Executive Summary	
CalHFA Project Number	24010-A/X/S
Project Name	St. Luke's Affordable
Type of Development	New Construction
Type of Project	Family
Total Units [MIP Restricted Units]	78 (77 restricted)
Street Address	30th St & Gunn St
City, County, Zip Code	San Diego, San Diego, 92104
Borrower (Legal entity name)	Rise 30th St LP
Developer(s)	Rise Urban Partners, LLC (see notes in section 2)
Co-Developer	N/A
Approved Conduit Issuances	
Conduit T/E Issuance [CDLAC Meeting: 8/6/2024]	Up to $18,000,000 (Includes 10% cushion and rounded to nearest $1m assuming current need $16,750,000)
Conduit Taxable Issuance	$2,000,000 (Includes 10% cushion and rounded to nearest $1m assuming current need $1,245,082)
Recycled Bond Volume Cap to be utilized, if available	$0
Requested CalHFA Financing for Approval	
CalHFA Tax-Exempt Permanent Loan Amount	$9,034,153 UW Rate and Loan Term: 6.80%, fixed; 1st lien; 35/17
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	$3,900,000 UW Rate and Loan Term: 3%, fixed; 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	2/5/2025
CDLAC Volume Cap Award Date (Supplemental Award 12/24/2024)	8/6/2024
CTCAC Tax Credit Award Date	8/6/2024
CDLAC Closing Deadline	6/23/2025
Construction Loan Closing Date [Est.]	2/24/2025
Est. CalHFA Loan Closing (perm conversion) Date	10/20/2027
Federal Tax Credits (LIHTC) Requested	Federal LIHTC Amount: $12,567,230
State Tax Credits Requested	State Tax Credit Amount: $3,839,197
Notes (if any):	

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1	Project Summary
1a	Project Description

St. Luke's Affordable (the "Project") is a new construction, family, mixed-income, and mixed-use Project located in San Diego, San Diego County. The total development site area is a 0.2-acre portion of a larger 0.46-acre parcel owned by The Episcopal Diocese (the "Owner") and located in a Complete Communities area which allows the project to be built by-right, requiring only ministerial building permit approval. The development site will be subject to a 99-year ground lease between the Borrower and Owner. The Project will consist of an 8-story elevator serviced building and approximately 930 sq. ft of ground-floor commercial space. The Project will have total 78 residential units, of which 77 will be restricted between 30% and 70% of the San Diego County Area Median Income (AMI). There will be 38 SRO/Studios (361 sq. ft.), 33 one-bedroom units (509 sq. ft.), and 7 two-bedroom units (847 sq. ft.). In addition, one of the one-bedroom units will serve as the manager's unit. The Project will have no residential parking spaces and no commercial parking spaces. The site is in the City's Complete Communities Tier 3 zoning area and is not subject to a parking ratio requirement.

The site is currently comprised of a community garden with a few small storage structures that will be demolished during construction. The site preparation cost estimated at $35,350 will be part of the $328,112 included in the construction budget for earthwork. An Environmental Site Assessment Phase I report dated 11/20/2024 did not identify any environmental hazards.

The Project's financing structure includes financing from: Tax-exempt (T/E) and taxable bonds, 4% Federal Low Income Housing Tax Credit (LIHTC) equity, State Housing Tax Credit Equity, GP Subordinate loan, 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)	0.2	Land Area (Acres)	0. 2
Residential Units / Acre	390	Number of Lease spaces	1
Residential Area (Sq. Ft) (See Note 1)	36,444	Commercial Area (Sq. Ft)	930
Community Area (Sq. Ft)	16,881	Commercial Parking Spaces	0
Supportive Services Area	0	Master Lease?	Yes
Residential Parking Space	0	Condo Structure (not part of subject financing)	N/A

Notes:
1. Excludes square footage of managers' units.
2. The project includes 930 sq. ft of ground-floor commercial space that will not be subdivided and remain part of the project parcel. The commercial area will be master leased; the Owner (ground lessor of the land, The Episcopal Diocese of San Diego) has the option to lease the commercial space from the Project. There is $669,200 for commercial improvements included in the construction budget that will be paid from sources other than CalHFA financing. Commercial income is not included in the Project's operating budget.

1b	Project Location Geocoder Information

- The Project is located in San Diego, San Diego County. The total development site area is a 0.20-acre portion of a larger 0.46-acre parcel. The 0.20-acre parcel which will be the development site will be a separate and developable legal lot with a separate assessor's parcel number.
- The project will be subject to a density bonus agreement ("DBA"), required by the city, recorded at

construction closing. The DBA requires the project to restrict 77 units at or below 80% of AMI. In exchange, the DBA will allow for the ability to waive/reduce certain development code requirements that include a waiver of the Floor Area Ratio, set back reduction, reduction to private exterior open space, reduction to building articulation and reduction in the percentage of commercial space. The DBA will be recorded in senior priority to CalHFA's regulatory agreements and deeds of trust at permanent loan closing and will be subject to a CalHFA standstill agreement.

