Executive Summary	
CalHFA Project Number	25015
Project Name	Sheridan Apartments
Type of Development	New Construction/Infill
Type of Project	Family
Total Units (MIP Restricted Units)]	88 Units (87 Restricted)
Street Address	320 Sheridan Drive
City, County, Zip Code	Menlo Park, San Mateo County, 94025
Borrower (Legal entity name)	320 Sheridan LP
Developer(s)	Alliant Communities LLC
Co-Developer	Community Revitalization and Development Corporation
Approved Conduit Issuances	
Conduit T/E Bond Issuance [CDLAC Meeting: 9/8/2025]	$18,000,000 (Assuming current need is $16,250,000; includes 10% cushion and rounded up to nearest $1m)
Conduit Taxable Bond Issuance	$13,000,000 (Assuming current need is $11,224,591; includes 10% cushion and rounded up to nearest $1m)
Conduit T/E Recycled Bond Volume Cap	N/A
Requested CalHFA Financing for Approval	
CalHFA Tax-Exempt Permanent Loan Amount	$13,239,400 UW Rate and Loan Term: 6.63%; fixed- simple; 1st lien; 40/17
CalHFA Taxable Permanent Loan Amount (if any)	$0
HUD Risk Sharing Requirement (1st lien loan)	Yes
CalHFA Subordinate/Subsidy Financing Type	Mixed-Income Program (MIP) 2025 $4,000,000 UW Rate and Loan Term: 3.00%, fixed-simple; 2nd lien; residual receipts; due in 17 years
Key Dates and Approvals	
SLC Initial Commitment Approval/ Declaration of Intent Date	3/10/2025
SLC Final Commitment Approval Date	5/20/2026
CDLAC Volume Cap Award Date (Include supplemental bond award dates)	8/5/2025 (See note 1)
CTCAC Tax Credit Award Date	8/5/2025
CDLAC Closing Deadline	7/14/2026
Construction Loan Closing Date [Est.]	6/15/2026
Est. CalHFA Loan Closing (perm conversion) Date	6/15/2029
Federal Tax Credits (LIHTC) Requested	Federal LIHTC Amount: $25,070,940
State Tax Credits Requested	State Tax Credit Amount: $3,850,318

Notes:

1- Project received initial CDLAC allocation of $27,704,168 on 8/5/2025. To take advantage of the 25% test benefits offered by CDLAC, a portion of the allocation returned on 8/28/2025 and the bond resolution was amended on 9/08/2025 to the current allocation amount of $16,250,000.

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1	**Project Summary**
1a	Project Description

Sheridan Apartments (the "Project") is a new construction/inner city infill, large family, mixed-income Project. The total development site area is 2.5 acres and is located in Menlo Park, San Mateo County. The Project will consist of three, 3-story residential walk-up buildings. The Project will have total 88 residential units, of which 87 units will be restricted between 30% and 80% of the San Mateo County Area Median Income (AMI). There will be 42 one-bedroom units (600 sq. ft.), 22 two-bedroom units (880 sq. ft.), and 23 three-bedroom units (1,118 sq. ft). In addition, 1 of the two-bedroom units will serve as the manager's unit. The Project will also include a leasing preference criterion required for the City and County loans. Preference shall be given to local public employees for 35 units, to Ravenswood City School District employees for 44 units, and to City of Menlo Park live-work applicants for 8 units. These are preferences only and shall comply with fair housing laws. The Project will have 116 uncovered spaces for residential parking.

The project will comply with California Green Building Standards and is designed to meet LEED Silver equivalent, incorporate solar power, all-electric utilities, and Energy Star appliances. Sustainability features include low-flow plumbing fixtures, drought-tolerant landscaping, EV charging stations, and bicycle parking. The project will track energy performance through EPA's Energy Star Portfolio Manager and is structured to achieve 100% renewable energy usage annually. It will also accommodate future recycled water use and implement a zero-waste management plan to reduce landfill impact.

The Project's financing structure includes financing from Tax-exempt (T/E) bonds, Taxable bonds, 4% Federal Low Income Housing Tax Credit (LIHTC) equity, State Housing Tax Credit Equity, CalHFA Tax-Exempt Permanent Loan, CalHFA Subordinate financing through Mixed-Income (MIP) Subsidy Loan, City of Menlo Park BMR Housing Funds Loan, and a loan from the County of San Mateo.

The Project includes a 90-year ground lease with the Ravenswood City School District. Annual participation rent will not commence until after the 18th anniversary of CalHFA's permanent loan closing, at which time, the CalHFA permanent loan will be paid off.

Residential Areas		Commercial Areas (If Mixed-use)	
Land Area (Acres)	2.52 (acres)	Land Area (Acres)	N/A
Residential Units / Acre	35	Number of Lease spaces	N/A
Residential Area (Sq. Ft)	69,516	Commercial Area (Sq. Ft)	N/A
Community Area (Sq. Ft)	15,969	Commercial Parking Spaces	N/A
Supportive Services Area	2,239	Master Lease?	N/A
Residential Parking Space	116 uncovered	Condo Structure (not part of subject financing)	N/A

Notes:

1b	Project Location Geocoder Information

Inside Principal City?	Yes	Underserved or Distressed Tract?	No
Census Tract (CT)	06-081-6116.00	% Population Below Poverty Line	3.01%
CT Minority Population %	42.58%	Rural Area?	No
CT Income Level	High	2025 Est. CT Median Family Income	$295,242
CDLAC/TCAC Opportunity Area Category		Highest Resource	

CDLAC/TCAC Geographic Region	South and West Bay Region: San Mateo and Santa Clara Counties
Project is located in DDA?	Yes
Project is located in Federally designated Qualified Census Tract (QCT) for LIHTC purposes?	No

2 Development and Financing Team

Developer (Sponsor): Alliant Communities LLC (see Note 1) (100% of developer fee)		**Co-developer (if any):** Community Revitalization and Development Corporation (0% of developer fee)	
New to CalHFA?	Yes	New to CalHFA?	No
Affordable Housing/LIHTC experience?	Yes	Affordable Housing/LIHTC experience?	Yes
Has Projects in California?	Yes	Has Projects in California?	Yes
Borrower (Legal entity): 320 Sheridan LP		**Co-Borrower (if any):** N/A	
Construction (Senior) Lender: 1)Key Bank Real Estate Capital		**Construction Subordinate Lender(s):** 1)City of Menlo Park 2)County of San Mateo	
Permanent 1st lien Lender: 1) CalHFA		**Permanent Subordinate Lender(s):** 1) CalHFA MIP (2nd lien) 2) County of San Mateo (3rd lien) 3) City of Menlo Park (4th lien)	
Federal LIHTC Investor: Key Community Development Corporation		**State LIHTC Investor:** Key Community Development Corporation	
Tax Credit Amount	$25,070,940	Tax Credit Amount	$3,850,318
Solar Tax Credit Investor: N/A			
Tax Credit Amount	N/A		
General Contractor: Brown Construction Inc (see Section 3 Note 1)		**Management Company (Property Manager):** Solari Enterprises, Inc.	
Is an affiliate of Developer?	No	Is an affiliate of Developer?	No
Experience with CalHFA?	Yes	Total number of properties managed	182
Architect: SDG Architects, Inc.		**Service Provider:** LifeSteps	
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)	15 years
		Support Services Cost (per Operating budget)	$35,000
Has housing projects in CA?	Yes	Per unit cost of services meets USRM req.?	Yes
Financial Advisor: N/A		**Project Consultant:** Partner Energy	

Notes (if any):

1) Alliant Communities LLC (“Alliant”) is an emerging developer who has partnered with experienced General Partner, Community Revitalization and Development Corporation (“CRDC”).
   a) Alliant will receive 100% of the developer fee. Alliant will have 90% ownership in the project LP and CRDC will have 10% ownership.

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). (See Note 2)
☐	Changes in CalHFA loan amount or changes in loan terms (include if taxable perm debt is expected as a result of the 25% test bond return).
☐	Changes in construction schedule and rent-up/conversion timeline
☐	Significant changes in project capital stack impacting project viability: DSCR, exit analysis, addition of subordinate debt, changes to cashflow that effect CalHFA’s residual receipt distribution, etc.
☒	Changes in CDLAC bond request amount related to the 25% test bond return. (Include aggregate basis comparison and developer benefit for bond return). (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
	Notes: 1) The GC has been changed from Next Phase to Brown Construction Inc. The Tax Credit investor changed from Walker and Dunlap to Key Community Development Corp. The Construction lender has changed from Citi Bank to KeyBank. 2) The Project Scope has been changed to include individual water metering. 3) On 09/08/2025, the developer received a reduction of the bond from $27,704,168 to $16,250,000. This adjustment has reduced the tax exempt and increased the taxable construction amounts for this project.

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 ($)	$13,239,400	$4,000,000	$17,239,400
Loan Term (Year)	17	17	17
Amort. Term (Year)	40		40
Amort. Type	Partially Amortizing	Non-amortizing	
Lien Position	1st	2nd	
UW Interest Rate % (See Note 1)	6.63%	3.00%	
Loan to Value (%) (See Note 2)	54.83%	16.56%	
Combined LTV (CLTV) (%) (See Note 2)			71.39%
Loan to Cost (%) (See Note 3)	25.13%	7.59%	32.72%
Loan Repayment Source	Net Operating Income (NOI)	Residual Receipts	

Notes:

1. The all-in rate of 6.59% (including 3.31% interest rate spread) was locked by CalHFA on 11/19/2025. The permanent loan was later decreased below the range provided in the rate quote, resulting in a new all-in rate of 6.63%. The early rate lock is valid until the earlier of the closing deadline indicated in the Early Rate Lock Agreement executed by the Agency and the Borrower until the earlier of 7/2/2026 or the CDLAC bond issuance deadline, which may be extended by CDLAC.
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.
☐	The Agency shall encumber both the fee and leasehold interests in the Development as security for its deeds of trust and regulatory agreements.
☒	CalHFA loan(s) will be secured against the fee interest in the improvements and leasehold Interest in the land.
☒	Assignment of Borrower's interest in Project improvements, Project revenues and escrows

Notes:

The City of Menlo Park is requiring a Below Market Rate and State Density Bonus Law Housing Agreement and Declaration of Restrictive Covenants to be recorded in senior position to the CalHFA Deeds of Trust. This agreement also includes the City's restrictions on their funding for the project. The Agreement will not have foreclosure rights and will include standstill provisions that are in excess of the affordability requirements for any period that the Agency is in possession of the property following a foreclosure or deed in lieu.

The Project includes a 90-year ground lease with the Ravenswood City School District. Annual participation rent will not commence until after the 18th anniversary of CalHFA's permanent loan closing, at which time, the CalHFA permanent loan will be paid off.

5 Project Budget & Total Development Cost

5a Construction Financing

Construction Lender	KeyBank Real Estate Capital
CDLAC/CTCAC Construction Closing Deadline	7/14/2026

	Bond Issuance Amount	Type of Issuance
Construction Conduit Issuance Amount	16,250,000	Tax-Exempt
Construction Conduit Issuance Amount	$11,224,591	Taxable
Construction Conduit Issuance Amount	N/A	T/E Recycled
Total	$27,474,591	

	Loan Amount	UW Rate	Loan Term
Construction Loan (T/E) (Interest-only, 1st lien during construction)	$16,250,000	5.92% Fixed (See Note 1)	28 months + two 6-month extension
Construction Loan (Taxable) (Interest-only, 1st lien during construction)	$11,224,591	7.10% Fixed (See Note 2)	28 months + two 6-month extension
City of Menlo Park	$1,000,000	3.00% Fixed (See note 4)	55 years
County of San Mateo	$9,000,000	3.00% fixed (See Note 5)	55 years

Notes:

1. Construction Loan T/E is a variable rate based on 79% x (1 Month SOFR + 3.00%). The Borrower will enter into an interest rate swap to produce a fixed rate estimated at 5.17% during construction. Current 1-Month SOFR as of 5/5/2026 is 3.65% and the all-in rate is 5.88%.
2. Construction Loan (Taxable) is a variable rate 1 Month Term SOFR + 3.00%. The Borrower will enter into an interest rate swap to produce a fixed rate estimated at 6.35% during construction Current SOFR as of 5/5/2026 is 3.65% and the all-in rate is 6.65%.
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
Key Bank - Tax Exempt (conduit) (Loan)	$16,250,000	31.44%
Key Bank – Taxable (conduit) (Loan)	$11,224,591	21.72%
City of Menlo Park (Loan)	$1,000,000	1.93%
County of San Mateo (Loan)	$9,000,000	17.41%
Key Bank - LIHTC Equity (Equity, LIHTC Investor)	$4,433,093	8.58%
Alliant - Deferred Dev Fee (Developer Fee, Deferral)	$4,296,594	8.31%
Costs Deferred to Conversion (Cost Deferral)	$5,485,704	10.61%
Total Construction Sources	$51,689,982	100%

5c	Construction Uses

Construction Uses:	Amount ($)	% of Total
Land and Improvement Value	$0	0.00%
Other Acquisition Costs	$6,457,000	12.49%
Construction/Rehab Costs	$26,622,845	51.50%
Soft Costs (A&E, Legal, Title, and Other Soft Cost)	$6,786,349	13.13%
Hard Cost contingency 10.06%	$2,274,038	4.40%
Soft Cost contingency 2.00%	$410,000	0.79%
Financing Costs (Interest Reserves, Fees, Taxes, and Insurance)	$2,782,277	5.38%
Local Impact Fees and Permit Fees	$1,312,690	2.54%
Cash Portion Developer Fee	2,530,001	4.89%
Other Costs (TCAC Fees, Furnishing, and Other Misc. Fees)	$2,514,783	4.87%
Total Construction Uses	$51,689,983	100%
Total Construction Cost per unit	$587,386	
Total Construction Cost per CalHFA MIP Regulated Unit	$594,138	

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 $6,457,000 which is in compliance with Agency’s underwriting (USRM) standards. The total Acquisition costs include $5,850,000 to cover the capitalized land lease repayment for years 1-18, legal fees and holding costs.
3. The total hard cost contingency in the project is 10.06% of the Hard costs, which includes the contingency in the GC Schedule of Values (SOV) and is pending review 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 2.0% of eligible costs and has been reviewed by Multifamily staff to meet the USRM requirements and project scope for completion within the stipulated budget. While the soft cost contingency is on the low side, the hard cost contingency is 10.06%, which is well above CalHFA’s minimum requirement.

5d	Third-party Plan & Cost Review Summary

General Contractor (GC) Name:	Brown Construction Inc.
GC Budget (per Schedule of Values)	$26,199,010
% of Builder overhead, profit, and general requirements (TCAC allowable 14%)	6.3%
Type of Construction Contract:	Guaranteed Maximum Price (GMP)
GC Contract Executed? If not, provide status:	To be executed prior to construction close.
GC Hard-Cost Contingency and Sufficiency:	$2,274,038

Notes:

- Key Bank has engaged GRS Group to perform an independent third-party Plan & Cost Review (PCR) of the Project plans and specifications (plan & specs), construction cost, and schedule.

- CalHFA receipt and approval of the final Plan and Cost Review is a condition of construction loan 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.

5e	Permanent Sources and Uses

Permanent Sources:	Amount ($)	% of Total
CalHFA - Perm Loan (Loan)	$13,239,400	25.1%
City of Menlo Park (Loan)	$1,000,000	1.9%
CalHFA MIP (Loan)	$4,000,000	7.6%
County of San Mateo (Loan)	$9,000,000	17.1%
Deferred Fee (Developer Fee, Deferral)	$3,284,593	6.2%
Tax Credit Equity (Equity, LIHTC Investor)	$22,165,468	42.1%
Total Permanent Sources	$52,689,461	100%

Permanent Uses:	Amount ($)	% of Total
Total Loan Payoffs	$48,405,389	91.9%
Financing costs	$119,296	0.2%
Operating Reserves	$880,183	1.7%
Deferred Developer Fees paid from cashflow	$3,284,593	6.2%
Total Permanent Uses	$52,689,461	100%
Total Development Cost per unit	$598,744	
Total Development Cost per CalHFA MIP Restricted Unit	$605,626	
Notes (if any):		

5f	Federal and State Tax Credits

Federal LIHTC Tax Credit Investor /Syndicator	Key Community Development Corporation
State Housing Tax Credit Investor /Purchaser	Key Community Development Corporation
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)	$22,386,980	$0.82	$18,353,649	$210,961.48
State Housing Tax Credits	$3,850,318	$0.99	$3,811,819	$43,814.01
Total	$26,237,298		$22,165,468	$254,775.48

Notes (if any):

Timing of Equity Installments

Tax Credit Equity Pay-In Schedule

Milestone	**Expected Pay-In**	**% Equity**
Construction Closing	$2,216,547	10%
Construction Completion	$2,216,547	10%
Perm Closing	$17,067,410	77%
8609	$664,964	3%
Total	**$22,165,468**	**100%**

-

25/50% Aggregate Basis Test Requirements

Accountant prepared Draft Financial Projections date	May 9th, 2025
Accounting firm name	Novogradac
T/E Private-Activity Bond Volume Cap Allocated	$27,704,168
Aggregate Basis of building and land costs considered	$53,225,350
% of Aggregate basis financed by T/E Bonds	52.05%
50% Test met per IRC Sec. 42 (h) for LIHTC?	Yes

Notes (if any):

1) At the Applicant’s request, the bond allocation was reduced on 9/8/2025 to $16,250,000 to meet the 25% aggregate basis test, resulting in 30.53% of aggregate basis being financed by bonds.

