number**		**21-014-A/X/N**
INCOME	**AMOUNT**	**PER UNIT**	**%**
Rental Income			
Restricted Unit Rents	$ 2,780,544	$ 19,581	100.21%
Unrestricted Unit Rents	52,248	368	1.88%
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	85,200	600	3.07%
Parking & Storage Income	-	-	0.00%
Miscellaneous Income	-	-	0.00%
GROSS POTENTIAL INCOME (GPI)	**$ 2,917,992**	**$ 20,549**	**105.16%**
Less: Vacancy Loss	**$ 143,287**	**$ 1,009**	**5.16%**
EFFECTIVE GROSS INCOME (EGI)	**$ 2,774,705**	**$ 21,558**	**100.00%**
OPERATING EXPENSES	**AMOUNT**	**PER UNIT**	**%**
Administrative Expenses	$ 212,077	$ 1,494	$ 0
Management Fee	140,489	989	5.06%
Social Programs & Services	25,860	182	0.93%
Utilities	351,450	2,475	12.67%
Operating & Maintenance	270,097	1,902	9.73%
Ground Lease Payments	-	-	0.00%
CalHFA Monitoring Fee	7,500	53	0.27%
Other Monitoring Fees	-	-	0.00%
Real Estate Taxes	1,211	9	0.04%
Other Taxes & Insurance	124,208	875	4.48%
Assisted Living/Board & Care	-	-	0.00%
SUBTOTAL OPERATING EXPENSES	**$ 1,132,892**	**$ 7,978**	**40.83%**
Replacement Reserve	$ 35,500	$ 250	1.28%
TOTAL OPERATING EXPENSES	**$ 1,168,392**	**$ 8,228**	**42.11%**
NET OPERATING INCOME (NOI)	**$ 1,606,313**	**$ 11,312**	**57.89%**
DEBT SERVICE PAYMENTS	**AMOUNT**	**PER UNIT**	**%**
Perm	$ 1,360,621	$ 9,582	49.04%
-	$ -	-	0.00%
-	$ -	-	0.00%
-	$ -	-	0.00%
-	$ -	-	0.00%
-	$ -	-	0.00%
-	$ -	-	0.00%
-	$ -	-	0.00%
TOTAL DEBT SERVICE & OTHER PAYMENTS	**$ 1,360,621**	**$ 9,582**	**49.04%**
EXCESS AFTER DEBT SERVICE & MONITORING FEES	**$ 245,692**	**$ 1,730**	**8.85%**
DEBT SERVICE COVERAGE RATIO (DSCR)	**1.18**	**to 1**	
Date: 4/22/25		Senior Staff Date:	05/02/25

PROJECTED PERMANENT LOAN CASH FLOWS										Terracina at the Dunes					
Final Commitment										Project Number	21-014-A/X/N				
	YEAR	1	2	3	4	5	6	7	8	9	10	11	12	13	14
RENTAL INCOME	CPI														
Restricted Unit Rents	2.50%	2,780,544	2,850,058	2,921,309	2,994,342	3,069,200	3,145,930	3,224,579	3,305,193	3,387,823	3,472,518	3,559,331	3,648,315	3,739,523	3,833,011
Unrestricted Unit Rents	2.50%	52,248	53,554	54,893	56,265	57,672	59,114	60,592	62,106	63,659	65,251	66,882	68,554	70,268	72,024
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%	85,200	87,330	89,513	91,751	94,045	96,396	98,806	101,276	103,808	106,403	109,063	111,790	114,585	117,449
Parking & Storage Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GROSS POTENTIAL INCOME (GPI)		**2,917,992**	**2,990,942**	**3,065,715**	**3,142,358**	**3,220,917**	**3,301,440**	**3,383,976**	**3,468,576**	**3,555,290**	**3,644,172**	**3,735,276**	**3,828,658**	**3,924,375**	**4,022,484**
VACANCY ASSUMPTIONS	Vacancy														
Restricted Unit Rents	5.00%	139,027	142,503	146,065	149,717	153,460	157,297	161,229	165,260	169,391	173,626	177,967	182,416	186,976	191,651
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%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Laundry Income	5.00%	4,260	4,367	4,476	4,588	4,702	4,820	4,940	5,064	5,190	5,320	5,453	5,589	5,729	5,872
Parking & Storage Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL PROJECTED VACANCY LOSS		**143,287**	**146,869**	**150,541**	**154,305**	**158,162**	**162,116**	**166,169**	**170,323**	**174,582**	**178,946**	**183,420**	**188,005**	**192,705**	**197,523**
EFFECTIVE GROSS INCOME (EGI)		**2,774,705**	**2,844,072**	**2,915,174**	**2,988,054**	**3,062,755**	**3,139,324**	**3,217,807**	**3,298,252**	**3,380,708**	**3,465,226**	**3,551,857**	**3,640,653**	**3,731,669**	**3,824,961**
OPERATING EXPENSES	CPI / Fee														
Administrative Expenses	3.50%	237,937	246,265	254,884	263,805	273,038	282,595	292,485	302,722	313,318	324,284	335,634	347,381	359,539	372,123
Management Fee	5.06%	140,489	144,001	147,601	151,291	155,074	158,950	162,924	166,997	171,172	175,451	179,838	184,334	188,942	193,666
Utilities	3.50%	351,450	363,751	376,482	389,659	403,297	417,412	432,022	447,143	462,793	478,990	495,755	513,106	531,065	549,652
Operating & Maintenance	3.50%	270,097	279,550	289,335	299,461	309,943	320,791	332,018	343,639	355,666	368,114	380,998	394,333	408,135	422,420
Ground Lease Payments	3.50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Other Agency Monitoring Fee	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real Estate Taxes	1.25%	1,211	1,226	1,241	1,257	1,273	1,289	1,305	1,321	1,338	1,354	1,371	1,388	1,406	1,423
Other Taxes & Insurance	3.50%	124,208	128,555	133,055	137,712	142,532	147,520	152,683	158,027	163,558	169,283	175,208	181,340	187,687	194,256
Required Reserve Payments	1.00%	35,500	35,855	36,214	36,576	36,941	37,311	37,684	38,061	38,441	38,826	39,214	39,606	40,002	40,402
TOTAL OPERATING EXPENSES		**1,168,392**	**1,206,704**	**1,246,312**	**1,287,261**	**1,329,597**	**1,373,367**	**1,418,621**	**1,465,410**	**1,513,786**	**1,563,803**	**1,615,518**	**1,668,989**	**1,724,276**	**1,781,442**
NET OPERATING INCOME (NOI)		**1,606,313**	**1,637,369**	**1,668,863**	**1,700,793**	**1,733,158**	**1,765,956**	**1,799,185**	**1,832,842**	**1,866,923**	**1,901,423**	**1,936,339**	**1,971,664**	**2,007,393**	**2,043,519**
DEBT SERVICE PAYMENTS	Lien #														
Perm	1	1,360,621	1,360,621	1,360,621	1,360,621	1,360,621	1,360,621	1,360,621	1,360,621	1,360,621	1,360,621	1,360,621	1,360,621	1,360,621	1,360,621
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Life Span Home (Seller Note)	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		**1,360,621**	**1,360,621**	**1,360,621**	**1,360,621**	**1,360,621**	**1,360,621**	**1,360,621**	**1,360,621**	**1,360,621**	**1,360,621**	**1,360,621**	**1,360,621**	**1,360,621**	**1,360,621**
CASH FLOW AFTER DEBT SERVICE		**245,692**	**276,748**	**308,242**	**340,172**	**372,537**	**405,336**	**438,565**	**472,221**	**506,302**	**540,803**	**575,718**	**611,044**	**646,773**	**682,898**
DEBT SERVICE COVERAGE RATIO		**1.18**	**1.20**	**1.23**	**1.25**	**1.27**	**1.30**	**1.32**	**1.35**	**1.37**	**1.40**	**1.42**	**1.45**	**1.48**	**1.50**
Date Prepared:	04/22/25									Senior Staff Date:	5/2/25				

		1	2	3	4	5	6	7	8	9	10	11	12	13	14
LESS: 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	10,693	11,014
LESS: Partnership Management Fee	3%	27,278	28,097	28,939	29,808	30,702	31,623	32,572	33,549	34,555	35,592	36,660	37,759	38,892	40,059
net CF available for distribution		**210,914**	**240,927**	**271,346**	**302,169**	**333,394**	**365,018**	**397,038**	**429,449**	**462,246**	**495,425**	**528,979**	**562,902**	**597,187**	**631,825**
															50%
Deferred developer fee repayment	6,595,533	6,595,533	6,384,619	6,143,692	5,872,347	5,570,178	5,236,784	4,871,765	4,474,728	4,045,279	3,583,033	3,087,608	2,558,629	1,995,726	1,398,539
	100%	210,914	240,927	271,346	302,169	333,394	365,018	397,038	429,449	462,246	495,425	528,979	562,902	597,187	631,825
		6,384,619	6,143,692	5,872,347	5,570,178	5,236,784	4,871,765	4,474,728	4,045,279	3,583,033	3,087,608	2,558,629	1,995,726	1,398,539	766,714
Payments for Residual Receipt Payments		*0%*													**50%**
RESIDUAL RECEIPTS LOANS	*Payment %*	-	-	-	-	-	-	-	-	-	-	-	-	-	315,913
MIP	*100.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	315,913
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Residual Receipts Payments	**100.00%**	-	-	-	-	-	-	-	-	-	-	-	-	-	315,913
Balances for Residual Receipt Payments															
RESIDUAL RECEIPTS LOANS	*Interest Rate*														
MIP---Simple	*2.00%*	2,800,000	2,856,000	2,912,000	2,968,000	3,024,000	3,080,000	3,136,000	3,192,000	3,248,000	3,304,000	3,360,000	3,416,000	3,472,000	3,528,000
0---Simple	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0---Simple	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
---Simple	*3.00%*	7,788,000	8,021,640	8,255,280	8,488,920	8,722,560	8,956,200	9,189,840	9,423,480	9,657,120	9,890,760	10,124,400	10,358,040	10,591,680	10,825,320
0---Simple	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0---	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0---	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Residual Receipts Payments		10,588,000	10,877,640	11,167,280	11,456,920	11,746,560	12,036,200	12,325,840	12,615,480	12,905,120	13,194,760	13,484,400	13,774,040	14,063,680	14,353,320

PROJECTED PERMANENT LOAN CASH FL0WS

Final Commitment

	YEAR	15	16	17
RENTAL INCOME	**CPI**			
Restricted Unit Rents	2.50%	3,928,836	4,027,057	4,127,733
Unrestricted Unit Rents	2.50%	73,825	75,671	77,562
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%	120,385	123,395	126,480
Parking & Storage Income	2.50%	-	-	-
Miscellaneous Income	2.50%	-	-	-
GROSS POTENTIAL INCOME (GPI)		**4,123,046**	**4,226,122**	**4,331,776**
VACANCY ASSUMPTIONS	**Vacancy**			
Restricted Unit Rents	5.00%	196,442	201,353	206,387
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%	-	-	-
Other Subsidy (Specify)	0.00%	-	-	-
Laundry Income	5.00%	6,019	6,170	6,324
Parking & Storage Income	50.00%	-	-	-
Miscellaneous Income	50.00%	-	-	-
TOTAL PROJECTED VACANCY LOSS		**202,461**	**207,523**	**212,711**
EFFECTIVE GROSS INCOME (EGI)		**3,920,585**	**4,018,600**	**4,119,065**
OPERATING EXPENSES	**CPI / Fee**			
Administrative Expenses	3.50%	385,147	398,627	412,579
Management Fee	5.06%	198,507	203,470	208,557
Utilities	3.50%	568,890	588,801	609,409
Operating & Maintenance	3.50%	437,205	452,507	468,344
Ground Lease Payments	3.50%	-	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500
Other Agency Monitoring Fee	0.00%	-	-	-
Real Estate Taxes	1.25%	1,441	1,459	1,477
Other Taxes & Insurance	3.50%	201,055	208,092	215,375
Required Reserve Payments	1.00%	40,806	41,214	41,627
TOTAL OPERATING EXPENSES		**1,840,551**	**1,901,671**	**1,964,869**
NET OPERATING INCOME (NOI)		**2,080,034**	**2,116,929**	**2,154,196**
DEBT SERVICE PAYMENTS	**Lien #**			
Perm	1	1,360,621	1,360,621	1,360,621
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
Life Span Home (Seller Note)	3	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		**1,360,621**	**1,360,621**	**1,360,621**
CASH FLOW AFTER DEBT SERVICE		**719,413**	**756,309**	**793,575**
DEBT SERVICE COVERAGE RATIO		**1.53**	**1.56**	**1.58**
Date Prepared:	04/22/25			

			15	16	17
LESS: Asset Management Fee	3%		11,344	11,685	12,035
LESS: Partnership Management Fee	3%		41,261	42,499	43,774
net CF available for distribution			**666,808**	**702,125**	**737,767**
Deferred developer fee repayment		6,595,533	766,714	-	-
	100%		666,808	-	-
			99,906	-	-
Payments for Residual Receipt Payments					
RESIDUAL RECEIPTS LOANS	*Payment %*		333,404	351,063	368,883
MIP	*100.00%*		333,404	351,063	368,883
0	*0.00%*		-	-	-
0	*0.00%*		-	-	-
			-	-	-
0	*0.00%*		-	-	-
0	*0.00%*		-	-	-
0	*0.00%*		-	-	-
Total Residual Receipts Payments	**100.00%**		333,404	351,063	**368,883**
Balances for Residual Receipt Payments					
RESIDUAL RECEIPTS LOANS	*Interest Rate*				
MIP---Simple	*2.00%*		3,268,087	2,990,683	2,695,621
0---Simple	*0.00%*		-	-	-
0---Simple	*0.00%*		-	-	-
---Simple	*3.00%*		11,058,960	11,292,600	11,526,240
0---Simple	*0.00%*		-	-	-
0---	*0.00%*		-	-	-
0---	*0.00%*		-	-	-
Total Residual Receipts Payments			14,327,047	14,283,283	14,221,861