Inside Principal City?	Yes	Underserved or Distressed Tract?	No
Census Tract (CT)	06-073-0014.00	% Population Below Poverty Line	9.77%
CT Minority Population %	36.38%	Rural Area?	No
CT Income Level	Medium	2024 Est. CT Median Family Income	$119,500
CDLAC/TCAC Opportunity Area Category		Highest Resource	
CDLAC/TCAC Geographic Region		San Diego County	
Project is located in DDA?		No	
Project is located in Federally-designated Qualified Census Tract (QCT) for LIHTC purposes?		No	

2	Development and Financing Team		
Developer (Sponsor): Rise Urban Partners, LLC (see notes)		**Co-developer (if any):** N/A	
New to CalHFA?	Yes	New to CalHFA?	select
Affordable Housing/LIHTC experience?	Yes	Affordable Housing/LIHTC experience?	select
Has Projects in California?	Yes	Has Projects in California?	select
Borrower (Legal entity): Rise 30th St LP		**Co-Borrower (if any):**	
Construction (Senior) Lender: 1) Citi Community Capital		**Construction Subordinate Lender(s):** 1) AOF SD MGP LLC Sponsor Subordinate Loan	
Permanent 1st lien Lender: 1) CalHFA		**Permanent Subordinate Lender(s):** 1) CalHFA (2nd lien) 2) AOF SD MGP LLC Sponsor Subordinate Loan (3rd lien)	
Federal LIHTC Investor: WNC & Associates, Inc.		**State LIHTC Investor:** WNC & Associates, Inc.	
Tax Credit Amount	$12,567,230	Tax Credit Amount	$3,839,197
Solar Tax Credit Investor: N/A			
Tax Credit Amount	$0		
General Contractor: ECON JMI JV 2.0		**Management Company (Property Manager):** CONAM Management Corporation (CONAM)	
Is an affiliate of Developer?	No	Is an affiliate of Developer?	No
Experience with CalHFA?	No	Total number of properties managed	321 (230 Affordable and 91 Market Rate)

Architect: Glo Architecture		**Service Provider:** ATAP	
Has worked with GC?	No	Required by TCAC or other Funding sources?	Yes
Has experience designing and managing similar projects?	Yes	Terms of service (on-site, number of years)	On-site, minimum of 15 years
		Support Services Cost (per Operating budget)	$11,000
Has housing projects in CA?	Yes	Per unit cost of services meets USRM req.?	Yes
Financial Advisor: N/A		**Project Consultant:** N/A	

Notes:
1. Rise Urban Partners, LLC is an affiliate of Trestle Development LLC. Trestle Development LLC was founded in 2013 and specializes in the acquisition, financing, and development of multifamily properties, with experience in LIHTC projects. CalHFA does not have prior experience with either entity.
2. The CalHFA Developer requirements are met by the Managing General Partner of the Borrower, AOF MGP LLC, whose sole member, AOF/Pacific Affordable Housing Corp., meets the requirements necessary to receive a minimum of seven points under the CDLAC General Partner Experience category pursuant to CDLAC Regulations Section 5230(f).

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. (See Note 1)
☐	Changes in Project Scope (for example, addition of non-residential component)
☒	Changes in CalHFA loan amount (>10%) or changes in loan terms (See note 2)
☐	Changes in construction schedule and rent-up/conversion timeline
☒	Significant changes in project capital stack impacting project viability: DSCR, exit analysis, etc. See (Note 3)
☐	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 (See Note 3)
	Notes: 1. The Property Management Agent changed from Aperto to CONAM. 2. The CalHFA perm loan increased by 26.20% from Initial Commitment. The increased rent limits released by TCAC in April 2024 allowed the Project to support more debt. Additional Tax Credit Equity was also generated. The increases of these funding sources offset the cost increases and allowed for a decrease in deferred developer fee. 3. The construction period sources/uses increased ~7.58% since Initial Commitment. The Project was awarded supplemental bond allocation to meet the 50% test, is utilizing a taxable construction loan and is seeking a rate lock on the construction loan.

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 ($)	$9,034,153	$3,900,000	$12,934,153
Loan Term (Year)	17	17	17
Amort. Term (Year)	35		35
Amort. Type	Partially Amortizing	Non-amortizing	
Lien Position	1st	2nd	
UW Interest Rate % (See Note 1)	6.80%	3.00%	
Loan to Value (%) (See Note 2)	56.96%	24.59%	
Combined LTV (CLTV) (%) (See Note 2)			81.55%
Loan to Cost (%) (See Note 3)	24.02%	10.37%	34.39%
Loan Repayment Source	Net Operating Income (NOI)	Residual Receipts	

Notes:

1. The spreads locked on 2/5/2025 for the CalHFA perm loan. The final rate will be locked prior to issuance of the Final Commitment Letter pursuant to the final commitment approval. A 50-bps underwriting cushion is 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, add the following unless, subject to the conditions therein, Variation 10a xii is approved:] 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:

1. The City of San Diego is requiring the DBA to be recorded in senior position to the CalHFA Deeds of Trust and Regulatory Agreements. CalHFA will require the City of San Diego to enter into a subordination/standstill agreement that will standstill affordability provisions and foreclosure rights in the DBA for any period that the Agency is in possession of the property following a foreclosure or deed in lieu. See Section 1b.