5g	Developer Fee

Developer fee category:	TCAC Maximum Limit	Actual Amount in Project Budget
Upfront Cash Developer Fee (a)	$3,000,000	$2,530,001
Deferred Developer Fee (DDF) paid from project cash-flow (b)		$3,284,593

Total Developer Fee (a) + (b)	$7,447,458	$5,814,594
Excess Developer Fee above TCAC Maximum Limit as General Partner (GP) contribution		**$0**

Notes (if any):

1. To ensure the deferred developer fee is paid down by year 15, the surplus cash distribution is underwritten showing 100% being applied to reducing the deferred developer fee, which is projected to be repaid by year 14. Thereafter, the surplus cash split will be 50% to the Borrower and 50% to Residual Receipt lender(s). 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). Any unpaid MIP and principal interest must be repaid by general partner contribution.

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 containment measures below cost have been implemented to minimize construction costs:

1) Engage the full project team early and clearly define roles from design through permitting, with periodic coordination involving property management.
2) Retain a third-party construction professional to perform a feasibility and cost review before executing the final GC contract.
3) Require GC to maintain a detailed critical path schedule and formally document any approved delays or change orders.
4) Review and resolve GC contract exclusions, exceptions, and allowances prior to construction to limit cost exposure.
5) Establish clear RFI protocols to minimize delays and disputes.
6) Use a GMP contract structure with competitive bidding for major trades and return cost savings to the Owner.
7) Conduct a post-construction review to document lessons learned for future projects.

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

☒	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.
☒	The CalHFA Final Commitment Letter and Loan Agreement 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 the County of San Mateo or City of Menlo Park, funds will be split on a pro-rata basis between CalHFA and other subordinate lenders.
	Notes: The draft Amended and Restated Investor Limited Partnership Agreement was received on 4/1/2026. Receipt and CalHFA approval of the final Investor Limited Partnership Agreement will be required before construction loan closing.

5j	High-Cost Explanation (TDC exceeds $650,000 per unit)

Total Development Cost (TDC)	$52,689,461
Total Units	88
TDC/Unit	$598,744
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?	☐
Comments (for any ☒ response, please indicate the costs per the Development Budget line-items)	

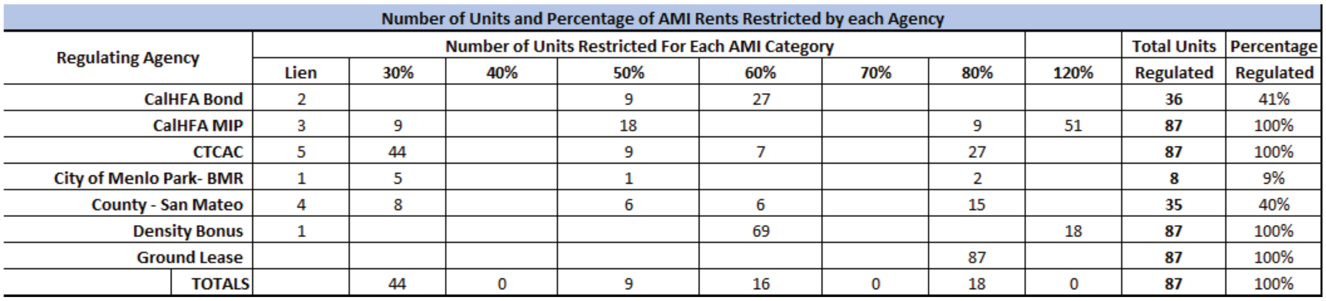
6 Affordability Requirements

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 (27 units) at or below 60% AMI and 10% of the total units (9 units) at 50% AMI for 55 years.

The CalHFA Subsidy Regulatory Agreement will restrict 87 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

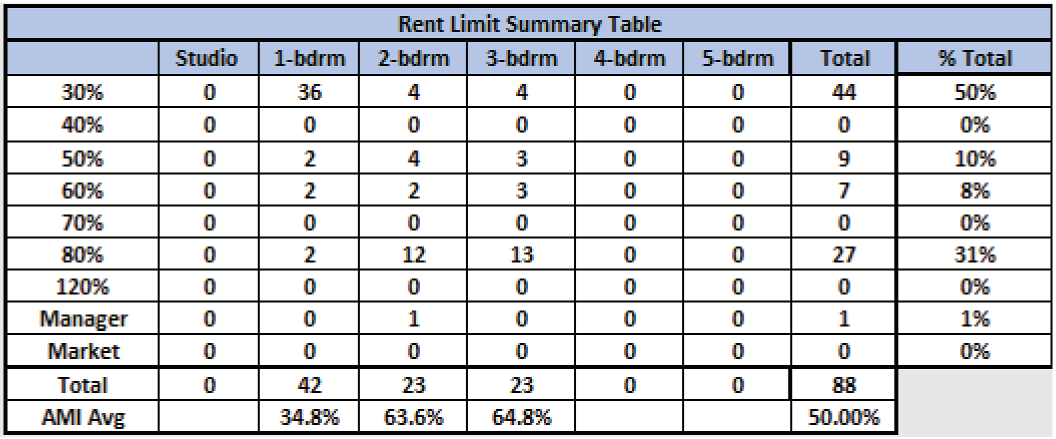
Regulating Agency	Number of Units Restricted For Each AMI Category								Total Units	Percentage
	Lien	30%	40%	50%	60%	70%	80%	120%	Regulated	Regulated
CalHFA Bond	2			9	27				36	41%
CalHFA MIP	3	9		18			9	51	87	100%
CTCAC	5	44		9	7		27		87	100%
City of Menlo Park- BMR	1	5		1			2		8	9%
County - San Mateo	4	8		6	6		15		35	40%
Density Bonus	1				69			18	87	100%
Ground Lease							87		87	100%
TOTALS		44	0	9	16	0	18	0	87	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 (9 units at 30% AMI and 18 units at 50% AMI). An additional 10% of total units (9 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 51 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 will restrict 35 units between 30% of AMI to 80% of AMI for a term of at least 55 years. The rents for these units are based off of San Mateo County AMI published annually by CTCAC.
    b. The City Below Market Rate and Density Bonus Agreement will restrict at 8 units at 80% AMI or below for the BMR portion and 87 units 120% AMI or below for the density bonus portion.
    c. Preference shall be given to local public employees for 35 units, to Ravenswood City School District employees for 44 units, and to City of Menlo Park live-work applicants for 8 units. These are preferences only and must comply with fair housing laws.

6b Unit Distribution for each AMI category

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



Rent Limit Summary Table

	Studio	1-bdrm	2-bdrm	3-bdrm	4-bdrm	5-bdrm	Total	% Total
30%	0	36	4	4	0	0	44	50%
40%	0	0	0	0	0	0	0	0%
50%	0	2	4	3	0	0	9	10%
60%	0	2	2	3	0	0	7	8%
70%	0	0	0	0	0	0	0	0%
80%	0	2	12	13	0	0	27	31%
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	42	23	23	0	0	88	
AMI Avg		34.8%	63.6%	64.8%			50.00%	

Notes:

1) 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.
2) The CalHFA regulatory agreement(s) will require minimum underwriting rent levels as outlined above.

7 Financial Analysis

7a Market Analysis Summary

Source of Market information: Draft Appraisal prepared by Novogradac Valuation Services	Report Date: 3/27/2026
Report within 180 days of approval date?	Yes
Proposed Market Rents for subject property	1BR- $3,300 2BR- $4,200 3BR- $5,200 (underwritten rents are currently at least 10% below market rents).
Targeted population income range	$37,303 - $167,120
Absorption Period	4 months
Absorption rate	25 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 report?	No

Regional Market Overview

- The Primary Market Area is generally defined as the communities of Menlo Park, East Palo Alto, and a portion of Redwood City (population of 106,869) and the Secondary Market Area ("SMA") is the San Francisco-Oakland-Berkeley, CA Metropolitan Statistical Area (MSA) (population of 4,795,368).

- The general population in the PMA is anticipated to increase by 1.1% per year, through 2030, and the MSA population will increase by 0.1% per year, through 2030.
- Unemployment in the MSA is 0.4%, which evidences a strong employment area.
- Median home value in the Subject's immediate area is approximately $2,000,000. The median home value in the PMA is approximately $1,890,000.

Local Market Area Analysis

- **Supply:**
    - There are currently 16 affordable family projects in the PMA.
    - There are 2 affordable family projects under construction within the PMA, which are anticipated to complete in 2026 and 2027.
    - There are 8 affordable projects with a total of 690 estimated competitive units that have been approved by the locality that have yet to start construction.

- **Demand/Absorption:**

  N/A

7b	Appraisal Summary	
Appraiser firm: Novogradac Valuation Services	Appraisal Date: 3/27/2026	
Engaged by: CalHFA	Reliance by CalHFA (if co-engaged): Yes	
Appraisal within 180 days of Final Commitment?	**Yes**	
Appraisal premise	Interest appraised	Valuation
Land value	Fee simple	$13,500,000
Market value as-is (if different from land value)	Fee Interest/ Leasehold Interest	N/A
Hypothetical market value as-if completed and stabilized, without restrictions, assuming for-profit operations and market-rate rents.	Fee Interest/ Leasehold Interest	$56,900,000
Hypothetical market value as-if completed and stabilized, subject to restricted residential rents, including CA Welfare Property Tax Exemption.	Fee Interest/ Leasehold Interest	$21,600,000
Hypothetical investment value upon completion of construction.	Fee Interest/ Leasehold Interest	N/A
Insurable replacement value upon the completion of construction.	Fee Interest/ Leasehold Interest	N/A
	Underwritten NOI	***Appraisal NOI***
NOI (Stabilized Year)	$1,086,616	$1,086,617
Appraisal Cap rate	4.50%	4.50%
As-completed Restricted Value Calculated for UW NOI	$ 24,147,027	$ 24,147,044
1st Lien Loan	$13,239,400	$13,239,400
LTV	54.83%	54.83%
Max LTV allowed	90.00%	90.00%
LTV Check		

Total CalHFA loans	$17,239,400	$17,239,400
CLTV calculated	71.39%	71.39%
Max CLTV allowed	100%	100% OR 120%
CLTV Check	OK	OK
LTV Stress Test		
Cap Rate Stress %	0.50%	0.50%
Cap Rate for Stress Test 1	5.00%	5.00%
1st Lien Loan	$ 13,239,400	$ 13,239,400
Restricted Value	$21,732,324	$ 21,732,340
LTV (Stress Test 1)	60.92%	60.92%
Total CalHFA loans	$17,239,400	$17,239,400
CLTV (Stress Test 1)	79.33%	79.33%
	OK	OK

Comments:

- The Borrower's estimated NOI, which has been used for underwriting, is $1,086,616 and is aligned with the estimated NOI on the draft appraisal report. The final underwritten NOI will be limited to the recommended NOI in the final appraisal. Cap Rate comments: The cap rate of 4.5% is based on the most recent information on comparable properties, which is 1 month old. Assuming an increase in cap rates due to current market conditions by 50 basis-points (5%), the LTV would be 60.92%. Stressing the cap further and adding 100 basis-points to the cap rate would result in an LTV of 79.33%, which is still within the underwriting requirement of 100% or less.

7c	Project Operating Budget Assumptions		
Total Units	88	Construction Start Date	6/20/2026
Regulated Units	87	Construction Completion Date	11/20/2028
Manager Units (Market Rate)	1	Construction Period (months)	29
Total Residential Square Feet	69,516	Lease-up Commencement Date:	11/20/2028
Avg Sq Ft/Unit	790	Lease-up Completion Date	3/20/2029
Rental Subsidies?	No	Lease-up Period (months)	4
No. of Units with Rental Subsidies	0	Est. Stabilization /Perm Conversion Date	6/20/2029
Rental Subsidy Contract Term (Initial)	N/A	Lease-up Completion to Stabilization (months)	7

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	1,999,956	2,207,577	2,497,671	2,825,885	2,968,946
Other Income/Subsidies	13,200	14,570	16,485	18,651	19,595
Projected Vacancy and Discount Loss	100,658	111,107	125,708	142,227	149,427
Effective Gross Income (EGI)	1,912,498	2,111,040	2,388,448	2,702,310	2,839,114
Total Operating Expenses	825,882	942,043	1,111,348	1,312,092	1,402,473
Reserve For Replacement	26,400	27,472	28,873	30,346	30,956
Net Operating Income (NOI)	1,086,616	1,168,997	1,277,100	1,390,218	1,436,641
Total Debt Service & Other Payments	944,884	944,884	944,884	944,884	944,884
Cash Flow After Debt Service	141,732	224,113	332,216	445,334	491,757
Debt Service Coverage Ratio	1.15	1.24	1.35	1.47	1.52
Income/Expense Ratio	2.32	2.24	2.15	2.06	2.02
Less:					
LP Management Fee	5,000	5,628	6,524	7,563	0
GP Partnership Management Fee	15,000	16,883	19,572	22,689	0
Total Fees	$20,000.00	$22,511.00	$26,096.00	$30,252.00	N/A
Annual Cap Limit	$40,500	$45,583	$52,843	$61,260	N/A
[*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	121,732	807,240	2,126,847	3,578,727	4,058,841
Residual Receipts %	0%	0%	0%	50%	50%
Cumulative Residual Repts Repayment	0	0	0	404,033	884,148
Unpaid/Accrued CalHFA loan Balance					
Perm Loan	13,170,211	12,842,816	12,290,857	11,522,648	11,136,832
MIP Loan	0	0	0	0	0
Reserves Balances					
Operating Reserve	858,183	858,183	858,183	858,183	858,183

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 (Section 8 PBV)	N/A	N/A	N/A	N/A
Section 8	N/A	N/A	N/A	N/A
Other rental assistance	N/A	N/A	N/A	N/A
Other Operating Subsidy	N/A	N/A	N/A	N/A

Notes (if any):

Other State and Local Subsidies:
N/A

7f	Reserve Requirements

Name of Reserve	**Amount**	**Comments**
Operating Expense Reserve (OER)	$590,255 (minimum)	A 4-month operating expense reserve will be funded at permanent loan 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) $22,000 (annually)	A capitalized RR is not required for new construction projects. The annual RR is based on $250 per unit per year. CalHFA will hold this reserve.
Transitional Operating Reserve (TOR)	N/A	

7g	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	$13,239,400	**Max. Refi Loan Size**	$11,501,364
Appraised Value	$20,119,366	**Max LTV at Refi**	57%
Unpaid Principal Balance (1st Lien)	($165,249)	**Unpaid Principal Balance (MIP Subsidy Loan)**	$5,572,388

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 $5,572,388 (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?	No
Earthquake Insurance Required?	No

- This new construction Project will be built to State and City of Menlo Park Building Codes so no seismic review is required and the project will not be subject to Earthquake Insurance.

8b	**Flood Designation and Insurance**		
Flood Zone Designation:	X- (500-year Flood Zone)	Flood Insurance Required?	N

The housing development area of the Project is rated Zone X (area of minimum flood hazard) which is determined to be inside the 500-year floodplain. A 0.125-acre portion of the project is in a flood zone, however, there will be limited amount of parking spaces in this area. The effected area will not include any type of residential structures or mechanical equipment; therefore, the Project will not be subject to flood insurance.

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

9	Third-party reports and diligence
9a	Phase I Environmental Review Summary

Environmental Phase I Site Assessment Firm:		GRS Group	
Phase I ESA Report Date:	Jan. 19, 2026	Reliance Letter with CalHFA as relying party?	Yes
Phase II ESA Report Date:	N/A		
NEPA Process			
NEPA Review Report Completed?	Yes	HUD NEPA approval status:	HUD Authority to Use Grant Funds received 4/8/2026

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

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

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? (See Note 1)
☐	vii.	Maximum allowable rents for all restricted units is NOT in compliance with CalHFA Term Sheets
☐	viii.	Variation in CalHFA Loan(s) requirements for lien position recordation per Program Term Sheets
☐	ix.	Variation in CalHFA Loan(s) requirement for loan security and repayment per Agency's underwriting standards (USRM) and Program Term Sheets
☒	x.	CalHFA Regulatory Agreements (MIP affordability covenants) are not recorded in senior position. (See Note 2)
☐	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 (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 unit mix does not meet the pro-rata distribution requirement. The unit mix was determined with reference to the unique preferences for the project, including School District teachers and employees, and public/county employees, and other requirements related to the city and county financing.
2. The City of Menlo Park is requiring a Below Market Rate and State Density Bonus Law Housing Agreement and Declaration of Restrictive Covenants to be recorded in senior position to the CalHFA Deeds of Trust. This agreement also includes the City's restrictions on their funding for the project. The Agreement will not have foreclosure rights and will include standstill provisions that are in excess of the affordability requirements for any period that the Agency is in possession of the property following a foreclosure or deed in lieu.
3. 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 $5,572,388 (Principal and accrued interest). Hence, the refinancing is insufficient to fully repay the CalHFA debt. 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.
4. To ensure the deferred developer fee is paid down by year 15, the surplus cash distribution is underwritten showing 100% being applied to reducing the deferred developer fee, which is projected to be repaid by year 14. Thereafter, the surplus cash split will be 50% to the Borrower and 50% Residual Receipt lender(s). 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). Any unpaid MIP and principal interest must be repaid by general partner contribution.