CalHFA MULTIFAMILY PROGRAMS DIVISION
Final Commitment Staff Report & Request for and Loan Approval of Permanent Take-Out Loan for Tax Exempt financing with Mixed Income Program Subsidy Financing
Senior Loan Committee "Approval": March 9, 2022 for Board Meeting on: March 17, 2022

Project Name, County:	Terracina at the Dunes, Monterey County	
Address:	Imjin Parkway/4th Ave. and 2nd Ave./6th St, Marina, CA 93933	
CalHFA Project Number:	21-014-A/X/N	Total Units: 142 (family)
Requested Financing by Loan Program:	$34,000,000	**Tax Exempt Bond – Conduit Issuance Amount**
	$17,550,000	**Tax Exempt Permanent Loan with HUD Risk Sharing**
	$2,800,000	**Subsidy GAP Loan funded by MIP funds**

DEVELOPMENT/PROJECT TEAM

Developer:	USA Multi-Family Development, Inc.	**Borrower:**	Marina 706, L.P.
Permanent Lender:	CalHFA	**Construction Lender:**	JPMorgan Chase
Equity Investor:	WNC & Associates, Inc.	**Management Company:**	USA Multifamily Management, Inc.
Contractor:	USA Construction Management, Inc.	**Architect:**	Bassenian Lagoni Architecture
Loan Officer:	Kevin Brown	**Loan Specialist:**	N/A
Asset Manager:	Jessica Doan	**Loan Administration:**	Ashley Carroll
Legal (Internal):	Torin Heenan	**Legal (External):**	N/A
Concept Meeting Date:	4/5/2021	**Approval Expiration Date:**	180 days from Approval

1.		**CONDUIT ISSUANCE (JPMorgan Chase) CONSTRUCTION LOAN**	**PERMANENT LOAN (CalHFA)**	**MIP (GAP) LOAN**
	Total Loan Amount	$34,000,000 (t/e) $5,300,000 (taxable)	$17,550,000	$2,800,000
	Loan Term & Lien Position	36 months- interest only. Two conditional six-month extensions available. 1st Lien Position during construction	40 year – partially amortizing due in year 17; 1st Lien Position during permanent loan term	17 year - Residual Receipts; 2nd Lien Position during permanent loan term
	Interest Rate (subject to change and locked 30 days prior to loan closing)	Underwritten at 1.95% (T/E) and 2.45% (Taxable) Variable rate	15 Year MMD + 2.60% Underwritten at 4.53%* including a .25% cushion	Greater of 1.00% Simple Interest or the Applicable Federal Rate at time of MIP

			Estimated rate based on a 36 month forward commitment.	closing (2% Simple was used for underwriting purposes)
	Loan to Value (LTV)	84%	68%	N/A
	Loan to Cost	62%	31%	N/A

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

PROJECT SUMMARY

2.	**Legislative Districts**	**Congress:**	#20 Jimmy Panetta	**Assembly:**	#29 Mark Stone	**State Senate:**	#17 John Laird
	Brief Project Description	**Terracina at the Dunes (the "Project")** is a scattered-site (2 sites), new construction, family, mixed-income Project. It consists of six three-story garden-style buildings and two two-story community center/management office buildings. The two separate parcels are approximately 3/4 of a mile apart. The Project will contain 142 units total, including 34 one-bedroom units (533 sq ft), 72 two-bedroom units (712-881 sq ft), and 36 three-bedroom units (932 sq ft). The project will provide housing to households between 30% and 70% AMI. Two of the two-bedroom units will be reserved for onsite property managers. The Project is part of the Marina Community Partners LLC (seller) master-planned community development requirement. The Project is located within a governor-declared disaster area. **Financing Structure:** The Project's financing structure includes tax-exempt bonds, 4% tax credits, Agency's tax-exempt permanent loan with HUD risk sharing and MIP. The project also includes gap financing from the seller of the property structured as a fully deferred subordinate loan, due in 55 years after permanent loan conversion, to the project in order to satisfy the master developer's 1:1 contribution requirement for inclusionary projects. The project will be income averaged, pursuant to TCAC regulations. **Tax Credits and/or CDLAC Status:** The project received an allocation of tax-exempt bonds and an award of 4% Federal and State tax credits on December 8, 2021. **Project Amenities:** The Project includes a community room/clubhouse, business center, central laundry facilities, on-site management, and recreational facilities. Unit amenities will include dishwasher, refrigerators and garbage disposal. **Local Resources and Services:** For TCAC/CDLAC purposes, the Project is located within a Moderate Resource Area per TCAC's Opportunity Area Map. The Project is in close proximity to the following local amenities and services: • Grocery stores – 0.6 miles • Schools – 0.7 miles • Public Library – 1.7 miles • Public transit – 0.05 miles • Retail – 0.6 miles • Park and recreation – 0.8 miles • Hospitals – 6.6 miles					

		Non-displacement and No Net Loss: To the extent feasible, it is the Agency's priority to mitigate the overall effects upon affordable housing availability that may arise from multifamily developments that may result in permanent displacement of existing affordable housing residents and/or net loss of existing affordable housing units. The Project is a new construction project, with no related demolition of existing affordable housing, hence no existing affordable housing units will be lost nor will existing residential households be displaced as a result of this development. **Commercial Space:** The Project does not include commercial space.

MISSION

3.	CalHFA Mission/Goals	
This Project and financing proposal provide 140 units of affordable housing with a range of restricted rents between 30% of 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:	6/6/2022	Est. Construction Loan Closing:	4/2022
	Estimated Construction Start:	4/2022	Est. Construction Completion:	7/2023
	Estimated Stabilization and Conversion to Perm Loan(s):		4/15/2025	

SOURCES OF FUNDS

5.

Construction Period Financing				
SOURCE	**AMOUNT**	**LIEN POSITION**	**INTEREST RATE**	**DEBT TYPE**
JP Morgan Chase Construction Loan (Tax-Exempt)	$34,000,000	1st	1.95%	Interest Only
JP Morgan Chase Construction Loan (Taxable)	$4,000,000	2nd	2.45%	Interest Only
USA Properties Fund, Inc. (Sponsor Loan)	$1,000,000	3rd	8.00%	Residual Receipts
Life Span Home (Seller Note)	$7,788,000	4th	3.00%	Fully Deferred/Due in 55 years from perm conversion.
Tax Credit Equity	$15,271,097	N/A	N/A	N/A
TOTAL	**$62,059,097**	**$437,036**	**Per Unit**	

Permanent Financing				
SOURCE	**AMOUNT**	**LIEN POSITION**	**INTEREST RATE**	**DEBT TYPE**
CalHFA Permanent Loan	$17,550,000	1st	4.53%	Required Payment
CalHFA MIP	$2,800,000	2nd	2.00%	Residual Receipts
USA Properties Fund, Inc. (Sponsor Loan)	$1,000,000	3rd	8.00%	Borrower's 50% Share of Surplus Cash

Life Span Home (Seller Note)	$7,788,000	4th	3.00%	Fully Deferred/Due in 55 years
Deferred Developer Fee	$3,670,131	N/A	N/A	N/A
Net Cash Flow During Construction	$1,532,167	N/A	N/A	N/A
Tax Credit Equity	$31,703,057	N/A	N/A	N/A
TOTAL DEVELOPMENT COST:	**$66,043,335**	**$465,094**	**Per Unit**	

Subsidy Efficiency: $19,718.00 per MIP restricted unit

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

- 4% Federal Tax Credits: $33,216,580 ($233,920 per TCAC restricted units).
- State Tax Credits: $3,644,895 ($25,668 per TCAC restricted units).

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

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

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

Cost Containment Strategy: The property manager, USA Multifamily Management and the general contractor, USA Construction Management (USACM) are both wholly owned and controlled subsidiaries of the Developer. Along with being fully vertically integrated, the developer is working with the project architect, engineer, and other consultants to develop a cost-effective project through the bidding process, critical path construction schedule and incorporating lessons learned from prior post construction audits.

6. Equity – Cash Out (estimate): Not Applicable

TRANSACTION OVERVIEW

7. Proposal and Project Strengths

- The Project was awarded 4% federal tax credits and State Tax Credits which are projected to generate equity representing approximately 48% of total financing sources.
- The developer/sponsor has extensive experience in developing similar affordable housing projects and/or have experience with CalHFA.
- The Project will serve low-income families ranging between 30% to 70% of AMI.
- The project has support from the municipality in the form of Disposition and Development Agreement that allows the development of 140 affordable units that will be restricted at or below 70% AMI.
- The projected portion of the developer's fee that will be collected at or prior to permanent loan conversion is $3,588,159, which could be available to cover cost overruns and/or unforeseen issues during construction.
- As part of the City of Monterey's inclusionary requirements, the Master Developer/seller of the property is providing a $7,788,000 contribution to Life Span Homes, Inc., a 501(c)3 non-profit organization, who will in turn provide a fully deferred subordinate loan to the Project for the same amount that will be due in 55 years from permanent loan conversion.

8.	**Project Weaknesses with Mitigants:**

- The exit analysis assumes 6.50% 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 first lien loan but may only have the ability to repay a portion of the Agency's subsidy MIP loan in the estimated amount of $526,681, leaving an outstanding balance of $3,113,319. This is as expected by CalHFA given the requirement that the MIP loan be co-terminus with the permanent first mortgage. The primary source of repayment for both the first mortgage and the MIP subsidy loan is refinance of the project first mortgage. To the extent such a refinance is insufficient to fully repay the MIP loan, it is contemplated that any remaining balance will be paid from a general partner contribution as part of the final close out of partnership obligations to allow re-syndication.
- The developer is budgeting an amount of $1,532,167 via net operating income accrued during pre-stabilization assuming a 25-month construction period, 8-month lease-up period and an additional 3 months of stabilized occupancy for a permanent loan closing (36 months from construction closing). Should the rent-up period be delayed or prolonged, the cash portion of developer fee totaling $3,588,000 could be available to cover the operating gap.

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 Risk Share Firm Approval Letter.
- Receipt of LPA and investor written approval evidencing that any outstanding deferred developer fee remaining in Year 15 will be treated as a developer contribution. The owner must provide evidence of investor approval of the total deferred developer's fee structure.
- The Borrower has requested that 100% of surplus cash be allowed towards the repayment of the deferred developer's fee (DDF) for up to 15 years or until DDF has been fully repaid, whichever is sooner. Thereafter, the surplus cash split shall be 50% to Borrower and 50% to Residual Receipt lender(s). As a condition of this approval, the Borrower must provide evidence that the DDF repayment structure is required pursuant to the Limited Partnership Agreement (LPA). In addition, the owner must provide evidence of investor and all residual receipt lender(s) approvals of the total deferred developer's fee structure and residual receipt split. Residual receipt lenders must also agree to defer the payments on their loans.
- CalHFA requires that MIP affordability covenants be recorded in senior position to all foreclosable debt.
- The City is requiring the Borrower to encumber the Property by recording a Density Bonus Agreement. Prior to construction loan closing and closing of the CalHFA loans, the Density Bonus Agreement is subject to CalHFA review and approval in accordance with Agency underwriting standards.
- The CalHFA subsidy will be, in the Agency's sole discretion, the lesser of 1) the principal amount as stated herein, or 2) an amount as determined by the Agency in the event the financial assumptions change prior to construction loan closing and/or permanent loan closing. For instance, if the permanent loan interest rate decreased, then the subsidy may be reduced due to additional debt generated by the lower interest rate. The debt service coverage ratio ("DSCR") shall be a maximum of 1.20. An increase of the subsidy loan will not be allowed and will be subject to Agency's approval.
- At construction closing, recordation of Restricted Covenant Modification as required by the "Covenant to Restrict Use of the Property, Environmental Restriction" recorded on title May 22, 2002.
- Receipt of Estoppel from the City to the Borrower for work performed under the "Fixture Exchange Agreement" dated June 30, 2006 which is recorded and on title.
- Removal or evidence of compliance satisfactory to CalHFA, of the Memorandum of Disposition and Development Agreement and associated Development Agreements recorded on title and dated 7/8/2005 from the City.

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

AFFORDABILITY

12.	CalHFA Affordability & Occupancy Restrictions

The CalHFA Permanent Financing Regulatory Agreement will restrict a minimum of 30% of the total units (43 units) at or below 60% AMI and 10% of the total units (15 units) at or below 50% of AMI for 55 year(s).

The CalHFA MIP Subsidy Regulatory Agreement requires 10% of total units (15 units) be restricted at or below 50% of AMI, 10% of total units (15 units) be restricted between 60% and 80% of AMI with a minimum average of 70% of AMI, and 80% of the total units (110 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. The CalHFA permanent loan agreement will require minimum underwriting rent levels as outlined in the Rent Limit Summary Table Below.

