

**CalHFA MULTIFAMILY PROGRAMS DIVISION**

**Final Commitment Staff Report & Request for Tax-Exempt and Taxable Conduit Issuance and Loan Approval of Tax-Exempt Permanent Take-Out Loan, and Mixed Income Program Subsidy Financing Senior Loan Committee “Approval”: June 16, 2020 for Board Meeting on: July 9, 2020**

Project Name, County:	Fancher Creek Senior Apartments		
Address:	Northeast Corner E. Tulare Ave, East of N. Argyle Ave, Fresno, Fresno County		
CalHFA Project Number:	19-076-A/X/N		
Requested Financing by Loan Program:	\$18,526,332	Tax-Exempt Bond – Conduit Issuance Amount	
	\$3,163,675	Taxable Bond – Conduit Issuance Amount	
	\$10,459,902	Tax-exempt Permanent Loan – CalHFA	
	\$4,500,000	Subsidy GAP Loan funded by MIP funds – CalHFA	

**DEVELOPMENT/PROJECT TEAM**

<b>Developer:</b>	Dominus Consortium, LLC	<b>Borrower:</b>	FCTC Senior, LP
<b>Construction Lender:</b>	Bank of the West	<b>Equity Investor:</b>	Red Stone Equity Partners
<b>Permanent Lender:</b>	CalHFA	<b>Management Company:</b>	GSF Properties, Inc.
<b>Loan Officer:</b>	Steve Beckman	<b>Loan Specialist:</b>	Kevin Brown
<b>Asset Manager:</b>	Jessica Doan	<b>Loan Administration:</b>	Bahiyah Hillary
<b>Legal (Internal):</b>	Torin Heenan	<b>Legal (External):</b>	Orrick Herrington Sutcliffe
<b>Concept Meeting Date:</b>	TBD	<b>Approval Expiration Date:</b>	6 months from Approval

**CALHFA LOAN TERMS**

1.		CONDUIT ISSUANCE	PERMANENT LOAN	MIP (GAP) LOAN
	<b>Total Loan Amount</b>	\$18,500,000 (T/E) \$3,163,675 (T)	\$10,459,902 (T/E)	\$4,500,000
	<b>Loan Term &amp; Lien Position</b>	24 months- interest only; 1 <sup>st</sup> Lien Position during construction. 1 six-month extension option. Fee is 0.75% of full commitment amount.	35 years due in 17 1 <sup>st</sup> Lien Position	17 year - Residual Receipts; 2 <sup>nd</sup> Lien Position after permanent loan conversion
	<b>Interest Rate</b>	Tax – Exempt is underwritten at LIBOR + 2.00% (T/E) or 2.5% (T) + 1.25% for interest reserve underwriting. 4.25% (T/E) 5.42% (Taxable)	15-year MMD + estimated spread of 2.87% (with a 30-month forward) Underwritten at 4.60% including a 0.47% cushion	2.75% Simple Interest
	<b>Loan to Value (LTV)</b>	97% of investment Value	85% of Stabilized Restricted Value	N/A

<b>Loan to Cost</b>	67%	38%	N/A
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**ANTICIPATED PROJECT MILESTONES & SCHEDULE**

<b>2.</b>	CDLAC/TCAC Closing Deadline:	9/14/2020	Est. Construction Loan Closing:	8/2020
	Estimated Construction Start:	8/2020	Est. Construction Completion:	5/2022
	Estimated Stabilization and Conversion to Perm Loan(s):	8/2022		

**SOURCES OF FUNDS**

<b>3.</b>	<b>Construction Period Financing</b>			
	<b>SOURCE</b>	<b>AMOUNT</b>	<b>LIEN POSITION</b>	<b>DEBT TYPE</b>
	Bank of the West Construction Loan (T/E)	\$18,500,000	1	Interest Only
	Bank of the West Construction Loan (T)	3,163,675	1	Interest Only
	City of Fresno CDBG	\$2,259,784	2	Residual Receipt
	City of Fresno HOME	\$1,420,500	3	Residual Receipt
	Tax Credit Equity	\$2,652,319	N/A	N/A
	<b>TOTAL</b>	<b>\$27,996,278</b>	<b>\$155,535</b>	<b>Per Unit</b>
	<b>Permanent Financing</b>			
	<b>SOURCE</b>	<b>AMOUNT</b>	<b>LIEN POSITION</b>	<b>DEBT TYPE</b>
	CalHFA Permanent Loan	\$10,459,902	1	35/17, Balloon
	CalHFA MIP Loan	\$4,500,000	2	Residual Receipt Loan
	City of Fresno CDBG	\$2,259,784	3	Residual Receipt Loan
	City of Fresno HOME	\$1,420,500	4	Residual Receipt Loan
	Tax Credit Equity	\$12,868,205	N/A	N/A
	Deferred Developer Fee	\$885,437	N/A	Payable from Cash Flow
	<b>TOTAL DEVELOPMENT COST:</b>	<b>\$32,393,828</b>	<b>\$179,965</b>	<b>Per Unit</b>
	<b>Subsidy Efficiency:</b> CalHFA MIP \$4,500,000 (\$25,281 per MIP restricted units).			
	<b>Tax Credit Type(s), Amount(s), Pricing(s), and per TCAC restricted units:</b>			
	<ul style="list-style-type: none"> <li>• 4% Federal Tax Credits: \$9,229,819 assuming estimated pricing of \$0.90 (\$51,277 per TCAC restricted units).</li> <li>• 4% State Tax Credits: \$5,773,886 assuming estimated pricing of \$0.79 (\$32,077 per TCAC restricted units).</li> </ul>			
<b>Rental Subsidies:</b> The Project will not include any operating or rental subsidies.				
<b>Other State Subsidies:</b> The Project will not be funded by other state funds.				
<b>Other Locality Subsidies:</b> The Project will be funded by the City of Fresno HOME in the amount of \$1,420,500 and CDBG in the amount of \$2,259,784.				
<b>Cost Containment Strategy:</b>				
The Fancher Creek Seniors project is projecting hard cost of \$98,636 per unit which is one of the most cost-efficient projects compared to similar projects in California. The developer is aware that CalHFA will require the developer to provide a cost containment certification that is acceptable to the Agency. The developer has already bid out the project				

	but agrees to revisit the bids from major subs and to engage in value engineering should this be deemed necessary to keep the construction budget at the level projected.
4.	Equity – Cash Out (estimate): Not applicable.

**TRANSACTION SUMMARY**

5.	<b>Legislative Districts</b>	<b>Congress:</b>	#21 TJ Cox	<b>Assembly:</b>	#31 Joaquin Arambula	<b>State Senate:</b>	#8 Andreas Borgeas
	<b>Brief Project Description</b>	<p><b>Fancher Creek Senior Apartments</b> (the “Project”) is a senior (62+), new construction project, consisting of two 3-story, garden-style, elevator serviced buildings and one community building. There will be 180 total units, of which 178 will be restricted between 50% and 70% AMI. Units will include 144 1-bedroom units (545 SF) and 36 2-bedroom units (846 SF). Two of the 2-bedroom units will be reserved for on-site property managers. The property is not in a State or Federal disaster area.</p> <p><b>Financing Structure:</b> The Project’s financing structure includes tax-exempt bonds, 4% federal tax credits, 4% state tax credits, City of Fresno HOME &amp; CDBG, a CalHFA permanent loan, and MIP financing. The project qualifies as Mixed-Income pursuant to income averaging and TCAC regulations.</p> <p><b>Tax Credits and/or CDLAC Status:</b> The developer has applied for and received CDLAC bond allocation and TCAC 4% federal and state tax credits reservations on April 14, 2020. As a matter of background, the developer previously applied for 9% tax credits and State tax credits, and to CalHFA for permanent and subsidy financing but did not receive the State tax credits; thus, the project did not work. The 9% tax credits were returned and the CalHFA loan application was withdrawn.</p> <p><b>Ground Lease:</b> Not applicable.</p> <p><b>Amenities:</b> The Project amenities will include a community room, exercise room, central laundry facilities, and common space for café, library, and other social uses. Unit amenities will include central heating and air conditioning, blinds, dishwasher, garbage disposal, microwave, and patios/balconies.</p>					

**TRANSACTION OVERVIEW**

6.	<b>Proposal and Project Strengths</b>
	<ul style="list-style-type: none"> <li>• The Project anticipates receiving 4% tax credits which is projected to generate equity representing 41% of total financing sources.</li> <li>• The Project will serve low-income seniors ranging between 50% to 70% of AMI. The proposed rents are 148-16% below market rate rents.</li> <li>• There is significant current demand for the Project in the Primary Market Area (PMA), the senior population is expected to increase every year through 2024, and vacancies for both the affordable and market rate senior apartment projects in the PMA is 1%.</li> <li>• The Loan-to-Value will be 85%, which meets the Agency’s minimum requirements, providing less risk to the Agency.</li> <li>• The locality has invested in the success of the Project as demonstrated by a \$2,259,784 City of Fresno CDBG loan, and a \$1,420,500 City of Fresno HOME loan.</li> <li>• The developer is providing a personal guaranty to the City of Fresno for the construction, completion and occupancy of the project as set forth in the HOME agreement.</li> </ul>