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

Construction Lender	Citibank, N.A.
CDLAC/CTCAC Construction Closing Deadline	6/23/2025

	Bond Issuance Amount	Type of Issuance
Construction Conduit Issuance Amount	$18,000,000	Tax-Exempt
Construction Conduit Issuance Amount	$1,245,082	Taxable
Construction Conduit Issuance Amount	$0	T/E Recycled
Total	$19,245,082	

	Loan Amount	UW Rate	Loan Term
Construction Loan (T/E) (Interest-only, 1st lien during construction)	$18,000,000	4.35%, Variable (See Note 1)	36 months + one 6-month extension
Construction Loan (Taxable) (Interest-only, 1st lien during construction)	$1,245,082	4.85%, Variable (See Note 2)	36 months + one 6-month extension
AOF SD MGP LLC Sponsor Subordinate Loan	$7,500,000	3.0%	36-months deferred; 55-years during permanent loan period

Notes:

1. Construction Loan T/E is a variable rate 1-month term SOFR + spread of 185 bps. Current 1-month term SOFR as of January 17, 2025, is 4.30% and the all-in rate is 6.15%The loan term includes two 6-month extensions at 0.25% fee per each extension.
2. Construction Loan (Taxable) is a variable rate 1-month term SOFR + spread of 2.35 bps. Current 1-month term SOFR as of January 17, 2025, is 4.30% and the all-in rate is 6.15%The loan term includes two 6-month extensions at 0.25% fee per each extension.
3. The Developer is anticipating a purchase of Interest Rate Cap of 2.50% to the SOFR for a cost of approximately $689,000 at construction loan closing which will be paid from taxable bond proceeds. Construction interest reserve is currently sized based on underwritten rate of 4.35% for the T/E Construction Loan and 4.85% for the Taxable Construction Loan with a 10% underwriting cushion on the interest reserve amount and 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.
4. The AOF SD MGP LLC Sponsor Subordinate Loan of $7,500,000 will be funded at construction loan closing with payments deferred during the construction period. Upon permanent loan conversion, the loan will have a 3% interest rate for a term of 55-years. This loan will be repaid from the borrower's 50% portion of surplus cash.

5b	Construction Sources

Construction Sources:	Amount ($)	% of Total
Citibank, N.A. - Tax-Exempt Bond (Loan)	$18,000,000	51.43%
AOF SD MGP LLC (Loan)	$7,500,000	21.43%
Accrued Interest on Sub Debt (Accrued Interest)	$575,000	1.64%
WNC & Associates (Equity, LIHTC Investor)	$7,682,184	21.95%
Citibank, N.A. - Taxable (Loan)	$1,245,082	3.56%
TOTAL CONSTRUCTION SOURCES	$35,002,266	100%

5c	Construction Uses

Construction Uses:	Amount ($)	% of Total
Land and Improvement Value	$0	0.00%
Other Acquisition Costs	$2,200,000	6.29%
Construction/Rehab Costs	$21,624,148	61.78%
Soft Costs (A&E, Legal, Title, and Other Soft Cost)	$3,362,388	9.61%
Hard Cost contingency (8.81% of Hard Cost)	$1,603,961	4.58%
Soft Cost contingency (3.69% of Soft Cost)	$452,517	1.29%
Financing Costs (Interest Reserves, Fees, Taxes, and Insurance)	$1,995,057	5.70%
Local Impact Fees and Permit Fees	$1,272,198	3.63%
Cash Portion Developer Fee	**1,515,297**	**4.33%**
Other Costs (TCAC Fees, Furnishing, and Other Misc. Fees)	**$976,700**	**2.79%**
TOTAL CONSTRUCTION USES	$35,002,266	100%
Total Construction Cost per unit	$448,747	
Total Construction Cost per CalHFA MIP Regulated Unit	$454,575	

Notes:

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. CalHFA underwriting policy requires any Sponsor or General Partner (GP) loan to be repaid from the Borrower's 50% share of surplus cash. Accordingly, no repayment of Sponsor loan will be made until 100% of the DDF is paid off and after that the repayment will be made from the Borrower's share of surplus cash.The total hard cost contingency in the project is 11.24% 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.
3. The total soft cost contingency in the project is 3.69% 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.
4. See Section 1a, Notes 2 regarding commercial space

5d	Third-party Plan & Cost Review Summary

General Contractor (GC) Name:	ECON JMI JV 2.0
GC Budget (per Schedule of Values)	$21,266,149

% of Builder overhead, profit, and general requirements (TCAC allowable 14%)	12%
Type of Construction Contract:	GMP
GC Contract Executed? If not, provide status:	No. Contract execution to occur in February 2025
GC Hard-Cost Contingency and Sufficiency:	$441,731 ($2,045,692 combined GC and Developer Contingency)

Notes:

- Construction Lender has/engaged, Hillmann Consulting, to perform an independent third-party review of project plans and specifications (plan & specs) and cost review.
- The draft Plan and Cost Review report has been completed and reviewed by CalHFA Inspector. The final Plan and Cost Review and sign off by CalHFA Inspector is a condition to construction closing.
- Per the review by CalHFA inspector, the project can be completed within the indicated budget and the construction schedule.
- 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.
- A Rough Order of Magnitude (ROM) of the costs associated with the permit set comments and requirements was recommended on the Plan and Cost Review and CalHFA concurs. This concern will be shared with the Construction Lender.