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

Current Ownership of Entity of Record:	Ravenswood City School District

The current owner of the site, Ravenswood City School District (the “Owner”), and the project sponsor, Alliance Communities LLC (the “Optionee”), entered into an Option Agreement dated March 9, 2023. The Option Agreement grants the Optionee an exclusive and irrevocable option to enter into a Ground Lease with the Owner, conditioned upon the Optionee depositing $300,000 (the “Base Option Fee”) into escrow. The Base Option Fee was deposited as of April 14, 2023.

11b	Ground Lease (if applicable)

Ground Lessor	Ravenwood City School District	Capitalized Ground Lease Payment and Source	$300,000 (equity/option fee proceeds) $5,550,000 (Equity)
Ground Lease Term	90 Years	On-going Ground Lease Payment and Source	19.24% of gross receipts, paid from cash flow after the 18th anniversary of the Effective Date.

The Ground Lease will have a 90-year term. The Optionee will prepay 100% of the base ground rent for the entire lease term through two lump-sum payments. The first payment will total $300,000 and occur prior to the execution of the Ground Lease. The second payment will total $5,550,000 and will be paid upon conversion to permanent financing.

There will be ground lease payments that are equal to 19.24% of gross receipts; however, they will not commence until after the 18th anniversary of the Effective Date, which will be after the CalHFA permanent loan is paid off. Therefore, these ground lease payments will not have an effect on CalHFA’s security in the Project.

The CalHFA loan(s) will be secured against the leasehold interest in the land and fee interest in the improvements. All Agency subordinate loans are to be secured in the same manner. However, if any lender encumbers both fee and leasehold interests in the land, the CalHFA loan documents will also secure in the fee and leasehold interests in the land. The final ground lease document is subject to CalHFA approval. Lessor must provide approval of CalHFA ground lease rider.

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

N/A

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	☐
Business Center	☒	Dishwasher	☒
Central Laundry	☒	Garbage Disposal	☒
Clubhouse	☒	Free Internet Service	☐
Playground	☒	Balcony	☒
Picnic Area	☒	<Other>	☐
<Other>	☐	<Other>	☐
<Other>	☐	<Other>	☐
Notes (if any):			

11f	Legislative Districts & Local Support

Congress: CA 16th district	Sam Liccardo
Assembly: CA Assembly District 23	Marc Berman
State Senate: CA Senate District 13	Josh Becker

Local Support: City of Menlo Park Community Development Department responded to CalHFA's locality contribution letter on 5/23/2025 and supports 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
Alliant Communities LLC	No. of projects in pipeline - 0 No. of projects completed - 0	Alliant Communities LLC is an emerging developer who has partnered with experienced General Partner, Community Revitalization and Development Corporation (CRDC).
Community Revitalization and Development Corporation (CRDC)	No. of projects in pipeline - 2 No. of projects completed- 2	

Developer Relationship Summary
[Pipeline]

Project Name	Project Status	Construction Loan Closing	Est. conversion	Perm Loan Amount	CalHFA Subsidy Amount
The Junction (Conduit Only)	Final Commitment	5/1/2026	6/1/2028	N/A	N/A
			Grand Total	0	

Notes:

Developer Relationship Summary
[Portfolio]

Project Name	**Project Status**	**Loan Origination Date**	**Loan Maturity Date**	**Loan Amount**	**UPB as of 2/9/2026**	**Most Recent DSCR**	**Most Recent Occ. (%)**
Brand Haven Senior Apartments	Active	4/9/2024	5/1/2041	$11,505,982 (Perm) $4,181,215 (MIP 2020)	$11,278,918.56 (Perm) $4,181,215 (MIP 2020)	2.23	98%
Market Center	Active	8/12/2021	10/1/2061	$3,133,691 (Perm) $1,620,000 (Earned Surplus)	$3,034,058.05 (Perm) $1,620,000 (Earned Surplus)	1.68	94%
Sarah's Court Apartments	Active	11/24/2025	12/1/2042	$6,364,866 (Perm) $3,450,000 (MIP)	$6,351,347.99 (Perm) $3,450,000 (MIP)	1.20	100%
			Total	$30,255,754	$29,915,539.60		

Notes:
1. Developer CRDC has been performing as expected on projects within Asset Management portfolio.

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

The general contractor (GC) is Brown Construction, Inc., which has extensive experience in constructing similar affordable housing projects in California and is familiar with CalHFA. The GC and the developer have not worked on any projects together.

12c	Architect and Engineering (A&E) firm

Architect name:	SDG Architects, Inc.
Affiliated entity of the GC?	No.
Affiliated entity of the Developer/Borrower?	No.
Experience with CalHFA?	Yes.

1. The architect is SDG Architects Inc., 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.
2. The architect and the developer have not worked on any projects together.

12d	Management Agent (Property Manager)

Name of the Firm	Solari Enterprises Inc
Third-party or Borrower Affiliate?	Third party
Management Fee (Annual fee %)	3.00%/month of Gross Collections
Management Fee (Other incentives)	$225/unit initially leased and qualified
Total number of properties managed by the Property Manager (PM)	182
Total number of properties managed for the Developer	0- This will be the first Solari/Alliant property.
Total number of properties the PM has in CalHFA portfolio	21
Any property management issues for CalHFA portfolio projects under the management of the Property Manager?	Solari Enterprises occasionally requires multiple follow-ups on requests, and asks for extensions on budgets, audited financials submissions, however otherwise they're performing as expected.
Notes (if any):	

12e	Borrower Affiliated Entities

Borrower Legal Entity	**320 Sheridan LP**	
Borrower Entity Type	A California limited liability Company	
Member	% interest	Legal Entity Name:
Managing General Partner	0.001%	Community Revitalization & Development Corporation
Administrative General Partner	0.009%	320 Sheridan GP LLC
Investor Limited Partner	99.99%	Key Community Development Corporation
	100.00%	

Managing General Partner	Community Revitalization & Development Corporation
Type of Legal Entity	A California nonprofit public benefit corporation
Ownership	% interest
Board of Directors	100%
	0%

Administrative General Partner	320 Sheridan GP LLC
Type of Legal Entity	A California limited liability Company
Ownership	% interest
Member: Alliant Communities LLC	100%
Manager:	0%

Investor Limited Partner	Key Community Development Corporation

Notes (if any):

1. As an emerging developer, Alliant Communities does not yet have projects in operation for more than three years, but is partnered with an experienced General Partner, CRDC, for full points.
    a. Alliant Communities, LLC will be receiving 100% of the developer fee.

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 years
Support Services Budget included in the Operating Budget	$35,000
Per unit cost of support services meets USRM thresholds?	Yes

The Borrower has elected to provide supportive services to the residents through Life Skills and Educational Programs Inc ("LifeSTEPS"). LifeSTEPS will provide services for all tenants. Services will include 84 hours a year of instructor led adult educational classes as well as 90 hours a year of individualized health and wellness services. CTCAC requires site services for 15 years, however.

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

13	Conditions for Approval

Approval is conditioned upon:

1. Subject to all MIP program requirements pursuant to applicable term sheets.
2. The CalHFA MIP loan subsidy will be, in the Agency's sole discretion, the lesser of 1) the principal amount as stated 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.
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 improvements construction costs, except to the extent such costs are attributable to improvements for the exclusive use by the tenants of the Project.
7. In the event of cost savings at permanent loan conversion, 100% of cost savings will be used to reduce the supplemental portion of the MIP loan amount first (may be shared with other residual receipt lenders on a pro rata basis, if applicable). Once the supplemental portion of the MIP loan amount is fully reduced, the remaining cost savings will be split 50% between reducing the original MIP loan amount (or may be shared with other residual receipt lenders on a pro rata basis, if applicable) and reducing the Deferred Developer Fee.
8. To ensure the deferred developer fee is paid down by year 15, the surplus cash distribution is underwritten showing 100% being applied to reducing the deferred developer fee which is projected to be repaid by year 14. Thereafter, the surplus cash split will be 50% to the Borrower and 50% Residual Receipt lender(s). 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). Any unpaid MIP and principal interest must be repaid by general partner contribution.
9. The CalHFA loan(s) will be secured against the leasehold interest in the land and fee interest in the improvements. All subordinate loans are to be secured in the same manner. However, if any lender encumbers both fee and leasehold interests in the land, the CalHFA loan documents will also secure in the fee and leasehold interests in the land. The final ground lease document is subject to CalHFA approval. Lessor must provide approval of CalHFA ground lease rider.
10. 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.
11. The City of Menlo Park is requiring a Below Market Rate and State Density Bonus Law Housing Agreement and Declaration of Restrictive Covenants to be recorded in senior position to the CalHFA Deeds of Trust. This agreement also includes the City's restrictions on their funding for the project. The Agreement will not have foreclosure rights and will include standstill provisions that are in excess of the affordability requirements for any period that the Agency is in possession of the property following a foreclosure or deed in lieu..
12. Receipt of a certification by the engineer on record that Project has been built to current seismic code acceptable to the Agency prior to permanent closing.
13. Receipt and CalHFA Approval of the finalized appraisal prior to construction loan closing. The final underwritten NOI will be limited to the recommended NOI in the final appraisal.
14. Receipt and CalHFA approval of GC Contract prior to construction loan closing.

15. Receipt and CalHFA approval of the final amended and restated LPA prior to construction loan closing.
16. Receipt and CalHFA approval of the final Plan and Cost Review prior to construction loan closing.
17. Receipt and CalHFA Approval of the final ground lease prior to construction loan 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: 5-22-26 ______________

Erwin Tam
Director of Financing & Senior Loan Committee Chairperson

Approved by:

Anthony Sertich Digitally signed by Anthony Sertich ______________________________ Date: 5-22-26______________

Anthony Sertich
Executive Director
CalHFA

Exhibits for CalHFA Senior Loan Committee internal use only:

1. Financial Analysis Summaries
2. Program Term Sheets

Project Summary

Project Full Name:	Sheridan Apartments	**Borrower Name:**	320 Sheridan LP
Project Address:	320 Sheridan Drive	**Managing GP:**	Community Revitalization and Development
Project City:	Menlo Park	**Developer Name:**	Alliant Communities LLC
Project County:	San Mateo	**Investor Name:**	Key Community Development Corporation
Project Zip Code:	94025	**Prop Management:**	Solari Enterprises, Inc.
Project #	25015	**Tax Credits:**	4%
Project Type:	Inner City Infill Site	**Total Land Area (acres):**	2.52
Tenancy/Occupancy:	Large Family	**Residential Square Footage (w/o Manager's Unit):**	69,516
Total Residential Units:	88	**Residential Units Per Acre (Density):**	35
Total Number of Buildings:	3	**Common Area Square Footage:**	15,969
Number of Stories:	3	**Commercial Square Footage:**	0
Unit Style:	Flat	**Covered Parking Spaces:**	0
Elevators:	0	**Uncovered Parking Spaces:**	116
Construction Type:	**New Construction**	**Total Parking Spaces:**	116
Equity Out	**FALSE**	**Year Built**	N/A

Acq/Construction/Rehab Financing	**Lien Priority**	**Debt Type**	**Loan Amount ($)**	**Loan Term (Mo.)**	**Interest Rate**
C. Key Bank - Tax Exempt(conduit)	1	Int. Only, Variable	$16,250,000	26	5.92%
C. Key Bank - Taxable(conduit)	2	Int. Only, Variable	$11,224,591	26	7.10%
C. City of Menlo Park	4	R.R, Fixed, Simple	$1,000,000	N/A	3.00%
C. County of San Mateo	3	R.R, Fixed, Simple	$9,000,000	N/A	3.00%
C. Key Bank - LIHTC Equity	N/A	Equity, LIHTC Investor	$4,433,093	N/A	N/A
C. Alliant - Deferred Dev Fee	N/A	Developer Fee, Deferral	$4,296,594	N/A	N/A
C. Costs Deferred to Conversion	N/A	Cost Deferral	$5,485,704	N/A	N/A
	N/A	0	N/A	N/A	N/A
	N/A	0	N/A	N/A	N/A
	N/A	0	N/A	N/A	N/A
	N/A	0	N/A	N/A	N/A
			$51,689,982		

Permanent Financing	**Lien Priority**	**Debt Type**	**Loan Amount ($)**	**Loan Term (Yr.)**	**Amort. Period (Yr.)**	**Interest Rate**
P. CalHFA - Perm Loan	1	Amortizing	$13,239,400	17	40	6.63%
P. City of Menlo Park	4	Fixed, Simple, R.R	$1,000,000	55	N/A	3.00%
P. CalHFA MIP	2	Fixed, Simple, R.R	$4,000,000	17	N/A	3.00%
P. County of San Mateo	3	Fixed, Simple, R.R	$9,000,000	55	N/A	3.00%
P. Deferred Fee	N/A	Developer Fee, Deferral	$3,284,593	N/A	N/A	N/A
P. Tax Credit Equity	N/A	Equity, LIHTC Investor	$22,165,468	N/A	N/A	N/A
			52,689,461			

Additional Loan Terms, Conditions & Comments

Construction/Rehab Loan (if applicable)

Payment/Performance Bond:	Yes	**Construction Period (Months):**	29
Completion Guarantee Letter of Credit:	No	**Lease-up period (Months)**	4
		Perm Loan Foward Period (Months):	36

Permanent Loan

Operating Expense Reserve Deposit	$ 858,183.00	**Annual Lease Payment (Stabilized Year)**	$ -
Initial Replacement Reserve Deposit	$ 22,000.00		
Annual Replacement Reserve Per Unit	$300		
HUD Risk Share Insurance Requested:	Yes		

Unit Mix and Rent Summary

Project Unit Mix

Unit Type of Style	Number of Bedrooms	Number of Baths	Average Size (Sq. Ft.)	Number of Units	Est. No. of Tenants
	SRO/Studio				0
Flat	1 Bedroom	1	600	42	63
Flat	2 Bedrooms	1	880	23	69
Flat	3 Bedrooms	2	1,118	23	104
	4 Bedrooms				0
	5 Bedrooms				0
		Total:	71,154	88	236

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	2			9	27				**36**	41%
CalHFA MIP	3	9		18			9	51	**87**	100%
CTCAC	5	44		9	7		27		**87**	100%
City of Menlo Park- BMR	1	5		1			2		**8**	9%
County - San Mateo	4	8		6	6		15		**35**	40%
Density Bonus	1				69			18	**87**	100%
Ground Lease							87		**87**	100%
TOTALS		44	0	9	16	0	18	0	**87**	100%

Comparison of Average Monthly Restricted Rents to Average Market Rents

Unit Type	Restricting Agency	% of Area Median Income	Average Restricted Rents		Average Market Rents	Average Monthly Savings	% below Market Rents
			Number of Units	Unit Rent			
Studios							
1 Bedroom					$3,300		
	CTCAC	30%	36	$888.00		$2,412	73%
	CTCAC	50%	2	$1,613.00		$1,687	51%
	CTCAC	60%	2	$1,976.00		$1,324	40%
	CTCAC	80%	2	$2,702.00		$598	18%
2 Bedroom					$4,200		
	CTCAC	30%	4	$1,039.00		$3,161	75%
	CTCAC	50%	4	$1,910		$2,290	55%
	CTCAC	60%	2	$2,345		$1,855	44%
	CTCAC	80%	12	$3,216		$984	23%
3 Bedrooms					$5,200		
	CTCAC	30%	4	$1,165.00		$4,035	78%
	CTCAC	50%	3	$2,171		$3,029	58%
	CTCAC	60%	3	$2,674		$2,526	49%
	CTCAC	80%	13	$3,680		$1,520	29%
4 Bedrooms							

Total Number of Units Per Above	**87**	**Average AMI All Restricted Units:**	**50.00%**
Market Rate Units Not Shown Above	**1**	**Average AMI LIHTC Units:**	**50.00%**
Total Project Units	**88**		

