Executive Summary	
CalHFA Project Number	25018
Project Name	Marinwood Plaza
Type of Development	New Construction
Type of Project	Family
Total Units (MIP Restricted Units)	125 (124 restricted)
Street Address	121, 155, 175, and 197 Marinwood Avenue
City, County, Zip Code	Unincorporated San Rafael, Marin County, 94903
Borrower (Legal entity name)	Marinwood Propco, LP
Developer	Impact Residential Development LLC (affiliate)
Co-Developer	Pacific Housing, Inc. (affiliate)
Approved Conduit Issuances	
Conduit T/E Bond Issuance [CDLAC Meeting: 12/10/2025]	$20,000,000 (Assumes $18,141,000 need; includes 10% cushion and rounded up to nearest $1m)
Conduit Taxable Bond Issuance	$37,000,000 (Assumes $33,522,713 need; includes 10% cushion and rounded up to nearest $1m)
Conduit T/E Recycled Bond Volume Cap	N/A
Requested CalHFA Financing for Approval	
Combined CalHFA 1st Lien Permanent Loan	$28,766,000 UW Rate and Loan Term: 6.78% blended rate; fixed; 40/17
CalHFA Tax-Exempt Portion of Combined Loan	$18,141,000; 6.44% rate; fixed; 40/17
CalHFA Taxable Portion of Combined Loan	$10,625,000; 7.30% rate; fixed; 40/17
HUD Risk Sharing Requirement (1st lien loan)	Yes
CalHFA Subordinate/Subsidy Financing Type	$4,000,000 Mixed-Income Program (MIP) 2025 UW Rate and Loan Term: 3.00%, fixed-simple; 2nd lien; residual receipts; due in 17 years
Key Dates and Approvals	
CDLAC Volume Cap Award Date	12/10/2025
CTCAC Tax Credit Award Date	12/10/2025
CDLAC Closing Deadline	6/29/2026
Est. Construction Loan Closing Date	5/1/2026
Est. CalHFA Loan Closing (perm conversion) Date	12/1/2028
Federal Tax Credits (LIHTC) Requested	$30,255,200
State Tax Credits Requested	N/A

1	Project Summary

Marinwood Plaza (the "Project") is a new construction large family, mixed-income and mixed-use Project. The total development site area is 3.67 acres of an existing 5.06-acre site and is located in unincorporated San Rafael, Marin. The Project will consist of five, 3-story elevator serviced buildings and 1,040 sq. ft of ground-floor commercial area. The commercial area will be master-leased; its construction is part of the subject financing. The Project will have 125 total residential units, of which 124 units will be restricted between 30% and 70% of the Marin County Area Median Income (AMI). There will be 45 one-bedroom units (675 sq. ft.), 48 two-bedroom units (881 sq. ft.), and 32 three-bedroom units (1,125 sq. ft.). In addition, one of the two-bedroom units will serve as the manager's unit(s). The Project will have 126 residential parking spaces including 2 car share spaces. The residents will also have access to at least 18 additional parking spaces on the abutting supermarket parcel. 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.

The project is of wood frame with stucco and stone veneer construction. In addition to CDLAC minimum design standards, which include some sustainable building requirements like the use of EnergyStar appliances, low flow plumbing fixtures, low VOC finishes (flooring, painting, and caulking), and installation of water-efficient landscaping, other Project green design features include solar-powered electricity equipment.

The Project's financing structure includes financing from: Tax-exempt (T/E) bonds, Taxable bonds, 4% Federal Low Income Housing Tax Credit (LIHTC) equity, CalHFA Tax-Exempt Permanent Loan, CalHFA Subordinate financing through Mixed-Income Program (MIP) Subsidy Loan, and a County of Marin HTF residual receipts loan.

The subject property is part of a larger 5.06-acre site consisting of four contiguous parcels that will be merged and subsequently subdivided into two parcels. The subject property has received approval from the Marin County Planning Division for the lot line adjustment associated with the subdivision. The lot line adjustment will occur prior to construction closing.