5e	Permanent Sources and Uses

Permanent Sources:	**Amount ($)**	**% of Total**
CalHFA - Tax Exempt Bond (Loan)	$9,034,153	24.0%
CalHFA MIP (Loan)	$3,900,000	10.4%
AOF SD MGP LLC (Loan)	$7,500,000	19.9%
Accrued Interest on Sub Debt (Accrued Interest)	$575,000	1.5%
Deferred Developer Fee (Developer Fee, Deferral)	$2,609,232	6.9%
Tax Credit Equity (Equity, LIHTC Investor)	$13,993,113	37.2%
Total Permanent Sources	$37,611,498	100%

Permanent Uses:	**Amount ($)**	**% of Total**
Total Loan Payoffs	$34,506,408	91.7%
Financing costs	$104,756	0.3%
Operating Reserves	$391,102	1.0%
Deferred Developer Fees paid from cashflow	$2,609,232	6.9%
Total Permanent Uses	$37,611,498	100%
Total Development Cost per unit	$482,199	
Total Development Cost per CalHFA MIP Restricted Unit	$488,461	

Notes:

5f	Federal and State Tax Credits			
Federal LIHTC Tax Credit Investor /Syndicator	WNC & Associates, Inc.			
State Housing Tax Credit Investor /Purchaser	WNC & Associates, Inc.			
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)	$12,567,230	$0.88434	$11,113,715	$144,333
Federal Tax Credits (Acq.)	$0			
State Housing Tax Credits	$3,839,197	$0.7500	$2,879,398	$37,393
<Other Tax Credits: Solar, etc.>	$0			
Total	$16,406,427		$ 13,993,113	$ 181,726

Notes:
1. The Project was awarded volume cap for bonds and Federal LIHTC tax credit allocation in the CDLAC/TCAC meeting on 8/6/2024. A supplemental bond allocation was awarded on 12/24/2024.
2. The Project has been awarded State Housing Tax Credits by TCAC

50% Aggregate Basis Test Requirements	
Accountant prepared Draft Financial Projections date	12/20/2024
Accounting firm name	Novogradac & Company LLP
T/E Private-Activity Bond Volume Cap Allocated	$18,000,000
Aggregate Basis of building and land costs considered	$34,615,384
% of Aggregate basis financed by T/E Bonds	52.00%
50% Test met per IRC Sec. 42 (h) for LIHTC?	Yes

Notes (if any):
- The supplemental allocation was requested to add a cushion to meet the project's 50% aggregate basis requirement (the "50% test"), which was at approximately 48% based on the original development budget and is now approximately 52% due to recent budget adjustments/increase. The supplemental allocation is necessary to accommodate a potential cost increase during construction.

5g	Developer Fee	
Developer fee category:	TCAC Maximum Limit	Actual Amount in Project Budget
Upfront Cash Developer Fee (a)	$2,500,000	$1,515,297
Deferred Developer Fee (DDF) paid from project cash-flow (b)	N/A	$2,609,232
Total Developer Fee (a) + (b)		$4,124,529
Excess Developer Fee above TCAC Maximum Limit as General Partner (GP) contribution		**$0**

Notes:
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:

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 the below cost containment measures have been implemented to minimize construction costs 1. All major subcontractor and self-performing trades will be competitively bid out. 2. Value engineering firm Econ Construction has been engaged during the design process. 3. Utilize Guaranteed Maximum Price (GMP) contract, with cost savings returned to owner. 4. GC will be required to provide a minimum of 3 bids (when available) for each trade, particularly for all major trades. 5. Lifecycle Cost Analysis 6. Risk Management and Contingency Planning 7. Technology for Project Management	
Note:	

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

	ii. Purchase price of an arm's length transaction executed within the past 10 years plus reasonable carrying costs, or iii. Appraised "as-is" value based on a current appraisal acceptable to CalHFA in its sole discretion. The appraised value of the real estate may be considered if the arm's length transaction exceeds 10 years.
☒	The CalHFA Final Commitment Letter will have 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, or if required by other subordinated lenders funds will be split on a pro-rata basis between CalHFA and other subordinate lenders.

5j	High-Cost Explanation

Total Development Cost (TDC)		$37,611,498
Total Units		78
TDC/Unit		$482,199
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 (24 units) at or below 60% AMI and 10% of the total units (8 units) at 50% AMI for 55 years.

The CalHFA Subsidy Regulatory Agreement will restrict 77 units between 30% and 120% of AMI for a term of 55 years.

Number of Regulated Units and AMI Restrictions by Each Agency

Number of Units and Percentage of AMI Rents Restricted by each Agency

Regulating Agency	Number of Units Restricted For Each AMI Category								Total Units	Percentage
	Lien	30%	40%	50%	60%	70%	80%	120%	Regulated	Regulated
CalHFA Bond	2nd			8	24				**32**	42%
CalHFA MIP	3rd	8		16		8		45	**77**	100%
CTCAC	4th	8		36	20		13		**77**	100%
Density Bonus/CCA	1st			44	20			13	**77**	99%
Ground Lease							77		**77**	100%
TOTALS		**8**	**0**	**36**	**19**	**5**	**9**	**0**	**77**	**100%**

Notes:

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 (8 units at 30% AMI) and 16 units at 50% AMI. An additional 10% of total units (8 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 (45 units) will be restricted at or below 120 % of AMI.
3. In addition, the Project will be restricted by the following jurisdictions described below:
    a. The City will restrict 44 units at or below 50% of AMI, 20 units at or below 60% of AMI, and 13 units at or below 120% of AMI for a term of at least 55 years. The rents for these units are subject to the San Diego-Carlsbad Metropolitan Statistical Area as established by HUD.
    b. The Ground Lease agreement between The Episcopal Diocese of San Diego and Rise 30th St LP will restrict 77 units at 80% of AMI in accordance with the rules and regulations of TCAC.