Sources and Uses of Funds

				25,015		
SOURCES OF FUNDS	**Const/Rehab**	**Permanent**	**Total Project Sources of Funds**			
	$	**$**	**Sources ($)**	**Per Unit ($)**	**% of Total**	**% of Category**
Key Bank - Tax Exempt(conduit) (Loan)	16,250,000				31.44%	31.44%
Key Bank - Taxable(conduit) (Loan)	11,224,591				21.72%	21.72%
City of Menlo Park (Loan)	1,000,000				1.93%	1.93%
County of San Mateo (Loan)	9,000,000				17.41%	17.41%
Key Bank - LIHTC Equity (Equity, LIHTC Investor)	4,433,093				8.58%	8.58%
Alliant - Deferred Dev Fee (Developer Fee, Deferral)	4,296,594				8.31%	8.31%
Costs Deferred to Conversion (Cost Deferral)	5,485,704				10.61%	10.61%
	-				0.00%	0.00%
CalHFA - Perm Loan (Loan)		13,239,400	13,239,400	150,448	25.13%	25.1%
City of Menlo Park (Loan)		1,000,000	1,000,000	11,364	1.90%	1.9%
CalHFA MIP (Loan)		4,000,000	4,000,000	45,455	7.59%	7.6%
County of San Mateo (Loan)		9,000,000	9,000,000	102,273	17.08%	17.1%
Deferred Fee (Developer Fee, Deferral)		3,284,593	3,284,593	37,325	6.23%	6.2%
Tax Credit Equity (Equity, LIHTC Investor)		22,165,468	22,165,468	251,880	42.07%	42.1%
TOTAL SOURCES OF FUNDS	**51,689,982**	**52,689,461**	**52,689,461**	**598,744**		
TOTAL USES OF FUNDS (BELOW)	**51,689,983**	**52,689,461**	**52,689,461**	**598,744**		
FUNDING SURPLUS (DEFICIT)	**(1)**	**1**	**-**			

USES OF FUNDS	**Const/Rehab**	**Permanent**	**Total Project Uses of Funds**			
	$	**$**	**Uses ($)**	**Per Unit ($)**	**%TDC**	**% of Category**
TOTAL EQUITY AND LOAN PAYOFF		**51,689,982**				
LAND COST/ACQUISITION						
Land Cost or Value	-		-	-		0.0%
Demolition	-		-	-		0.0%
Legal	12,000		12,000	136	0.02%	0.2%
Land Lease Repayment	5,850,000		5,850,000	66,477	11.10%	90.6%
Existing Improvement Value	-		-	-		0.0%
Off-Site Improvements	-		-	-		0.0%
Predevelopment Interest/Holding Costs	595,000		595,000	6,761	1.13%	9.2%
Assumed, Accrued Interest on Existing Debt (Rehab/Acquisition)	-		-	-		0.0%
Excess Purchase Price Over Appraisal	-		-	-		0.0%
	-			-		0.0%
	-			-		0.0%
	-			-		0.0%
	-			-		0.0%
	-			-		0.0%
TOTAL LAND COST/ACQUISITION	**6,457,000**	**-**	**6,457,000**	73,375	12.25%	100.0%

USES OF FUNDS (contd)	**Const/Rehab**	**Permanent**	**Total Project Uses of Funds**			
	$	**$**	**Uses ($)**	**Per Unit ($)**	**%TDC**	**% of Category**
REHABILITATION COSTS						
Site Work (Hard Cost)	-		-	-		
Structures (Hard Cost)	-		-	-		
General Requirements	-		-	-		
Contractor Overhead	-		-	-		
Contractor Profit	-		-	-		
Prevailing Wages	-		-	-		
Contractor/General Liability Insurance	-		-	-		
Third-Party Construction Management	-		-	-		
Relocation Expenses	-		-	-		
Other: (Specify)	-		-	-		
	-			-		
TOTAL REHAB COSTS	**-**	**-**	**-**	**-**	0.00%	0.0%
CONSTRUCTION COSTS						
Site Work	3,933,398		*3,933,398*	44,698	7.47%	14.8%
Structures	18,661,180		18,661,180	212,059	35.42%	70.1%
General Requirements	1,448,216		1,448,216	16,457	2.75%	5.4%
Contractor Overhead	571,994		571,994	6,500	1.09%	2.1%
Contractor Profit	1,108,808		1,108,808	12,600	2.10%	4.2%
Prevailing Wages	-		-	-		0.0%
General Liability Insurance	265,414		265,414	3,016	0.50%	1.0%
Third-Party Construction Management	244,000		244,000	2,773	0.46%	0.9%
P&P Bond	389,835		389,835	4,430	0.74%	1.5%
	-			-		0.0%
TOTAL CONSTRUCT COSTS	**26,622,845**	**-**	**26,622,845**	**302,532**	50.53%	100.0%
ARCHITECTURAL/ENGINEERING/SURVEY FEES						
Design	441,848		441,848	5,021	0.84%	30.3%
Survey/Engineering	905,989		905,989	10,295	1.72%	62.1%
Supervision	110,462		110,462	1,255	0.21%	7.6%
	-			-		0.0%
TOTAL ARCHITECTURAL/ENGINEERING/SURVEY FEES	1,458,299	-	1,458,299	16,572	2.77%	100.0%
CONSTRUCTION INTEREST AND FEES						
Construction Loan Interest	2,246,988		2,246,988	25,534	4.26%	100.0%
	-			-		0.0%
	-			-		0.0%
Subtotal (Should Match Constr. Loan Interest Amount):	2,246,988					100.0%
Construction Origination/Loan Fees	286,796		286,796	3,259	0.54%	100.0%
	-			-		0.0%
	-			-		0.0%
Subtotal (Should Match Constr. Origination/Loan Fee Amount):	286,796					100.0%
Credit Enhancement/Application Fee	59,000		59,000	670	0.11%	5.1%
Bond Premium	-		-	-		0.0%
Cost of Issuance	166,938		166,938	1,897	0.32%	14.5%
Title & Recording	50,000		50,000	568	0.09%	4.3%
Taxes	-		-	-		0.0%
Insurance	570,937		570,937	6,488	1.08%	49.6%
CDLAC Fee	-			-		0.0%
CalHFA Issuer Fee	-			-		0.0%
CalHFA Inspection	-			-		0.0%
Other	-			-		0.0%
County Loan Fee	304,500		304,500	3,460	0.58%	26.4%
Subtotal:	**1,151,375**					100.0%
TOTAL CONSTRUCTION COST	3,685,159	-	3,685,159		7.0%	

USES OF FUNDS (contd)		**Const/Rehab**	**Permanent**	**Total Project Uses of Funds**			
		$	**$**	**Uses ($)**	**Per Unit ($)**	**%TDC**	**% of Category**
PERMANENT FINANCING COSTS							
Origination/Loan Fees		119,296	119,296	238,591	2,711	0.45%	100.0%
		-					0.0%
		-					0.0%
		-					0.0%
		-					0.0%
		-					0.0%
		-					0.0%
Subtotal (Should Match All Origination/Loan Fees Amount):		**119,296**	**$ 119,295.50**	**$ 238,591.00**			100.0%
Credit Enhancement & Application Fees		26,197		26,197	298	0.05%	100.00%
							0.00%
							0.00%
Subtotal (Should Match All Credit Enhancement & Appl. Fees Amount):		**26,197**	**$ -**	**26,197**			100.0%
Title & Recording (closing costs)		15,000		15,000	170	0.03%	4.1%
Taxes		-		-	-		0.0%
Insurance		88,000		88,000	1,000	0.17%	23.9%
		-			-		0.0%
		-			-		0.0%
		-			-		0.0%
Other: (Specify)		-		$ -	-		0.0%
TOTAL PERMANENT FINANCING COSTS		**248,493**	**119,296**	**367,788**	4179	0.7%	28.0%
LEGAL FEES AND THIRD-PARTY CONSULTING FEES							
Lender Legal Paid by Applicant		107,500		107,500	1222	0.2%	13.8%
		-					0.0%
		-					0.0%
Subtotal (Should Match Legal Paid by Applicant Amount):	**$ -**						
Financial Consulting, Application Preparation/Review		6,667		6,667	76	0.01%	0.9%
Entitlement Services, Building Permit Expediting		538,415		538,415	6,118	1.02%	69.2%
Tenant File Review Services		-		-	-		0.0%
Legal: Partnership, Organization		125,500		$ 125,500	1,426	0.24%	16.1%
	$ -	-			-		0.0%
TOTAL LEGAL FEES		**778,082**	**-**	**778,082**	**8,842**	1.48%	100.0%
RESERVES							
Rent Reserves		-		-	-		0.0%
Capitalized Rent Reserves		-		-	-		0.0%
Operating Expense Reserve		-	858,183	858,183	9,752	1.63%	97.5%
Transition Operating Reserve		-			-		0.0%
Initial Replacement Reserve		-	22,000	22,000	250	0.04%	2.5%
Investor Required Reserve		-			-		0.0%
Other: (Specify)		-	-	$ -	-		0.0%
TOTAL RESERVES		**-**	**880,183**	**880,183**	**10,002**	1.7%	100.0%
CONTINGENCY COSTS							
Contruction Hard Cost Contingency	10.06%	2,274,038		*2,274,038*	25,841	4.32%	84.7%
Soft Cost Contingency (Warning)	2.00%	410,000		*410,000*	4,659	0.78%	15.3%
TOTAL CONTINGENCY COSTS		**2,684,038**	**-**	**2,684,038**	**30,500**	5.09%	100.0%

USES OF FUNDS (contd)	Const/Rehab	Permanent	Total Project Uses of Funds			
	$	$	Uses ($)	Per Unit ($)	%TDC	% of Category
OTHER PROJECT COSTS						
TCAC Application, Allocation & Monitor Fees	164,993		$ 164,993	1,875	0.31%	4.2%
Environmental Audit	205,576		$ 205,576	2,336	0.39%	5.2%
Local Development Impact Fees	348,554		$ 348,554	3,961	0.66%	8.8%
Permit Processing Fees	964,136		$ 964,136	10,956	1.83%	24.5%
Capital Fees	-		$ -	-		0.0%
Marketing	70,000		$ 70,000	795	0.13%	1.8%
Furnishings	250,000		$ 250,000	2,841	0.47%	6.3%
Market Study	29,000		$ 29,000	330	0.06%	0.7%
Accounting/Reimbursables	40,000		$ 40,000	455	0.08%	1.0%
Appraisal Costs	15,000		$ 15,000	170	0.03%	0.4%
	-			-		0.0%
	-			-		0.0%
	-			-		0.0%
	-			-		0.0%
	-			-		0.0%
Construction Period Security	210,000		$ 210,000	2,386	0.40%	5.3%
Utility Connections/Fees	1,569,214		$ 1,569,214	17,832	2.98%	39.8%
Misc Soft Costs	75,000		$ 75,000	852	0.14%	1.9%
TOTAL OTHER PROJECT COSTS	**3,941,473**	**-**	**3,941,473**	**44,789**	7.48%	100.0%
SUBTOTAL PROJECT COSTS	**45,875,389**	**999,479**	**46,874,867**	**490,792**	88.96%	
DEVELOPER FEES & COSTS						
Developer Overhead/Profit	5,814,594		5,814,594	66,075	11.0%	100.0%
Processing Agent Fees	-		-	-		0.0%
Broker Fees Paid to Related Party	-		-	-		0.0%
Construction Management by Developer	-		-	-		0.0%
	-			-		0.0%
Other: (Specify)	-		$ -	-		0.0%
TOTAL DEVELOPER FEES & COSTS	**5,814,594**	**-**	**5,814,594**	**66,075**	11.0%	100.0%
TOTAL DEVELOPMENT COSTS (TDC)	**51,689,983**	**52,689,461**	**52,689,461**	**598,744**	**100%**	
NET BUDGET SURPLUS/DEFICIT	**(1)**	**1**	**-**			

Projected Initial Annual Operating Budget

OPERATING INCOME

Income	% Increase	Amount	Per Unit	% of Category
Rental Income				
Restricted Unit Rents (Low Income)	2.50%	$ 1,999,956	$ 22,727	99.34%
Restricted Units (Moderate Income)	2.50%	$ -	$ -	0.00%
Unrestricted Unit Rents	2.50%	$ -	$ -	0.00%
Commercial Rents	2.00%	$ -	$ -	0.00%
Rental & Operating Subsidies				
Project Based Rental Subsidy	1.50%	$ -	$ -	0.00%
Other Project Based Subsidy	1.50%	$ -	$ -	0.00%
Other Income				
Laundry Income	2.50%	$ 13,200	$ 150	0.66%
	2.50%		$ -	0.00%
	2.50%		$ -	0.00%
GROSS POTENTIAL INCOME (GPI)		**$ 2,013,156**	**22,877**	
VACANCY RATES	**%**			
Restricted Unit Rents (Low Income)	5.00%	$ 99,998	$ 1,136	99.34%
Restricted Units (Moderate Income)	5.00%	$ -	$ -	0.00%
Unrestricted Unit Rents	0.00%	$ -	$ -	0.00%
Commercial Rents	50.00%	$ -	$ -	0.00%
Project Based Rental Subsidy	5.00%	$ -	$ -	0.00%
Other Project Based Subsidy	5.00%	$ -	$ -	0.00%
Laundry Income	5.00%	$ 660	$ 8	0.66%
Parking & Storage Income	50.00%	$ -	$ -	0.00%
-	5.00%	$ -	$ -	0.00%
TOTAL VACANCY LOSS		**$ 100,658**	**1,144**	
EFFECTIVE GROSS INCOME (EGI)		**$ 1,912,498**	**21,733**	

Multifamily Financial Analysis (FA) Summary 4: Initial Year Annual Operating Budget

OPERATING EXPENSES				
Administrative Expenses	**% Increase**	**Amount**	**Per Unit**	**% of Category**
Advertising	3.50%	$ 4,300	49	0.5%
Legal	3.50%	$ 3,750	43	0.5%
Accounting/Audit	3.50%	$ 15,000	170	1.8%
Security	3.50%	$ 22,900	260	2.8%
Misc/Computer/License/Fees	3.50%	$ 48,577	552	5.9%
Total Administrative Expenses:	3.50%	$ 94,527	1,074	11.4%
Management Fee	**3.50%**	$ 57,375	652	6.9%
Utilities	**% Increase**	**Amount**	**Per Unit**	**% of Category**
Fuel	3.50%	$ -	0	0.0%
Gas	3.50%	$ -	0	0.0%
Electricity	3.50%	$ 55,000	625	6.7%
Water/Sewer	3.50%	$ 28,880	328	3.5%
	3.50%		0	0.0%
Total Utilities:	3.50%	$ 83,880	953	10.2%
Payroll Expenses	**% Increase**	**Amount**	**Per Unit**	**% of Category**
On-site Managers	3.50%	$ 130,000	1,477	15.7%
Number of Staff:	3			
Maintenance Personnel	3.50%	$ 70,000	795	8.5%
Number of Rent-Free Units:	1			
Payroll Taxes & Benefits	3.50%	$ 59,100	672	7.2%
Total Payroll/Payroll Taxes:		$ 259,100	2,944	31.4%
Insurance	**3.50%**	$ 83,600	950	10.1%
Maintenance	**% Increase**	**Amount**	**Per Unit**	**% of Category**
Painting	3.50%	$ 15,800	180	1.9%
Repairs	3.50%	$ 53,300	606	6.5%
Trash Removal	3.50%	$ 48,000	545	5.8%
Exterminating	3.50%	$ 6,300	72	0.8%
Grounds	3.50%	$ 18,600	211	2.3%
Elevator	3.50%	$ -	0	0.0%
Misc Maintenance/Repairs	3.50%	$ 16,000	182	1.9%
Total Maintenance:	3.50%	$ 158,000	1,795	19.1%
Other Operating Expenses	**% Increase**	**Amount**	**Per Unit**	**% of Category**
(specify here)	3.50%	$ -	0	0.0%
(specify here)	3.50%	$ -	0	0.0%
(specify here)	3.50%	$ -	0	0.0%
(specify here)	3.50%	$ -	0	0.0%
(specify here)	3.50%	$ -	0	0.0%
Total Other Expenses:	3.50%	$ -	0	0.0%
Total Annual Residential Operating Expenses		**$ 736,482**	**8,369**	89.2%
Transit Pass/Internet	3.50%	$ -	0	0.0%
Total Annual Services Amenities Budget	3.50%	$ 35,000	398	4.2%
Total Annual Reserve for Replacement	1.00%	$ 26,400	300	3.2%
Total Annual Monitoring Fees	0.00%	$ 5,000	57	0.6%
CalHFA Monitoring Fee	0.00%	$ 7,500		
Total Annual Real Estate Taxes	2.00%	$ 15,500	176	1.9%
Specialty Locality Taxes (community facilities district, mello	2.00%	$ -	0	0.0%
	3.50%		0	0.0%
Other (Specify):	3.50%	$ -	0	0.0%
	3.50%		0	0.0%
GRAND TOTAL EXPENSES		**$ 825,882**	**9,385**	100%
NET OPERATING INCOME (NOI)		**$ 1,086,616**		
		Amount	**Per Unit**	
P. CalHFA - Perm Loan		$ 944,884	$ 10,737	
			$ -	
			$ -	
TOTAL DEBT SERVICE & OTHER PAYMENTS		**$ 944,884**		
EXCESS AFTER DEBT SERVICE & MONITORING FEES		**$ 141,732**		
DEBT SERVICE COVERAGE RATIO (DSCR)		**1.15**		