	<ul style="list-style-type: none"> <li>The projected portion of the developer's fee that will be collected at or prior to permanent loan conversion is \$2,517,563, which could be available to cover cost overruns and/or unforeseen issues during construction</li> </ul>
<b>7.</b>	<b>Project Weaknesses with Mitigants:</b>
	<ul style="list-style-type: none"> <li>In accordance to the market study dated December 4, 2019 by Kinetic Valuation Group, Inc, the Project only supports the market rent at 84-86% of AMI, therefore the Project rents are underwritten at 50-70% of AMI.</li> <li>The exit analysis assumes an 8% cap rate and a 3% increase of the underwriting interest rate at loan maturity. Based on these assumptions, the Project will have the ability to fully repay the balance of Agency's permanent loan but is able to repay a \$1,579,702 portion of the Agency's subsidy MIP loan, leaving an outstanding balance of \$4,108,535. This is as expected by CalHFA given the requirement that the MIP loan be co-terminus with the permanent first mortgage. The primary source of repayment for both the first mortgage and the MIP subsidy loan is refinance of the project first mortgage. To the extent such a refinance is insufficient to fully repay the MIP loan, it is contemplated that any remaining balance will be paid from a general partner contribution as part of the final close out of partnership obligations to allow re-syndication.</li> </ul>
<b>8.</b>	<b>Underwriting Standards or Term Sheet Variations</b>
	None.
<b>9.</b>	<b>Project Specific Conditions of Approval</b>
	<p>Approval is conditioned upon:</p> <ul style="list-style-type: none"> <li>Subject to a final appraisal acceptable to CalHFA.</li> <li>Subject to subordination of the City of Fresno HOME and CDBG loans to the CalHFA MIP and Bond Regulatory Agreement.</li> <li>CalHFA requires that MIP affordability covenants be recorded in first position.</li> <li>The MIP loan amount is capped at \$4,500,000 and shall not be increased.</li> <li>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</li> <li>CalHFA will require the developer to provide a cost containment certification that is acceptable to the Agency.</li> <li>The Project must meet the readiness requirements within 180 days from TCAC/CDLAC allocation.</li> <li>Closing on construction financing will be subject to final LPA being substantially consistent to the assumptions made at time of final commitment and that it is acceptable to CalHFA.</li> <li>The CalHFA subsidy will be, in the Agency's sole discretion, the lesser of 1) the principal amount as state on hereto or 2) an amount as determined by the Agency in the event the financial assumptions change prior to construction loan closing. For instance, if the permanent loan interest rate decreased, then the subsidy may be reduced due to additional debt generated by the lower interest rate. An increase of the subsidy loan will not be allowed and will be subject to Agency's approval.</li> <li>CalHFA will require an independent review of the costs by a 3<sup>rd</sup> Party consultant prior to construction loan closing.</li> <li>The total deferred developer's fee of \$121,625 will not be fully repaid by year 15 per project cashflow, therefore the owner must provide evidence of investor of the total deferred developer's fee structure.</li> </ul>
<b>10.</b>	<b>Staff Conclusion/Recommendation:</b>
	The Multifamily Lending Division supports approval of the described financing in the amount(s) requested, subject to the above proposed terms and conditions.

**MISSION & AFFORDABILITY**

<b>11.</b>	<b>CalHFA Mission/Goals</b>
	This Project and financing proposal provide 178 units of affordable housing with a range of restricted rents between 50% AMI and 70% of AMI which will support much needed rental housing that will remain affordable for 55 years.

**12. CalHFA Affordability & Occupancy Restrictions**

The CalHFA Bond and Permanent Loan Regulatory Agreements will restrict a minimum of 40% of the total units at or below 60% AMI with 10% of these units at 50% of AMI for 55 year(s).

The CalHFA MIP Subsidy Regulatory Agreement will restrict 10% of total (18) units at or below 50% of AMI and 10% of total (18) units between 60% to 80% of AMI with average of 70% AMI or greater. The remaining 142 of restricted units will be restricted at or below 120% of AMI.

The affordability restrictions for the Mixed Income Program require at least 10% of the units be restricted to 81% to 120% of AMI, with an average of 100% of AMI, if supported by a market study. However, per a market study dated December 4, 2019 the Project can only support rents at a maximum of 70% AMI and still comply with the requirement that rents be 10% below market. Therefore, this project will comply with affordability requirement of 10% between 60% to 80% of AMI with an average of 70% of AMI. The rents for the 60% to 80% tranche will be determined by the minimum income restriction of 70% of AMI.

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

- The City of Fresno HOME will restrict 3 units at or below 50% AMI at initial occupancy and 8 units at or below 80% AMI for a total of 11 income-restricted units for a term of 55 years. Units are floating.
- The City of Fresno CDBG will restrict 92 units at or below 65% of AMI for a term of 55 years.

Restrictions @ AMI	Total	1-bdrm	2-bdrm	% of Total
50%	54	43	11	30.0%
60%	106	87	19	58.9%
70%	18	14	4	10.0%
Manager's Unit	2		2	1.1%
<b>Total</b>	<b>180</b>	<b>144</b>	<b>36</b>	<b>98.9%</b>

Regulatory Source	Lien Priority if Recorded Document	Term of Agrmt (years)	50%	60%	70%	80%	<=120%	Total Restricted Units
CalHFA Perm	1st	55	18	54				72
CalHFA MIP	2nd	55	18		18*		142	178
City Fresno HOME	4th	55	3			8		11
City Fresno CDBG	3rd	55		92				92
TCAC		55	54	106	18			

\*Note: For MIP purposes, 10% (18 units) will be restricted at or below 50% of AMI, 10% (18 units) will be restricted between 60% to 80% of AMI, and the remaining 80% (142) units will be restricted at or below 120% of AMI. The rents for the 60% to 80% tranche will be determined by the minimum income restriction of 70% of AMI.

**13. Geocoder Information**

Central City:	Yes	Underserved:	No
Low/Mod Census Tract:	Moderate	Below Poverty line:	28.46%
Minority Census Tract:	72.57%	Rural Area:	No
TCAC Opportunity Area:	Highest Resource		

**FINANCIAL ANALYSIS SUMMARY**

<b>14.</b>	<b>Capitalized Reserves:</b>			
	<b>Replacement Reserves (RR):</b>	N/A		
	<b>Operating Expense Reserve (OER):</b>	\$704,879	OER amount is size based on 6 operating expenses, debt service, and annual replacement reserves deposits. Any release of funds that results in a balance below \$660,214 requires consent from Red Stone.	
	<b>Transitional Operating Reserve (TOR):</b>	N/A		
<b>15.</b>	<b>Cash Flow Analysis</b>			
	<b>1<sup>st</sup> Year DSCR:</b>	1.16	<b>Project-Based Subsidy Term:</b>	N/A
	<b>End Year DSCR (Y17):</b>	1.49	<b>Annual Replacement Reserve Per Unit:</b>	\$300/unit
	<b>Residential Vacancy Rate:</b>	5%	<b>Rental Income Inflation Rate:</b>	2.50%
	<b>Subsidy Vacancy Rate:</b>	N/A	<b>Subsidy Income Inflation Rate:</b>	N/A
	<b>Non-residential Vacancy Rate:</b>	N/A	<b>Project Expenses Inflation Rate:</b>	3.50%
			<b>Property Tax Inflation Rate:</b>	1.25%
<b>16.</b>	<b>Loan Security</b>			
	<ul style="list-style-type: none"> <li>The CalHFA loan(s) will be secured against the above described Project site.</li> </ul>			
<b>17.</b>	<b>Balloon Exit Analysis</b>		<b>Applicable:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
	<ul style="list-style-type: none"> <li>The exit analysis assumes an 8% cap rate and a 3% increase of the underwriting interest rate at loan maturity. Based on these assumptions, the Project will have the ability to fully repay the balance of Agency’s permanent loan but is able to repay a \$1,579,702 portion of the Agency’s subsidy MIP loan, leaving an outstanding balance of \$4,108,535. This is as expected by CalHFA given the requirement that the MIP loan be co-terminus with the permanent first mortgage. The primary source of repayment for both the first mortgage and the MIP subsidy loan is refinance of the project first mortgage. To the extent such a refinance is insufficient to fully repay the MIP loan, it is contemplated that any remaining balance will be paid from a general partner contribution as part of the final close out of partnership obligations to allow re-syndication.</li> </ul>			

**APPRAISAL AND MARKET ANALYSIS**

<b>18.</b>	<b>Appraisal Review</b>			
	<ul style="list-style-type: none"> <li>The Appraisal dated June 5, 2020, prepared by Cressner &amp; Associates, values the land at \$3,000,000.</li> <li>The capitalization rate of 6.00% was used to determine the appraised value of the subject site.</li> <li>The as-restricted stabilized value is \$12,310,000, which results in the Agency’s loan(s) to value of 85%.</li> <li>There is sufficient market demand to support stabilized occupancy of the project at 97%. The project will need to capture between 3% and 23% of eligible income- and age-restricted households across unit types.</li> <li>The project’s operating expenses while low, is slightly higher (13%) than the expense comparable in the appraisal.</li> <li>The City of Fresno had a population of approximately 530,829 in 2019 and is expected to grow by approximately 4% from 2019 to 2024.</li> <li>The unemployment rate for Fresno was 15.5% in April 2020, an increase from 7.2% in March a result of the major downturn in the local economy as a result of job losses due to COVID-19. In 2019, the average unemployment rate was approximately 5.7%.</li> </ul>			