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	**8**	4	3	1	0	0	**10%**
40% AMI	**0**	0	0	0	0	0	**0%**
50% AMI	**36**	13	19	4	0	0	**46%**
60% AMI	**20**	10	8	2	0	0	**26%**
70% AMI	**13**	11	2	0	0	0	**17%**
80% AMI	**0**	0	0	0	0	0	**0%**
120% AMI	**0**	0	0	0	0	0	**0%**
Manager's Unit	**1**	0	1	0	0	0	**1%**
Total	**78**	**38**	**33**	**7**	**0**	**0**	**100%**

Note:

- 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 agreements will require minimum underwriting rent levels as outlined above.

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

Market Study firm:	Market Study Date: 2/16/2024
Market Study date within 180 days?	No
Proposed Market Rents for subject property	Studio/SRO-$2,987; 1BR-$3,187; 2BR-$3,750 (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). For underwriting purposes, the average market rent from the appraisal are being utilized: SRO/Studio - $2,000, 1BR - $2,500, 2BR - $3,000
Targeted population income range	30%, 50%, 60%, and 70%
Absorption Period	3 months
Absorption rate	25 units/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 ("PMA") is approximately 11 square miles, within the boundaries of Interstate 8 to the north, Interstate 805 and Highway 15 to the east, Highway 94 to the south, and Interstate 5 and Highway 163 to the west (population of 101,736) and the Secondary Market Area ("SMA") is San Diego-Chula Vista-Carlsbad CA Metropolitan Statistical Area (MSA) (population of 3,325,723)
- The general population in the PMA is anticipated to increase by 0.1% per year and the population in the SMA will increase by 0.2% per year.
- Unemployment in the SMA is 4.2%, slightly above the national rate of 3.5% for the same period, and similar to the pre-COVID level reached in 2019.

Local Market Area Analysis

- **Supply:**
  - There are currently 15 family projects in the PMA, of which 12 are financed with LIHTC. The majority of the projects contacted maintain waiting lists reporting high occupancy rates.
  - There are 2 affordable projects (one family and one mixed-income workforce project) under construction.
  - There is one affordable project with a total of 190 estimated units that has been proposed in the PMA.
- **Demand/Absorption:**
  - The project will need to capture 2.5% of the total demand for family units in the PMA. The affordable units are anticipated to lease up at a rate of 25 units per month and reach stabilized occupancy within 3 months of opening.

- **Summary:**
  - The Market Study absorption and lease-up timelines are in alignment with the Developer's lease-up plan and operating proforma assumptions.
  - The Market Study identified below risks in the final analysis:
    - Lack of parking, however, the low vacancies at comparable LIHTC properties and low capture rates indicate that there is ample demand for the project in the market. Additionally, with the site's walkability and proximity to public transportation, the lack of parking will be accepted in the market.
    - Total crime in the PMA is modestly elevated relative to the national average. The project will include an intercom (buzzer), limited access, perimeter fencing, and video surveillance as security features.

7b	Appraisal Summary	
Appraiser firm: Cressner & Associates, Inc.	Appraisal Date: 1/10/2025	
Engaged by: Citibank, N.A.	Reliance by CalHFA (if co-engaged): Y	
Appraisal within 90 days of Final Commitment?	Yes	
Appraisal premise	Interest appraised	Valuation
Market Value as-is	Fee Simple	$3,120,000
Market Value upon completion/stabilization as if unencumbered by restricted rents	Leased Fee	$23,910,000
Market Value upon completion/stabilization as encumbered by restricted rents	Leased Fee	$15,590,000
Land Value – with proposed Ground Lease	Leased Fee	$920,000
	Underwritten NOI	***Appraisal NOI***
Appraiser Firm	N/A	Cressner & Associates, Inc.
Appraisal Date	N/A	1/10/2025
Appraised As-is Value	N/A	$3,120,000
Appraised Land Value	N/A	$3,120,000
Appraised As-Completed Value (Stabilized/Restricted)	N/A	$15,590,000
Appraisal Investment Value	N/A	$29,670,000
Appraisal Cap rate	N/A	5.00%
NOI (Stabilized Year)	$793,037	$779,555
Appraisal Cap rate	N/A	5.00%
As-completed Restricted Value Calculated for UW NOI	$15,860,732	$15,591,100
1st Lien Loan	$9,034,153	$9,034,153
Does the Perm loan include Cash equity payment?	NO	NO
LTV	56.96%	57.94%
Max LTV allowed	90.00%	90.00%
LTV Check	OK	OK
Total CalHFA loans	$12,934,153	$12,934,153
CLTV calculated	81.55%	82.96%

Max CLTV allowed	100%	100%
CLTV Check		
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	$9,034,153	$9,034,153
Restricted Value	$14,418,829	$14,173,727
LTV (Stress Test 1)	62.66%	63.74%
Total CalHFA loans	$12,934,153	$12,934,153
CLTV (Stress Test 1)	89.70%	91.25%