Cashflow Projections											
	YEAR	1	2	3	4	5	6	7	8	9	10
RENTAL INCOME	Inflation %										
Restricted Unit Rents (Low Income)	2.50%	$ 1,999,956	$ 2,049,955	$ 2,101,204	$ 2,153,734	$ 2,207,577	$ 2,262,767	$ 2,319,336	$ 2,377,319	$ 2,436,752	$ 2,497,671
Restricted Units (Moderate Income)	2.50%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unrestricted Unit Rents	2.50%	-	-	-	-	-	-	-	-	-	-
Commercial Rents	2.00%	-	-	-	-	-	-	-	-	-	-
Project Based Rental Subsidy	1.50%	-	-	-	-	-	-	-	-	-	-
Other Project Based Subsidy	1.50%	-	-	-	-	-	-	-	-	-	-
Laundry Income	2.50%	13,200	13,530	13,868	14,215	14,570	14,935	15,308	15,691	16,083	16,485
Parking & Storage Income	2.50%	-	-	-	-	-	-	-	-	-	-
-	2.50%	-	-	-	-	-	-	-	-	-	-
GROSS POTENTIAL INCOME (GPI)		**$ 2,013,156**	**$ 2,063,485**	**$ 2,115,072**	**$ 2,167,949**	**$ 2,222,148**	**$ 2,277,701**	**$ 2,334,644**	**$ 2,393,010**	**$ 2,452,835**	**$ 2,514,156**
VACANCY AND OTHER LOSSES	**%**										
Restricted Unit Rents (Low Income)	5.00%	$ 99,998	$ 102,498	$ 105,060	$ 107,687	$ 110,379	$ 113,138	$ 115,967	$ 118,866	$ 121,838	$ 124,884
Restricted Units (Moderate Income)	5.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unrestricted Unit Rents	0.00%	-	-	-	-	-	-	-	-	-	-
Commercial Rents	50.00%	-	-	-	-	-	-	-	-	-	-
Project Based Rental Subsidy	5.00%	-	-	-	-	-	-	-	-	-	-
Other Project Based Subsidy	5.00%	-	-	-	-	-	-	-	-	-	-
Laundry Income	5.00%	660	677	693	711	729	747	765	785	804	824
Parking & Storage Income	50.00%	-	-	-	-	-	-	-	-	-	-
-	5.00%	-	-	-	-	-	-	-	-	-	-
PROJECTED VACANCY AND OTHER LOSSES		**$ 100,658**	**$ 103,174**	**$ 105,754**	**$ 108,397**	**$ 111,107**	**$ 113,885**	**$ 116,732**	**$ 119,650**	**$ 122,642**	**$ 125,708**
EFFECTIVE GROSS INCOME (EGI)		**$ 1,912,498**	**$ 1,960,311**	**$ 2,009,318**	**$ 2,059,551**	**$ 2,111,040**	**$ 2,163,816**	**$ 2,217,912**	**$ 2,273,359**	**$ 2,330,193**	**$ 2,388,448**
OPERATING EXPENSES	**Inflation %**										
Administrative Expenses	3.50%	$ 94,527	$ 97,835	$ 101,260	$ 104,804	$ 108,472	$ 112,268	$ 116,198	$ 120,265	$ 124,474	$ 128,831
Management Fee	3.50%	57,375	59,383	61,462	63,613	65,839	68,144	70,529	72,997	75,552	78,196
Utilities	3.50%	83,880	86,816	89,854	92,999	96,254	99,623	103,110	106,719	110,454	114,320
Payroll/Payroll Taxes	3.50%	259,100	268,169	277,554	287,269	297,323	307,730	318,500	329,648	341,185	353,127
Insurance	3.50%	83,600	86,526	89,554	92,689	95,933	99,291	102,766	106,363	110,085	113,938
Maintenance	3.50%	158,000	163,530	169,254	175,177	181,309	187,654	194,222	201,020	208,056	215,338
Other Operating Expenses	3.50%	-	-	-	-	-	-	-	-	-	-
Services & Amenities	3.50%	35,000	36,225	37,493	38,805	40,163	41,569	43,024	44,530	46,088	47,701
Reserve for Replacement	1.00%	26,400	26,664	26,931	27,200	27,472	27,747	28,024	28,304	28,587	28,873
Monitoring Fees	0.00%	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
Real Estate & Specialty Taxes	2.00%	15,500	15,810	16,126	16,449	16,778	17,113	17,456	17,805	18,161	18,524
Ground Lease		-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES		**$ 825,882**	**$ 853,458**	**$ 881,988**	**$ 911,505**	**$ 942,043**	**$ 973,639**	**$ 1,006,328**	**$ 1,040,150**	**$ 1,075,143**	**$ 1,111,348**
NET OPERATING INCOME (NOI)		**$ 1,086,616**	**$ 1,106,853**	**$ 1,127,331**	**$ 1,148,047**	**$ 1,168,997**	**$ 1,190,178**	**$ 1,211,584**	**$ 1,233,210**	**$ 1,255,051**	**$ 1,277,100**
P. CalHFA - Perm Loan	**Lien**										
P. CalHFA - Perm Loan	1	$ 944,884	$ 944,884	$ 944,884	$ 944,884	$ 944,884	$ 944,884	$ 944,884	$ 944,884	$ 944,884	$ 944,884
TOTAL DEBT SERVICE		**$ 944,884**	**$ 944,884**	**$ 944,884**	**$ 944,884**	**$ 944,884**	**$ 944,884**	**$ 944,884**	**$ 944,884**	**$ 944,884**	**$ 944,884**
CASH FLOW AFTER DEBT SERVICE		**$ 141,732**	**$ 161,969**	**$ 182,447**	**$ 203,163**	**$ 224,113**	**$ 245,294**	**$ 266,699**	**$ 288,326**	**$ 310,167**	**$ 332,216**
DEBT SERVICE COVERAGE RATIO (DSCR)		**1.15**	**1.17**	**1.19**	**1.22**	**1.24**	**1.26**	**1.28**	**1.31**	**1.33**	**1.35**
DSCR CHECK (USRM)		**Target**	**Target**	**Target**	**Target**	**Target**	**Target**	**Target**	**Target**	**Target**	**Target**

Accrued Ground Lease		0	0	0	0	0	0	0	0	0	0

LP Management Fee	3.0%	$ 5,000	$ 5,150	$ 5,305	$ 5,464	$ 5,628	$ 5,796	$ 5,970	$ 6,149	$ 6,334	$ 6,524
GP Partnership Management Fee	3.0%	$ 15,000	$ 15,450	$ 15,914	$ 16,391	$ 16,883	$ 17,389	$ 17,911	$ 18,448	$ 19,002	$ 19,572
Cashflow available for distribution		**$ 121,732**	**$ 141,369**	**$ 161,229**	**$ 181,308**	**$ 201,603**	**$ 222,108**	**$ 242,818**	**$ 263,728**	**$ 284,831**	**$ 306,121**
Max DDF	**100.00%**	**Min DDF**	**100.00%**								
Developer Distribution	***100%***	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
		$ 121,732	**$ 141,369**	**$ 161,229**	**$ 181,308**	**$ 201,603**	**$ 222,108**	**$ 242,818**	**$ 263,728**	**$ 284,831**	**$ 306,121**
Deferred developer fee start balance	**3,284,593**	3,284,593	3,162,861	3,021,492	2,860,264	2,678,955	2,477,353	2,255,245	2,012,426	1,748,698	1,463,867
Deferred Developer fee payment years	**15**	121,732	141,369	161,229	181,308	201,603	222,108	242,818	263,728	284,831	306,121
Deferred Developer fee end balance		$ 3,162,861	$ 3,021,492	$ 2,860,264	$ 2,678,955	$ 2,477,353	$ 2,255,245	$ 2,012,426	$ 1,748,698	$ 1,463,867	$ 1,157,746
Additional Developer Distribution		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

P. City of Menlo Park	*50%*	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
P. CalHFA MIP	*Payment %*	-	-	-	-	-	-	-	-	-	-
P. County of San Mateo	*64.29%*	-	-	-	-	-	-	-	-	-	-
P. CalHFA MIP	*28.57%*	-	-	-	-	-	-	-	-	-	-
P. City of Menlo Park	*7.14%*	-	-	-	-	-	-	-	-	-	-
	0.00%	-	-	-	-	-	-	-	-	-	-
	0.00%	-	-	-	-	-	-	-	-	-	-
	0.00%	-	-	-	-	-	-	-	-	-	-
	0.00%	-	-	-	-	-	-	-	-	-	-
	0.00%	-	-	-	-	-	-	-	-	-	-
Total Residual Receipts Payments	**100.00%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Balances for Residual Receipt Payments

RESIDUAL RECEIPTS LOANS	*Interest Rate*	1	2	3	4	5	6	7	8	9	10
P. County of San Mateo	*3.00%*	$ 9,000,000	$ 9,270,000	$ 9,540,000	$ 9,810,000	$ 10,080,000	$ 10,350,000	$ 10,620,000	$ 10,890,000	$ 11,160,000	$ 11,430,000
P. CalHFA MIP	*3.00%*	4,000,000	4,120,000	4,240,000	4,360,000	4,480,000	4,600,000	4,720,000	4,840,000	4,960,000	5,080,000
P. City of Menlo Park	*3.00%*	1,000,000	1,030,000	1,060,000	1,090,000	1,120,000	1,150,000	1,180,000	1,210,000	1,240,000	1,270,000
0											
0											
0											
0											
0											
Total Residual Receipts Payments		**$ 14,000,000**	**$ 14,420,000**	**$ 14,840,000**	**$ 15,260,000**	**$ 15,680,000**	**$ 16,100,000**	**$ 16,520,000**	**$ 16,940,000**	**$ 17,360,000**	**$ 17,780,000**

Cashflow Projections											
	YEAR	**11**	**12**	**13**	**14**	**15**	**16**	**17**	**18**	**19**	**20**
RENTAL INCOME	**Inflation %**										
Restricted Unit Rents (Low Income)	2.50%	$ 2,560,113	$ 2,624,116	$ 2,689,718	$ 2,756,961	$ 2,825,885	$ 2,896,533	$ 2,968,946	$ 3,043,170	$ 3,119,249	$ 3,197,230
Restricted Units (Moderate Income)	2.50%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unrestricted Unit Rents	2.50%	-	-	-	-	-	-	-	-	-	-
Commercial Rents	2.00%	-	-	-	-	-	-	-	-	-	-
Project Based Rental Subsidy	1.50%	-	-	-	-	-	-	-	-	-	-
Other Project Based Subsidy	1.50%	-	-	-	-	-	-	-	-	-	-
Laundry Income	2.50%	16,897	17,320	17,753	18,196	18,651	19,118	19,595	20,085	20,587	21,102
Parking & Storage Income	2.50%	-	-	-	-	-	-	-	-	-	-
-	2.50%	-	-	-	-	-	-	-	-	-	-
GROSS POTENTIAL INCOME (GPI)		**$ 2,577,010**	**$ 2,641,435**	**$ 2,707,471**	**$ 2,775,158**	**$ 2,844,537**	**$ 2,915,650**	**$ 2,988,541**	**$ 3,063,255**	**$ 3,139,836**	**$ 3,218,332**
VACANCY AND OTHER LOSSES	**%**										
Restricted Unit Rents (Low Income)	5.00%	$ 128,006	$ 131,206	$ 134,486	$ 137,848	$ 141,294	$ 144,827	$ 148,447	$ 152,158	$ 155,962	$ 159,862
Restricted Units (Moderate Income)	5.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unrestricted Unit Rents	0.00%	-	-	-	-	-	-	-	-	-	-
Commercial Rents	50.00%	-	-	-	-	-	-	-	-	-	-
Project Based Rental Subsidy	5.00%	-	-	-	-	-	-	-	-	-	-
Other Project Based Subsidy	5.00%	-	-	-	-	-	-	-	-	-	-
Laundry Income	5.00%	845	866	888	910	933	956	980	1,004	1,029	1,055
Parking & Storage Income	50.00%	-	-	-	-	-	-	-	-	-	-
-	5.00%	-	-	-	-	-	-	-	-	-	-
PROJECTED VACANCY AND OTHER LOSSES		**$ 128,850**	**$ 132,072**	**$ 135,374**	**$ 138,758**	**$ 142,227**	**$ 145,783**	**$ 149,427**	**$ 153,163**	**$ 156,992**	**$ 160,917**
EFFECTIVE GROSS INCOME (EGI)		**$ 2,448,159**	**$ 2,509,363**	**$ 2,572,097**	**$ 2,636,400**	**$ 2,702,310**	**$ 2,769,868**	**$ 2,839,114**	**$ 2,910,092**	**$ 2,982,844**	**$ 3,057,416**
OPERATING EXPENSES	**Inflation %**										
Administrative Expenses	3.50%	$ 133,340	$ 138,007	$ 142,837	$ 147,836	$ 153,010	$ 158,366	$ 163,908	$ 169,645	$ 175,583	$ 181,728
Management Fee	3.50%	80,933	83,766	86,698	89,732	92,873	96,123	99,487	102,970	106,573	110,304
Utilities	3.50%	118,321	122,462	126,748	131,185	135,776	140,528	145,447	150,537	155,806	161,259
Payroll/Payroll Taxes	3.50%	365,486	378,278	391,518	405,221	419,404	434,083	449,276	465,000	481,275	498,120
Insurance	3.50%	117,926	122,053	126,325	130,747	135,323	140,059	144,961	150,035	155,286	160,721
Maintenance	3.50%	222,875	230,675	238,749	247,105	255,754	264,705	273,970	283,559	293,483	303,755
Other Operating Expenses	3.50%	-	-	-	-	-	-	-	-	-	-
Services & Amenities	3.50%	49,371	51,099	52,887	54,738	56,654	58,637	60,690	62,814	65,012	67,288
Reserve for Replacement	1.00%	29,162	29,454	29,748	30,046	30,346	30,650	30,956	31,266	31,578	31,894
Monitoring Fees	0.00%	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
Real Estate & Specialty Taxes	2.00%	18,894	19,272	19,658	20,051	20,452	20,861	21,278	21,704	22,138	22,581
Ground Lease		-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES		**$ 1,148,808**	**$ 1,187,566**	**$ 1,227,668**	**$ 1,269,161**	**$ 1,312,092**	**$ 1,356,512**	**$ 1,402,473**	**$ 1,450,029**	**$ 1,499,236**	**$ 1,550,150**
NET OPERATING INCOME (NOI)		**$ 1,299,351**	**$ 1,321,797**	**$ 1,344,429**	**$ 1,367,239**	**$ 1,390,218**	**$ 1,413,356**	**$ 1,436,641**	**$ 1,460,063**	**$ 1,483,609**	**$ 1,507,266**
P. CalHFA - Perm Loan	**Lien**										
P. CalHFA - Perm Loan	1	$ 944,884	$ 944,884	$ 944,884	$ 944,884	$ 944,884	$ 944,884	$ 944,884			
TOTAL DEBT SERVICE		**$ 944,884**	**$ 944,884**	**$ 944,884**	**$ 944,884**	**$ 944,884**	**$ 944,884**	**$ 944,884**	**$ -**	**$ -**	**$ -**
CASH FLOW AFTER DEBT SERVICE		**$ 354,467**	**$ 376,913**	**$ 399,545**	**$ 422,355**	**$ 445,334**	**$ 468,471**	**$ 491,757**			
DEBT SERVICE COVERAGE RATIO (DSCR)		**1.38**	**1.40**	**1.42**	**1.45**	**1.47**	**1.50**	**1.52**	**N/A**	**N/A**	**N/A**
DSCR CHECK (USRM)		**Target**	**Target**	**Target**	**Target**	**Target**	**Target**	**Target**			

Accrued Ground Lease		0	0	0	0	0	0	0	0	0	0

LP Management Fee	3.0%	$ 6,720	$ 6,921	$ 7,129	$ 7,343	$ 7,563	$ -	$ -	$ -	$ -	$ -
GP Partnership Management Fee	3.0%	$ 20,159	$ 20,764	$ 21,386	$ 22,028	$ 22,689	$ -	$ -	$ -	$ -	$ -
Cashflow available for distribution		**$ 327,589**	**$ 349,228**	**$ 371,030**	**$ 392,985**	**$ 415,082**	**$ 468,471**	**$ 491,757**	**$ -**	**$ -**	**$ -**
Max DDF	**100.00%**										
Developer Distribution	***100%***	100%	100%	100%	50%	50%	50%	50%			
🟥		**$ 327,589**	**$ 349,228**	**$ 371,030**	**$ 196,492**	**$ 207,541**	**$ 234,236**	**$ 245,878**	**$ -**	**$ -**	**$ -**
Deferred developer fee start balance	**3,284,593**	1,157,746	830,157	480,929	109,899	-	-	-	-	-	-
Deferred Developer fee payment years	**15**	327,589	349,228	371,030	109,899	-	-	-	-	-	-
Deferred Developer fee end balance		$ 830,157	$ 480,929	$ 109,899	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additional Developer Distribution		$ -	$ -	$ -	$ 86,593	$ 207,541	$ 234,236	$ 245,878	$ -	$ -	$ -