<ul style="list-style-type: none"> <li>By 2024 the population at 55+ years of age within a 1-mile radius of the project is expected to increase 5% to 2,647. This is one of the fastest growing segments of the population in the area. However, the appraisal made further adjustments to address renter demand of those at 62 years and above for the subject site.</li> </ul>		
	<b>Market Study:</b> Kinetic Valuation Group	Dated: 12/4/2019 Effective Date: 11/26/2019
<p><b><u>Regional Market Overview</u></b></p> <ul style="list-style-type: none"> <li>The Primary Market Area is part of the City of Fresno, east of highways CA 99 and 41. The population of the PMA as of 2019 was 197,415. The Secondary Market Area (“SMA”) is Fresno County. Its population as of 2019 was 1,004,546</li> <li>The PMA reflects a slightly higher rate of violent crime than the statewide average (5.51 vs 4.49 incidents per 1,000 residents, 22.7% higher) as well as an elevated rate of property crime (47.4 vs 25.0 incidents per 1,000 residents, 89.6% higher). The market study concludes that crime is not expected to impede the marketing of the Project.</li> <li>The Project can only support rents at a maximum of 70% AMI and still comply with the requirement that rents be 10% below market.</li> </ul>		
<p><b><u>Local Market Area Analysis</u></b></p> <ul style="list-style-type: none"> <li><b>Supply:</b> <ul style="list-style-type: none"> <li>There are currently four affordable projects in the PMA, including only one other age-restricted property. All are fully occupied (vacancy &lt;1%) with waiting lists ranging from 15 to over 250 households. The waiting list at the one LIHTC senior property in the PMA is 5 years long.</li> <li>The market study identified only one other upcoming LIHTC reservation in the PMA; the Housing Authority has a planned project that is believed to be designated for a population with special needs.</li> </ul> </li> <li><b>Demand/Absorption:</b> <ul style="list-style-type: none"> <li>The affordable units are anticipated to lease up at a rate of 30-36 units per month and reach stabilized occupancy within 5-6 months of opening, assuming marketing and pre-leasing activities begin three months prior to completion.</li> </ul> </li> </ul>		

**DEVELOPMENT SUMMARY**

<b>19.</b>	<b>Site Description</b>	<b>Requires Flood Insurance:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<ul style="list-style-type: none"> <li>The property is located on the north east corner of Marion Avenue and Fancher Creek Drive, in the City of Fresno, Fresno County.</li> <li>The site is currently vacant, with level topography at street grade, measuring approximately two (2) acres and is generally rectangular in shape.</li> <li>The site consists of 5 contiguous parcels within the Fancher Creek Master Plan Community that will be merged prior to start of construction.</li> <li>The site is zoned CR+OS/AE/cz, with permitted multifamily residential use.</li> <li>The subject is located in Flood Zone X (area of minimum flood hazard). Zone X is the area determined to be outside the 500-year flood and protected by levee from 100-year flood, therefore the Project will not be subject to flood insurance.</li> </ul>		
<b>20.</b>	<b>Form of Site Control &amp; Expiration Date</b>	
<p>The site was conveyed between related parties, from Fancher Creek Properties, LLC to the current owner and project owner, FCTC Senior, LP, on April 18, 2019 in the amount of \$2.26M The transaction conforms to the USRM’s acquisition provisions because the sale price was less than the appraised value and the seller (Fancher Creek Properties, LLC) purchased the site more than 10 years ago.</p> <p>The site is governed by a development agreement executed by the City of Fresno and Fancher Creek Properties, LLC dated July 21, 2010 (and extends for 20 years) and a Declaration of Restrictive Covenants for the Developer and Operation of Housing recorded on February 2, 2016.</p>		

<b>21.</b>	<b>Current Ownership Entity of Record</b>
Title is currently vested in FCTC Senior, LP as the fee owner.	
<b>22.</b>	<b>Environmental Review Findings</b>
<ul style="list-style-type: none"> <li>A Phase I Environmental Site Assessment performed by Technicon Engineering Services, Inc., dated May 8, 2020 revealed no evidence of recognized environmental conditions, so no additional investigation was recommended.</li> </ul>	
<b>23.</b>	<b>Seismic</b> Requires Earthquake Insurance: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<ul style="list-style-type: none"> <li>This new Project will be built to State and City of Fresno Building Codes so no seismic review is required.</li> </ul>	
<b>24.</b>	<b>Relocation</b> Requires Relocation: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> Not Applicable
<ul style="list-style-type: none"> <li>The Project is new construction; therefore, relocation is not applicable.</li> </ul>	

**PROJECT DETAILS**

<b>25.</b>	<b>Residential Areas:</b>												
	<table border="1"> <tr> <td><b>Residential Square Footage:</b></td> <td>94,243</td> <td><b>Residential Units per Acre:</b></td> <td>90</td> </tr> <tr> <td><b>Community Area Sq. Ftg:</b></td> <td>4,000</td> <td><b>Total Parking Spaces:</b></td> <td>180 (off-site)</td> </tr> <tr> <td><b>Supportive Service Areas:</b></td> <td>N/A</td> <td><b>Total Building Sq. Footage:</b></td> <td>139,761</td> </tr> </table>	<b>Residential Square Footage:</b>	94,243	<b>Residential Units per Acre:</b>	90	<b>Community Area Sq. Ftg:</b>	4,000	<b>Total Parking Spaces:</b>	180 (off-site)	<b>Supportive Service Areas:</b>	N/A	<b>Total Building Sq. Footage:</b>	139,761
<b>Residential Square Footage:</b>	94,243	<b>Residential Units per Acre:</b>	90										
<b>Community Area Sq. Ftg:</b>	4,000	<b>Total Parking Spaces:</b>	180 (off-site)										
<b>Supportive Service Areas:</b>	N/A	<b>Total Building Sq. Footage:</b>	139,761										
<b>26.</b>	<b>Mixed-Use Project:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No												
	<table border="1"> <tr> <td><b>Non-Residential Sq. Footage:</b></td> <td>N/A</td> <td><b>Number of Lease Spaces:</b></td> <td>N/A</td> </tr> <tr> <td><b>Master Lease:</b></td> <td><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</td> <td><b>Number of Parking Spaces:</b></td> <td>N/A</td> </tr> </table>	<b>Non-Residential Sq. Footage:</b>	N/A	<b>Number of Lease Spaces:</b>	N/A	<b>Master Lease:</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<b>Number of Parking Spaces:</b>	N/A				
<b>Non-Residential Sq. Footage:</b>	N/A	<b>Number of Lease Spaces:</b>	N/A										
<b>Master Lease:</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<b>Number of Parking Spaces:</b>	N/A										
<b>27.</b>	<b>Construction Type:</b>												
	New construction consisting of 3 connecting buildings, 2 residential connecting to 1 central community building that includes an on-site rental office. The residential buildings will be 3-stories and serviced by an elevator. The central building will be 1-story. Exteriors will be standard stucco and the roof will have Spanish tiles. Parking will be provided by an off-site parking podium across from the development with spaces on the second floor dedicated to the project. The parking podium is owned by another entity and the podium was constructed to primarily provide free parking to future tenants as well as users of a future phase II development next to the project.												
<b>28.</b>	<b>Construction/Rehab Scope</b> Requires Demolition: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No												
<ul style="list-style-type: none"> <li>The subject site is new construction.</li> </ul>													
<b>29.</b>	<b>Construction Budget Comments:</b>												
<ul style="list-style-type: none"> <li>CalHFA will require an independent review of the costs by a 3<sup>rd</sup> Party consultant prior to construction loan closing.</li> </ul>													

**ADDITIONAL DEVELOPMENT/ PROJECT TEAM INFORMATION**

<b>30.</b>	<b>Borrower Affiliated Entities</b>
<ul style="list-style-type: none"> <li>Managing General Partner: Community Revitalization and Development Corporation (CRDC), a California nonprofit public benefit corporation; 0.0044% interest                         <ul style="list-style-type: none"> <li>Sole Member: CRDC, a California nonprofit public benefit corporation</li> </ul> </li> <li>Administrative General Partner: Dominus Consortium, LLC, a California limited liability company; 0.0046% interest                         <ul style="list-style-type: none"> <li>Member: ESSAYONS, A LIMITED PARTNERSHIP, a California limited partnership, 50% interest                                 <ul style="list-style-type: none"> <li>General Partner: PENTORI, a California corporation</li> </ul> </li> </ul> </li> </ul>	