Comments:

The Borrower's estimated NOI is $793,037 which is approximately $13,482 (~1.73%) higher than the estimated NOI on the appraisal report and is due to the following reasons:

- The Borrower estimated approximately $42,900 for maintenance, which is $15,600 (~27%) lower than the appraisal's estimated budget of $58,500.
- The Borrower estimated approximately $146,229 for payroll, which is $9,771 (~6.26%) lower than the appraisal's estimated budget of $156,000. The appraisal includes $22,854 for the manager's rent as an expense.
- The Borrower estimate of the administration and advertising, property management fee and utilities are ~.4% higher, ~2.9% lower and ~2.5% higher than the appraisal respectively, resulting in a combined increase of $699 relative to the administration, property management fee and utilities expenses in the appraisal.
- The Borrower's proposed operating expense is based on current operations of a similar project in the area and overall, reasonable based on the appraisal report.
- The capture rate and absorption rate are 1% and 8 months, respectively. The capture rate is generally consistent with the market study while the absorption rate is longer than the market study rate of 3 months because the appraisal relies on marketing data specific to the comparable properties in the report which differ from the source data used in the market study.
- Cap Rate comments: The cap rate of 5% is based on the most recent information on comparable properties (report date: 12/17/2024). Assuming an increase in cap rates due to current market conditions by 50 basis-points (5.50%), the LTV would be 62.66%. Stressing the cap further and adding 100 basis-points to the cap rate would result in an LTV of 68.35% and CLTV of 97.86%, which is still within the underwriting requirement of 90% and 100% or less respectively.

7c	Project Operating Budget Assumptions		
Total Units	78	Construction Start Date	2/20/2025
Regulated Units	77	Construction Completion Date	10/20/2026
Manager Units (Market Rate)	1	Construction Period (months)	20
Total Residential Square Feet	36,444	Lease-up Commencement Date:	10/20/2026
Avg Sq Ft/Unit	467	Lease-up Completion Date	6/20/2027
Rental Subsidies?	0	Lease-up Period (months)	8
No. of Units with Rental Subsidies	0	Est. Stabilization /Perm Conversion Date	10/20/2027
Rental Subsidy Contract Term (Initial)	0	Lease-up Completion to Stabilization (months)	4

7d	Project Operating Cash-flow Summary

Operating Budget and Reserve Balances

	Year 1	Year 5	Year 10	Year 15	Terminal Year
Adjusted Gross Income	1,316,880	1,453,589	1,644,603	1,860,717	1,954,916
Other Income/Subsidies	45,648	49,671	55,208	61,369	64,024
Projected Vacancy and Discount Loss	83,192	91,471	102,996	115,984	121,629
Effective Gross Income (EGI)	1,279,336	1,411,789	1,596,815	1,806,103	1,897,311
Total Operating Expenses	486,299	556,092	657,855	778,550	832,900
Reserve For Replacement	23,400	26,337	30,532	35,395	37,550
Net Operating Income (NOI)	793,037	855,697	938,960	1,027,552	1,064,411
Total Debt Service & Other Payments	677,443	677,443	677,443	677,443	677,443
Cash Flow After Debt Service	115,594	178,254	261,517	350,109	386,968
Debt Service Coverage Ratio	1.15	1.24	1.36	1.48	1.54
Income/Expense Ratio	2.63	2.54	2.43	2.32	2.28
Less:					
LP Management Fee*	7,500	8,441	9,786	11,344	0
GP Partnership Management Fee (See Note 2)	17,500	19,696	22,834	26,470	0
Other CalHFA approved Partnership Fee					
Total Fees	$25,000.00	$28,137.00	$32,620.00	$37,814.00	$ 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 %	100%	100%	100%	50%	50%
Cumulative Developer Distribution	90,594	600,788	1,585,803	2,765,379	3,143,084

Residual Receipts %	0%	0%	0%	50%	50%
Cumulative Residual Receipts Repayment	0	0	0	213,333	591,038
Unpaid/Accrued CalHFA loan Balance					
Perm Loan	8,969,028	8,659,515	8,133,674	7,395,603	7,022,797
MIP Loan	3,900,000	4,368,000	4,953,000	5,480,814	5,374,446
Reserves Balances					
Operating Reserve	387,914	387,914	387,914	387,914	387,914
Rent Reserve	0				
Transition Operating Reserve	0	0	0	0	0
Replacement Reserve	0				
OER Overage	3,188	3,188	3,188	3,188	3,188
Notes:					

7e	Rental Assistance and Other Subsidy

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		
Section 8	HUD/County/Other	N/A		
Other rental assistance	HUD/County/Other	N/A		
Other Operating Subsidy	HUD/County/Other	N/A		

Notes (if any):

Other State and Local Subsidies:
Other State Subsidies: N/A

Other Locality Subsidies: N/A

7f	Reserve Requirements	
Name of Reserve	**Amount**	**Comments**
Operating Expense Reserve (OER)	$387,914	Four (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. This emerging developer meets USRM's 4-month requirement because they meet CDLAC's maximum 7 points for experience. 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 $23,400 (annually)	The capitalized RR is not required for new construction projects. The annual RR amount is sized based on $300 per unit per year, escalating annually at 3%. CalHFA will hold this reserve through the term of the CalHFA loan
Transitional Operating Reserve (TOR)		N/A