The subject parcel will comprise approximately 3.67 acres. The remaining 1.39-acre parcel will continue to be occupied by a single-tenant supermarket, which is expected to remain in operation throughout construction and into stabilization. The supermarket site includes 63 commercial parking spaces, of which 18 will be available to the residents through a shared parking agreement with the supermarket parcel owner, a developer-affiliated entity. Four parking spaces located on the abutting supermarket parcel and adjacent to the commercial space will be designated for use by the commercial tenant (anticipated to be a café).

Inside Principal City?	No	Underserved or Distressed Tract?	No
Census Tract (CT)	06-041-1070.00	% Population Below Poverty Line	3.89%
CT Minority Population %	25.82%	Rural Area?	No
CT Income Level	Medium	2025 Est. CT Median Family Income	$171,920
CDLAC/TCAC Opportunity Area Category		Highest Resource	
CDLAC/TCAC Geographic Region		Northern Region: Butte, Marin, Napa, Shasta, Solano, and Sonoma Counties	
Project is located in DDA?		Yes	
Project is located in federally-designated Qualified Census Tract (QCT) for LIHTC purposes?		No	

Legislative Districts:

- Congress: 2, Jared Huffman
- State Assembly: 12, Damon Connolly
- State Senate: 2, Mike McGuire

Local Support: The locality's Community Development Agency responded to CalHFA's locality contribution letter on 5/5/2025 and strongly supports the project.

2	Development and Financing Team		
Developer (Sponsor): Impact Residential Development, LLC (affiliate) (100% of developer fee)		**Co-developer:** Pacific Housing, Inc. (affiliate) (0% of developer fee)	
New to CalHFA?	Yes	New to CalHFA?	No
Affordable Housing/LIHTC experience?	No	Affordable Housing/LIHTC experience?	Yes
Has Projects in California?	No	Has Projects in California?	Yes
Borrower (Legal entity): Marinwood Propco, LP		**Co-Borrower (if any):** N/A	
Construction (Senior) Lender: 1) First Citizens Bank		**Construction Subordinate Lender(s):** 1) County of Marin HTF Loan	
Permanent 1st lien Lender: 1) CalHFA		**Permanent Subordinate Lender(s):** 1) CalHFA (2nd lien) 2) County of Marin HTF Loan	
Federal LIHTC Investor: Hudson Housing Capital		**State LIHTC Investor:** N/A	
Tax Credit Amount	$30,420,960	Tax Credit Amount	$
Solar Tax Credit Investor: N/A			
Tax Credit Amount	$		
General Contractor: Milestone Construction Group		**Management Company (Property Manager):** Aperto Property Management, Inc	
Is an affiliate of Developer?	No	Is an affiliate of Developer?	No
Experience with CalHFA?	No	Total number of properties managed	125
Architect: LPAS Architects		**Service Provider:** Pacific Housing, Inc.	
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 or within ½ mile, 15 years minimum
		Support Services Cost (per Operating budget)	$30,000
Has housing projects in CA?	Yes	Per unit cost of services meets CDLAC/TCAC req.?	Yes
Financial Advisor: N/A		**Project Consultant:** Tableau Development Company	

Notes:

1. Impact Residential Development, LLC is an emerging developer. Pacific Housing, Inc. is the co-developer and meets CalHFA's experience requirements. Pacific Housing, Inc. has four projects in CalHFA's portfolio that are performing as expected and one other project in the CalHFA development pipeline.
2. Aperto Property Management, Inc. is the property manager for at least 23 CalHFA portfolio projects. Aperto generally performs as expected, however they can require multiple follow-ups on requests.
3. Tableau is serving as the project manager and providing comprehensive development oversight. Responsibilities include seller negotiations, entitlements process, community engagement, assistance in obtaining financing, co-supervising design/construction, and other development-related tasks. Tableau is not part of the project ownership. Services will continue through financial closing and into the construction period.