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

The Marina Redevelopment Agency Disposition and Development Agreement (DDA) will restrict 139 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%	15	-	3	8	4	-	10.6%
50%	36	-	9	18	9	-	25.4%
60%	36	-	9	18	9	-	25.4%
70%	53	-	13	26	14	-	37.3%
Manager's Unit	2	-	-	2	-	-	1.4%
Total	142	0	34	72	36	0	100%

The average affordability restriction is 58% of AMI.

NUMBER OF UNITS AND AMI RENTS RESTRICTED BY EACH AGENCY

Regulatory Source	Recordation Priority if Recorded Document	Term of Agrmt (years)	Number of Units Restricted For Each AMI Category									
			30% AMI	50% AMI	60% AMI	*70% AMI (60% to 80% Tranche)	70% AMI	80% AMI	<= 120% AMI	Mgrs Unit	Total Units Regulated	% of Regulated Units
CalHFA Bond	1st	55		15	43					2	58	40.8%
*CalHFA MIP	2nd	55		15		15			110	2	140	98.6%
Tax Credits	3rd	55	15	36	36		53			2	140	98.6%
DDA	4th	55		91				48		2	139	97.9

13.	Geocoder Information			
	Central City:	No	Underserved:	No
	Low/Mod Census Tract:	Moderate	Below Poverty line:	32.27%
	Minority Census Tract:	70.41%	Rural Area:	No

FINANCIAL ANALYSIS SUMMARY

14.	**Capitalized Reserves:**	
	Replacement Reserves (RR):	N/A
	Operating Expense Reserve (OER):	$478,494 OER amount is size based on 3 months of operating expenses, debt service, and annual replacement reserves deposits. The Investor will hold this reserve for the term of the CalHFA permanent loan and in the event the OER is drawn down during the term of the loan, the OER must be replenished over a 12 months period to the original level.
	Transitional Operating Reserve (TOR):	N/A

15.	**Cash Flow Analysis**			
	1st Year DSCR:	1.16	**Project-Based Subsidy Term:**	N/A
	End Year DSCR:	1.52	**Annual Replacement Reserve Per Unit:**	$250/unit plus 3% annual increase
	Residential Vacancy Rate: **Subsidy Vacancy Rate:**	5% N/A	**Rental Income Inflation Rate:** **Subsidy Income Inflation Rate:**	2.50% N/A
	Non-residential Vacancy Rate:	N/A	**Project Expenses Inflation Rate:** **Property Tax Inflation Rate:**	3.50% 1.25%

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

16. Loan Security

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

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

The exit analysis assumes a 6.5% 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 first lien loan but may only have the ability to repay a portion of the Agency's subsidy MIP loan in the estimated amount of $526,861, leaving an outstanding balance of $3,113,319. 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: 1/3/2022**

- The as-restricted stabilized value is $26,910,000, which results in the Agency's permanent first lien loan to value of 68%.

- The as-restricted stabilized value is $26,910,000, which results in the Agency's permanent first lien loan to value of 68%.
- The Appraisal dated January 03, 2022, prepared by Pacific Real Estate Appraisal, values the land at $6,240,000.
- The cap rate of 4.50% and projected $2,210,785 of 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 capture rate is 11.66% (higher than market study dated 1/29/2021) and the absorption rate is expected to be 20 units per month (estimating seven to eight months, which is consistent with the market study.

	Market Study:	Novogradac Consulting LLP	**Dated: 1/29/2021**

Regional Market Overview

- The Primary Market Area ("PMA") is the city of Marina as well as portions of the cities of Monterey, Salinas, and Moss Landing (population of 89,845 in 2020) and the Secondary Market Area ("SMA") is Salinas, CA Metropolitan Statistical Area (population of 428,752 in 2020)
- The general population in the PMA is anticipated to increase by 0.3% per year.
- 39.8% of local employment in the PMA is concentrated in the educational services, healthcare/social assistance, accommodation/food services industries. The leisure, hospitality, and retail trade sectors have been two of the heaviest hit industries from the COVID-19 pandemic. Despite this, affordable supply in the area continues to perform well.
- Unemployment in the SMA was reported at 7.8% in October 2020, which is higher than the 6.6% unemployment rate for the nation. Per the appraisal, this rate improved to 6% by June 2021, but it remains slightly higher to 5.8% for the country for the same period. The market study does not include the unemployment rate for the PMA; however, the SMA data is a good indication of job market.
- Median household income in the area is $60,000 while median home value in the PMA is $850,000, consequently renting provides an affordable alternative.

Local Market Area Analysis

- **Supply:**
  - The Market Study identified 530 existing affordable units in the PMA that directly compete with the subject and they are 92% or higher occupied with waiting lists.
  - There is no new planned or under construction of affordable project(s) identified within the PMA per the market study. The most recent project to receive LIHTC funding was an age-restricted/Section 8 development in 2017 and was completed in 2020.
- **Demand/Absorption:**
  - Per the Market Study, the project will need to capture 8.5% of the total demand for family units in the PMA. The affordable units are anticipated to lease up at a rate of 20 units per month and reach stabilized occupancy within 7 months of opening.
  - With the area median income continuing to increase, future increases are expected. Demand for rent-restricted projects continues to be good and is expected to remain so in future years.

DEVELOPMENT SUMMARY

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

- The project consists of two separate sites/parcels within 3/4 mile of each other. One parcel sits on the southeast and southwest corners of the intersection of Imjin Parkway and 4th Avenue, in the City of Marina, Monterey County. Another parcel sits at the southwest corner of the intersection of 6th Street and 2nd Avenue, also in the City of Marina, Monterey County.
- The site is currently vacant, with level topography at street grade, with parcels measuring 4.12 and 2.35 acres respectively for a total of approximately 6.47 acres.

- The site is zoned as UVR (University Villages Residential) with permitted multifamily residential use.
- The subject is located in Flood Zone X which is the area determined to be outside the 500-year flood and protected by levee from 100-year flood, therefore the Project will not be subject to flood insurance.

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

The current owner of the site is The City of Marina. On 5/31/2005, Marina Community Partners, LLC (MCP), the master developer, entered into a Disposition and Development Agreement with the City of Marina for a land cost of $6,283,000. MCP is required by the Disposition and Development Agreement, and related Operating Agreement, to include 139 units of affordable rental housing. To fulfill this obligation, MCP has entered into a purchase and sales agreement with USA Properties Fund, Inc. (USA) dated 12/17/2019. As a subsidy from MCP to USA, the purchase price was set at a nominal amount of $100 for the two separate sites in order to satisfy MCP's inclusionary requirement for the Disposition and Development Agreement. An Assignment and Assumption of the Purchase and Sale Agreement was signed between USA Properties Fund, Inc. and Marina 706, L.P., the Borrower, on 5/13/2021.

21.	**Current Ownership Entity of Record**

Title is currently vested in the City of Marina as the fee owner.

22.	**Environmental Review Findings**	**Dated: January 25, 2022**

- Phase I Environmental Site Assessments were performed for both sites by West Environmental Service & Technology, and dated January 25, 2022. The reports revealed no evidence of recognized environmental conditions, so no additional investigation was recommended.
- The sites are located on the former Fort Ord United States Army post. As part of the Purchase and Sales Agreement between MCP and USA, the seller is required to complete all environmental remediation and rough grading prior to transferring the site to USA. This work has been completed.

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

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

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

The Project is new construction on vacant land; therefore, relocation is not applicable.

PROJECT DETAILS

25.	**Residential Areas:**				
		Residential Square Footage:	105,727	**Residential Units per Acre:**	21.9
		Community Area Sq. Ftg:	24,308	**Total Parking Spaces:**	265
		Supportive Service Areas:	N/A	**Total Building Sq. Footage:**	130,035
26.	**Mixed-Use Project:** ☐ **Yes** ☒ **No**				
		Non-Residential Sq. Footage:	N/A	**Number of Lease Spaces:**	N/A
		Master Lease:	☐ **Yes** ☒ **No**	**Number of Parking Spaces:**	265
27.	**Construction Type:**	The Subject will consist of 6 three-story buildings and 2 two-story community center/managers unit buildings. The project will contain a mixture of one-, two- and three-bedroom floor plans. The buildings will be constructed of steel and wood frame, and covered with stucco, laminated wood, metal cladding and fiber cement board siding. The roofs will be a medium pitched gable design covered with asphalt composition shingles.			
28.	**Construction/Rehab Scope**	**Requires Demolition:** ☐ **Yes** ☒ **No**			

- The subject site is new construction on vacant land.

- The Contractor is an affiliate of the Borrowing entity. The contract will be structured as a Guaranteed Maximum Price (GMP) contract with a 14% for builder overhead, profit, and general requirements per TCAC regulations.
- All environmental remediation has been paid for and completed by Seller as required by the Purchase and Sale Agreement.
- The majority of offsite improvements will be handled by the master developer, MCP, as the project is part of a master planned community. The locality does however require certain offsite improvements that include:
  - Sidewalk improvements – $253,805
  - Landscaping – $284,358
  - Drive Entries – $143,750

  Total Offsite Improvements - $681,913 ($4,802 p/u)

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 is currently looking for cost saving design options to reduce construction costs and minimize development costs.
- The developer had established cost containment strategies, which are outlined in Section 5 above.
- During construction and permanent, the cost of the offsite improvements outlined above will be paid by either tax credit equity, USA Properties Fund, Inc. loan, or the Life Span subordinate loan as follows:.

	Construction	**Permanent**
Offsite improvements Structure Cost	$681,913	$681,913
Tax Credit Equity, Life Span Loan, or USA Properties Fund, Inc. Loan	$681,813	$684,913
Total Sources	$681,913	$681,913

ADDITIONAL DEVELOPMENT/ PROJECT TEAM INFORMATION

30. Borrower Affiliated Entities

- Managing General Partner: Riverside Charitable Corporation, a California nonprofit public benefit corporation; 0.001% interest
- Administrative General Partner: USA Marina 706, Inc., a California corporation and an affiliate of USA Properties Fund, Inc.; 0.009% interest
- Investor Limited Partner: WNC & Associates Inc. (Investor Partnership and Special Limited Partner); 99.99% 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.

USA Properties Fund, Inc., and its wholly owned construction company, USA Construction Management Inc., has the staffing capacity to process the 16+ projects in our pipeline as they are all at different stages of the development process. Similarly, their projects under construction are at different development stages, with the most intense work at the beginning of the projects. USA has added construction project managers to its staff in anticipation of these construction starts. Additionally, several of the projects are close to being closed out.

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. The company currently manages six (6) projects in CalHFA's portfolio. The CalHFA portfolio projects are performing as expected.	
33.	**Service Provider** **Required by TCAC or other funding source?** ☒ **Yes** ☐ **No**
Life Skills Training and Educational Programs, Inc. (LifeSTEPS) will provide supportive services for the tenant population to meet CTCAC requirements for a term of 15 years. The supportive services expense is currently included as an approved line-item within the operating budget. Services will be conducted onsite.	
34.	**Contractor** **Experienced with CalHFA?** ☒ **Yes** ☐ **No**
The general contractor, an affiliated company, is USA Construction Management, Inc. (USACM), which has extensive 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 Bassenian Lagoni Architecture, which has 45-year experience in designing and managing similar multifamily housing projects in California through the locality's building permit process.	
36.	**Local Review via Locality Contribution Letter**
The locality, City of Marina, 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 21-014-A/X/N**

Project Full Name	Terracina at the Dunes	**Borrower Name:**	Marina 706, L.P., a California limited
Project Address	Imjin Parkway/4th Ave. and 2nd Ave./6th St	**Managing GP:**	Riverside Charitable Corporation
Project City	Marina	**Developer Name:**	USA Multi-Family Development, Inc.
Project County	Monterey	**Investor Name:**	WNC & Associates, Inc.
Project Zip Code	93933	**Prop Management:**	USA Multifamily Management Inc.
		Tax Credits:	4
Project Type:	Permanent Loan Only	**Total Land Area (acres):**	6.47
Tenancy/Occupancy:	Individuals/Families	**Residential Square Footage:**	105,727
Total Residential Units:	142	**Residential Units Per Acre:**	21.95
Total Number of Buildings:	8		
Number of Stories:	2 and 3	**Covered Parking Spaces:**	0
Unit Style:	Flat	**Total Parking Spaces:**	265
Elevators:	--		

Acq/Construction/Rehab Financing	Loan Amount ($)	Loan Fees	Loan Term (Mo.)	Amort. Period (Yr.)	Starting Interest Rate
JP Morgan Chase T/E Construction Loan	34,000,000	0.750%	36	--	1.950%
JP Morgan Chase - Taxable	4,000,000	0.750%	36	--	2.450%
USA Properties Fund Inc. (Sponsor Loan)	1,000,000	--	36	--	8.000%
Life Span Home (Seller Note)	7,788,000	--	36	--	3.000%
Investor Equity Contribution	15,271,097	--	--	--	--

Permanent Financing	Loan Amount ($)	Loan Fees	Loan Term (Yr.)	Amort. Period (Yr.)	Starting Interest Rate
Perm	17,550,000	1.000%	17	40	4.530%
MIP	2,800,000	1.000%	17	17	2.000%
USA Properties Fund Inc. (Sponsor Loan)	1,000,000	--	55	55	8.000%
Life Span Home (Seller Note)	7,788,000	--	55	55	3.000%
Deferred Developer Fees	3,670,131	NA	NA	NA	NA
NOI During Construction	1,532,167	NA	NA	NA	NA
Investor Equity Contributions	31,703,057	NA	NA	NA	NA