7g	Exit Analysis Requirements		
Exit Year	16	**Assumed Refi Year**	16
Cap Rate Increase	2.00%	**Interest Rate Increase**	3%
UW Loan Amount	$9,034,153	**Max. Refi Loan Size**	$8,396,877
Appraised Value	$14,904,136	**Max LTV at Refi**	56%
Unpaid Principal Balance (1st Lien)	$0	**Unpaid Principal Balance (MIP Subsidy Loan)**	$4,193,087

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 but only a portion of the MIP Subsidy loan, leaving an outstanding balance of $4,193,087 (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

- According to a third-party seismic report by Hillman Consulting, LLC dated 11/18/2024, the Probable Maximum Loss (PML) scenario expected loss is 4% within a 475-year period, which meets the Agency's earthquake insurance waiver requirement threshold of 20%. 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, has been added to section 13 as a condition of approval.

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

The subject is located in Flood Zone X (area of minimum flood hazard). Zone X is the area determined to be outside the 500-year floodplain and protected by levee from 100-year floodplain, therefore the Project will not be subject to flood insurance.

8c	**Other Insurance Requirements**
N/A	

9	**Third-party reports and diligence**		
9a	Environmental Review Summary		
Environmental Phase I Site Assessment Firm:		Weis Environmental	
Phase I ESA Report Date:	11/20/2024	Reliance Letter with CalHFA as relying party?	Yes
Phase II ESA Report Date:	N/A		
NEPA Review Completed?	N	NEPA review Date of completion:	To be completed prior to construction loan closing

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

<u>Other Environmental Reports</u>

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

10	**Risk Identification and Mitigations**	
10a	Underwriting and Term Sheet Variations	

Select all that applies <u>AND</u> 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 (See Note 1)

☐	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 (See Note 2)
☐	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. The ground lease rents are nominal.
☒	xiii.	Failure to meet CalHFA Exit Analysis test requirements (See Note 3)
☒	xiv.	Deviation from the CalHFA Program Term Sheet requirement for surplus cash distribution allowing higher than 50% distribution to the Developer (See Note 4)
☐	xv.	Project-based rental subsidy contract term is less than Agency's 1st lien perm loan and/or the proposed rental subsidy contract does not contain an automatic renewal provision.
☐	xvi.	Deviation from the Agency's underwriting standards and/or CDLAC/TCAC regulations related to maximum Developer Fee including cash/upfront fee and Deferred Developer fee requirements
☐	xvii.	Deviations from the Agency's underwriting standards related to Construction Cost budget concerns, contingency requirements below minimum, sources/uses imbalance, sources for environmental remediation and/or off-site improvements not identified or finalized, etc.
☐	xviii.	<Other>

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

1. The Project's proposed operating expenses are below CTCAC minimum but are within the TCAC allowable 15% and the Property Manager has certified that the operating expenses are reasonable. The operating expenses generally align with the appraisal.
2. See Section 4b, Note 1
3. See Section 7g, Note 1
4. 100% of Surplus cash distribution will be applied to DDF to facilitate full repayment of the fee by Year 15 and meet investor requirements. Also See Section 13, Item 8.

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

Current Ownership of Entity of Record:	The Episcopal Diocese of San Diego
The current owner, The Episcopal Diocese of San Diego, of the site and the Project owner, Rise 30th St LP, will enter into a Ground Lease Agreement expected to be executed in January 2025 and expiring 99 years from the Lease Commencement Date for an initial sum of $30,000 to be paid on the Lease Commencement Date and a capitalized amount of $2,170,000 on the Closing Date.	

11b	Ground Lease (if applicable)		
Ground Lessor	The Episcopal Diocese of San Diego	Capitalized Ground Lease Payment and Source	$2,200,000 AOF SD MGP LLC Sponsor Subordinate Loan
Ground Lease Term	99 years	On-going Ground Lease Payment and Source	N/A

Borrower will enter into a ground lease agreement with The Episcopal Diocese of San Diego for a term of 99 years for an upfront capitalized amount of $2,170,000 plus an initial rent payment of $30,000 on the Commencement Date of the lease. The capitalized ground lease is based on the fair market value supported by an appraisal completed by CBRE dated 2/14/2024.

The CalHFA loan(s) will be secured against both the leasehold interest and fee interest in the land. Defaults under any loans used to capitalize payments or ongoing residual receipt payments required by the ground lease must not constitute a default under the ground lease.

11c	Displacement and Relocation of existing tenants

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

11d	Net Loss of Affordable Units

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

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

11f	Legislative Districts & Local Support
Congress:	#50; Scott H. Peters
Assembly:	#78; Chris Ward
State Senate	#39; Akilah Weber
Local Support: The San Diego Housing Commission strongly supports the project per a locality contribution letter dated 3/27/2024.	

12	**Development Team Experience**	
12a	Developer / Project Sponsor	
Name	Experience with CalHFA	If new, describe if minimum development experience requirements are met per USRM
Rise 30th St LLC	No CalHFA projects completed in past 5 years or in the CalHFA pipeline.	See Note 1

Developer Relationship Summary [Pipeline]

Project Name	Project Status	Construction Loan Closing	Est. conversion	Perm Loan Amount	CalHFA Subsidy Amount
			Grand Total	$	

Notes:

1. Developer has met USRM requirements (minimum 7 points under CDLAC GP category, registered and in good standing in CA, Legal Status per CDLAC, and sufficient qualifications of the development team).