3	Requested CalHFA Financing for Approval		
	CalHFA 1st Lien Perm Loan	**CalHFA Subordinate Loan (MIP Subsidy Loan)**	**Total CalHFA Financing**
Loan Amount ($)	**$28,766,000 Combined** $18,141,000 (T/E) $10,625,000 (Tax)	$4,000,000	$32,766,000
Loan Term (Year)	17	17	17
Amort. Term (Year)	40		40
Amort. Type	Partially Amortizing	Non-amortizing	
Lien Position	1st	2nd	
UW Interest Rate %	**6.78% (Blended)** 6.44% (T/E) 7.30% (Tax)	3.00%	
Loan to Value (%)	77.76%	9.15%	
Combined LTV (CLTV) (%)			88.58%
Loan to Cost (%)	40.70%	5.65%	46.35%
Loan Repayment Source	Net Operating Income (NOI)	Residual Receipts	

4	Project Budget & Total Development Cost
	Construction Financing

Construction Lender	First Citizens Bank
CDLAC/CTCAC Construction Closing Deadline	6/29/2026

	Bond Issuance Amount	Type of Issuance
Construction Conduit Issuance Amount	$18,141,000	Tax-Exempt
Construction Conduit Issuance Amount	$33,522,713	Taxable
Construction Conduit Issuance Amount	$0	T/E Recycled
Total	$51,663,713	

	Loan Amount	UW Rate	Loan Term
Construction Loan (T/E) (Interest-only, 1st lien during construction)	$18,141,000	5.15%, Fixed (See Note 1)	26 months plus two 90-day extension options
Construction Loan (Taxable) (Interest-only, 1st lien during construction)	$33,522,713	5.25%, Fixed (See Note 2)	26 months plus two 90-day extension options
<Other Construction loan>			

Notes:
1. 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.

Construction Sources

Construction Sources:	**Amount ($)**	**% of Total**
First Citizens Bank- TE (Conduit) (Loan)	$18,141,000	28.53%
First Citizens Bank- Taxable (Conduit) (Loan)	$33,522,713	52.71%
County of Marin HTF Loan (Loan)	$7,500,000	11.79%
Deferred Reserves & Costs (Cost Deferral)	$689,192	1.08%
Hudson Housing Capital (Equity, LIHTC Investor)	$3,742,436	5.88%
Total Construction Sources	$63,595,341	100%

Construction Uses		
Construction Uses:	**Amount ($)**	**% of Total**
Land and Improvement Value	$8,800,000	13.84%
Other Acquisition Costs	$50,000	0.08%
Construction/Rehab Costs	$37,983,920	59.73%
Soft Costs (A&E, Legal, Title, and Other Soft Cost)	$4,774,052	7.51%
Hard Cost contingency (5.65% of Hard Cost)	$1,852,093	2.91%
Soft Cost contingency* (1.65% of Soft Cost)	$432,361	0.68%
Financing Costs (Interest Reserves, Fees, Taxes, and Insurance)	$4,283,578	6.74%
Local Impact Fees and Permit Fees	$2,134,915	3.36%
Cash Portion Developer Fee	$1,265,895	1.99%
Other Costs (TCAC Fees, Furnishing, and Other Misc. Fees)	$1,409,336	2.22%
Operating Reserves	$609,192	0.96%
Total Construction Uses	$63,595,341	100%
Total Construction Cost per unit	$508,763	
Total Construction Cost per CalHFA MIP Regulated Unit	$512,866	

**Soft Continency of $432,361 (1.65%) is lower than CalHFA's underwriting standard of 2%. The developer is requesting to remove the land acquisition cost of $8,850,000 which includes $50,000 in legal expenses, monthly extension payments and prior deposits. Per the purchase and sale agreement and subsequent amendments, these amounts will be credited toward the purchase price, resulting in no increase to the total land acquisition cost. Based on this adjustment, the proposed Soft Cost Contingency is equal to 2.00%.*