Appraised Values Upon Completion of Rehab/Construction

Appraisal Date:	7/27/21	**Capitalization Rate:**	4.50%
Investment Value ($)	46,550,000	**Restricted Value ($)**	26,910,000
Construct/Rehab LTC	58%	**CalHFA Permanent Loan to Cost**	27%
Construct/Rehab LTV	82%	**CalHFA 1st Permanent Loan to Value**	65%
		Combined CalHFA Perm Loan to Value	76%

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	$478,494	Cash
Initial Replacement Reserve Deposit	$0	Cash
Annual Replacement Reserve Per Unit	$250	Cash

Date Prepared: 2/22/22 — Senior Staff Date: 3/9/22

UNIT MIX AND RENT SUMMARY | **Final Commitment**

Terracina at the Dunes | **Project Number 21-014-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	533	34	51
Flat	2	1	712	35	105
Flat	2	2	784	35	105
Flat	2	2	812	1	3
Flat	2	2	881	1	3
Flat	3	2	932	36	162
				142	429

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%
A Bond/RiskShare	0	0	15	43	0	0	0
CalHFA MIP	0	0	15	0	15	0	110
Tax Credit	15	0	36	36	53	0	0
DDA	0	0	91	0	0	48	0
-	0	0	0	0	0	0	0
-	0	0	0	0	0	0	0
-	0	0	0	0	0	0	0

COMPARISON OF AVERAGE MONTHLY RESTRICTED RENTS TO AVERAGE MARKET RENTS

Unit Type	Restricting Agency	% of Area Median Income	Average Restricted Rents: Number of Units	Average Restricted Rents: Unit Rent	Average Market Rents	Average Monthly Savings	% of Market Rents
Studios	CTCAC	30%	-	-	-	-	-
	CTCAC	50%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	70%	-	-		-	-
	CTCAC	80%	-	-		-	-
	CTCAC	100%	-	-		-	-
	CTCAC	80%	-	-		-	-
1 Bedroom	CTCAC	30%	3	$535	$1,802	$1,267	30%
	CTCAC	50%	9	$916		$886	51%
	CTCAC	60%	9	$1,107		$695	61%
	CTCAC	70%	13	$1,298		$504	72%
	CTCAC	80%	-	-		-	-
	CTCAC	100%	-	-		-	-
	CTCAC	80%	-	-		-	-
2 Bedrooms	CTCAC	30%	8	$634	$2,036	$1,402	31%
	CTCAC	50%	18	$1,092		$944	54%
	CTCAC	60%	18	$1,321		$715	65%
	CTCAC	70%	26	$1,550		$486	76%
	CTCAC	80%	-	-		-	-
	CTCAC	80%	-	-		-	-
	CTCAC	-	-	-		-	-
3 Bedrooms	CTCAC	30%	4	$724	$2,404	$1,680	30%
	CTCAC	50%	9	$1,253		$1,151	52%
	CTCAC	60%	9	$1,518		$886	63%
	CTCAC	70%	14	$1,782		$622	74%
	CTCAC	80%	-	-		-	-
	CTCAC	100%	-	-		-	-
	CTCAC	80%	-	-		-	-
4 Bedrooms	CTCAC	30%	-	-	-	-	-
	CTCAC	50%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	70%	-	-		-	-
	CTCAC	80%	-	-		-	-
	CTCAC	100%	-	-		-	-
	CTCAC	80%	-	-		-	-
5 Bedrooms	CTCAC	30%	-	-	-	-	-
	CTCAC	50%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	70%	-	-		-	-
	CTCAC	80%	-	-		-	-
	CTCAC	100%	-	-		-	-
	CTCAC	80%	-	-		-	-
Date Prepared:	2/22/22					Senior Staff Date:	3/9/22

SOURCES & USES OF FUNDS					Final Commitment
Terracina at the Dunes			Project Number	21-014-A/X/N	
SOURCES OF FUNDS	CONST/REHAB $	PERMANENT $	TOTAL PROJECT SOURCES OF FUNDS SOURCES ($)	PER UNIT ($)	%
JP Morgan Chase T/E Construction Loan	34,000,000				0.0%
-	-				0.0%
-	-				0.0%
JP Morgan Chase - Taxable	4,000,000				0.0%
-	-				0.0%
USA Properties Fund Inc. (Sponsor Loan)	1,000,000				0.0%
Life Span Home (Seller Note)	7,788,000				0.0%
-	-				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	15,271,097				0.0%
Perm		17,550,000	17,550,000	123,592	26.6%
MIP		2,800,000	2,800,000	19,718	4.2%
-		-	-	-	0.0%
-		-	-	-	0.0%
USA Properties Fund Inc. (Sponsor Loan)		1,000,000	1,000,000	7,042	1.5%
Life Span Home (Seller Note)		7,788,000	7,788,000	54,845	11.8%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
NOI During Construction		1,532,167	1,532,167	10,790	2.3%
-		-	-	-	0.0%
-		-	-	-	0.0%
Construct/Rehab Net Oper. Inc.		-	-	-	0.0%
Deferred Developer Fees		3,670,131	3,670,131	25,846	5.6%
Developer Equity Contribution		-	-	-	0.0%
Investor Equity Contributions		31,703,057	31,703,057	223,261	48.0%
TOTAL SOURCES OF FUNDS	**62,059,097**	**66,043,355**	**66,043,355**	**465,094**	**100.0%**
TOTAL USES OF FUNDS (BELOW)	**62,059,097**	**66,043,355**	**66,043,355**	**465,094**	**100.0%**
FUNDING SURPLUS (DEFICIT)	**-**	**-**	**-**		

USES OF FUNDS	CONST/REHAB $	PERMANENT $	TOTAL PROJECT USES OF FUNDS USES ($)	PER UNIT ($)	%
CONSTRUCTION/REHAB SOURCES OF FUNDS		**62,059,097**			
ACQUISITION COSTS					
Lesser of Land Cost or Appraised Value	100	-	100	1	0.0%
Demolition Costs	-	-	-	-	0.0%
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	**100**	**-**	**100**	**1**	**0.0%**
CONSTRUCTION/REHAB COSTS					
Offsite Improvements	681,913	-	681,913	4,802	1.0%
Environmental Remediation (Hard Costs)	-	-	-	-	0.0%
Site Work (Hard Cost)	4,734,709	-	4,734,709	33,343	7.2%
Structures (Hard Cost)	26,593,528	-	26,593,528	187,278	40.3%

SOURCES & USES OF FUNDS					Final Commitment
Terracina at the Dunes			Project Number	21-014-A/X/N	
General Requirements	1,840,000	-	1,840,000	12,958	2.8%
Contractor Overhead	1,396,628	-	1,396,628	9,835	2.1%
Contractor Profit	1,396,627	-	1,396,627	9,835	2.1%
Contractor Bond	-	-	-	-	0.0%
Contractor Liability Insurance	725,538	-	725,538	5,109	1.1%
Personal Property	-	-	-	-	0.0%
HVAC/Resident Damage	-	-	-	-	0.0%
TOTAL CONSTRUCT/REHAB COSTS	**37,368,943**	**-**	**37,368,943**	**263,162**	**56.6%**
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	1,493,143	-	1,493,143	10,515	2.3%
Supervision	-	-	-	-	0.0%
TOTAL ARCHITECTURAL FEES	**1,493,143**	**-**	**1,493,143**	**10,515**	**2.3%**
SURVEY & ENGINEERING FEES					
Engineering	590,282	-	590,282	4,157	0.9%
Supervision	-	-	-	-	0.0%
ALTA Land Survey	-	-	-	-	0.0%
TOTAL SURVEY & ENGINEERING FEES	590,282	-	590,282	4,157	0.9%
CONTINGENCY RESERVES					
Hard Cost Contingency Reserve	3,664,340	-	3,664,340	25,805	5.5%
Soft Cost Contingency Reserve	430,605	-	430,605	3,032	0.7%
TOTAL CONTINGENCY RESERVES	4,094,945	-	4,094,945	28,838	6.2%
CONSTRUCT/REHAB PERIOD COSTS					
Loan Interest Reserve					
JP Morgan Chase T/E Construction Loan	794,141	-	794,141	5,593	0.012025
-	-	-	-	-	0
-	-	-	-	-	0.0%
JP Morgan Chase - Taxable	-	-	-	-	0.0%
-	-	-	-	-	0.0%
USA Properties Fund Inc. (Sponsor Loan)	-	-	-	-	0.0%
Loan Fees					
JP Morgan Chase T/E Construction Loan	345,000	-	345,000	2,430	0.5%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
JP Morgan Chase - Taxable	-	-	-	-	0.0%
-	-	-	-	-	0.0%
USA Properties Fund Inc. (Sponsor Loan)	-	-	-	-	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	127	0.0%
Real Estate Taxes During Rehab	1,988	-	1,988	14	0.0%
Completion Guaranty Fee	-	-	-	-	0.0%
Wage Monitoring Fee (Davis Bacon, Preva	-	-	-	-	0.0%
Insurance During Rehab	-	-	-	-	0.0%
Title & Recording Fees	26,250	-	26,250	185	0.0%
Construction Management & Testing	-	-	-	-	0.0%

SOURCES & USES OF FUNDS					Final Commitment
Terracina at the Dunes			Project Number		21-014-A/X/N
Predevelopment Interest Expense	-	-	-	-	0.0%
Bond Issuer Fee	44,500	-	44,500	313	0.1%
Lender Inspections	12,000	-	12,000	85	0.0%
TOTAL CONST/REHAB PERIOD COSTS	**1,241,879**	**-**	**1,241,879**	**8,746**	**1.9%**
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	91,500	91,500	175,500	1,236	0.3%
MIP	14,000	14,000	28,000	197	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
USA Properties Fund Inc. (Sponsor Loan)	-	-	-	-	0.0%
Life Span Home (Seller Note)	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Permanent Loan Cost of Issuance Fee	55,000	55,000	110,000	775	0.2%
Credit Enhancement & Application Fees	-	179,283	179,283	1,263	0.3%
Title & Recording (closing costs)	-	26,250	26,250	185	0.0%
Year 1 - Taxes & Special Assessments and Insura	-	-	-	-	0.0%
CalHFA Fees	-	12,617	12,617	89	0.0%
Post Construction Interest	-	1,268,000	1,268,000	8,930	1.9%
Loan Origination Fees	-	-	-	-	0.0%
TOTAL PERMANENT LOAN COSTS	**160,500**	**1,646,650**	**1,799,650**	**12,674**	**2.7%**
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	246	0.1%
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	599	0.1%
CalHFA Bond Counsel	50,000	-	50,000	352	0.1%
TOTAL LEGAL FEES	**152,500**	**17,500**	**170,000**	**1,197**	**0.3%**
OPERATING RESERVES					
Operating Expense Reserve Deposit	-	478,494	478,494	3,370	0.7%
Initial Replacement Reserve Deposit	-	-	-	-	0.0%
Transition Operating Reserve Deposit	-	-	-	-	0.0%
Rent-Up Reserve Deposit	-	-	-	-	0.0%
HOME Program Replacement Reserve	-	-	-	-	0.0%
Investor Required Reserve	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL OPERATING RESERVES	**-**	**478,494**	**478,494**	**3,370**	**0.7%**
REPORTS & STUDIES					
Appraisal Fee	10,700	-	10,700	75	0.0%
Market Study Fee	11,850	-	11,850	83	0.0%
Physical Needs Assessment Fee	-	-	-	-	0.0%
Environmental Site Assessment Reports	17,000	-	17,000	120	0.0%
HUD Risk Share Environmental / NEPA Review F	25,000	-	25,000	176	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%

SOURCES & USES OF FUNDS					Final Commitment
Terracina at the Dunes			Project Number		21-014-A/X/N
Consultant/Processing Agent	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL REPORTS & STUDIES	**64,550**	**-**	**64,550**	**455**	**0.1%**
USES OF FUNDS	**CONST/REHAB**	**PERMANENT**	**TOTAL PROJECT USES OF FUNDS**		
	$	**$**	**USES ($)**	**PER UNIT ($)**	**%**
OTHER COSTS					
TCAC Application, Allocation & Monitor Fees	91,323	-	91,323	643	0.1%
CDLAC Fees	11,900	-	11,900	84	0.0%
Local Permits & Fees	797,407	-	797,407	5,616	1.2%
Local Impact Fees	9,200,389	-	9,200,389	64,791	13.9%
Other Local Fees	-	-	-	-	0.0%
Syndicator/Investor Fees & Expenses	-	-	-	-	0.0%
Furnishings	247,560	-	247,560	1,743	0.4%
Accounting & Audits	25,000	-	25,000	176	0.0%
Advertising & Marketing Expenses	-	79,500	79,500	560	0.1%
Financial Consulting	-	-	-	-	0.0%
Miscellaneous Administrative Fees	-	-	-	-	0.0%
HUD Risk Share Insurance (First Year Prepaid)	-	-	-	-	0.0%
Other (Construction Inspection Fees)	30,000	-	30,000	211	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL OTHER COSTS	**10,403,579**	**79,500**	**10,483,079**	**73,825**	**15.9%**
SUBTOTAL PROJECT COSTS	**55,570,421**	**64,281,241**	**57,785,065**	**406,937**	**87.5%**
DEVELOPER FEES & COSTS					
Developer Fees, Overhead & Profit	6,488,676	1,762,114	8,258,290	58,157	12.5%
Consultant Processing Agent	-	-	-	-	0.0%
Project Administration	-	-	-	-	0.0%
Syndicator Consultant Fees	-	-	-	-	0.0%
Guarantee Fees	-	-	-	-	0.0%
Construction Oversight & Management	-	-	-	-	0.0%
Other Adminstration Fees	-	-	-	-	0.0%
Other (Specify) correction to balance	-	-	-	-	0.0%
CASH EQUITY OUT TO DEVELOPER	-	-	-	-	0.0%
TOTAL DEVELOPER FEES & COSTS	**6,488,676**	**1,762,114**	**8,258,290**	**58,157**	**12.5%**
TOTAL PROJECT COSTS	**62,059,097**	**66,043,355**	**66,043,355**	**465,094**	**100.0%**