<ul style="list-style-type: none"> <li>○ Member: NEGOCIOS DE FAMILIA, LLC, a California limited liability company, 50% interest                             <ul style="list-style-type: none"> <li>▪ Manager: LANCE-KASHIAN &amp; COMPANY, a California corporation</li> </ul> </li> </ul> Investor Limited Partner: RSEP Holding, LLC, or its designee; 99.99% interest Special Limited Partner: Red Stone Equity Manager, LLC, or its designee; 0.001%	
<b>31.</b>	<b>Developer/Sponsor</b>
<p>Dominus Consortium (“AGP”) and Community Revitalization and Development Corporation (CRDC) (“MGP”) together serve as the GP of this project.</p> <p>CRDC has extensive experience developing affordable housing through mixed-financing including LIHTC. They have developed or assisted in the development of over 4,000 affordable housing units. They served as general partner on 5 LIHTC projects between 2003 to 2008, totaling 711 units. CalHFA has experienced no issues with the one CRDC-developed project that is currently in CalHFA’s asset management portfolio.</p> <p>Dominus Consortium consist of 2 members with a range of development experience including construction of senior rental housing. Lance-Kashian &amp; Company is the Managing Member of one of the members and will serve as the developer of the project and is an affiliate of Dominus Consortium. Review of a 2018 REO schedule indicates that Lance-Kashian &amp; Co has been involved with 19 properties across different property types.</p> <p>An individual in Lance-Kashian &amp; Company that will be actively involved in the project intends to execute with the City of Fresno a personal guaranty for construction completion and occupancy of the project as a condition of the HOME loan. This individual has direct experience developing at least two similarly-sized multi-family projects to completion. Compiled personal financials for the individual and his owned entities were reviewed and demonstrate that the individual has historically been able to carry contingent liabilities at the amount expected after the addition of the Fresno guarantee, suggesting that there are sufficient assets backing the personal guaranty.</p>	
<b>32.</b>	<b>Management Agent</b>
<p>The Project will be managed by GSF Properties Inc., which has extensive experience in managing similar affordable housing projects in the area and manages several projects in CalHFA’s portfolio. A letter has been provided by GSF affirming that they have reviewed and approve the proposed operating costs.</p>	
<b>33.</b>	<b>Service Provider</b> <span style="float: right;"><b>Required by TCAC or other funding source?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</span>
<ul style="list-style-type: none"> <li>• LifeSTEPS will provide supportive services for all the tenant population through the life of the property ownership and for no less than 15 years. No agency funding is attached to the services. Services will include adult educational classes (e.g. financial literacy, computer training, ESL, etc) and health and wellness services and programs (e.g. crisis intervention, practical counseling and emotional support, eviction prevention, government and insurance entitlements, and physical and mental health assessments).</li> </ul>	
<b>34.</b>	<b>Contractor</b> <span style="float: right;"><b>Experienced with CalHFA?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</span>
<p>The general contractor is West Coast Community Builders, which has extensive experience in constructing similar affordable housing projects in California and is familiar with CalHFA.</p>	
<b>35.</b>	<b>Architect</b> <span style="float: right;"><b>Experienced with CalHFA?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</span>
<p>The architect is Lee Jagoe Architecture 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.</p>	
<b>36.</b>	<b>Local Review via Locality Contribution Letter</b>
<p>The locality, City of Fresno, returned the local contribution letter stating they strongly support the project.</p>	

EXHIBITS: Detailed Financial Analysis and applicable Term Sheets

**PROJECT SUMMARY**

**Board Approval**

**Acquisition, Rehab, Construction & Permanent Loans**

**Project Number 19-076-A/X**

<b>Project Full Name</b>	Fancer Creek Senior Apartments	<b>Borrower Name:</b>	FCTC Senior, LP
<b>Project Address</b>	Northeast Corner of East Tulare and Argyle	<b>Managing GP:</b>	Community Revitalization and development
<b>Project City</b>	Fresno	<b>Developer Name:</b>	Dominus Consortium, LLC
<b>Project County</b>	Fresno	<b>Investor Name:</b>	Red Stone Equity Partners
<b>Project Zip Code</b>	93727	<b>Prop Management:</b>	GSF Properties, Inc.
<b>Project Type:</b> Permanent Loan Only		<b>Tax Credits:</b>	4
<b>Tenancy/Occupancy:</b>	Senior	<b>Total Land Area (acres):</b>	2.00
<b>Total Residential Units:</b>	180	<b>Residential Square Footage:</b>	108,936
<b>Total Number of Buildings:</b>	3	<b>Residential Units Per Acre:</b>	90.00
<b>Number of Stories:</b>	3	<b>Covered Parking Spaces:</b>	180
<b>Unit Style:</b>	Flat	<b>Total Parking Spaces:</b>	180
<b>Elevators:</b>	1		

Acq/Construction/Rehab Financing	Loan Amount (\$)	Loan Fees	Loan Term (Mo.)	Amort. Period (Yr.)	Starting Interest Rate
CalHFA Conduit / Bank of the West	18,500,000	0.750%	24	--	4.250%
CalHFA Conduit / Bank of the West	3,163,675	0.750%	24	--	5.420%
City of Fresno HOME	1,420,500	--	--	--	--
City of Fresno CDBG	2,259,784	--	--	--	--
--	--	--	--	--	--
Investor Equity Contribution	2,652,319	--	--	--	--

Permanent Financing	Loan Amount (\$)	Loan Fees	Loan Term (Yr.)	Amort. Period (Yr.)	Starting Interest Rate
Perm	10,459,902	1.000%	17	35	4.600%
MIP	4,500,000	1.000%	17	55	2.750%
City of Fresno CDBG	2,259,784	--	55	55	2.000%
City of Fresno HOME	1,420,500	--	55	55	3.000%
Deferred Developer Fees	885,437	NA	NA	NA	NA
Investor Equity Contributions	12,868,205	NA	NA	NA	NA

Appraised Values Upon Completion of Rehab/Construction			
<b>Appraisal Date:</b>	6/5/20	<b>Capitalization Rate:</b>	6.00%
<b>Investment Value (\$)</b>	19,000,000	<b>Restricted Value (\$)</b>	12,310,000
<b>Construct/Rehab LTC</b>	N/A	<b>CalHFA Permanent Loan to Cost</b>	32%
<b>Construct/Rehab LTV</b>	N/A	<b>CalHFA 1st Permanent Loan to Value</b>	85%
		<b>Combined CalHFA Perm Loan to Value</b>	122%

Additional Loan Terms, Conditions & Comments			
<b>Construction/Rehab Loan</b>			
<b>Payment/Performance Bond</b>	Required		
<b>Completion Guarantee Letter of Credit</b>	N/A		
<b>Permanent Loan</b>			
<b>Operating Expense Reserve Deposit</b>	\$704,879	Cash	
<b>Initial Replacement Reserve Deposit</b>	\$0	Cash	
<b>Annual Replacement Reserve Per Unit</b>	\$300	Cash	

Date Prepared: 6/4/20 Senior Staff Date: 6/16/20

**UNIT MIX AND RENT SUMMARY**

**Board Approval**

Fancer Creek Senior Apartments

Project Number 19-076-A/X

PROJECT UNIT MIX					
Unit Type of Style	Number of Bedrooms	Number of Baths	Average Size (Sq. Ft.)	Number of Units	Est. No. of Tenants
Flat	1	1	545	144	216
Flat	2	1	846	36	108
				180	324

NUMBER OF UNITS AND PERCENTAGE OF AMI RENTS RESTRICTED BY EACH AGENCY							
Agency	Number of Units Restricted For Each AMI Category						
	30%	40%	50%	60%	70%	80%	<=120%
W/RiskShare			18	54			
CalHFA MIP			18		18		142
Tax Credit			54	106	18		
y of Fresno - HOME			3			8	
y of Fresno - CDBG				92			

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	% of Market Rents
			Number of Units	Unit Rent			
1 Bedroom	CTCAC	50%	43	\$601	\$1,025	\$424	59%
	CTCAC	60%	87	\$732		\$293	71%
	CTCAC	70%	14	\$863		\$162	84%
	CTCAC	70%	-	-		-	-
2 Bedrooms	CTCAC	50%	11	\$714	\$1,200	\$486	60%
	CTCAC	60%	19	\$872		\$328	73%
	CTCAC	70%	4	\$1,029		\$171	86%
Date Prepared:		6/4/20		Senior Staff Date:		6/16/20	