P. City of Menlo Park	*50%*	0%	0%	0%	50%	50%	50%	50%			
P. CalHFA MIP	*Payment %*	-	-	-	196,492	207,541	234,236	245,878	-	-	-
P. County of San Mateo	*64.29%*	-	-	-	126,316	133,419	150,580	158,065	-	-	-
P. CalHFA MIP	*28.57%*	-	-	-	56,141	59,297	66,924	70,251	-	-	-
P. City of Menlo Park	*7.14%*	-	-	-	14,035	14,824	16,731	17,563	-	-	-
	0.00%	-	-	-	-	-	-	-	-	-	-
	0.00%	-	-	-	-	-	-	-	-	-	-
	0.00%	-	-	-	-	-	-	-	-	-	-
	0.00%	-	-	-	-	-	-	-	-	-	-
	0.00%	-	-	-	-	-	-	-	-	-	-
Total Residual Receipts Payments	**100.00%**	**-**	**-**	**-**	**196,492**	**207,541**	**234,236**	**245,878**	**-**	**-**	**-**

Balances for Residual Receipt Payments

RESIDUAL RECEIPTS LOANS	*Interest Rate*	11	12	13	14	15	16	17	18	19	20
P. County of San Mateo	*3.00%*	$ 11,700,000	$ 11,970,000	$ 12,240,000	$ 12,510,000	$ 12,653,684	$ 12,790,264	$ 12,909,684	$ 13,021,619	$ 13,291,619	$ 13,561,619
P. CalHFA MIP	*3.00%*	5,200,000	5,320,000	5,440,000	5,560,000	5,623,859	5,684,562	5,737,637	5,787,386	5,907,386	6,027,386
P. City of Menlo Park	*3.00%*	1,300,000	1,330,000	1,360,000	1,390,000	1,405,965	1,421,140	1,434,409	1,446,847	1,476,847	1,506,847
0											
0											
0											
0											
0											
Total Residual Receipts Payments		**$ 18,200,000**	**$ 18,620,000**	**$ 19,040,000**	**$ 19,460,000**	**$ 19,683,508**	**$ 19,895,967**	**$ 20,081,731**	**$ 20,255,852**	**$ 20,675,852**	**$ 21,095,852**

Cashflow Projections											
	YEAR	**21**	**22**	**23**	**24**	**25**	**26**	**27**	**28**	**29**	**30**
RENTAL INCOME	**Inflation %**										
Restricted Unit Rents (Low Income)	2.50%	$ 3,277,161	$ 3,359,090	$ 3,443,067	$ 3,529,144	$ 3,617,372	$ 3,707,807	$ 3,800,502	$ 3,895,514	$ 3,992,902	$ 4,092,725
Restricted Units (Moderate Income)	2.50%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unrestricted Unit Rents	2.50%	-	-	-	-	-	-	-	-	-	-
Commercial Rents	2.00%	-	-	-	-	-	-	-	-	-	-
Project Based Rental Subsidy	1.50%	-	-	-	-	-	-	-	-	-	-
Other Project Based Subsidy	1.50%	-	-	-	-	-	-	-	-	-	-
Laundry Income	2.50%	21,630	22,170	22,725	23,293	23,875	24,472	25,084	25,711	26,354	27,013
Parking & Storage Income	2.50%	-	-	-	-	-	-	-	-	-	-
-	2.50%	-	-	-	-	-	-	-	-	-	-
GROSS POTENTIAL INCOME (GPI)		**$ 3,298,791**	**$ 3,381,260**	**$ 3,465,792**	**$ 3,552,437**	**$ 3,641,247**	**$ 3,732,279**	**$ 3,825,586**	**$ 3,921,225**	**$ 4,019,256**	**$ 4,119,737**
VACANCY AND OTHER LOSSES	**%**										
Restricted Unit Rents (Low Income)	5.00%	$ 163,858	$ 167,954	$ 172,153	$ 176,457	$ 180,869	$ 185,390	$ 190,025	$ 194,776	$ 199,645	$ 204,636
Restricted Units (Moderate Income)	5.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unrestricted Unit Rents	0.00%	-	-	-	-	-	-	-	-	-	-
Commercial Rents	50.00%	-	-	-	-	-	-	-	-	-	-
Project Based Rental Subsidy	5.00%	-	-	-	-	-	-	-	-	-	-
Other Project Based Subsidy	5.00%	-	-	-	-	-	-	-	-	-	-
Laundry Income	5.00%	1,081	1,109	1,136	1,165	1,194	1,224	1,254	1,286	1,318	1,351
Parking & Storage Income	50.00%	-	-	-	-	-	-	-	-	-	-
-	5.00%	-	-	-	-	-	-	-	-	-	-
PROJECTED VACANCY AND OTHER LOSSES		**$ 164,940**	**$ 169,063**	**$ 173,290**	**$ 177,622**	**$ 182,062**	**$ 186,614**	**$ 191,279**	**$ 196,061**	**$ 200,963**	**$ 205,987**
EFFECTIVE GROSS INCOME (EGI)		**$ 3,133,851**	**$ 3,212,197**	**$ 3,292,502**	**$ 3,374,815**	**$ 3,459,185**	**$ 3,545,665**	**$ 3,634,306**	**$ 3,725,164**	**$ 3,818,293**	**$ 3,913,750**
OPERATING EXPENSES	**Inflation %**										
Administrative Expenses	3.50%	$ 188,089	$ 194,672	$ 201,485	$ 208,537	$ 215,836	$ 223,390	$ 231,209	$ 239,301	$ 247,677	$ 256,346
Management Fee	3.50%	114,164	118,160	122,295	126,576	131,006	135,591	140,337	145,249	150,332	155,594
Utilities	3.50%	166,903	172,745	178,791	185,049	191,526	198,229	205,167	212,348	219,780	227,472
Payroll/Payroll Taxes	3.50%	515,554	533,599	552,275	571,604	591,610	612,317	633,748	655,929	678,887	702,648
Insurance	3.50%	166,346	172,168	178,194	184,431	190,886	197,567	204,482	211,639	219,046	226,713
Maintenance	3.50%	314,387	325,390	336,779	348,566	360,766	373,393	386,461	399,988	413,987	428,477
Other Operating Expenses	3.50%	-	-	-	-	-	-	-	-	-	-
Services & Amenities	3.50%	69,643	72,080	74,603	77,214	79,916	82,714	85,609	88,605	91,706	94,916
Reserve for Replacement	1.00%	32,213	32,535	32,860	33,189	33,521	33,856	34,195	34,537	34,882	35,231
Monitoring Fees	0.00%	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
Real Estate & Specialty Taxes	2.00%	23,032	23,493	23,963	24,442	24,931	25,429	25,938	26,457	26,986	27,526
Ground Lease		-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES		**$ 1,602,831**	**$ 1,657,342**	**$ 1,713,746**	**$ 1,772,109**	**$ 1,832,499**	**$ 1,894,987**	**$ 1,959,646**	**$ 2,026,552**	**$ 2,095,783**	**$ 2,167,422**
NET OPERATING INCOME (NOI)		**$ 1,531,019**	**$ 1,554,855**	**$ 1,578,756**	**$ 1,602,706**	**$ 1,626,687**	**$ 1,650,678**	**$ 1,674,661**	**$ 1,698,612**	**$ 1,722,510**	**$ 1,746,329**
P. CalHFA - Perm Loan	**Lien**										
P. CalHFA - Perm Loan	1										
TOTAL DEBT SERVICE		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CASH FLOW AFTER DEBT SERVICE											
DEBT SERVICE COVERAGE RATIO (DSCR)		**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
DSCR CHECK (USRM)											

Accrued Ground Lease		0	0	0	0	0	0	0	0	0	0
LP Management Fee	3.0%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
GP Partnership Management Fee	3.0%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Cashflow available for distribution		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Max DDF	**100.00%**										
Developer Distribution	***100%***										
		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Deferred developer fee start balance	**3,284,593**	-	-	-	-	-	-	-	-	-	-
Deferred Developer fee payment years	**15**	-	-	-	-	-	-	-	-	-	-
Deferred Developer fee end balance		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additional Developer Distribution		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

P. City of Menlo Park	*50%*										
P. CalHFA MIP	*Payment %*	-	-	-	-	-	-	-	-	-	-
P. County of San Mateo	*64.29%*	-	-	-	-	-	-	-	-	-	-
P. CalHFA MIP	*28.57%*	-	-	-	-	-	-	-	-	-	-
P. City of Menlo Park	*7.14%*	-	-	-	-	-	-	-	-	-	-
	0.00%	-	-	-	-	-	-	-	-	-	-
	0.00%	-	-	-	-	-	-	-	-	-	-
	0.00%	-	-	-	-	-	-	-	-	-	-
	0.00%	-	-	-	-	-	-	-	-	-	-
	0.00%	-	-	-	-	-	-	-	-	-	-
Total Residual Receipts Payments	**100.00%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Balances for Residual Receipt Payments

RESIDUAL RECEIPTS LOANS	*Interest Rate*	21	22	23	24	25	26	27	28	29	30
P. County of San Mateo	*3.00%*	$ 13,831,619	$ 14,101,619	$ 14,371,619	$ 14,641,619	$ 14,911,619	$ 15,181,619	$ 15,451,619	$ 15,721,619	$ 15,991,619	$ 16,261,619
P. CalHFA MIP	*3.00%*	6,147,386	6,267,386	6,387,386	6,507,386	6,627,386	6,747,386	6,867,386	6,987,386	7,107,386	7,227,386
P. City of Menlo Park	*3.00%*	1,536,847	1,566,847	1,596,847	1,626,847	1,656,847	1,686,847	1,716,847	1,746,847	1,776,847	1,806,847
0											
0											
0											
0											
0											
Total Residual Receipts Payments		**$ 21,515,852**	**$ 21,935,852**	**$ 22,355,852**	**$ 22,775,852**	**$ 23,195,852**	**$ 23,615,852**	**$ 24,035,852**	**$ 24,455,852**	**$ 24,875,852**	**$ 25,295,852**

Cashflow Projections											
	YEAR	31	32	33	34	35	36	37	38	39	40
RENTAL INCOME	Inflation %										
Restricted Unit Rents (Low Income)	2.50%	$ 4,195,043	$ 4,299,919	$ 4,407,417	$ 4,517,602	$ 4,630,542	$ 4,746,306	$ 4,864,964	$ 4,986,588	$ 5,111,252	$ 5,239,034
Restricted Units (Moderate Income)	2.50%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unrestricted Unit Rents	2.50%	-	-	-	-	-	-	-	-	-	-
Commercial Rents	2.00%	-	-	-	-	-	-	-	-	-	-
Project Based Rental Subsidy	1.50%	-	-	-	-	-	-	-	-	-	-
Other Project Based Subsidy	1.50%	-	-	-	-	-	-	-	-	-	-
Laundry Income	2.50%	27,688	28,380	29,090	29,817	30,562	31,326	32,109	32,912	33,735	34,578
Parking & Storage Income	2.50%	-	-	-	-	-	-	-	-	-	-
-	2.50%	-	-	-	-	-	-	-	-	-	-
GROSS POTENTIAL INCOME (GPI)		**$ 4,222,731**	**$ 4,328,299**	**$ 4,436,507**	**$ 4,547,419**	**$ 4,661,105**	**$ 4,777,632**	**$ 4,897,073**	**$ 5,019,500**	**$ 5,144,987**	**$ 5,273,612**
VACANCY AND OTHER LOSSES	%										
Restricted Unit Rents (Low Income)	5.00%	$ 209,752	$ 214,996	$ 220,371	$ 225,880	$ 231,527	$ 237,315	$ 243,248	$ 249,329	$ 255,563	$ 261,952
Restricted Units (Moderate Income)	5.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unrestricted Unit Rents	0.00%	-	-	-	-	-	-	-	-	-	-
Commercial Rents	50.00%	-	-	-	-	-	-	-	-	-	-
Project Based Rental Subsidy	5.00%	-	-	-	-	-	-	-	-	-	-
Other Project Based Subsidy	5.00%	-	-	-	-	-	-	-	-	-	-
Laundry Income	5.00%	1,384	1,419	1,454	1,491	1,528	1,566	1,605	1,646	1,687	1,729
Parking & Storage Income	50.00%	-	-	-	-	-	-	-	-	-	-
-	5.00%	-	-	-	-	-	-	-	-	-	-
PROJECTED VACANCY AND OTHER LOSSES		**$ 211,137**	**$ 216,415**	**$ 221,825**	**$ 227,371**	**$ 233,055**	**$ 238,882**	**$ 244,854**	**$ 250,975**	**$ 257,249**	**$ 263,681**
EFFECTIVE GROSS INCOME (EGI)		**$ 4,011,594**	**$ 4,111,884**	**$ 4,214,681**	**$ 4,320,048**	**$ 4,428,049**	**$ 4,538,751**	**$ 4,652,219**	**$ 4,768,525**	**$ 4,887,738**	**$ 5,009,931**
OPERATING EXPENSES	**Inflation %**										
Administrative Expenses	3.50%	$ 265,318	$ 274,604	$ 284,215	$ 294,163	$ 304,458	$ 315,114	$ 326,143	$ 337,558	$ 349,373	$ 361,601
Management Fee	3.50%	161,040	166,676	172,510	178,548	184,797	191,265	197,959	204,888	212,059	219,481
Utilities	3.50%	235,434	243,674	252,203	261,030	270,166	279,622	289,408	299,538	310,021	320,872
Payroll/Payroll Taxes	3.50%	727,240	752,694	779,038	806,304	834,525	863,733	893,964	925,253	957,637	991,154
Insurance	3.50%	234,648	242,861	251,361	260,158	269,264	278,688	288,442	298,538	308,987	319,801
Maintenance	3.50%	443,473	458,995	475,060	491,687	508,896	526,707	545,142	564,222	583,970	604,409
Other Operating Expenses	3.50%	-	-	-	-	-	-	-	-	-	-
Services & Amenities	3.50%	98,238	101,676	105,235	108,918	112,730	116,676	120,759	124,986	129,360	133,888
Reserve for Replacement	1.00%	35,583	35,939	36,298	36,661	37,028	37,398	37,772	38,150	38,532	38,917
Monitoring Fees	0.00%	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
Real Estate & Specialty Taxes	2.00%	28,076	28,638	29,210	29,795	30,390	30,998	31,618	32,251	32,896	33,554
Ground Lease		-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES		**$ 2,241,550**	**$ 2,318,256**	**$ 2,397,630**	**$ 2,479,764**	**$ 2,564,754**	**$ 2,652,702**	**$ 2,743,709**	**$ 2,837,882**	**$ 2,935,333**	**$ 3,036,176**
NET OPERATING INCOME (NOI)		**$ 1,770,044**	**$ 1,793,628**	**$ 1,817,052**	**$ 1,840,285**	**$ 1,863,295**	**$ 1,886,049**	**$ 1,908,511**	**$ 1,930,642**	**$ 1,952,405**	**$ 1,973,756**
P. CalHFA - Perm Loan	**Lien**										
P. CalHFA - Perm Loan	1										
TOTAL DEBT SERVICE		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
CASH FLOW AFTER DEBT SERVICE											
DEBT SERVICE COVERAGE RATIO (DSCR)		**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
DSCR CHECK (USRM)											

Accrued Ground Lease		0	0	0	0	0	0	0	0	0	0

LP Management Fee	3.0%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
GP Partnership Management Fee	3.0%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Cashflow available for distribution		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Max DDF	**100.00%**										
Developer Distribution	***100%***										
		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Deferred developer fee start balance	**3,284,593**	-	-	-	-	-	-	-	-	-	-
Deferred Developer fee payment years	**15**	-	-	-	-	-	-	-	-	-	-
Deferred Developer fee end balance		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additional Developer Distribution		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

P. City of Menlo Park	*50%*										
P. CalHFA MIP	*Payment %*	-	-	-	-	-	-	-	-	-	-
P. County of San Mateo	*64.29%*	-	-	-	-	-	-	-	-	-	-
P. CalHFA MIP	*28.57%*	-	-	-	-	-	-	-	-	-	-
P. City of Menlo Park	*7.14%*	-	-	-	-	-	-	-	-	-	-
	0.00%	-	-	-	-	-	-	-	-	-	-
	0.00%	-	-	-	-	-	-	-	-	-	-
	0.00%	-	-	-	-	-	-	-	-	-	-
	0.00%	-	-	-	-	-	-	-	-	-	-
	0.00%	-	-	-	-	-	-	-	-	-	-
Total Residual Receipts Payments	**100.00%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Balances for Residual Receipt Payments

RESIDUAL RECEIPTS LOANS	*Interest Rate*	31	32	33	34	35	36	37	38	39	40
P. County of San Mateo	*3.00%*	$ 16,531,619	$ 16,801,619	$ 17,071,619	$ 17,341,619	$ 17,611,619	$ 17,881,619	$ 18,151,619	$ 18,421,619	$ 18,691,619	$ 18,961,619
P. CalHFA MIP	*3.00%*	7,347,386	7,467,386	7,587,386	7,707,386	7,827,386	7,947,386	8,067,386	8,187,386	8,307,386	8,427,386
P. City of Menlo Park	*3.00%*	1,836,847	1,866,847	1,896,847	1,926,847	1,956,847	1,986,847	2,016,847	2,046,847	2,076,847	2,106,847
0											
0											
0											
0											
0											
Total Residual Receipts Payments		**$ 25,715,852**	**$ 26,135,852**	**$ 26,555,852**	**$ 26,975,852**	**$ 27,395,852**	**$ 27,815,852**	**$ 28,235,852**	**$ 28,655,852**	**$ 29,075,852**	**$ 29,495,852**

Multifamily First-Lien Loans

Tax-Exempt Permanent Loan Program

CalHFA's (the "Agency") Tax-Exempt Permanent Loan Program ("Perm Loan") provides 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/or special needs tenants ("Project").