PROJECTED INITIAL ANNUAL RENTAL OPERATING BUDGET			Final Commitment
Terracina at the Dunes	**Project Number**		**21-014-A/X/N**
INCOME	**AMOUNT**	**PER UNIT**	**%**
Rental Income			
Restricted Unit Rents	$ 2,139,300	$ 15,065	104.02%
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	25,622	180	1.25%
Parking & Storage Income	-	-	0.00%
Miscellaneous Income	-	-	0.00%
GROSS POTENTIAL INCOME (GPI)	**$ 2,164,922**	**$ 15,246**	**105.26%**
Less: Vacancy Loss	**$ 108,246**	**$ 762**	**5.26%**
EFFECTIVE GROSS INCOME (EGI)	**$ 2,056,676**	**$ 16,008**	**100.00%**
OPERATING EXPENSES	**AMOUNT**	**PER UNIT**	**%**
Administrative Expenses	$ 136,378	$ 960	$ 0
Management Fee	81,691	575	3.97%
Social Programs & Services	21,800	154	1.06%
Utilities	373,318	2,629	18.15%
Operating & Maintenance	217,742	1,533	10.59%
Ground Lease Payments	-	-	0.00%
CalHFA Monitoring Fee	7,500	53	0.36%
Other Monitoring Fees	-	-	0.00%
Real Estate Taxes	1,193	8	0.06%
Other Taxes & Insurance	78,436	552	3.81%
Assisted Living/Board & Care	-	-	0.00%
SUBTOTAL OPERATING EXPENSES	**$ 918,058**	**$ 6,465**	**44.64%**
Replacement Reserve	$ 35,500	$ 250	1.73%
TOTAL OPERATING EXPENSES	**$ 953,558**	**$ 6,715**	**46.36%**
NET OPERATING INCOME (NOI)	**$ 1,103,118**	**$ 7,768**	**53.64%**
DEBT SERVICE PAYMENTS	**AMOUNT**	**PER UNIT**	**%**
Perm	$ 950,844	$ 6,696	46.23%
-	$ -	-	0.00%
-	$ -	-	0.00%
USA Properties Fund Inc. (Sponsor Loan)	$ -	-	0.00%
Life Span Home (Seller Note)	$ -	-	0.00%
-	$ -	-	0.00%
-	$ -	-	0.00%
MIP Annual Fee (applicable for MIP only deals)	$ -	-	0.00%
TOTAL DEBT SERVICE & OTHER PAYMENTS	**$ 950,844**	**$ 6,696**	**46.23%**
EXCESS AFTER DEBT SERVICE & MONITORING FEES	**$ 152,274**	**$ 1,072**	**7.40%**
DEBT SERVICE COVERAGE RATIO (DSCR)	**1.16**	**to 1**	
Date: 2/22/22		Senior Staff Date:	03/09/22

PROJECTED PERMANENT LOAN CASH FL0WS — **Terracina at the Dunes**

Final Commitment — Project Number 21-014-A/X/N

	YEAR	1	2	3	4	5	6	7	8	9	10	11	12
RENTAL INCOME	**CPI**												
Restricted Unit Rents	2.50%	2,139,300	2,192,783	2,247,602	2,303,792	2,361,387	2,420,422	2,480,932	2,542,955	2,606,529	2,671,693	2,738,485	2,806,947
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%	25,622	26,263	26,920	27,593	28,282	28,989	29,714	30,457	31,219	31,999	32,799	33,619
Parking & Storage Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-
GROSS POTENTIAL INCOME (GPI)		**2,164,922**	**2,219,046**	**2,274,522**	**2,331,385**	**2,389,669**	**2,449,411**	**2,510,646**	**2,573,413**	**2,637,748**	**2,703,692**	**2,771,284**	**2,840,566**
VACANCY ASSUMPTIONS	**Vacancy**												
Restricted Unit Rents	5.00%	106,965	109,639	112,380	115,190	118,069	121,021	124,047	127,148	130,326	133,585	136,924	140,347
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%	-	-	-	-	-	-	-	-	-	-	-	-
Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-	-	-
Laundry Income	5.00%	1,281	1,313	1,346	1,380	1,414	1,449	1,486	1,523	1,561	1,600	1,640	1,681
Parking & Storage Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	50.00%	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL PROJECTED VACANCY LOSS		**108,246**	**110,952**	**113,726**	**116,569**	**119,483**	**122,471**	**125,532**	**128,671**	**131,887**	**135,185**	**138,564**	**142,028**
EFFECTIVE GROSS INCOME (EGI)		**2,056,676**	**2,108,093**	**2,160,796**	**2,214,815**	**2,270,186**	**2,326,941**	**2,385,114**	**2,444,742**	**2,505,860**	**2,568,507**	**2,632,720**	**2,698,538**
OPERATING EXPENSES	**CPI / Fee**												
Administrative Expenses	3.50%	158,178	163,714	169,444	175,375	181,513	187,866	194,441	201,247	208,290	215,580	223,126	230,935
Management Fee	3.97%	81,691	83,733	85,827	87,972	90,172	92,426	94,737	97,105	99,533	102,021	104,572	107,186
Utilities	3.50%	373,318	386,384	399,908	413,904	428,391	443,385	458,903	474,965	491,589	508,794	526,602	545,033
Operating & Maintenance	3.50%	217,742	225,363	233,251	241,414	249,864	258,609	267,661	277,029	286,725	296,760	307,147	317,897
Ground Lease Payments	3.50%	-	-	-	-	-	-	-	-	-	-	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Other Agency Monitoring Fee	0.00%	-	-	-	-	-	-	-	-	-	-	-	-
Real Estate Taxes	1.25%	1,193	1,208	1,223	1,238	1,254	1,269	1,285	1,301	1,318	1,334	1,351	1,368
Other Taxes & Insurance	3.50%	78,436	81,181	84,023	86,963	90,007	93,157	96,418	99,792	103,285	106,900	110,642	114,514
Required Reserve Payments	1.00%	35,500	35,855	36,214	36,576	36,941	37,311	37,684	38,061	38,441	38,826	39,214	39,606
TOTAL OPERATING EXPENSES		**953,558**	**984,939**	**1,017,388**	**1,050,943**	**1,085,642**	**1,121,523**	**1,158,629**	**1,197,000**	**1,236,680**	**1,277,716**	**1,320,152**	**1,364,039**
NET OPERATING INCOME (NOI)		**1,103,118**	**1,123,154**	**1,143,407**	**1,163,872**	**1,184,544**	**1,205,417**	**1,226,485**	**1,247,742**	**1,269,180**	**1,290,791**	**1,312,567**	**1,334,499**
DEBT SERVICE PAYMENTS	**Lien #**												
Perm	1	950,844	950,844	950,844	950,844	950,844	950,844	950,844	950,844	950,844	950,844	950,844	950,844
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
USA Properties Fund Inc. (Sponsor Loan)	3	-	-	-	-	-	-	-	-	-	-	-	-
Life Span Home (Seller Note)	4	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
MIP Annual Fee (applicable for MIP only deals)	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		**950,844**	**950,844**	**950,844**	**950,844**	**950,844**	**950,844**	**950,844**	**950,844**	**950,844**	**950,844**	**950,844**	**950,844**
CASH FLOW AFTER DEBT SERVICE		**152,274**	**172,310**	**192,563**	**213,028**	**233,699**	**254,573**	**275,641**	**296,898**	**318,336**	**339,947**	**361,723**	**383,654**
DEBT SERVICE COVERAGE RATIO		**1.16**	**1.18**	**1.20**	**1.22**	**1.25**	**1.27**	**1.29**	**1.31**	**1.33**	**1.36**	**1.38**	**1.40**
Date Prepared:	02/22/22									Senior Staff Date:	3/9/22		

		1	2	3	4	5	6	7	8	9	10	11	12
LESS: 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: Partnership Management Fee	3%	27,278	28,097	28,939	29,808	30,702	31,623	32,572	33,549	34,555	35,592	36,660	37,759
net CF available for distribution		**117,496**	**136,488**	**155,667**	**175,025**	**194,556**	**214,255**	**234,114**	**254,125**	**274,280**	**294,569**	**314,984**	**335,513**
Deferred developer fee repayment	3,670,131	3,670,131	3,552,635	3,416,147	3,260,481	3,085,456	2,890,900	2,676,645	2,442,531	2,188,406	1,914,126	1,619,557	1,304,574
	100%	117,496	136,488	155,667	175,025	194,556	214,255	234,114	254,125	274,280	294,569	314,984	335,513
		3,552,635	3,416,147	3,260,481	3,085,456	2,890,900	2,676,645	2,442,531	2,188,406	1,914,126	1,619,557	1,304,574	969,060
Payments for Residual Receipt Payments		0%											
RESIDUAL RECEIPTS LOANS	*Payment %*	-	-	-	-	-	-	-	-	-	-	-	-
MIP	*100.00%*	-	-	-	-	-	-	-	-	-	-	-	-
Total Residual Receipts Payments	**100.00%**	-	-	-	-	-	-	-	-	-	-	-	-
Balances for Residual Receipt Payments													
RESIDUAL RECEIPTS LOANS	*Interest Rate*												
MIP---Simple	*2.00%*	2,800,000	2,856,000	2,912,000	2,968,000	3,024,000	3,080,000	3,136,000	3,192,000	3,248,000	3,304,000	3,360,000	3,416,000
0---Simple	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-
USA Properties Fund Inc. (Sponsor Loan)---Simp	*8.00%*	-	-	-	-	-	-	-	-	-	-	-	-
---Simple	*3.00%*	7,788,000	8,021,640	8,255,280	8,488,920	8,722,560	8,956,200	9,189,840	9,423,480	9,657,120	9,890,760	10,124,400	10,358,040
0---Simple	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-
0---	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-
0---	*0.00%*	-	-	-	-	-	-	-	-	-	-	-	-
Total Residual Receipts Payments		10,588,000	10,877,640	11,167,280	11,456,920	11,746,560	12,036,200	12,325,840	12,615,480	12,905,120	13,194,760	13,484,400	13,774,040

PROJECTED PERMANENT LOAN CASH FLOWS

Final Commitment

	YEAR	13	14	15	16	17
RENTAL INCOME	**CPI**					
Restricted Unit Rents	2.50%	2,877,121	2,949,049	3,022,775	3,098,344	3,175,803
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%	34,459	35,321	36,204	37,109	38,037
Parking & Storage Income	2.50%	-	-	-	-	-
Miscellaneous Income	2.50%	-	-	-	-	-
GROSS POTENTIAL INCOME (GPI)		**2,911,580**	**2,984,370**	**3,058,979**	**3,135,453**	**3,213,840**
VACANCY ASSUMPTIONS	**Vacancy**					
Restricted Unit Rents	5.00%	143,856	147,452	151,139	154,917	158,790
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%	-	-	-	-	-
Other Subsidy (Specify)	0.00%	-	-	-	-	-
Laundry Income	5.00%	1,723	1,766	1,810	1,855	1,902
Parking & Storage Income	50.00%	-	-	-	-	-
Miscellaneous Income	50.00%	-	-	-	-	-
TOTAL PROJECTED VACANCY LOSS		**145,579**	**149,218**	**152,949**	**156,773**	**160,692**
EFFECTIVE GROSS INCOME (EGI)		**2,766,001**	**2,835,151**	**2,906,030**	**2,978,681**	**3,053,148**
OPERATING EXPENSES	**CPI / Fee**					
Administrative Expenses	3.50%	239,018	247,383	256,042	265,003	274,278
Management Fee	3.97%	109,866	112,612	115,428	118,313	121,271
Utilities	3.50%	564,109	583,853	604,288	625,438	647,328
Operating & Maintenance	3.50%	329,023	340,539	352,458	364,794	377,562
Ground Lease Payments	3.50%	-	-	-	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500	7,500	7,500
Other Agency Monitoring Fee	0.00%	-	-	-	-	-
Real Estate Taxes	1.25%	1,385	1,402	1,420	1,437	1,455
Other Taxes & Insurance	3.50%	118,522	122,670	126,964	131,408	136,007
Required Reserve Payments	1.00%	40,002	40,402	40,806	41,214	41,627
TOTAL OPERATING EXPENSES		**1,409,425**	**1,456,362**	**1,504,905**	**1,555,108**	**1,607,028**
NET OPERATING INCOME (NOI)		**1,356,576**	**1,378,789**	**1,401,125**	**1,423,573**	**1,446,120**
DEBT SERVICE PAYMENTS	**Lien #**					
Perm	1	950,844	950,844	950,844	950,844	950,844
-	-	-	-	-	-	-
-	-	-	-	-	-	-
USA Properties Fund Inc. (Sponsor Loan)	3	-	-	-	-	-
Life Span Home (Seller Note)	4	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
MIP Annual Fee (applicable for MIP only deals)	-	-	-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		**950,844**	**950,844**	**950,844**	**950,844**	**950,844**
CASH FLOW AFTER DEBT SERVICE		**405,732**	**427,944**	**450,281**	**472,729**	**495,275**
DEBT SERVICE COVERAGE RATIO		**1.43**	**1.45**	**1.47**	**1.50**	**1.52**
Date Prepared:	02/22/22					