PROJECTED INITIAL ANNUAL RENTAL OPERATING BUDGET			Board Approval
Fancer Creek Senior Apartments		Project Number	19-076-A/X
<b>INCOME</b>			
	<b>AMOUNT</b>	<b>PER UNIT</b>	<b>%</b>
<b>Rental Income</b>			
Restricted Unit Rents	\$ 1,561,764	\$ 8,676	103.65%
Unrestricted Unit Rents	-	-	0.00%
Commercial Rents	-	-	0.00%
<b>Rental &amp; Operating Subsidies</b>			
Project Based Rental Subsidy	-	-	0.00%
Other Project Based Subsidy	-	-	0.00%
Income during renovations	-	-	0.00%
Other Subsidy (Vending Machines)	10,800	60	0.72%
<b>Other Income</b>			
Laundry Income	12,960	72	0.86%
Parking & Storage Income	-	-	0.00%
Miscellaneous Income	-	-	0.00%
<b>GROSS POTENTIAL INCOME (GPI)</b>	<b>\$ 1,585,524</b>	<b>\$ 8,808</b>	<b>105.23%</b>
Less: Vacancy Loss	\$ 78,736	\$ 437	5.23%
<b>EFFECTIVE GROSS INCOME (EGI)</b>	<b>\$ 1,506,788</b>	<b>\$ 9,246</b>	<b>100.00%</b>
<b>OPERATING EXPENSES</b>			
	<b>AMOUNT</b>	<b>PER UNIT</b>	<b>%</b>
Administrative Expenses	\$ 133,000	\$ 739	\$ 0
Management Fee	106,435	591	7.06%
Social Programs & Services	24,000	133	1.59%
Utilities	142,000	789	9.42%
Operating & Maintenance	257,000	1,428	17.06%
Ground Lease Payments	-	-	0.00%
CalHFA Monitoring Fee	7,500	42	0.50%
Other Monitoring Fees	15,000	83	1.00%
Real Estate Taxes	-	-	0.00%
Other Taxes & Insurance	69,000	383	4.58%
<b>SUBTOTAL OPERATING EXPENSES</b>	<b>\$ 753,935</b>	<b>\$ 4,189</b>	<b>50.04%</b>
Operating Reserves	\$ 54,000	\$ 300	3.58%
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 807,935</b>	<b>\$ 4,489</b>	<b>53.62%</b>
<b>NET OPERATING INCOME (NOI)</b>	<b>\$ 698,853</b>	<b>\$ 3,883</b>	<b>46.38%</b>
<b>DEBT SERVICE PAYMENTS</b>			
	<b>AMOUNT</b>	<b>PER UNIT</b>	<b>%</b>
Perm	\$ 601,823	\$ 3,343	39.94%
-	\$ -	-	0.00%
-	\$ -	-	0.00%
City of Fresno CDBG	\$ -	-	0.00%
City of Fresno HOME	\$ -	-	0.00%
-	\$ -	-	0.00%
-	\$ -	-	0.00%
MIP Annual Fee (applicable for MIP only deals)	\$ -	-	0.00%
<b>TOTAL DEBT SERVICE &amp; OTHER PAYMENTS</b>	<b>\$ 601,823</b>	<b>\$ 3,343</b>	<b>39.94%</b>
<b>EXCESS AFTER DEBT SERVICE &amp; MONITORING FEES</b>	<b>\$ 97,030</b>	<b>\$ 539</b>	<b>6.44%</b>
<b>DEBT SERVICE COVERAGE RATIO (DSCR)</b>	<b>\$ 1 to 1</b>		
Date: 6/4/20	Senior Staff Date: 06/16/20		

\$ - 0

\$ 0

<b>SOURCES &amp; USES OF FUNDS</b>		<b>Project Number</b>		<b>Board Approval</b>	
<b>Fancer Creek Senior Apartments</b>				<b>19-076-A/X</b>	
<b>SOURCES OF FUNDS</b>	<b>CONST/REHAB</b>	<b>PERMANENT</b>	<b>TOTAL PROJECT SOURCES OF FUNDS</b>		
	<b>\$</b>	<b>\$</b>	<b>SOURCES (\$)</b>	<b>PER UNIT (\$)</b>	<b>%</b>
CalHFA Conduit / Bank of the West	18,500,000				0.0%
City of Fresno CDBG	2,259,784				0.0%
City of Fresno HOME	1,420,500				0.0%
Deferred Developer Fee	-				0.0%
Developer Equity Contribution	-				0.0%
Investor Equity Contribution	2,652,319				0.0%
Perm		10,459,902	10,459,902	58,111	32.3%
MIP		4,500,000	4,500,000	25,000	13.9%
City of Fresno CDBG		2,259,784	2,259,784	12,554	7.0%
City of Fresno HOME		1,420,500	1,420,500	7,892	4.4%
Construct/Rehab Net Oper. Inc.		-	-	-	0.0%
Deferred Developer Fees		885,437	885,437	4,919	2.7%
Developer Equity Contribution		-	-	-	0.0%
Investor Equity Contributions		12,868,205	12,868,205	71,490	39.7%
<b>TOTAL SOURCES OF FUNDS</b>	<b>27,996,278</b>	<b>32,393,828</b>	<b>32,393,828</b>	<b>179,966</b>	<b>57.5%</b>
<b>TOTAL USES OF FUNDS (BELOW)</b>	<b>27,996,278</b>	<b>32,393,828</b>	<b>32,393,828</b>	<b>179,966</b>	<b>100.0%</b>
<b>FUNDING SURPLUS (DEFICIT)</b>	<b>0</b>	<b>-</b>	<b>0</b>		

<b>USES OF FUNDS</b>	<b>CONST/REHAB</b>	<b>PERMANENT</b>	<b>TOTAL PROJECT USES OF FUNDS</b>		
	<b>\$</b>	<b>\$</b>	<b>USES (\$)</b>	<b>PER UNIT (\$)</b>	<b>%</b>
<b>CONSTRUCTION/REHAB SOURCES OF FUNDS</b>		<b>27,996,278</b>			
<b>ACQUISITION COSTS</b>					
Lesser of Land Cost or Appraised Value	2,250,000	-	2,250,000	12,500	6.9%
Demolition Costs	-	-	-	-	0.0%
Legal & Other Closing Costs	-	-	-	-	0.0%
Escrow & other closing costs	-	-	-	-	0.0%
Verifiable Carrying Costs	-	-	-	-	0.0%
Existing Improvements Value	-	-	-	-	0.0%
Delinquent Taxes Paid @ Closing	-	-	-	-	0.0%
CalHFA Yield Maintenance Paid @ Closing	-	-	-	-	0.0%
Existing Replacement Reserve	-	-	-	-	0.0%
Broker Fees Paid to Related Party	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
<b>TOTAL ACQUISITION COSTS</b>	<b>2,250,000</b>	<b>-</b>	<b>2,250,000</b>	<b>12,500</b>	<b>6.9%</b>
<b>CONSTRUCTION/REHAB COSTS</b>					
Offsite Improvements	-	-	-	-	0.0%
Environmental Remediation (Hard Costs)	-	-	-	-	0.0%
Site Work (Hard Cost)	739,095	-	739,095	4,106	2.3%
Structures (Hard Cost)	17,019,640	-	17,019,640	94,554	52.5%
General Requirements	1,272,144	-	1,272,144	7,067	3.9%
Contractor Overhead	-	-	-	-	0.0%
Contractor Profit	903,914	-	903,914	5,022	2.8%
Contractor Bond	-	-	-	-	0.0%
Contractor Liability Insurance	147,128	-	147,128	817	0.5%
Personal Property	-	-	-	-	0.0%
HVAC/Resident Damage	-	-	-	-	0.0%
<b>TOTAL CONSTRUCT/REHAB COSTS</b>	<b>20,081,921</b>	<b>-</b>	<b>20,081,921</b>	<b>111,566</b>	<b>62.0%</b>

SOURCES & USES OF FUNDS			Board Approval		
Fancer Creek Senior Apartments			Project Number 19-076-A/X		
USES OF FUNDS	CONST/REHAB \$	PERMANENT \$	TOTAL PROJECT USES OF FUNDS		
			USES (\$)	PER UNIT (\$)	%
<b>RELOCATION COSTS</b>					
Relocation Expense	-	-	-	-	0.0%
Relocation Compliance Monitoring	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
<b>TOTAL RELOCATION COSTS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>ARCHITECTURAL FEES</b>					
Design	500,000	-	500,000	2,778	1.5%
Supervision	50,000	-	50,000	278	0.2%
<b>TOTAL ARCHITECTURAL FEES</b>	<b>550,000</b>	<b>-</b>	<b>550,000</b>	<b>3,056</b>	<b>1.7%</b>
<b>SURVEY &amp; ENGINEERING FEES</b>					
Engineering	60,000	-	60,000	333	0.2%
Supervision	-	-	-	-	0.0%
ALTA Land Survey	15,000	-	15,000	83	0.0%
<b>TOTAL SURVEY &amp; ENGINEERING FEES</b>	<b>75,000</b>	<b>-</b>	<b>75,000</b>	<b>417</b>	<b>0.2%</b>
<b>CONTINGENCY RESERVES</b>					
Hard Cost Contingency Reserve	1,006,535	-	1,006,535	5,592	3.1%
Soft Cost Contingency Reserve	304,158	-	304,158	1,690	0.9%
<b>TOTAL CONTINGENCY RESERVES</b>	<b>1,310,693</b>	<b>-</b>	<b>1,310,693</b>	<b>7,282</b>	<b>4.0%</b>
<b>CONSTRUCT/REHAB PERIOD COSTS</b>					
<b>Loan Interest Reserve</b>					
CalHFA Conduit / Bank of the West	965,708	-	965,708	5,365	3.0%
-	-	-	-	-	0.0%
City of Fresno CDBG	-	-	-	-	0.0%
City of Fresno HOME	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
<b>Loan Fees</b>					
CalHFA Conduit / Bank of the West	138,750	-	138,750	771	0.4%
CalHFA Conduit / Bank of the West	23,728	-	23,728	132	0.1%
-	-	-	-	-	0.0%
City of Fresno CDBG	-	-	-	-	0.0%
City of Fresno HOME	-	-	-	-	0.0%
-	-	-	-	-	0.0%
<b>Other Const/Rehab Period Costs</b>					
Deficit Const/Rehab NOI (Net Operating In	-	-	-	-	0.0%
Credit Enhancement & Application Fees (c	25,000	-	25,000	139	0.1%
Owner Paid Bonds/Insurance	-	-	-	-	0.0%
CalHFA Inspection Fees	12,000	-	12,000	67	0.0%
Real Estate Taxes During Rehab	235,000	-	235,000	1,306	0.7%
Completion Guaranty Fee	-	-	-	-	0.0%
Wage Monitoring Fee (Davis Bacon, Preva	-	-	-	-	0.0%
Insurance During Construction	50,000	-	50,000	278	0.2%
Title & Recording Fees	49,784	-	49,784	277	0.2%
Construction Management & Testing	-	-	-	-	0.0%
Predevelopment Interest Expense	-	-	-	-	0.0%
Bond Issuer Fee	41,664	-	41,664	231	0.1%
Construction Lender Inspections	12,000	-	12,000	67	0.0%
<b>TOTAL CONST/REHAB PERIOD COSTS</b>	<b>1,553,634</b>	<b>-</b>	<b>1,553,634</b>	<b>8,631</b>	<b>4.8%</b>