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. Acquisition Costs included in the budget total $8,850,000, which is in compliance with Agency's underwriting (USRM) standards. The total Acquisition costs include as-is land cost (per appraisal dated 2/27/2025) of $8,800,000 and carrying costs of $50,000 (legal).
3. The total hard cost contingency in the project is 5.65% 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. As shown above, the total soft cost contingency in the project is 2.00% of adjusted eligible costs and has been reviewed by Multifamily staff to meet the USRM requirements and project scope for completion within the stipulated budget.
5. Remediation costs of approximately $216,000 in the form of a vapor intrusion mitigation system (VIMS) are included in the construction budget. Ongoing annual monitoring cost of $30,000 for VIMS is included in the operating budget.
6. The project budget includes $390,000 in offsite streetscape improvements, which includes rebuilding the existing sidewalks, curbs, and gutters, as well as the addition of streetlights. The County will contribute additional funds to expand the current scope with more extensive streetscape upgrades. A separate developer affiliate will manage this work under separate contracts with the County and Milestone. The contract(s) will be reviewed by the CalHFA inspector to confirm if offsite improvements are allowable by CalHFA Bond Regs or are outside the subject financing.

Permanent Sources and Uses		
Permanent Sources:	**Amount ($)**	**% of Total**
CalHFA Tax-Exempt (Loan)	$18,141,000	25.7%
CalHFA Taxable (Loan)	$10,625,000	15.0%
CalHFA MIP Loan (Loan)	$4,000,000	5.7%
County of Marin HTF Loan (Loan)	$7,500,000	10.6%
Deferred Developer Fee (Developer Fee, Deferral)	$5,475,200	7.7%
Cash flow from operations (Loan)	$0	0%
Tax Credit Equity (Equity, LIHTC Investor)	$24,945,187	35.3%
Total Permanent Sources	**$70,686,387**	**100%**

Permanent Uses:	**Amount ($)**	**% of Total**
Total Loan Payoffs	$63,595,341	90.0%
Other Acquisition Costs	$0	0.0%
GP Equity	$0	0.0%
Financing costs	$215,745	0.3%
Soft costs	$0	0.0%
Operating Reserves	$509,192	0.7%
Cash Developer Fee paid at Perm Conversion	$890,910	1.3%
Deferred Developer Fees (paid from cashflow)	$5,475,200	7.7%
Total Permanent Uses	**$70,686,388**	**100%**
Total Development Cost per unit	**$565,491**	
Total Development Cost per CalHFA MIP Restricted Unit	**$570,052**	

Developer Fee		
Developer fee category:	TCAC Maximum Limit	Actual Amount in Project Budget
Upfront Cash Developer Fee (a)	$3,210,668	$2,156,804
Deferred Developer Fee (DDF) paid from project cash-flow (b)		$5,475,200
Total Developer Fee (a) + (b)	$10,176,006	$7,632,004
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.

	High-Cost Explanation (TDC exceeds $650,000 per unit)
Total Development Cost (TDC)	$70,686,387
Total Units	125
TDC/Unit	$565,491
High-Cost Explanation provided by Developer per CDLAC Regs Section 5233?	N/A
High-Cost explanation acceptable to CalHFA?	N/A

5	**Affordability Requirements**
5a	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 (38 units) at or below 60% AMI and 10% of the total units (13 units) at 50% AMI for 55 years.

The CalHFA Subsidy Regulatory Agreement will restrict 124 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	1st			13	38					**51**	41%
CalHFA MIP	2nd	13		25		13		73		**124**	100%
CTCAC	4th	14		49		61				**124**	100%
County	3rd	14		49		61				**124**	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 (13 units at 30% AMI and 25 units at 50% AMI). An additional 10% of total units (13 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 (73 units) restricted units will be restricted at or below 120% of AMI.
3. In addition, the Project will be restricted by the following jurisdictions described below:
    a. The County of Marin will restrict 14 units at or below 30% of AMI, 49 units at or below 50% of AMI, and 61 units at or below 70% of AMI in perpetuity. The rents for these units are based off median incomes in the County of Marin as published annually by the United States Department of Housing and Urban Development ("HUD").