		13	14	15	16	17
LESS: Asset Management Fee	3%	10,693	11,014	11,344	11,685	12,035
LESS: Partnership Management Fee	3%	38,892	40,059	41,261	42,499	43,774
net CF available for distribution		**356,146**	**376,871**	**397,675**	**418,545**	**439,466**
					50%	
Deferred developer fee repayment	3,670,131	969,060	612,914	236,043	-	-
	100%	356,146	376,871	236,043	-	-
		612,914	236,043	-	-	-
Payments for Residual Receipt Payments					*50%*	
RESIDUAL RECEIPTS LOANS	*Payment %*	-	-	-	209,273	219,733
MIP	*100.00%*	-	-	-	209,273	219,733
Total Residual Receipts Payments	**100.00%**	-	-	-	209,273	**219,733**
Balances for Residual Receipt Payments						
RESIDUAL RECEIPTS LOANS	*Interest Rate*					
MIP---Simple	*2.00%*	3,472,000	3,528,000	3,584,000	3,640,000	3,486,727
0---Simple	*0.00%*	-	-	-	-	-
USA Properties Fund Inc. (Sponsor Loan)---Simp	*8.00%*	-	-	-	-	-
---Simple	*3.00%*	10,591,680	10,825,320	11,058,960	11,292,600	11,526,240
0---Simple	*0.00%*	-	-	-	-	-
0---	*0.00%*	-	-	-	-	-
0---	*0.00%*	-	-	-	-	-
Total Residual Receipts Payments		14,063,680	14,353,320	14,642,960	14,932,600	15,012,967

California Housing Finance Agency

MIXED-INCOME LOAN PROGRAM

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

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

Qualifications

APPLICATION:

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

AVAILABILITY:

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

USES:

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

FINANCING STRUCTURE:

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

1. Tax-exempt Bond and 4% tax credit project where at least 51% of the units in the project must be tax credit financed, OR
2. Qualified mixed-income project through income averaging pursuant to Internal Revenue Code Section 42 (g)(1)(C).

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

Last revised: 01/2021

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

TAX-EXEMPT PERMANENT LOAN PROGRAM

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

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

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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.
Occupancy Requirements	Must maintain the greater of (A) existing affordability restrictions, or (B) either (i) 20% of the units must be rent restricted and occupied by individuals whose incomes are 50% or less of the area (county) median gross income as determined by HUD ("AMI") with adjustments for household size ("20% @ 50% AMI"), or (ii) 40% or more of the units must be both rent restricted and occupied by individuals whose income is 60% or less of the AMI, with adjustments for household size ("40% @ 60% AMI"): however in the latter case, a minimum of 10% of the units must be at 50% or less of AMI ("10% @ 50% AMI").

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

Last revised: 1/2022

CalHFA
California Housing Finance Agency

CONDUIT ISSUER PROGRAM

MULTIFAMILY HOUSING BONDS

Term sheet effective for applications submitted after March 1, 2022

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

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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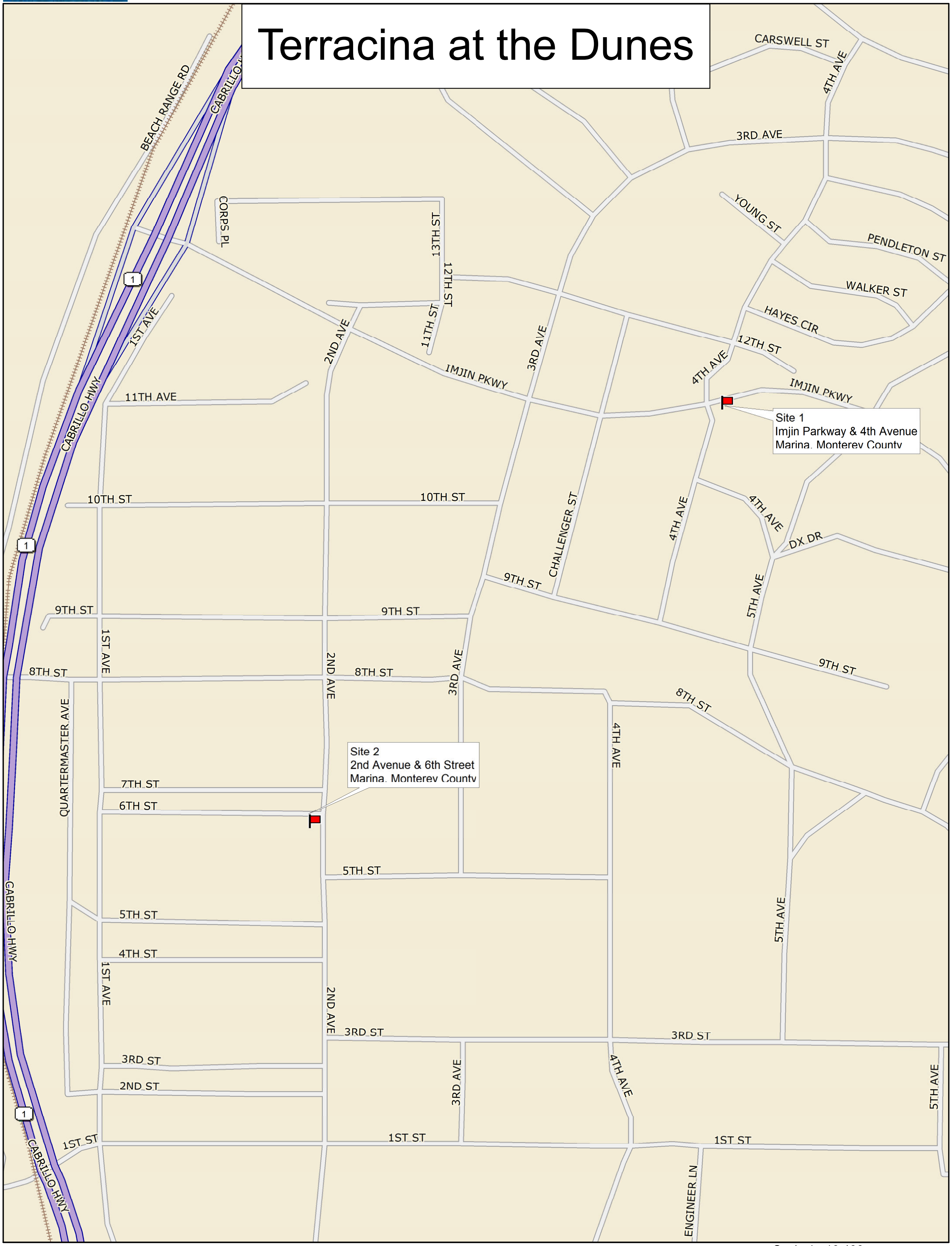
Occupancy Requirements	• Either (A) 20% of the units must be rent restricted and occupied by individuals whose incomes are 50% or less of the area median income as determined by HUD ("AMI") with adjustments for household size ("20% @ 50% AMI"), or (B) 40% or more of the units must be rent restricted and occupied by individuals whose income is 60% or less of AMI, with adjustments for household size ("40% @ 60% AMI"); however in the latter case, a minimum of 10% of the units must be at 50% or less of AMI. • Any units restricted by the Agency pursuant to this program, including those units restricted in addition to the minimum requirements set forth above, shall be rented at rents up to 30% of the applicable income restriction using the occupancy assumptions required in the Agency's Regulatory Agreement. Rents for all restricted units must be at least 10% below market rents as evidenced by a current market study or an appraisal. • Borrower will be required to enter into a Regulatory Agreement which will be recorded against the Project for the Qualified Project Period (as defined in the CalHFA Regulatory Agreement). This includes the later of the federally-required qualified project period, repayment of the Bond funded loan, redemption of the Bonds, the full term of the CDLAC Resolution requirements or 55 years.

Last revised: 03/2022

DeLorme Street Atlas USA® 2010

Terracina at the Dunes



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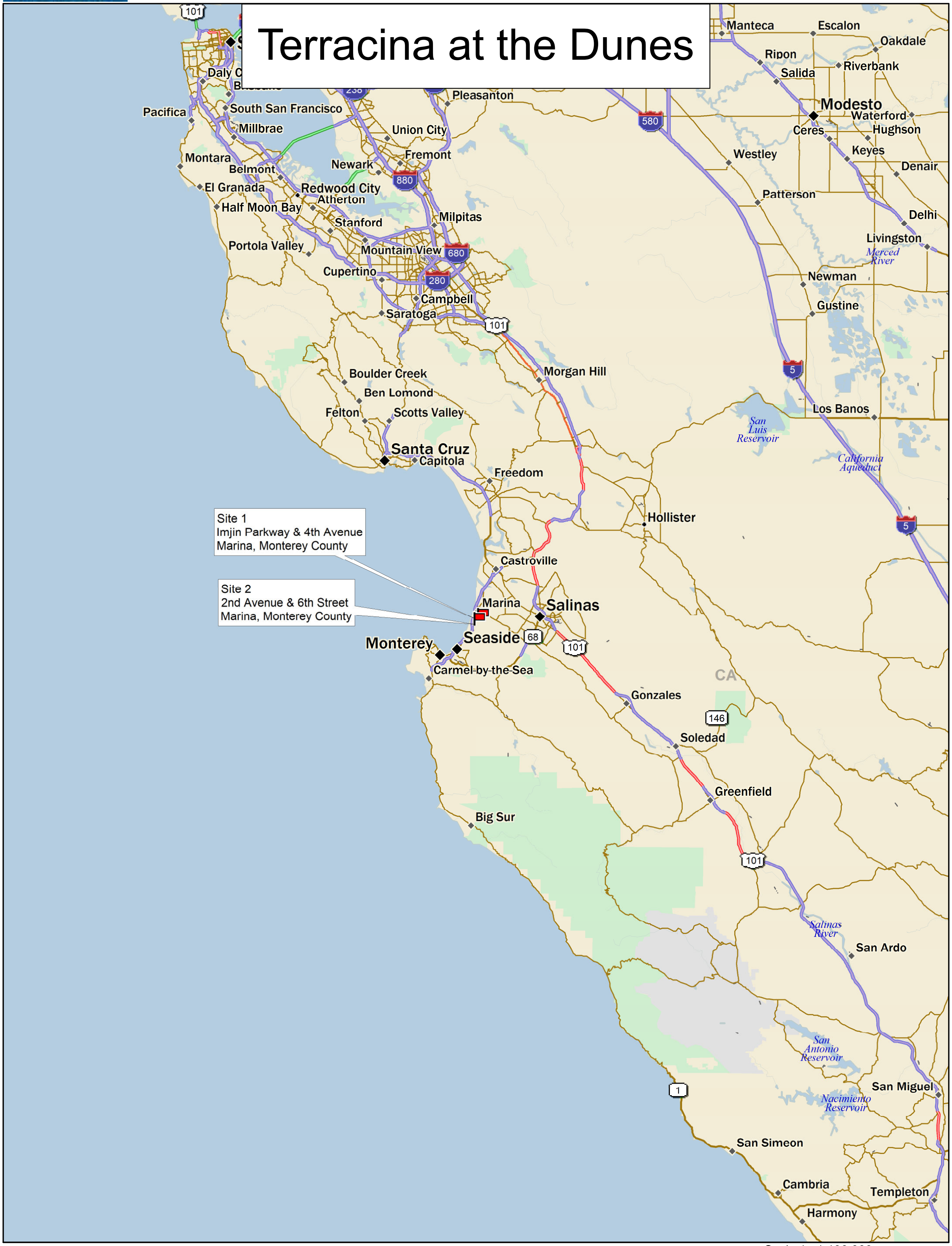
MN (12.7°E)

Scale 1 : 10,400
0 200 400 600 800 1000 ft
0 80 160 240 320 400 m
1" = 866.7 ft
Data Zoom 14-3

DeLorme Street Atlas USA® 2010



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Scale 1 : 1,100,000

1" = 17.36 mi

Data Zoom 7-5

BOARD OF DIRECTORS
OF THE CALIFORNIA HOUSING FINANCE AGENCY

RESOLUTION NO. 22-04

RESOLUTION AUTHORIZING A FINAL LOAN COMMITMENT

WHEREAS, the California Housing Finance Agency (the "Agency") has received a loan application on behalf of Marina 706, 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 Marina, County of Monterey, California, to be known as Terracina at the Dunes (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 21-04 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, 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 March 22, 2021, 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	
21-014-A/X/N	TERRACINA AT THE DUNES City of Marina, Monterey County California	$17,550,000.00	Permanent 1st Mortgage Tax-Exempt Bonds w-HUD Risk Sharing
		$ 2,800,000.00	Permanent 2nd Mortgage Mixed Income Program Funds

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, Claire Tauriainen, 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. 22-04 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 17th day of March 2022, 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:	Avila Farias, Cervantes, Gallagher, Gunn (for Imbasciani), Hunter, Starr (for Ma), Seeley (for Velasquez), Kergan (for Castro Ramírez), Russell, Sotelo, White
NOES:	None
ABSTENTIONS:	None
ABSENT:	Prince

IN WITNESS WHEREOF, I have executed this certificate hereto this 17th day of March 2022.