SOURCES & USES OF FUNDS			Board Approval		
Fancer Creek Senior Apartments			Project Number 19-076-A/X		
USES OF FUNDS	CONST/REHAB \$	PERMANENT \$	TOTAL PROJECT USES OF FUNDS		
			USES (\$)	PER UNIT (\$)	%
<b><u>PERMANENT LOAN COSTS</u></b>					
<b>Loan Fees</b>					
CalHFA Application Fee	-	-	-	-	0.0%
Perm	-	104,599	104,599	581	0.3%
MIP	-	45,000	45,000	250	0.1%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
City of Fresno CDBG	-	-	-	-	0.0%
City of Fresno HOME	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Permanent Loan Cost of Issuance Fee	110,000	-	110,000	611	0.3%
Credit Enhancement & Application Fees	-	-	-	-	0.0%
Title & Recording (closing costs)	-	-	-	-	0.0%
Year 1 - Taxes & Special Assessments and Insurance	6,682	-	6,682	37	0.0%
CalHFA Fees	-	2,585	2,585	14	0.0%
Tax Exempt Bond Allocation Fee	-	-	-	-	0.0%
-	-	-	-	-	0.0%
<b>TOTAL PERMANENT LOAN COSTS</b>	<b>116,682</b>	<b>152,184</b>	<b>268,866</b>	<b>1,494</b>	<b>0.8%</b>
<b><u>LEGAL FEES</u></b>					
CalHFA Construction/Rehab Loan Legal Fees	-	-	-	-	0.0%
Other Construction/Rehab Loan Legal Fees	30,000	-	30,000	167	0.1%
CalHFA Permanent Loan Legal Fees	-	35,000	35,000	194	0.1%
Other Permanent Loan Legal Fees	-	-	-	-	0.0%
Sponsor Legal Fees	120,000	-	120,000	667	0.4%
Organizational Legal Fees	-	-	-	-	0.0%
Syndication Legal Fees	-	-	-	-	0.0%
Borrower Legal Fee	-	-	-	-	0.0%
CalHFA Bond Counsel	60,000	-	60,000	333	0.2%
<b>TOTAL LEGAL FEES</b>	<b>210,000</b>	<b>35,000</b>	<b>245,000</b>	<b>1,361</b>	<b>0.8%</b>
<b><u>OPERATING RESERVES</u></b>					
Operating Expense Reserve Deposit	704,879	-	704,879	3,916	2.2%
Initial Replacement Reserve Deposit	-	-	-	-	0.0%
Transition Operating Reserve Deposit	-	-	-	-	0.0%
Rent-Up Reserve Deposit	161,436	-	161,436	897	0.5%
HOME Program Replacement Reserve	-	-	-	-	0.0%
Investor Required Reserve	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
<b>TOTAL OPERATING RESERVES</b>	<b>866,315</b>	<b>-</b>	<b>866,315</b>	<b>4,813</b>	<b>2.7%</b>
<b><u>REPORTS &amp; STUDIES</u></b>					
Appraisal Fee	15,000	-	15,000	83	0.0%
Market Study Fee	6,500	-	6,500	36	0.0%
Physical Needs Assessment Fee	-	-	-	-	0.0%
Environmental Site Assessment Reports	15,000	-	15,000	83	0.0%
HUD Risk Share Environmental / NEPA Review Fee	-	-	-	-	0.0%
CalHFA Earthquake Waiver Review Fee	-	-	-	-	0.0%
Relocation Consultant	-	-	-	-	0.0%
Soils Reports	-	-	-	-	0.0%
Acoustical Reports	-	-	-	-	0.0%
Termite/Dry Rot	-	-	-	-	0.0%
Consultant/Processing Agent	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
<b>TOTAL REPORTS &amp; STUDIES</b>	<b>36,500</b>	<b>-</b>	<b>36,500</b>	<b>203</b>	<b>0.1%</b>



SOURCES & USES OF FUNDS			Board Approval		
Fancer Creek Senior Apartments			Project Number		
			19-076-A/X		
USES OF FUNDS	CONST/REHAB \$	PERMANENT \$	TOTAL PROJECT USES OF FUNDS		
			USES (\$)	PER UNIT (\$)	%
<b>OTHER COSTS</b>					
TCAC Application, Allocation & Monitor Fees	84,255	-	84,255	468	0.3%
CDLAC Allocation Fees	8,874	-	8,874	49	0.0%
Local Permits & Fees	450,000	-	450,000	2,500	1.4%
Local Impact Fees	-	981,567	981,567	5,453	3.0%
Other Local Fees	-	-	-	-	0.0%
Syndicator/Investor Fees & Expenses	-	-	-	-	0.0%
Furnishings	50,000	-	50,000	278	0.2%
Accounting & Audits	25,000	-	25,000	139	0.1%
Advertising & Marketing Expenses	153,203	-	153,203	851	0.5%
Financial Consulting	-	-	-	-	0.0%
Miscellaneous Administrative Fees	-	-	-	-	0.0%
HUD Risk Share Insurance (First Year Prepaid)	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
<b>TOTAL OTHER COSTS</b>	<b>771,332</b>	<b>981,567</b>	<b>1,752,899</b>	<b>9,738</b>	<b>5.4%</b>
<b>SUBTOTAL PROJECT COSTS</b>					
	<b>27,822,077</b>	<b>29,165,029</b>	<b>28,990,828</b>	<b>161,060</b>	<b>89.5%</b>
<b>DEVELOPER FEES &amp; COSTS</b>					
Developer Fees, Overhead & Profit	174,201	3,228,799	3,403,000	18,906	10.5%
Consultant Processing Agent	-	-	-	-	0.0%
Project Administration	-	-	-	-	0.0%
Syndicator Consultant Fees	-	-	-	-	0.0%
Guarantee Fees	-	-	-	-	0.0%
Construction Oversight & Management	-	-	-	-	0.0%
Other Administration Fees	-	-	-	-	0.0%
Other (Specify) correction to balance	-	-	-	-	0.0%
CASH EQUITY OUT TO DEVELOPER	-	-	-	-	0.0%
<b>TOTAL DEVELOPER FEES &amp; COSTS</b>	<b>174,201</b>	<b>3,228,799</b>	<b>3,403,000</b>	<b>18,906</b>	<b>10.5%</b>
<b>TOTAL PROJECT COSTS</b>					
	<b>27,996,278</b>	<b>32,393,828</b>	<b>32,393,828</b>	<b>179,966</b>	<b>100.0%</b>