5b	Unit Distribution for each AMI category

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

Rent Limit Summary Table								
	Studio	**1-bdrm**	**2-bdrm**	**3-bdrm**	**4-bdrm**	**5-bdrm**	**Total**	**% Total**
30%	0	5	6	3	0	0	14	11%
40%	0	0	0	0	0	0	0	0%
50%	0	19	19	11	0	0	49	39%
60%	0	0	0	0	0	0	0	0%
70%	0	21	22	18	0	0	61	49%
80%	0	0	0	0	0	0	0	0%
120%	0	0	0	0	0	0	0	0%
Manager	0	0	1	0	0	0	1	1%
Market	0	0	0	0	0	0	0	0%
Total	0	45	48	32	0	0	125	
AMI Avg		57.1%	56.8%	59.4%			57.58%	

Notes:

- 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.
- Per an appraisal dated 1/13/2026 the Project can only support rents at a maximum of 70% AMI and still comply with the requirement that rents be 10% below market. Therefore, this project will comply with affordability requirement of 60% to 80% of AMI with an average of 70% of AMI. The rents on the 70% AMI units are underwritten at less than TCAC maximums to comply with the 10% below market requirement.

6	**Financial Analysis**
6a	Project Operating Budget Assumptions

Total Units	125	Construction Start Date	5/1/2026
Regulated Units	124	Construction Completion Date	1/1/2028
Manager Units (Market Rate)	1	Construction Period (months)	20
Total Residential Square Feet	107,759	Lease-up Commencement Date:	1/1/2028
Avg Sq Ft/Unit	869	Lease-up Completion Date	6/1/2028
Rental Subsidies?	No	Lease-up Period (months)	5
No. of Units with Rental Subsidies	0	Est. Stabilization /Perm Conversion Date	12/1/2028
Rental Subsidy Contract Term (Initial)	N/A	Lease-up Completion to Stabilization (months)	11

6b	Project Operating Cash-flow Summary

Operating Budget and Reserve Balances

	Year 1	Year 5	Year 10	Year 15	Terminal Year 17
Adjusted Gross Income	3,495,888	3,858,806	4,365,885	4,939,598	5,189,665
Other Income/Subsidies	18,000	19,869	22,480	25,434	26,721
Projected Vacancy and Discount Loss	175,694	193,934	219,418	248,252	260,819
Effective Gross Income (EGI)	3,338,194	3,684,741	4,168,946	4,716,780	4,955,567
Total Operating Expenses	933,701	1,065,416	1,257,330	1,484,810	1,587,207
Reserve For Replacement	31,250	32,519	34,178	35,921	36,643
Net Operating Income (NOI)	2,404,493	2,619,326	2,911,616	3,231,971	3,368,360
Total Debt Service & Other Payments	2,090,195	2,090,195	2,090,195	2,090,195	2,090,195
Cash Flow After Debt Service	314,297	529,130	821,421	1,141,775	1,278,165
Debt Service Coverage Ratio	1.15	1.25	1.39	1.55	1.61
Income/Expense Ratio	3.58	3.46	3.32	3.18	3.12
Less:					
LP Management Fee*	7,500	8,441	9,786	11,344	0
GP Partnership Management Fee	15,000	16,883	19,572	22,689	0
Other CalHFA approved Partnership Fee					
Total Fees	$22,500.00	$25,324.00	$29,358.00	$34,033.00	$ 0.00
Annual Cap Limit	$40,500	$45,583	$52,843	$61,260	$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	291,797	1,984,006	5,357,177	7,805,202	9,048,968
Residual Receipts %	0%	0%	0%	50%	50%
Cumulative Residual Receipts Repayment	0	0	0	2,448,026	3,691,792
Unpaid/Accrued CalHFA loan Balance					
Perm Loan	28,621,710	27,936,316	26,772,929	25,141,622	24,318,189
MIP Loan	4,000,000	4,480,000	5,080,000	5,021,164	4,858,188
Reserves Balances					
Operating Reserve	1,018,383	1,018,383	1,018,383	1,018,383	1,018,383