ATTEST: Claire Tauriainen

CLAIRE TAURIAINEN
Secretary of the Board of Directors of the
California Housing Finance Agency

BOARD OF DIRECTORS
OF THE CALIFORNIA HOUSING FINANCE AGENCY

RESOLUTION NO. 25-16

RESOLUTION AUTHORIZING AN AMENDMENT TO A FINAL LOAN COMMITMENT

WHEREAS, the California Housing Finance Agency (the "Agency") received a loan application on behalf of Marina 706, 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 Marina, County of Monterey, California, to be known as Terracina at the Dunes (the "Development"); and

WHEREAS, at the Board meeting held on March 17, 2022, the Board approved Resolution 22-04 authorizing Agency staff to enter into a loan commitment for the Development and a Final Commitment Letter was issued by the Agency on April 5, 2022, which was subsequently modified by amendments dated May 11, 2022, and April 23, 2025 (collectively the "***Commitment***").

WHEREAS, the construction financing closed on June 2, 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 22-04.

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 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	
21-014-A/X/N	TERRACINA AT THE DUNES City of Marina, Monterey County California	$21,250,000.00	Tax Exempt Permanent 1st Mortgage
		$2,800,000.00	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 Chief Deputy 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, Claire Tauriainen, 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. 25-16 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 22nd day of May 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 22nd day of May 2025.

ATTEST: ____________________________________
CLAIRE TAURIAINEN
Secretary of the Board of Directors of the
California Housing Finance Agency

MEMORANDUM

To: Board of Directors **Date:** May 5, 2025

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

Subject: Agenda Item 8 – Homeownership Revenue Series A Bond Summary

The purpose of this memorandum is to provide the required reporting to the Board regarding the sale of bonds pursuant to the CalHFA Investment and Debt Management Policy.

Series Designation	*2025 Series A (Federally Taxable)*
Principal Amount of Bonds	$50,000,000
Bond Premium	$923,574
Total Bond Proceeds	$50,923,574
Purpose	Finance MBS and DPA for Homeownership Programs (MyAccess)
Credit Ratings (Moody's/S&P)	Aaa/AA+
SPO Designation (S&P)	Social
True Interest Cost	5.70%
Costs of Issuance	$700,000
Final Maturity	8/1/2055

While this summary meets informational requirements in the Policy, due to the results of this successful financing, it is the intention of staff to present additional details regarding the sale of the bonds at the full meeting of the Board of Directors on May 22, 2025.

MEMORANDUM

To: Board of Directors **Date:** May 22, 2025

From: Kelly Madsen
Director of Enterprise Risk and Special Initiatives
California Housing Finance Agency

Subject: Agenda Item 9 – CalAssist Program Update

Background

Following the devasting fires in the Los Angeles area, Governor Newsom in February 2025 proposed that the California Housing Finance Agency utilize the remaining National Mortgage Settlement (NMS) funds to assist homeowners that were the victim of recent California disasters. Since the NMS funds were allocated to CalHFA in the Fiscal Year 2020-2021 State Budget to be used for mortgage assistance and housing counseling, the Governor's proposal, which was approved by CalHFA's Board of Directors in March, was for CalHFA to administer the remaining funds as follows:

- $105 million for mortgage relief program
- $25 million for housing counseling support

NMS Housing Counseling

To administer the housing counseling support for victims of disasters, CalHFA will expand its existing NMS Housing Counseling Program and extend it through December 2027.

CalAssist Mortgage Fund

To administer mortgage assistance, CalHFA has created the CalAssist Mortgage Fund as a statewide program, which is expected to help roughly 10,000 homeowners who have seen their homes destroyed or left uninhabitable by recent California disasters (since January 1, 2023) such as the Eaton, Palisades and Park fires.

CalHFA is leveraging experience from the California Mortgage Relief Program as it designs the program and engages with partners and stakeholders to prepare for a program launch in early June.

As CalHFA is finalizing the program design, it is focused on several key eligibility guidelines and program terms. As with the California Mortgage Relief Program, the CalAssist Mortgage Fund guidelines may be expanded based on ongoing analysis of the need.

Key eligibility guidelines include:

- Home must be destroyed or uninhabitable at time of application
- Qualified Disaster is an incident that received a State of Emergency proclamation by the Governor, or a Major Disaster Declaration approved by the President from January 1, 2023, through January 8, 2025
- Combined household income of 100% of AMI (largest household size)
- Property Value limit is based on conforming loan limit
- Home must be an owner-occupied single family home, condo, manufactured home (permanently affixed), 2-4 unit properties

CalHFA is currently developing outreach channels with a heavy focus on state and local government partners and community organizations, particularly those that are already focused in disaster areas.

M E M O R A N D U M

To:	Board of Directors	**Date:**	May 12, 2025
From:	Mehgie Tabar, Director of Legislation California Housing Finance Agency		
Subject:	Agenda Item 10 – 2025 Mid-Session Legislative Update		

2025 Mid-Session Legislative Update

As of May 2025, both the State Legislature and U.S. Congress are deep in their respective budget and policy cycles. At the state, the focus is currently on the Governor's May Revision to the 2025–26 state budget.

Housing, homelessness, and climate resilience continue to dominate the legislative agenda, with several key bills moving through policy committees ahead of the June 15 budget deadline.

At the federal level, Congress is working through appropriations for FY 2025 under strict spending caps set by the previous year's debt ceiling agreement. Proposed House cuts to key housing programs, including CDBG and HOME, have raised concerns from housing advocates. Meanwhile, several bipartisan efforts signal some momentum to expand federal housing tax incentives. Major legislation unlikely to advance without significant compromise or inclusion in end-of-year omnibus packages.

State Legislative & Budgetary Timeline

- May Revise: The Governor's May Revision to the 2025–26 Budget is expected to be released on May 14. Key adjustments will reflect updated revenue projections, which are trending lower than anticipated due to declining capital gains and tech sector instability.

- Legislative Deadlines: Policy committees must finish all fiscal bills by May 16 and the Legislature must pass the budget by June 15. The last day for each house to pass bills is May 23 before second house policy hearings begin in June.

State Legislation

- AB 57 (McKinnor) would require CalHFA to establish a set-aside within the Dream for All shared appreciation loan program specifically for descendants of formerly enslaved individuals.

- AB 595 (Carrillo) would require the Treasurer, in consultation with CalHFA, HCD, and other stakeholders, to develop a program concept to expand access to homeownership and maximize wealth-building opportunities by making it affordable for moderate- and middle-income Californians to buy a home.

- SB 750 (Cortese) would create a state-backed construction loan program at CalHFA for purposes of constructing multifamily housing, like HUD risk-sharing programs and the existing state Cal-Mortgage Program, but specifically for multifamily housing. Author is planning to simultaneously run, but has not yet introduced, a constitutional amendment.

- Governor's Reorganization Plan (GRP) would create two new state agencies—a new Consumer Protection Agency and a Housing and Homelessness Agency—to be created as part of the 2025-26 budget.

Federal Legislation

- Affordable Housing Credit Improvement Act (AHCIA) would increase the supply of affordable rental housing financed with the Low-Income Housing Tax Credit (LIHTC) and increase program efficiency by streamlining outdated requirements and removing barriers to production.

- Affordable Housing Bond Enhancement Act (AHBEA) would expand housing supply by allowing states to more efficiently utilize private activity bond authority for affordable housing and modernize the Mortgage Revenue Bond and Mortgage Credit Certificate programs so that HFAs could better help lower-income first-time buyers purchase a home and existing homeowners with critical repairs.

- Neighborhood Homes Investment Act (NHIA) would establish a new tax credit modeled on the Housing Credit to build and rehabilitate for-sale affordable housing in distressed areas.

Federal Budget

"Skinny" budget framework for FY 2026 released, outlining topline spending targets ahead of detailed appropriations work in Congress (funding deadline is September 30). The proposed budget increases defense spending by $119 billion (+13%), contingent on passage of separate reconciliation legislation, while proposing $163 billion (–17%) cut to non-defense discretionary spending. Proposed cuts to key HUD programs include:

- Elimination of Community Development Block Grant (CDBG) and HOME Investment Partnerships Program
- Consolidation and reduction of rental assistance programs (Section 8, Public Housing, Project-Based Rental Assistance, Section 202 and 811) into a single formula-based grant to states, with a $26.7 billion cut relative to FY 2025 funding levels
- Elimination of CDFI Fund's discretionary awards ($291 million)
- Elimination of the Low-Income Home Energy Assistance Program (LIHEAP), NeighborWorks America, and the U.S. Interagency Council on Homelessness (USICH)
- Cuts to Inflation Reduction Act (IRA) programs, including the Greenhouse Gas Reduction Fund (GGRF)
- Modest $74 million increase to rural rental assistance

MEMORANDUM

To: Board of Directors **Date:** May 22, 202

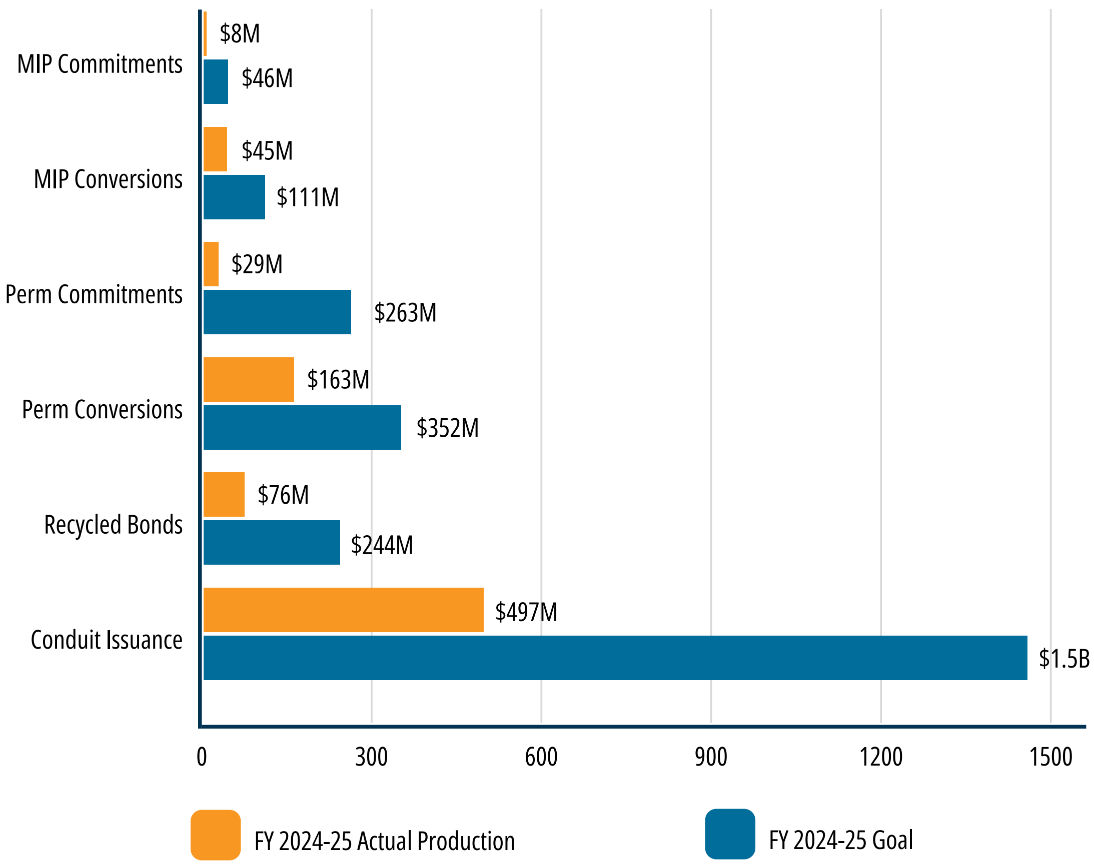
From: Stephanie McFadden, Director of Multifamily Programs
California Housing Finance Agency

Subject: Agenda Item 11 A – Multifamily Quarterly Loan Production Report

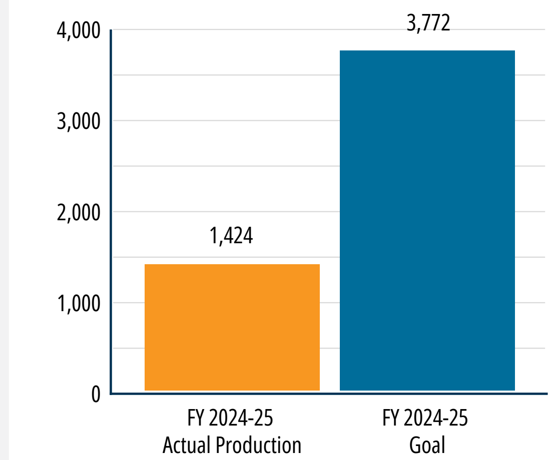
CalHFA offers a variety of loan programs with competitive rates and long-term financing to advance the creation and preservation of affordable housing for people who truly need it. CalHFA's Taxable, Tax-Exempt, and/or CalHFA funded Permanent Loan programs provide competitive long-term financing for affordable multifamily rental housing projects. The CalHFA Mixed-Income Program provides competitive long-term subordinate financing for new construction multifamily housing projects restricting units between 30% and 120% of county Area Median Income. The CalHFA Conduit Issuer Program is designed to facilitate both for-profit and non-profit developers in accessing tax-exempt and taxable bonds for the financing of family and senior affordable and mixed-income housing developments. The goals of the programs are to increase and preserve the supply of affordable rental housing, maintain a quality living environment, leverage private sector funds to the greatest extent possible, and to cooperate with local jurisdictions to advance affordable housing goals.