**PROJECTED PERMANENT LOAN CASH FLOWS**

Board Approval									
	YEAR	1	2	3	4	5	6	7	8
<b>RENTAL INCOME</b>	<b>CPI</b>								
<b>GROSS POTENTIAL INCOME (GPI)</b>		<b>1,585,524</b>	<b>1,624,568</b>	<b>1,664,588</b>	<b>1,705,609</b>	<b>1,747,655</b>	<b>1,790,753</b>	<b>1,834,927</b>	<b>1,880,207</b>
<b>VACANCY ASSUMPTIONS</b>	<b>Vacancy</b>								
Restricted Unit Rents	5.00%	78,088	80,040	82,041	84,092	86,195	88,350	90,558	92,822
Unrestricted Unit Rents	7.00%	-	-	-	-	-	-	-	-
Commercial Rents	50.00%	-	-	-	-	-	-	-	-
Project Based Rental Subsidy	5.00%	-	-	-	-	-	-	-	-
Other Project Based Subsidy	3.00%	-	-	-	-	-	-	-	-
Income during renovations	20.00%	-	-	-	-	-	-	-	-
Other Subsidy (Vending Machines)	0.00%	-	-	-	-	-	-	-	-
Laundry Income	5.00%	648	648	648	648	648	648	648	648
Parking & Storage Income	50.00%	-	-	-	-	-	-	-	-
Miscellaneous Income	50.00%	-	-	-	-	-	-	-	-
<b>TOTAL PROJECTED VACANCY LOSS</b>		<b>78,736</b>	<b>80,688</b>	<b>82,689</b>	<b>84,740</b>	<b>86,843</b>	<b>88,998</b>	<b>91,206</b>	<b>93,470</b>
<b>EFFECTIVE GROSS INCOME (EGI)</b>		<b>1,506,788</b>	<b>1,543,880</b>	<b>1,581,899</b>	<b>1,620,869</b>	<b>1,660,812</b>	<b>1,701,755</b>	<b>1,743,721</b>	<b>1,786,736</b>
<b>OPERATING EXPENSES</b>	<b>CPI / Fee</b>								
Administrative Expenses	3.50%	157,000	162,495	168,182	174,069	180,161	186,467	192,993	199,748
Management Fee	7.06%	106,435	109,055	111,741	114,493	117,315	120,207	123,171	126,210
Utilities	3.50%	142,000	146,970	152,114	157,438	162,948	168,651	174,554	180,664
Operating & Maintenance	3.50%	257,000	265,995	275,305	284,940	294,913	305,235	315,919	326,976
Ground Lease Payments	3.50%	-	-	-	-	-	-	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Other Agency Monitoring Fee	0.00%	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Real Estate Taxes	1.25%	-	-	-	-	-	-	-	-
Other Taxes & Insurance	3.50%	69,000	71,415	73,915	76,502	79,179	81,950	84,819	87,787
Required Reserve Payments	1.00%	54,000	54,540	55,085	55,636	56,193	56,755	57,322	57,895
<b>TOTAL OPERATING EXPENSES</b>		<b>807,935</b>	<b>832,970</b>	<b>858,842</b>	<b>885,578</b>	<b>913,209</b>	<b>941,765</b>	<b>971,278</b>	<b>1,001,780</b>
<b>NET OPERATING INCOME (NOI)</b>		<b>698,853</b>	<b>710,910</b>	<b>723,057</b>	<b>735,290</b>	<b>747,603</b>	<b>759,990</b>	<b>772,443</b>	<b>784,957</b>
<b>DEBT SERVICE PAYMENTS</b>	<b>Lien #</b>								
Perm	1	601,823	601,823	601,823	601,823	601,823	601,823	601,823	601,823
City of Fresno CDBG	3	-	-	-	-	-	-	-	-
City of Fresno HOME	4	-	-	-	-	-	-	-	-
<b>TOTAL DEBT SERVICE &amp; OTHER PAYMENTS</b>		<b>601,823</b>	<b>601,823</b>	<b>601,823</b>	<b>601,823</b>	<b>601,823</b>	<b>601,823</b>	<b>601,823</b>	<b>601,823</b>
<b>CASH FLOW AFTER DEBT SERVICE</b>		<b>97,029</b>	<b>109,086</b>	<b>121,234</b>	<b>133,467</b>	<b>145,780</b>	<b>158,166</b>	<b>170,620</b>	<b>183,133</b>
<b>DEBT SERVICE COVERAGE RATIO</b>		<b>1.16</b>	<b>1.18</b>	<b>1.20</b>	<b>1.22</b>	<b>1.24</b>	<b>1.26</b>	<b>1.28</b>	<b>1.30</b>
Date Prepared:	06/04/20								

LESS: Asset Management Fee	3%	7,500	7,725	7,957	8,195	8,441	8,695	8,955	9,224
LESS: Partnership Management Fee	3%	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299
<b>net CF available for distribution</b>		<b>79,529</b>	<b>91,061</b>	<b>102,668</b>	<b>114,344</b>	<b>126,083</b>	<b>137,879</b>	<b>149,724</b>	<b>161,611</b>
Deferred developer fee repayment	885,437	885,437	887,956	884,547	874,873	858,586	835,322	804,701	766,331
	5.00%	39,765	45,531	51,334	57,172	63,042	68,939	74,862	80,805
		845,672	842,425	833,212	817,701	795,544	766,382	729,839	685,526
	39764.71462								
<b>Payments for Residual Receipt Payments</b>	100%								
<b>RESIDUAL RECEIPTS LOANS</b>	<b>Payment %</b>	39,765	45,531	51,334	57,172	63,042	68,939	74,862	80,805
MIP	55.01%	21,875	25,047	28,239	31,451	34,679	37,924	41,182	44,451
City of Fresno CDBG	27.62%	10,985	12,578	14,181	15,794	17,415	19,044	20,680	22,322
City of Fresno HOME	17.36%	6,905	7,906	8,914	9,928	10,947	11,971	13,000	14,032
<b>Total Residual Receipts Payments</b>	<b>100.00%</b>	<b>39,765</b>	<b>45,531</b>	<b>51,334</b>	<b>57,172</b>	<b>63,042</b>	<b>68,939</b>	<b>74,862</b>	<b>80,805</b>
<b>Balances for Residual Receipt Payments</b>									
<b>RESIDUAL RECEIPTS LOANS</b>	<b>Interest Rate</b>								
MIP---Simple	2.75%	4,500,000	4,601,875	4,700,579	4,796,090	4,888,389	4,977,460	5,063,286	5,145,854
City of Fresno CDBG---Simple	2.00%	2,293,784	2,293,995	2,326,613	2,357,627	2,387,030	2,414,810	2,440,961	2,465,477
City of Fresno HOME---Simple	3.00%	1,420,500	1,456,210	1,490,919	1,524,619	1,557,307	1,588,974	1,619,618	1,649,233
<b>Total Residual Receipts Payments</b>		<b>8,180,284</b>	<b>8,352,080</b>	<b>8,518,110</b>	<b>8,678,337</b>	<b>8,832,725</b>	<b>8,981,244</b>	<b>9,123,865</b>	<b>9,260,564</b>

PROJECTED PERMANENT LOAN CASH FLOWS		Fancer Creek Senior Apartments								
Board Approval		Project Number		19-076-A/X						
	YEAR	9	10	11	12	13	14	15	16	17
<b>RENTAL INCOME</b>		<b>CPI</b>								
<b>GROSS POTENTIAL INCOME (GPI)</b>		<b>1,926,618</b>	<b>1,974,189</b>	<b>2,022,950</b>	<b>2,072,930</b>	<b>2,124,159</b>	<b>2,176,669</b>	<b>2,230,492</b>	<b>2,285,660</b>	<b>2,342,207</b>
<b>VACANCY ASSUMPTIONS</b>		<b>Vacancy</b>								
Restricted Unit Rents	5.00%	95,143	97,521	99,959	102,458	105,020	107,645	110,337	113,095	115,922
Unrestricted Unit Rents	7.00%	-	-	-	-	-	-	-	-	-
Commercial Rents	50.00%	-	-	-	-	-	-	-	-	-
Project Based Rental Subsidy	5.00%	-	-	-	-	-	-	-	-	-
Other Project Based Subsidy	3.00%	-	-	-	-	-	-	-	-	-
Income during renovations	20.00%	-	-	-	-	-	-	-	-	-
Other Subsidy (Vending Machines)	0.00%	-	-	-	-	-	-	-	-	-
Laundry Income	5.00%	648	648	648	648	648	648	648	648	648
Parking & Storage Income	50.00%	-	-	-	-	-	-	-	-	-
Miscellaneous Income	50.00%	-	-	-	-	-	-	-	-	-
<b>TOTAL PROJECTED VACANCY LOSS</b>		<b>95,791</b>	<b>98,169</b>	<b>100,607</b>	<b>103,106</b>	<b>105,668</b>	<b>108,293</b>	<b>110,985</b>	<b>113,743</b>	<b>116,570</b>
<b>EFFECTIVE GROSS INCOME (EGI)</b>		<b>1,830,827</b>	<b>1,876,020</b>	<b>1,922,342</b>	<b>1,969,823</b>	<b>2,018,491</b>	<b>2,068,375</b>	<b>2,119,507</b>	<b>2,171,917</b>	<b>2,225,637</b>
<b>OPERATING EXPENSES</b>		<b>CPI / Fee</b>								
Administrative Expenses	3.50%	206,739	213,975	221,464	229,215	237,238	245,541	254,135	263,030	272,236
Management Fee	7.06%	129,324	132,516	135,789	139,142	142,580	146,104	149,716	153,418	157,212
Utilities	3.50%	186,987	193,531	200,305	207,316	214,572	222,082	229,855	237,900	246,226
Operating & Maintenance	3.50%	338,420	350,265	362,524	375,212	388,345	401,937	416,004	430,565	445,634
Ground Lease Payments	3.50%	-	-	-	-	-	-	-	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Other Agency Monitoring Fee	0.00%	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Real Estate Taxes	1.25%	-	-	-	-	-	-	-	-	-
Other Taxes & Insurance	3.50%	90,860	94,040	97,331	100,738	104,264	107,913	111,690	115,599	119,645
Required Reserve Payments	1.00%	58,474	59,059	59,650	60,246	60,849	61,457	62,072	62,692	63,319
<b>TOTAL OPERATING EXPENSES</b>		<b>1,033,304</b>	<b>1,065,886</b>	<b>1,099,562</b>	<b>1,134,370</b>	<b>1,170,347</b>	<b>1,207,533</b>	<b>1,245,971</b>	<b>1,285,703</b>	<b>1,326,773</b>
<b>NET OPERATING INCOME (NOI)</b>		<b>797,523</b>	<b>810,133</b>	<b>822,780</b>	<b>835,454</b>	<b>848,144</b>	<b>860,842</b>	<b>873,536</b>	<b>886,214</b>	<b>898,864</b>
<b>DEBT SERVICE PAYMENTS</b>		<b>Lien #</b>								
Perm	1	601,823	601,823	601,823	601,823	601,823	601,823	601,823	601,823	601,823
City of Fresno CDBG	3	-	-	-	-	-	-	-	-	-
City of Fresno HOME	4	-	-	-	-	-	-	-	-	-
<b>TOTAL DEBT SERVICE &amp; OTHER PAYMENTS</b>		<b>601,823</b>	<b>601,823</b>	<b>601,823</b>	<b>601,823</b>	<b>601,823</b>	<b>601,823</b>	<b>601,823</b>	<b>601,823</b>	<b>601,823</b>
<b>CASH FLOW AFTER DEBT SERVICE</b>		<b>195,699</b>	<b>208,310</b>	<b>220,957</b>	<b>233,630</b>	<b>246,321</b>	<b>259,019</b>	<b>271,712</b>	<b>284,391</b>	<b>297,041</b>
<b>DEBT SERVICE COVERAGE RATIO</b>		<b>1.33</b>	<b>1.35</b>	<b>1.37</b>	<b>1.39</b>	<b>1.41</b>	<b>1.43</b>	<b>1.45</b>	<b>1.47</b>	<b>1.49</b>
Date Prepared: 06/04/20		Senior Staff Date: 6/16/20								