6c	Exit Analysis Requirements

Exit Year	Year 17	**Assumed Refi Year**	Year 16
Cap Rate Increase	2.00%	**Interest Rate Increase**	3.00%
UW Loan Amount	$18,141,000	**Max. Refi Loan Size**	$26,580,825
Appraised Value	$47,099,553	**Max LTV at Refi**	56%
Unpaid Principal Balance (1st Lien)	($1,837,007)	**Unpaid Principal Balance (MIP Subsidy Loan)**	$3,021,181

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 and a portion of the unpaid principal and interest of the MIP subsidy loan.

7	Insurance Requirements

- **Seismic Review and Earthquake Insurance:** This new construction Project will be built to State and County of Marin building codes so no seismic review is required and the project will not be subject to Earthquake Insurance.
- **Flood Designation and Insurance:** 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, therefore the Project will not be subject to flood insurance.
- **Other Insurance Requirements:** N/A

8	Environmental Review

- A Phase I Environmental Site Assessment identified evidence of Recognized Environmental Conditions (RECs) listed below, which will need to be addressed during construction:
  - Soil gas sampling has revealed decreasing or stable concentrations of VOCs with seasonal variation despite post remedial actions to address releases from the former gasoline service station and former dry cleaner; a vapor intrusion mitigation system (VIMS) has been recommended for the site.
- The San Francisco Bay Regional Water Quality Control Board (RWB) currently oversees investigation and remediation of the site
  - Under RWB guidance, a VIMS evaluation was developed based on a Conceptual Site Model (CSM) framework prepared for Site
  - The Revised Basis of Design Report Vapor Intrusion Mitigation System prepared by WEST dated 2/10/2026 (the BOD Report) provides a VIMS implementation plan that includes verification monitoring prior to and following building occupancy, as well as annual sampling, inspections, and Annual Report to the RWB until the Board approves a cessation of the assessment.
- The development budget includes an estimated amount of $216,000, which are the anticipated costs associated with addressing these environmental issues per the environmental remediation budget provided by WEST. To the extent the environmental budget is insufficient to address all the remediation or mitigation strategies, the Developer will be required to fund the expenses from their own sources.
- The final environmental remediation plan will be subject to CalHFA's approval prior to construction loan closing and a certification/documentation that evidence all environmental issues have been addressed during construction will be subject to CalHFA's approval prior to permanent loan closing.
- Evidence of environmental clearance will be required as a prerequisite to closing of the CalHFA permanent and Subsidy (MIP) loans.
- Ongoing annual VIMS monitoring costs of $30,000 are included in the operating budget and WEST will be performing the work.
- NEPA review is occurring presently and HUD approval is required prior to construction closing.