Loan Amount

- Minimum Perm Loan amount of $5,000,000.
- Minimum 1.15x initial debt service coverage ratio (DSCR) (including any financing with amortizing debt). If a Project includes an Agency subsidy loan, the maximum DSCR at Year 1 shall not exceed 1.20x. Agency underwriting, prior to both the construction and permanent loan closings, must show an on-going minimum DSCR of 1.15x through the term of the CalHFA permanent, first-lien loan. CalHFA may, in its sole discretion, require that the initial DSCR be higher than 1.15x as deemed necessary to mitigate risk and to meet the Agency's underwriting requirements.
- Limited to the lesser of 90% of the Project's current restricted appraised value or 100% of total Project development costs. For Perm Loans that will finance a cash equity payment to the Borrower, the Perm Loan amount will be restricted to no more than 80% of the Project's then current restricted appraised value. In case of subordinate financing provided by CalHFA, the Combined LTV (CLTV) shall not exceed 120% (maximum), assuming that any subordinate CalHFA debt is senior to all debt other than the Perm Loan. If the CalHFA subordinate debt is not senior to all other non-Agency debt or the exit analysis requirements are not met per the Agency's underwriting standards, the CLTV shall not exceed 100%, including any non-Agency debt senior to CalHFA subordinate debt.

Qualifications

- Available to for-profit, nonprofit, and public agency sponsors.
- Tax-exempt bond authority must be obtained from the California Debt Limit Allocation Committee (CDLAC) for tax-exempt bonds not subject to a 501(c)(3) exemption or issued using recycled volume cap.
- The Perm Loan may be used with or without 4% Low-Income Housing Tax Credits.
- If CalHFA is providing a Perm Loan, then the Agency must be used as the bond issuer (for more information, review the **CalHFA Conduit Issuer Program Term Sheet).**
- For Section 8 Projects, a final Perm Loan commitment will be conditioned upon review and acceptance by CalHFA of the HAP or AHAP contract.
- The Perm Loan will be credit-enhanced by the HUD/FHA Risk Sharing Program.
- For existing CalHFA portfolio loans, the current owner is required to pay off all outstanding CalHFA debt at prepayment. Please refer to the CalHFA website for the **CalHFA Portfolio Loan Prepayment Policy**.

CalHFA℠

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Sacramento, CA 95814

Multifamily Programs
(916) 326-8800
MultifamilyLending@calhfa.ca.gov

Last revised: 01/2026

Fees *(subject to change)*

Application Fee: $10,000 non-refundable, due at time of application submittal, and credited toward the CalHFA Perm Loan Funding 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 Funding Fee: 1.50% of the greater of the Perm Loan amount indicated in the Final Commitment or the actual Perm Loan amount at Perm Loan closing. 50% of the fee is due at Final Commitment, with the balance, including any fee increase related to an increase in the actual Perm Loan amount, due at the time of approval of loan increase.

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 Issuer Program*).

Inspection fees are estimated at $1,000 per month for the term of the construction.

Letter of Interest Fee: $5,000 at LOI request, and credited toward the CalHFA Perm Loan Funding Fee.

See CalHFA standard Conduit Issuer Program Term Sheet *for information on conduit issuance fees.*

Rate & Terms *(subject to change)*

Interest Rate:

- **17-Year Balloon Loans:** 15-Year "AAA" Municipal Market Data (MMD) plus Spread
- **30-Year Balloon and Fully Amortizing Loans:** *30-Year "AAA" MMD* plus CalHFA spread
- **Estimated CalHFA Spread 17-Year Balloon:** 2.60% to 3.750%
- **Estimated CalHFA Spread 30-Year Balloon:** 2.30% to 3.50%
- **Estimated CalHFA Spread Fully Amortizing Loans:** 2.20% to 3.65%

Spread includes technical adjustments to the "AAA" MMD Index, forward rate premium, and risk share premium among other costs. 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 three years, unless CalHFA grants extensions as outlined below, in its sole discretion.

Amortization/Term:

- **Amortization:** Up to 40-year Amortization
- **Term:** Fully Amortizing, and 17- or 30-Year Balloons available.[1]
- **Perm Loan Increase or Decrease Requirements:** Any increase or decrease in the committed Perm Loan, prior to permanent loan closing, amount must be approved by the Agency and shall include the adjusted loan fee to be determined at the time of Perm Loan modification approval, and paid at permanent loan closing.

Rates & Terms *continued*

- Up to two, three-month extension(s) permitted upon payment of a fee equal to 0.25% of the Perm Loan amount plus possible additional financial cost related to the extension for each three-month extension. An extension of the Rate Lock prior to construction closing shall not affect the availability of these two optional extensions. Approval of any extension of the Rate Lock related to construction closing shall be in the Agency's sole discretion.
- **Breakage Fee** *(if applicable)***:** Due prior to any permanent loan closing and calculated based on hedge termination cost.

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[1] *Balloon loans and terms are subject to approval by the Agency and will not be provided unless such financing is supported, in the Agency's sole discretion, by Agency's underwriting and exit analysis.*

Loan Closing Requirements

- 90% stabilized rental housing occupancy for 90 days as evidenced by rent rolls.
- DSCR of at least 1.15x as underwritten at the time of Perm Loan closing.
- 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 or commercial occupancy as evidenced by executed leases or guarantees, if applicable.
- Deposit Account Control Agreement between CalHFA, the Borrower and lending institution holding the Development Account is in form and substance acceptable to all parties and ready to be executed at Perm Loan closing.
- The project equity-out may be held back until the completion of any necessary rehabilitation, if applicable.
- All closing requirements outlined in the Agency's Final Commitment Letter and document checklist, as applicable.

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 Loan) and be subordinate to CalHFA financing. Any exception to this policy, including joint priority (pari passu) will require prior approval from the Agency and/or the CalHFA Board of Directors (if applicable). A Lien Priority/Position Estoppel from any subordinate lenders in form and substance acceptable to CalHFA, including an agreed upon form of subordination and/or standstill (to be subsequently recorded at the closing of the Perm Loan), will be required prior to construction financing closing, if applicable.

Ground Lease

Any Project application that contemplates a ground lease must accommodate CalHFA's requirement that the Perm Loan shall be secured against both the fee and leasehold interests in the property. The ground lease term must exceed any CalHFA subsidy or permanent loan term(s) by 10 years or more. The term of the ground lease must be equal to or longer than the term of the CalHFA Regulatory Agreement(s).

Occupancy Requirements

Must maintain the greater of:

A) existing affordability restrictions, or

B) either:
   - i) 20% of the total 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 total 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 (i.e., 30% @ 60% AMI; 10% @ 50% 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 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):

***Due Diligence** continued*

- **Appraisal*** (a construction lender's appraisal with appropriate reliance provided to CalHFA may be acceptable).
- **HUD-2530 previous participation clearance.**
- **Construction Costs Review** for new construction projects (other construction lender's review is acceptable with appropriate reliance, if required by the Agency, in its discretion).
- **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). A RRNA for a longer time period may be required if the Perm Loan term is greater than 20 years.
- **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), obtained within one year prior to the acquisition of the property and with any required updates. 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*** with scope of study and vendor satisfactory to CalHFA.
- **NEPA Review.**
- **Termite/Dry Rot reports*** by licensed company.
- **Seismic review*** and other studies may be required at CalHFA's discretion.

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* *Third-party reports shall be completed 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 for all Projects between $250 and $500 per unit/per year depending on the Project type and PNA/RRNA findings.
- **Operating Expense Reserve (OER):** A minimum of 4 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, the OER must be replenished to the original required OER amount, over a period of not more than 12 months.
- **Impounds held by CalHFA:** One year's prepaid earthquake, hazard and liability insurance premiums, and property tax assessments are collected at loan closing and in advance for each subsequent year. 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 less than the CalHFA Perm Loan term.
- Other reserves as required (at CalHFA's discretion).

Multifamily Subordinate Loans

Mixed-Income Program (2025)

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

The MIP subsidy loan ("MIP Loan") is a permanent phase funding source that must be paired with CalHFA's Conduit Bond Issuer Program and CalHFA's Tax-Exempt Permanent Loan Program. CalHFA will work with MIP applicants to assess the benefits of utilizing CalHFA's Bond Recycling Program during the project construction and/or permanent loan periods and may require recycled bonds to be included as a source, subject to availability and project feasibility. Eligible projects must create newly constructed (including all uses considered new construction per California Debt Limit Allocation Committee ("CDLAC") and California Tax Credit Allocation Committee ("CTCAC") applicable regulations) and regulated units that meet the income and occupancy requirements reflected below. Approval of all MIP funding allocations will be subject to CalHFA underwriting standards and will be at the sole discretion of CalHFA.

Mixed-Income Program Subsidy Loan Limits

The MIP Loan amount for each project will be based on project need and will be limited to the lesser of the following:

1. $4 million; or
2. $50,000 per MIP-regulated unit. Projects located within the Highest or High Resource areas pursuant to CTCAC regulations, as designated on the CTCAC/HCD Opportunity Area Map, shall be eligible for an additional amount up to $10,000 per MIP-regulated unit; or
3. 50% of the permanent loan amount.

Application

MIP applicants must submit a completed application package which includes all items listed on the application, application addendum, and checklist. Incomplete application packages will not be considered. The application, application addendum and checklist can be found at www.calhfa.ca.gov/multifamily/mixedincome/forms. If the MIP applicant is not able to meet the readiness timeline referenced below, MIP awards may be rescinded and awarded to the next highest ranking project among the current round of MIP applications.

Qualifications

Availability

Available to for-profit, nonprofit, and public agency sponsors. Development teams must meet all the requirements in the Development Team Qualifications section below as well as additional requirements per the Agency's underwriting standards as updated from time to time.

California Housing Finance Agency
500 Capitol Mall Suite 1400, MS-990
Sacramento, CA 95814

Multifamily Programs
(916) 326-8800
MultifamilyLending@calhfa.ca.gov

Last revised: 02/2025

Uses

CalHFA's Tax-Exempt Permanent Loan Program. CalHFA will work with MIP applicants to assess the benefits of utilizing CalHFA's Bond Recycling Program during the project construction and/or permanent loan periods and may require recycled bonds to be included as a source, subject to availability and project financial feasibility.

Financing Structure

Projects accessing the MIP Loans must be structured as both 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 (LIHTC units); and
2. Qualified mixed-income project through income averaging pursuant to Internal Revenue Code Section 42(g)(1)(C).

Project Readiness

MIP applicants must have evidence of site control and they must be prepared to submit for an award of tax-exempt, private activity bond volume cap ("Volume Cap") and 4% tax credits from CDLAC and CTCAC, respectively. Project applicants will only receive funds if Volume Cap is awarded within the 2025 calendar year including available carryforward Volume Cap based upon meeting the issuance timeframes specified in the CDLAC Regulations Section 5100.

- **Site:** The site must be ready for construction. Any potential environmental issues must have been identified, mitigation plans must be in place, and costs associated with the mitigation plan must be incorporated in the development budget. Environmental issues may include, but are not limited to, receipt of clearances for CEQA, NEPA, and applicable tribal land environmental reviews. Pursuant to HUD-Risk Sharing requirements and MIP financing requirements, the MIP applicant 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. The NEPA clearance and HUD's firm approval letter will be required prior to construction loan closing.
- **General Contractor and/or Third-Party Construction Services Engagement:** At the time of application, the MIP applicant must provide evidence that a full-service general contractor ("GC") or third-party construction services company has been engaged to provide construction and project management services including, but not limited to; value engineering, bid/budget services, and constructability review of plans and designs. The proposed construction budget must be based on the general contractor's or third-party construction services company's preliminary bid estimates pursuant to the current plans and designs. CalHFA may require additional construction due diligence items for its Final Commitment underwriting including an indicative draft Schedule of Values (SOV), draft Construction Contract (draft AIA GMP or Stipulated Sum Contracts) and contract provisions for sharing construction cost savings.

- **Disposition and Development Agreement:** The MIP applicant must provide a copy of the locality Disposition and Development Agreement ("DDA"), if applicable. The DDA must be effective and/or must be executed prior to the CalHFA Initial Commitment approval.
- **Tax Credit Financing and Other Financial Commitments:** The MIP applicant is required to provide copies of a binding Letter of Intent ("LOI"), term sheet and/or commitment for all of the financing indicated in the project capital stack for CalHFA's underwriting. CalHFA may request additional due diligence for its underwriting including a draft Limited Partnership Agreement ("LPA") or financial projections for the Tax Credit Investor for the purposes of confirming Limited Partner ("LP") membership; LP fees; Developer fees amount and pay-in schedule; the Tax Credit Equity pay-in Schedule; governmental Residual Receipt lenders and subordination conditions; non-governmental subordinate lenders repayment and lien terms; etc.
- **Construction Start:** All projects must commit to begin construction 180, 201, or 222 days from the earlier of the date of the tax-exempt bond allocation or the 4% federal/state tax credit reservation, unless an extension has been approved by CTCAC, CDLAC, and CalHFA, as applicable. Within the 180-, 201-, or 222-day period (as may be applicable pursuant to CDLAC Regulation Sections 5100(b)(3)(i) and 5230(i) and CTCAC Regulations Section 10325(c)(7)), the following items must be submitted to CalHFA in their final form for the construction close:
  - An executed construction contract.
  - A complete, updated application form with a detailed explanation of any changes, including but not limited to, changes in sources and uses from the initial application.
  - Recorded deeds of trust for all construction financing (unless a project's location on tribal trust land precludes this).
  - Binding commitments for construction and permanent financing, including any sponsor loan and any other financing required to complete project construction.
  - Copy of an LPA executed by the general partner and the LP/equity provider.
  - An updated CTCAC Attachment 16, if applicable.
  - Copies of buildings permits (a grading permit does not suffice to meet this requirement, except if the city or county as a rule does not issue building permits prior to the completion of grading, then 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.
  - Copy of the notice to proceed delivered to the contractor.
  - Other documentation and information required by CalHFA to close construction financing.

Evidence Of Cost Containment

A Cost Containment Certification must be provided at the time of Application and Construction Loan Closing, if applicable. The Cost Containment Certification acceptable to CalHFA may be found on the agency's website.

The MIP applicant must certify within the Cost Containment Certification that cost containment measures have been implemented to minimize construction costs.

These measures should include, but are not limited to:

1. Competitively bidding out of all major subcontractor and self-performing trades; and
2. Engaging a value engineer/consultant during the design process.

Evidence Of Subsidy Efficiency

A Subsidy Efficiency Analysis will be completed a minimum of four times: First, as part of the application review prior to CalHFA's consideration to issue an Initial Commitment Approval; second, prior to CalHFA's consideration to issue a Final Commitment Approval, prior to construction loan closing; third, at final cost certification, and fourth, at the closing of the MIP subordinate loan. The MIP Loan amount may be reduced based on each subsequent analysis. Parameters of the analysis may include, but are not limited to, the following:

- A maximum of 1.20x Debt Service Coverage Ratio ("DSCR") at Year 1 (Initial DSCR). CalHFA may allow an initial DSCR higher than 1.20x on a case-by-case basis, if deemed necessary. The underwriting prior to construction and permanent closing must show an on-going minimum DSCR of 1.15x through the term of the CalHFA permanent first lien loan.
- 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, if applicable.
- The cash flow after debt service shall be 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 three years of project operation.
- Inflation factors and vacancy rates consistent with the Agency's Underwriting Standards.
- Maximum Developer Fee requirements consistent with CTCAC Regulation Section 10327(c)2(B). CalHFA approval of structuring of the Developer Fee paid in cash and from project cash-flow is required in the event of any exceptions to Agency's subsidy loan underwriting standards, including exit analysis and residual receipts requirements, and MIP term sheet requirements.
- Capitalized reserves subject to approval by Agency for reasonableness and consistent with both the Agency's Underwriting Standards and the LPA.
- 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 newly obtained financing, a permanent loan rate reduction or adjustments to residential income and operating expense assumptions.