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
N/A				$	$			
				$	$			
			Total	$	$			

Notes:

12b	General Contractor
General Contractor name:	ECON JMI JV 2.0
Affiliated entity of the Developer/Borrower?	No
Experience with CalHFA?	No
The general contractor is ECON JMI JV 2.0, which is a joint venture of ECON, Inc. and Johnstone Moyer, Inc. Current employees have extensive experience in constructing similar affordable housing projects in California while employed under a different contractor, however, CalHFA is not familiar with the general contractor. The locality is familiar with this general contractor and stated no issues with the project.	

12c	Architect and Engineering (A&E) firm
Architect name:	GLO Architecture
Affiliated entity of the GC?	No
Affiliated entity of the Developer/Borrower?	No
Experience with CalHFA?	No
The architect is GLO Architecture, the principal has 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 completed any projects together under current business entities. However, the principal of GLO was formerly at another firm that the developer engaged to complete several projects in the past so the developer and GLO principal are familiar with each other's work and process. They are not working on any other projects in the development stage.	

12d	Management Agent (Property Manager)
Name of the Firm	CONAM
Third-party or Borrower Affiliate?	No
Management Fee (Annual fee %)	The greater of 4% of gross revenue or $60/unit
Management Fee (Other incentives)	No
Total number of properties managed by the Property Manager (PM)	321
Total number of properties managed for the Developer	Developer is transitioning CONAM on two properties
Total number of properties the PM has in CalHFA portfolio	22
Any property management issues for CalHFA portfolio projects under the management of the Property Manager?	Overall, there are no major concerns with the management company just some communication and response time challenges.
Notes: Developer is also in the process of transitioning CONAM property management on one property currently under construction.	

12e	Borrower Affiliated Entities

Borrower Legal Entity	Rise 30th St LP	
Borrower Entity Type	A California limited liability Company	
Member	% interest	Legal Entity Name:
Managing General Partner	0.001%	AOF SD MGP LLC
Administrative General Partner	0.009%	Rise 30th St LLC
Investor Limited Partner	99.98%	WNC Holding, LLC
Special Limited Partner	0.01%	WNC Housing, LP
	100.00%	

Managing General Partner	AOF SD MGP LLC
Type of Legal Entity	A California limited liability company
Ownership	% interest
AOF/Pacific Affordable Housing Corporation, a California nonprofit public benefit corporation	100%

Administrative General Partner	Rise 30th St LLC
Type of Legal Entity	A California limited liability company
Ownership	% interest
Member: Rise Urban Partners, LLC, a Delaware foreign limited liability company	100%
Manager: David Allen and Rob Morgan	0%

Investor Limited Partner	WNC & Associates, Inc

Comments on Tax Credit Investor:
Investor requires a 3% annual escalation on replacement reserves.

Comments on LPA nuances/concerns: LPA not available at this time.

Notes:
1. This project involves an emerging developer that meets the maximum TCAC points for project experience.

12f	Support Service Provider
Name of Service Provider	All Things are Possible After School and Family Resource Centers (ATAP)
Required by TCAC or other funding sources?	Yes
Term of Services (on-site, number of years)	On site, minimum of 15 years
Support Services Budget included in the Operating Budget	Yes
Per unit cost of support services meets USRM thresholds?	Yes

The Borrower will provide supportive services to the residents through ATAP. ATAP will provide on-site services for all tenants. Services will include Adult Education classes of no less than 84 hours per year and Individualized Health and Wellness services of no less than 60 hours per year. Services will be provided on an ongoing and regular basis for the life of property ownership and in no case less than 15 years.

12g	Other Development Team Members (if applicable)
Name of Firm:	N/A
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 commercial construction costs, except to the extent such costs are attributable to improvements for the exclusive use by the tenants of the Project.
7. The Project's proposed operating expense is below CTCAC minimum; therefore, Borrower must provide evidence that the proposed operating expense is sufficient to operate the project via an appraisal report and/or other supporting documentation acceptable to CalHFA. In addition, approvals of the proposed operating expense from the investor, all lenders, and CTCAC are required.
8. The Borrower has requested that 100% 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.
9. Defaults under any loans used to capitalize payments or ongoing residual receipt payments required by the ground lease must not constitute a default under the ground lease.
10. 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. The Density Bonus Agreement will be subject to CalHFA subordination/standstill requirements at permanent closing.
11. 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.
12. Receipt of Final Plan and Cost Review and acceptance by CalHFA prior to construction closing.
13. Closing on construction financing will be subject to final Limited Partnership Agreement (LPA) being substantially consistent to the assumptions made at time of final commitment and as reflected in the attached Financial Analysis Summary attached to this Final Commitment Staff Report, and acceptable to CalHFA, in its sole discretion.

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: 2/13/2025

Erwin Tam
Director of Financing & Senior Loan Committee Chairperson

Approved by:

Rebecca Franklin
Digitally signed by Rebecca Franklin
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Rebecca Franklin
Chief Deputy Director
CalHFA