Multifamily Loan Volume as of March 31, 2025

Graph: Fiscal Year 2024-25 Multifamily Loan Production



Graph: Multifamily Unit Production



Graph: Production Volume By Program

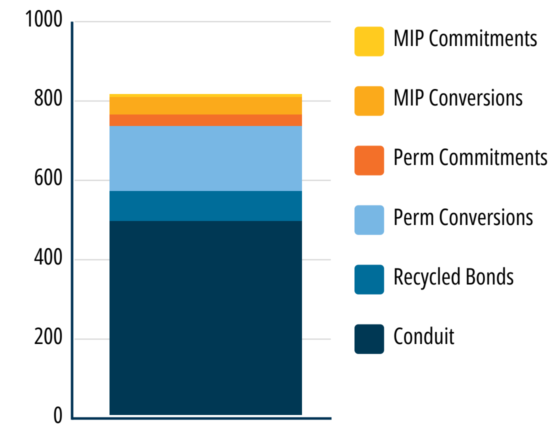


Table: CalHFA Multifamily Production Summary

	Conduit Issuance	Recycled Bonds	Perm Conversions	Perm Commitments	MIP Conversions	MIP Commitments	Total All Programs
FY 2024-25 Goal	$ 1,458,637,522	$ 244,466,000	$ 352,207,705	$ 263,187,059	$ 111,407,284	$ 45,800,000	$ 2,475,705,570
FY 2024-25 Actual Production	$ 497,462,520	$ 75,600,000	$ 162,965,458	$ 29,128,153	$ 44,507,918	$ 7,900,000	$ 817,564,049
Percent of Goal Complete	34%	31%	46%	11%	40%	17%	33%
FY 2024-25 Projected Production	$ 1,569,643,968	$ 258,346,484	$ 235,431,458	$ 220,529,153	$ 88,502,918	$ 33,500,000	$ 2,405,953,981
Projected Percent of Goal Complete	108%	106%	67%	84%	79%	73%	97%

FY 2024-25 Multifamily Loan Commitments as of March 31, 2025

Table: Multifamily Loan Commitments (Closed)

	Project Name	Underwriting Type	City	Project Type[1]	Closing Date	Units[2]	Tax Exempt Loan	Taxable Loan	Recycled Bonds	Permanent	MIP
1	All Hallows Apartments	Conduit - Reg Only	San Francisco	FN	7/30/2024	157	$ 73,000,000.00	-	$ 3,500,000.00	-	-
2	La Salle Apartments	Conduit - Reg Only	San Francisco	FN	7/30/2024	145	$ 63,500,000.00	-	$ 4,500,000.00	-	-
3	Avenue 34	Conduit - Reg Only	Los Angeles	FN	8/1/2024	0	$ 1,400,000.00	-	-	-	-
4	U.S. Vets - WLAVA Building 210	Conduit - Reg Only	Los Angeles	SN	8/5/2024	38	$ 19,155,829.00	$ 406,000.00	-	-	-
5	Bayview Apartments	Conduit - Reg Only	San Francisco	FN	8/14/2024	146	$ 57,000,000.00	-	$ 6,000,000.00	-	-
6	MacArthur Field A	Conduit - Reg Only	Los Angeles	HM, SN	8/19/2024	0	$ 590,000.00	-	-	-	-
7	Kawana Springs Apartments	Conduit - MIP & Perm	Santa Rosa	FN	9/4/2024	0	$ 4,456,125.00	-	-	-	-
8	Sisal Apartments	Conduit - Reg Only	San Diego	FN	9/12/2024	120	-	-	$ 32,100,000.00	-	-
9	Vintage At Woodman	Conduit - MIP	Panorama City	SR	10/29/2024	0	$ 4,000,000.00	-	-	-	-
10	The Pardes 2	Conduit - Reg Only	Elk Grove	FN	11/21/2024	140	$ 39,008,355.00	$ 13,160,155.00	$ 7,000,000.00	-	-
11	The Trails at Carmel Mountain Ranch	Conduit - Reg Only	San Diego	FN	12/19/2024	125	$ 40,600,000.00	$ 4,633,000.00	$ 5,000,000.00	-	-
12	College Creek Apartments	Conduit - MIP & Perm	Santa Rosa	FN	12/20/2024	0	$ 2,250,000.00	-	-	-	-
13	Santa Rosa Avenue Apartments	Conduit - MIP	Santa Rosa	FN	12/20/2024	0	$ 3,910,450.00	$ 3,650,000.00	-	-	-
14	St. Luke's Affordable	Conduit - MIP & Perm	San Diego	FN	3/4/2025	78	$ 18,000,000.00	$ 2,000,000.00	-	$ 9,034,153.00	$ 3,900,000.00
15	Holt & Main	Conduit - MIP & Perm	Pomona	FN	3/7/2025	160	$ 41,250,000.00	$ 20,608,057.00	$ 9,000,000.00	$ 20,094,000.00	$ 4,000,000.00
16	Kindred Apartments	Conduit - Reg Only	San Diego	FN, SN	3/20/2025	126	$ 50,276,455.00	$ 20,181,594.00	$ 1,500,000.00	-	-
17	6018 Brynhurst	Conduit - Reg Only	Los Angeles	FN	3/27/2025	50	$ 7,887,000.00	-	$ 4,000,000.00	-	-
18	121 N. Mathews	Conduit - Reg Only	Los Angeles	FN	3/27/2025	40	$ 6,539,500.00	-	$ 3,000,000.00	-	-
						1,325	$432,823,714.00	$ 64,638,806.00	$ 75,600,000.00	$ 29,128,153.00	$ 7,900,000.00

1 FN: Family/Individual, SR: Senior, SN: Special Needs, VT: Veterans, HM: Homeless

2 Projects with '0' as the unit count had their units counted in a previous fiscal year.

FY 2024-25 Multifamily Loan Commitments as of March 31, 2025

Table: Multifamily Loan Commitments (Projected Closings: Q4 4/1 - 06/30/25)

Project Name	Underwriting Type	City	Project Type[1]	Closing Date	Units[2]	Tax Exempt Loan	Taxable Loan	Recycled Bonds	Permanent	MIP
North City Affordable	Conduit - MIP & Perm	San Marcos	FN	4/11/2025	224	$ 60,100,000.00	$ 18,000,000.00	$ 4,000,000.00	$ 39,150,000.00	$ 4,000,000.00
Monarch	Conduit - MIP & Perm	Sacramento	FN, HM	4/18/2025	241	$ 55,161,072.00	-	-	$ 21,083,000.00	$ 4,000,000.00
BUSD Workforce Housing	Conduit - MIP & Perm	Berkeley	FN	4/29/2025	110	$ 39,443,118.00	$ 5,105,702.00	-	$ 12,195,000.00	$ 4,000,000.00
Maison's Village Phase II	Conduit - MIP & Perm	Palmdale	FN	5/2/2025	192	$ 34,410,000.00	-	$ 6,000,000.00	$ 28,500,000.00	$ 1,600,000.00
Fair Oaks Senior Apts	Conduit - Reg Only	Fair Oaks	SR, SN	5/15/2025	0	$ 2,107,280.00	-	-	-	-
300 De Haro	Conduit - Reg Only	San Francisco	FN	6/5/2025	425	$ 101,746,126.00	-	$ 16,324,009.00	-	-
Wakeland Riverwalk	Conduit - Reg Only	San Diego	FN	6/5/2025	190	$ 70,150,547.00	$ 41,760,301.00	$ 1,000,000.00	-	-
Residency at Sky Village Hollywood - Phase I	Conduit - Reg Only	Los Angeles	SR, SN	6/10/2025	237	$ 74,000,000.00	$ 12,000,000.00	$ 24,000,000.00	-	-
Residency at Sky Village Hollywood - Phase II	Conduit - Reg Only	Los Angeles	SR, SN	6/10/2025	245	$ 71,000,000.00	$ 15,218,581.00	$ 22,000,000.00	-	-
Monarch Hillside Affordable Apartments	Conduit - Reg Only	San Diego	FN	6/15/2025	249	$ 13,500,000.00	-	$ 55,000,000.00	-	-
Sutter Street	Conduit - MIP & Perm	San Francisco	FN	6/16/2025	102	$ 43,695,709.00	-	$ 23,372,475.00	$ 16,000,000.00	$ 4,000,000.00
U.S. VETS - WLAVA Building 300	Conduit - Reg Only	Los Angeles	HM	6/20/2025	44	$ 23,305,313.00	$ 10,808,670.00	-	-	-
The Grant at Mission Trails	Conduit - Reg Only	San Diego	FN, HM	6/23/2025	48	$ 21,973,452.00	$ 1,470,537.00	-	-	-
Westside Village	Conduit - Reg Only	Santa Cruz	FN	6/23/2025	38	$ 18,446,853.00	$ 9,355,436.00	-	-	-
4575 Scotts Valley Apartments	Conduit - Reg Only	Scotts Valley	FN	6/26/2025	100	$ 41,923,146.00	$ 23,834,605.00	-	-	-
Vera Avenue Apartments	Conduit - MIP & Perm	Redwood City	FN	6/30/2025	178	$ 49,815,000.00	$ 35,500,000.00	$ 8,000,000.00	$ 29,610,000.00	$ 4,000,000.00
Julian Street Studios	Conduit - MIP & Perm	San Jose	FN	6/30/2025	305	$ 71,850,000.00	$ 55,250,000.00	$ 11,250,000.00	$ 44,863,000.00	$ 4,000,000.00
Avanzando San Ysidro	Conduit - Reg Only	San Diego	FN	6/30/2025	103	$ 49,000,000.00	$ 2,250,000.00	$ 11,800,000.00	-	-
					3,031	$ 841,627,616.00	$ 30,553,832.00	$ 182,746,484.00	$ 191,401,000.00	$ 25,600,000.00

Commitments continue next page

1 FN: Family/Individual, SR: Senior, SN: Special Needs, VT: Veterans, HM: Homeless

2 Projects with '0' as the unit count had their units counted in a previous fiscal year.

FY 2024-25 Multifamily Loan Conversions as of March 31, 2025

Table: Multifamily Loan Conversions (Closed)

Project Name	Underwriting Type	City	Project Type[1]	Closing Date	Units[2]	Permanent Loan Amount	MIP Loan Amount	Subsidy Loan Amount
Monroe Street Apartments	Conduit - MIP & Perm	Santa Clara	FN, SN	9/26/2024	65	$ 11,580,000.00	$ 2,601,733.00	-
921 Howard Street Apts	Conduit - MIP & Perm	San Francisco	FN	9/27/2024	203	$ 45,000,000.00	$ 9,822,795.00	-
Village at Burlingame	Conduit - MIP	Burlingame	FN, SR	10/1/2024	132	-	$ 9,700,000.00	-
Mission Gateway	Conduit - MIP	Los Angeles	FN	10/4/2024	356	-	$ 14,383,390.00	-
Anton Viridian Apartments	Conduit - MIP & Perm	Oakley	FN	10/8/2024	170	$ 36,850,000.00	$ 6,000,000.00	-
FLOR 401 Lofts	SNHP/MHSA	Los Angeles	FN, HM, SN	11/25/2024	99	$ 500,000.00	-	-
Kiku Crossing	Conduit - MIP & Perm	San Mateo	FN	3/26/2025	225	$ 69,035,458.00	$ 2,000,000.00	-
					1,250	$ 162,965,458.00	$ 44,507,918.00	$ -

Table: Multifamily Loan Conversions (Projected Closings: Q4 4/1 - 6/30/25)

Project Name	Underwriting Type	City	Project Type[1]	Closing Date	Units[2]	Permanent Loan Amount	MIP Loan Amount	Subsidy Loan Amount
College Creek Apartments	Conduit - MIP & Perm	Santa Rosa	FN	4/23/2025	164	$ 34,040,000.00	$ 4,000,000.00	-
The Atchison	Conduit - MIP	Pittsburg	FN	5/30/2025	202	-	$ 10,000,000.00	-
Vintage at Woodman	Conduit - MIP	Panorama City	SR	5/30/2025	239	-	$ 11,850,000.00	-
Kawana Springs Apartments	Conduit - MIP	Santa Rosa	FN	6/2/2025	151	-	$ 7,450,000.00	-
Kelsey Ayer Station	Conduit - MIP & Perm	San Jose	FN	6/18/2025	115	$ 15,910,000.00	$ 4,600,000.00	-
Kimball Highland	Conduit - MIP & Perm	National City	FN	6/18/2025	145	$ 22,516,000.00	$ 6,095,000.00	-
					1,016	$ 72,466,000.00	$ 43,995,000.00	$ -

1 FN: Family/Individual, SR: Senior, SN: Special Needs, VT: Veterans, HM: Homeless

2 With the exception of the SNHP project "FLOR 401 Lofts," all other Multifamily Loan Conversion projects listed had their units counted in a previous fiscal year.