- Construction Cost Savings funds evidenced by final cost certification shall be used to reduce the MIP Loan prior to CalHFA MIP Loan closing or if required by other subordinate lenders. These funds may be split on a pro rata basis between CalHFA and other subordinate lenders.
- State tax credits (“STC”) maximum requested amount shall be consistent with CTCAC Regulations Section 10317. MIP Loan final commitment shall be subject to evidence of project’s receipt of CDLAC’s preliminary tax-exempt bond allocations and CTCAC’s tax credits reservations within the respective year.
- Acquisition cost shall be the lesser of:
    1. Purchase price pursuant to a current purchase and sales agreement between unrelated parties; or
    2. Purchase price of an arm’s length transaction between unrelated parties executed within the past 10 years plus reasonable carrying costs; or
    3. 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.

In the event that an identified project site is a portion of the purchased parcel, where the purchased parcel is to be subdivided, then CalHFA will require that the appraisal specifically identify the portion of the acquisition cost per square foot, attributable to the residential project site.

Project Application Ranking Qualifications*

CalHFA shall select qualifying projects subject to the Agency’s decision to efficiently allocate the available STC, MIP funding, as determined by the Agency, and Volume Cap from the State-funded Mixed-Income Pool. The prioritization of MIP project application(s) shall follow a ranking calculation method described below:

1. **Project Public Benefit and Efficiency:** MIP project applications shall be initially assigned a ranking number based on the highest amount of public benefit per dollar of the total cost-adjusted amounts of the tax-exempt bond allocation requested from CDLAC, plus the STC allocation requested from CTCAC consistent with CDLAC Regulation Section 5231(g)(1) and 5231(g)(2) (“Project Rank Number”). Next, the Project Rank Number may be adjusted pursuant the below bonus factors, subject to eligibility:
2. **MIP Efficiency Bonus:** The total requested MIP amount as a percentage of the eligible maximum MIP amount per MIP-regulated unit shall be eligible for an adjustment to the original Project Rank Number based on a sliding scale per the below chart:

MIP as % of Eligible Maximum Per Unit	**Adjustment**
<20%	-0.500
20-40%	-0.375
41-60%	-0.250
61%-80%	-0.125
>80%	0.000

3. **New Developer Bonus:** Developers that are new to MIP (requesting MIP funding for the first time) shall be eligible for -1 adjustment to the initial Project Rank Number. Developers that have not received MIP funding awards in the past two years shall be eligible for -0.5 adjustment to the initial Project Rank Number. To be considered a new Developer, the new Developer entity should be able to demonstrate that they have greater than a 51% share in the GP partnership entity and also receive greater than 51% share of the Developer Fee as evidenced by a Partnership or Development Services Agreement or any document acceptable to CalHFA in its sole discretion.
4. **Geographic Distribution Bonus:** Projects located in a city with a population over 1 million, that has not received MIP funding in the prior two years, will be eligible for -1 adjustment to the initial Project Rank Number. Projects located in a city that was damaged by the Palisades Fire, Eaton Fire, and Hurst Fire will also be eligible for a -1 adjustment to the initial Project Rank Number. Projects located in a city with a population over 500,000, and up to 1 million, that has not received MIP funding in the prior two years, will be eligible for -0.5 adjustment to the initial Project Rank Number.

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* *In future years, MIP may be awarded using additional factors, including, but not limited to cost containment or tax credit equity changes, as measured by change in total development cost from initial commitment to construction close.*

Additional Eligibility Criteria

Additionally, eligibility for a MIP award shall be subject to the following criteria:

- **Project Cap:** Per Project MIP funds available will be equal to the lesser of the following:
  - a. Maximum MIP Loan Amount of $4 million per Project application.
  - b. Maximum of $50,000 per MIP-regulated unit for Projects located in Moderate, Low, or Lowest Resource Areas.**
  - c. Maximum of $60,000 per MIP-regulated unit for Projects located in High or Highest Resource Areas.**
  - d. Maximum MIP Loan Amount of no more than 50% of the CalHFA Permanent Loan.
- **Sponsor Cap:** No Sponsor (any individual, entity, affiliate and/or related/affiliated entity) may receive an allocation of MIP funds for more than one Project application for the respective year. Sponsor shall be defined as any individual, entity, affiliate and/or related entities that (i) is or has interest in any general partner entity, including but not limited to the managing, and/or administrative partner, of the MIP applicant, or (ii) is entitled to receive the Developer fee (in whole or in part) as evidenced by the applicable legal documents acceptable to CalHFA. An exception to the Sponsor Cap limit may be considered for up to one additional project for any Sponsor that partners with an Emerging Developer to submit a MIP project application so long as the Emerging Developer (i) is or has a 51% ownership interest in a general partner, managing, and/or administrative partnership entity of the MIP applicant, and (ii) is entitled to receive 51% or more of the Developer Fee as evidenced by the applicable legal documents acceptable to CalHFA. Emerging Developer is defined as any Sponsor which cannot independently meet the MIP Developer/ Co-Developer/General Partner qualifications as outlined below.

- **County Cap:** No county may receive more than 25% of total available MIP funds for the respective year. Due to the emergency caused by wildfires in the area, Los Angeles County is exempt from the County Cap.
- **Age-Restricted Cap:** No more than 25% of total available MIP funds for the respective year may be received by age-restricted Project Applications (units that are restricted to residents who are 55 years of age or older under the applicable provisions of California Civil Code Section 51.3 and the federal Fair Housing Act).
- **Aggregated Exposure Cap:** No Sponsor (any individual, entity, affiliate and/or related/affiliated entity) may receive an allocation of MIP funds if at the time of application they have either of the following: 1) four (4) or more MIP projects from previous rounds that have not yet closed their permanent loans; or 2) $150 million or more in total permanent and MIP loan volume that have not yet closed their permanent loans.

** *Determination of Resources Area types shall be pursuant to CTCAC regulations and designated on the CTCAC/HCD Opportunity Area Map.*

CalHFA Mixed-Income Qualified Construction Lender

A CalHFA Mixed-Income Qualified Construction Lender is defined as a Construction Lender that has closed at least five construction loans using tax-exempt bonds and 4% federal and/or STC in California within the last three years and satisfies the requirements set forth in the Agency's underwriting standards as updated from time to time.

CalHFA Mixed-Income Development Team Qualifications

Below is a list of minimum qualifications and experience requirements for the Development Team. Additional requirements per the Agency's underwriting standards (as updated from time to time) will apply for Initial and Final Commitment underwriting. The Agency may require a review of Development Team credentials and due diligence items provided including: prior experience and track record with CalHFA; performance of existing projects; total exposure and risk to the Agency with respect to subject financing and development pipeline.

- 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 meet all the requirements of the Agency's underwriting standards including but not limited to: must have developed at least three projects which are comparable in their size and complexity to the subject Project, within the past five years or meet the requirements necessary to receive a minimum of seven points under the CDLAC General Partner Experience category pursuant to CDLAC Regulations Section 5230(f).
- **Emerging Developers** who do not meet the Developer/Co-Developer/General Partner requirements mentioned above are encouraged to partner with firms that can provide the required expertise and experience, which may include but is not limited to partnering with another development firm and/or third-party financial

partner acceptable to CalHFA ("Experienced Partner"). Experienced Partner must be acceptable to CalHFA and must meet the requirements per Agency's underwriting standards.

- The proposed **Project/Construction Manager** must, at the minimum, have personally managed the development of at least two projects which are comparable in their size and complexity to the subject Project, within the past five years in California.
- **Financial Consultants** hired to assist the Developer in meeting the minimum experience requirements must be able to provide details regarding at least three projects which have financing comparable in their size, financing and complexity to the subject Project over the last five years in California.
- **Architects** new to CalHFA must provide information for three projects they designed which are comparable in their size, design and complexity to the subject Project, which were built and occupied within the past five years in California.
- **General Contractor** must be licensed by the State of California. GCs new to CalHFA must provide information related to three projects comparable in size, design and complexity to the subject Project, built in the past five years. The GC must provide resumes of the principals, key staff, and the proposed on-site construction supervisor and provide evidence that they are familiar with federal, state, and locality building code requirements for comparable projects.
- **Tax Credit Investors** must have closed/executed at least five LPAs for a deal structure which is comparable to the subject Project using tax-exempt bonds and 4% federal and/or STC in California within the last three years.
- **Management Company** must have a local presence or a field office in Northern or Southern California (depending on the location of the Project) and have experience managing at least 10 low- to moderate-income, rent-restricted projects which are comparable in size and tenant types to the subject Project. Also required is a resume for the proposed on-site Property Manager, reflecting prior experience during the past five years managing onsite project operations and compliance with rent-restricted units or meet the requirements necessary to receive a minimum of three points under the CDLAC Management Company Experience category pursuant to CDLAC Regulations Section 5230(f).

Permanent First Lien Loan

All project applications approved for a MIP subsidy loan must utilize CalHFA's Permanent Loan Program, which includes the requirement that the underwriting prior to construction and permanent loan closing shows a minimum 1.15x initial debt service coverage ratio (including any financing with amortizing debt) for the term of the permanent loan. CalHFA may require the initial DSCR to be higher than the minimum 1.15x if deemed necessary to meet the Agency's underwriting standards and credit risk assessment.

Any project application that contemplates a ground lease must accommodate CalHFA's requirement that the first lien permanent loan shall be secured against both the fee and leasehold interests in the Property. The ground lease term must exceed any CalHFA subsidy or permanent loan term(s) by 10 years or more. The term of the ground lease must be equal to or longer than the term of the CalHFA Regulatory Agreement(s).

Construction First Lien Loan

All project applications receiving a MIP loan must use a Construction Loan provided by a CalHFA Mixed-Income Qualified Construction Lender and pursuant to the CalHFA Conduit Bond Issuer Program. All parties shall permit the Agency to recycle all, or a portion, of any 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 ("Bond Recycling"). The bond documents, loan documents and any other documents related to the financing of the Project shall contain any necessary approvals and permit all actions necessary to accomplish a Bond Recycling.

Limitations

- MIP cannot be combined with the CTCAC 9% program.
- MIP cannot be combined with other state subordinate debt and/or subsidy programs (this does not include STC) except the Infill Infrastructure Grant ("IIG"), Affordable Housing and Sustainable Communities ("AHSC") and Transit Oriented Development ("TOD") housing programs. Inclusion of these programs is contingent upon restrictions that are compatible with the MIP program requirements outlined herein.
- Inclusion of other debt and subsidy may be considered on a case-by-case basis in CalHFA's sole discretion so long as any restrictions of subordinate debt or subsidy are compatible with MIP program requirements outlined herein.
- Projects that have a below market rate component or are entirely restricted at below market rents because of an inclusionary obligation must demonstrate master developer commitment through a dollar-for-dollar match of CalHFA's subsidy resources. Match can be obtained through a monetary match or equivalent in-kind contributions (e.g., land donation, land use fee concessions.)
- At the time of MIP application, a project must not have already received an allocation of 4% federal and/or STC from CTCAC or a Volume Cap allocation from CDLAC.
- At the time of MIP application, the CTCAC aggregate basis percentage may not be less than 52% or exceed 55%.
- Projects will not be eligible for other subsidy resources from CalHFA in addition to a MIP Loan.

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 this case, CDLAC and CalHFA require a minimum of 10% of the total unit types must be at 50% or less of AMI (i.e., 30% @ 60% AMI; 10% @ 50% AMI).

Mixed-Income Program Regulatory Agreement Requirements (All Projects)

To qualify, a project must meet the following affordability restrictions, which are based on the HUD and locality (as applicable) income and rent limits which are current at the time of MIP application, for a term of 55 years:

- 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, i.e., (10% @ 30% of AMI and 20% @ 50% of AMI); and
- 10% of total units between 60% and 80% of AMI with an average of 70% of AMI or greater, subject to the Maximum Allowable Rents outlined below; and
- Remaining units at or below 120% of AMI (with the exception of any nonrestricted manager's unit(s)); and
- The minimum range between the lowest and highest occupancy target levels must be at least 40%.

(Deviations from the above requirements will only be considered if a current market study and/or appraisal report(s) support such deviations.)

The maximum average affordability is no greater than 60% of AMI and the unit restrictions evenly distributed across all CTCAC-restricted units.

Maximum Allowable Rents

Rents for all restricted units must be underwritten at the lesser of either:

1. The CTCAC or locality maximum rents (whichever is applicable) based on the target occupancy; or
2. 10% below market rents, as evidenced by a current market study and/or appraisal, for the MIP affordability term.

This threshold will be analyzed at time of application and again at CalHFA's final commitment approval and may be monitored on an ongoing basis for the MIP affordability term. The report shall be current within 180 days of Agency's final commitment and may be subject to a new or updated report if the appraisal was completed more than 180 days prior to construction and/or permanent loan closing, in the Agency's sole discretion.

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 not to exceed 30% of the applicable income restriction (target occupancy) required in the Agency's Regulatory Agreements and shall be at least 10% below market rents.

Mixed-Income Subordinate Loan Rates & Terms

- **Interest Rate:** 3% simple interest. A higher simple interest rate may be used at time of MIP Loan closing in the event the true debt test is at risk for tax credit purposes.
- **Loan Term:** The MIP Loan term shall be coterminous with the CalHFA permanent first lien loan and is due upon prepayment of the CalHFA permanent first lien loan.
- **Lien Position:** MIP Loan shall be in second lien position, after the CalHFA permanent first lien loan.
- **Loan Payment:** "Surplus cash" is determined as net operating income minus total debt service on CalHFA loans and other Agency approved payments. Surplus cash distributions shall permit 50% to Borrower and 50% shall be paid pro rata as "Residual Receipts" between CalHFA and other governmental residual receipt lenders only. Surplus cash distributions greater than 50% to Borrower are permitted to comply with LIHTC investor requirements, subject to CalHFA's approval, but only for the term of the tax credit compliance period. Payments shall be applied to the current and/or accrued interest and then principal of the MIP Loan. Residual Receipts may be shared with "non-governmental" lenders providing subordinate financing; however, the terms of payment and subordination are subject to CalHFA's sole discretion and approval.
- **Affordability Term:** 55 years.
- **Prepayment:** The MIP Loan may be prepaid at any time without penalty.
- **Funded:** Only at permanent loan conversion.

CalHFA Conduit Issuer & Bond Recycling Programs (subject to change)

For more information on conduit issuer and bond recycling rates and terms, refer to CalHFA's Conduit Issuer Program and Bond Recycling Program term sheets.

CalHFA Permanent First Lien Rates & Terms (subject to change)

For more information on permanent first lien rates and terms, refer to CalHFA's Tax-Exempt Permanent Loan Program term sheet.

Fees (subject to change)

- **Loan Fee:** 1.00% of the loan amount (50% due at final commitment and 50% due at MIP Loan closing).
- **Conduit Issuer Program Fees:** Refer to CalHFA Conduit Issuer Program term sheet.
- **CDLAC Fees:** Refer to CDLAC regulations for all applicable fees.
- **Other Fees:** Refer to CalHFA Tax-Exempt Permanent Loan Program term sheet for first mortgage loan fees, credit enhancements, trustee fees, legal fees, inspection fees, administrative fees. ■

Multifamily Housing Bonds

Conduit Issuer Program

Term sheet effective for applications submitted after January 1, 2023

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 the CalHFA website for the CalHFA Portfolio Loan Prepayment Policy.

Bond Amount

Bond amounts are determined by the loan amount of the lender.

Fees *(subject to change)*

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

Issuer Fee:

1. The greater of $15,000 or 18.75 basis points (BPs) of the Bond amount if lesser than or equal to $20 million.
2. If more than $20 million: $37,500 + 5 BPs for the amount above $20 million.
3. Supplemental bonds issued after the initial Bond closing will be assessed an additional issuer fee which will be calculated for the supplemental bond issuance amount under the applicable fee structure above."

Annual Monitoring 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 Monitoring Fee shall be $4,000 through both the Qualified Project Period and the CDLAC compliance period.

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

For supplemental bonds issued after the initial Bond closing, the monitoring fee will be prorated from the date of the supplemental issuance until the due date for the annual monitoring fee for the original Bond issuance. Afterward, the annual monitoring fee will be calculated as described above, based on the total amount of Bonds issued for the project.

CalHFA℠

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If used in conjunction with a CalHFA permanent loan product, the annual monitoring fee will not be duplicated. Please refer to the applicable permanent loan term sheet for the annual monitoring fee.

Public Sale & Bond Purchase Agreements: Additional fee of $5,000 to $10,000 applies when Bonds are sold to the public or when the bond transaction includes a Bond Purchase Agreement (California State Treasurer's Office, Public Finance Division fee).

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, is due to CalHFA within 20 calendar days after award of CDLAC allocation. 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.

Occupancy Requirements

- Projects must follow 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 (i.e., 30% @ 60% AMI; 10% @ 50% AMI).
- 501(c)3 bond restrictions require 75% of the total units to be restricted at 80% or less of AMI and either option A or B above, which will be a portion of the 75% of total restricted units.
- 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.