9	Underwriting and Term Sheet Variations

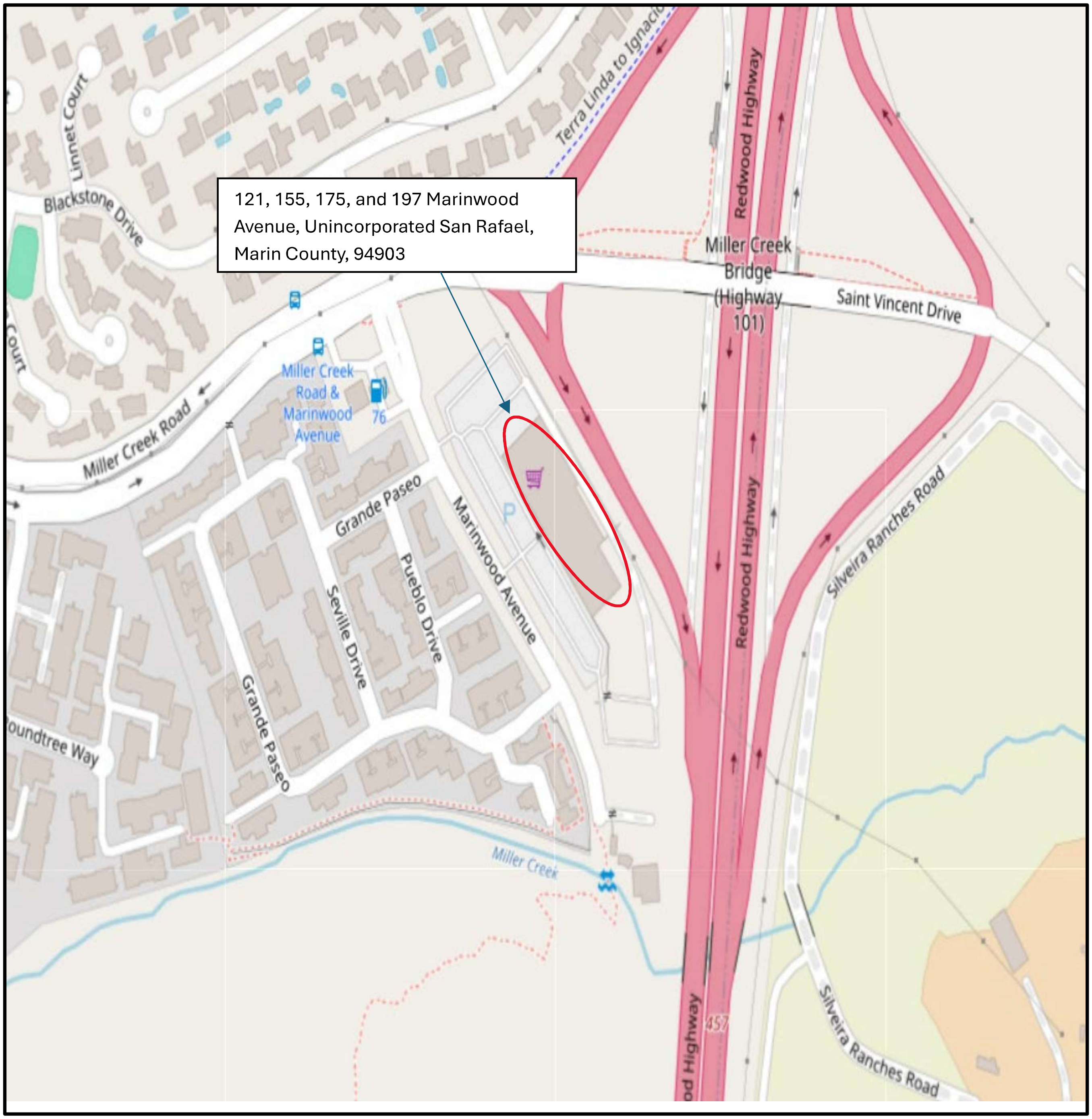
1. The Project is proposing to use a lower Utility Allowance ("UA") than HUD's allowance due to the anticipated implementation of a more energy efficient system as supported by the third-party energy report and California Utility Allowance Calculator ("CUAC"). The underwritten rent schedule assumes the utility allowance schedule calculated by the California Energy Commission, effective 1/25/2025.
2. All 70% AMI unit rents are below TCAC max rents in order to meet the 10% test based on Appraisal market rents dated 1/9/2026.
3. To ensure the deferred developer fee is repaid by year 15, the surplus cash distribution is underwritten showing 100% being applied to reducing the deferred developer fee until full repayment which is currently projected in year 13. 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.

10	Approval Recommendation and Action

The Multifamily Programs 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.

Marinwood Plaza- Near



Marinwood Plaza- Far