LESS: Asset Management Fee	3%	9,501	9,786	10,079	10,382	10,693	11,014	11,344	11,685	12,035
LESS: Partnership Management Fee	3%	12,668	13,048	13,439	13,842	14,258	14,685	15,126	15,580	16,047
<b>net CF available for distribution</b>		<b>173,531</b>	<b>185,477</b>	<b>197,438</b>	<b>209,406</b>	<b>221,370</b>	<b>233,319</b>	<b>245,242</b>	<b>257,126</b>	<b>268,958</b>
Deferred developer fee repayment	885,437	719,802	664,689	600,548	526,920	443,328	349,275	244,246	-	-
	5.00%	86,765	92,738	98,719	104,703	110,685	116,660	122,621	-	-
		633,037	571,950	501,829	422,217	332,643	232,615	121,625	-	-
39764.71462										
<b>Payments for Residual Receipt Payments</b>										
<b>RESIDUAL RECEIPTS LOANS</b>	<b>Payment %</b>	<b>86,765</b>	<b>92,738</b>	<b>98,719</b>	<b>104,703</b>	<b>110,685</b>	<b>116,660</b>	<b>122,621</b>	<b>128,563</b>	<b>134,479</b>
MIP	55.01%	47,730	51,016	54,306	57,597	60,888	64,175	67,454	70,723	73,977
City of Fresno CDBG	27.62%	23,969	25,619	27,271	28,924	30,576	32,227	33,874	35,515	37,150
City of Fresno HOME	17.36%	15,067	16,104	17,142	18,182	19,220	20,258	21,293	22,325	23,352
<b>Total Residual Receipts Payments</b>	<b>100.00%</b>	<b>86,765</b>	<b>92,738</b>	<b>98,719</b>	<b>104,703</b>	<b>110,685</b>	<b>116,660</b>	<b>122,621</b>	<b>128,563</b>	<b>134,479</b>
<b>Balances for Residual Receipt Payments</b>										
<b>RESIDUAL RECEIPTS LOANS</b>	<b>Interest Rate</b>									
MIP---Simple	2.75%	5,225,153	5,301,173	5,373,907	5,443,352	5,509,504	5,572,366	5,631,941	5,688,237	5,741,264
City of Fresno CDBG---Simple	2.00%	2,488,350	2,509,577	2,529,154	2,547,079	2,563,350	2,577,970	2,590,938	2,602,260	2,611,941
City of Fresno HOME---Simple	3.00%	1,677,817	1,705,365	1,731,876	1,757,348	1,781,782	1,805,176	1,827,534	1,848,856	1,869,146
<b>Total Residual Receipts Payments</b>		<b>9,391,320</b>	<b>9,516,115</b>	<b>9,634,937</b>	<b>9,747,779</b>	<b>9,854,636</b>	<b>9,955,512</b>	<b>10,050,413</b>	<b>10,139,353</b>	<b>10,222,350</b>



California Housing Finance Agency

## TAX-EXEMPT PERMANENT LOAN PROGRAM

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

<b>Qualifications</b>	<ul style="list-style-type: none"><li>• Available to for-profit, non-profit, and public agency sponsors.</li><li>• Tax-exempt bond authority must be obtained from the California Debt Limit Allocation Committee (CDLAC) or through a 501(c)(3) exemption.</li><li>• The Tax-Exempt Permanent Loan may be used with or without 4% low income housing tax credits.</li><li>• If a lender other than CalHFA is providing short-term, first-lien debt, CalHFA shall be used as the bond issuer (for more information, review the Conduit Issuer Program Term Sheet).</li><li>• For Section 8 Projects, a final commitment is conditioned upon review and acceptance by CalHFA of the HAP or AHAP contract.</li><li>• The Perm Loan will be credit-enhanced through CalHFA's HUD/FHA Risk Sharing Program.</li><li>• For existing CalHFA portfolio loans, the current owner is required to pay off all outstanding CalHFA debt. Visit <a href="http://www.calhfa.ca.gov">www.calhfa.ca.gov</a> for the <a href="#">CalHFA Portfolio Loan Prepayment Policy</a>.</li></ul>
<b>Loan Amount</b>	<ul style="list-style-type: none"><li>• Minimum Perm Loan amount of \$5,000,000.</li><li>• Minimum 1.15x for debt service coverage ratio (include any financing with amortizing debt).</li><li>• Lesser of 90% of restricted value or 100% of development costs. For Projects with equity being cashed out, the Perm Loan amount will be restricted to no more than 80% of the restricted value.</li></ul>
<b>Fees</b> (subject to change)	<ul style="list-style-type: none"><li>• Application Fee: \$10,000 non-refundable, due at time of application submittal, and is credited toward the CalHFA Loan Fee.</li><li>• Perm Loan Fee: 1.00%, half due at final commitment, with balance due at Perm Loan closing.</li><li>• Cost of Issuance Fee: \$110,000, half due at final commitment, with balance due at Perm Loan Closing.</li><li>• Credit Enhancement Fee: included in the interest rate.</li><li>• Annual Administrative Fee: \$7,500 annually (not to be duplicated if used in conjunction with CalHFA's Conduit Program).</li><li>• Inspection fees should be estimated at \$500 - \$1,000 per month (reports and fees can be shared with other construction lenders)</li><li>• Legal Fee: \$35,000 due at Perm Loan closing.</li><li>• Administrative Fee: \$1,000 at Perm Loan closing.</li><li>• Letter of Interest Fee: \$5,000 at LOI request, and is credited towards the CalHFA Perm Loan Fee</li></ul> <p>See Conduit Issuer Program Term Sheet for information on conduit issuance fees.</p>

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# TAX-EXEMPT PERMANENT LOAN PROGRAM

<p><b>Rate &amp; Terms</b> (subject to change)</p>	<p>Interest Rate:</p> <ul style="list-style-type: none"> <li>• 17 Year Balloon: 15 Year “AAA” MMD (Municipal Market Data) plus CalHFA spread</li> <li>• 30 Year Balloon and Fully Amortizing Loans: 30 Year “AAA” MMD plus CalHFA spread</li> <li>• Estimated CalHFA Spread: 2.00% to 2.50%</li> <li>• Rate may be locked up to 30 days prior to the construction loan closing. Rate may be locked for the term of the construction period, not to exceed 3 years.</li> </ul> <p>Amortization/Term:</p> <ul style="list-style-type: none"> <li>• Amortization: Up to 35 Year Amortization<sup>1</sup></li> <li>• Term: Fully Amortizing, and 17 or 30 Year Balloons available<sup>2</sup></li> <li>• Perm Loan Reduction: up to 10% reduction at Perm Loan closing permitted at no cost.</li> <li>• A six-month extension is permitted upon payment of a fee equal to 0.50% of the Perm Loan amount.</li> <li>• Breakage Fee (if applicable): between construction loan closing and Perm Loan closing and calculated based on hedge termination cost.</li> </ul> <p>1. The Agency may offer up to a 40 year amortization at its discretion. 2. Balloon loans subject to agency approved exit strategy.</p>
<p><b>Loan Closing Requirements</b></p>	<ul style="list-style-type: none"> <li>• 90% stabilized rental housing occupancy for 90 days as evidenced by rent rolls.</li> <li>• 90% of tax credit investor equity shall have been paid into the Project.</li> <li>• Project income is sufficient to pay operating expenses, required debt service, reserves and monitoring fees.</li> <li>• For mixed-use Projects, 100% non-residential occupancy as evidenced by executed leases or guarantees.</li> </ul>
<p><b>Prepayment</b></p>	<p>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:</p> <ul style="list-style-type: none"> <li>• 5% of the principal balance after the end of year 10</li> <li>• 4% of the principal balance after the end of year 11</li> <li>• 3% of the principal balance after the end of year 12</li> <li>• 2% of the principal balance after the end of year 13</li> <li>• 1% of the principal balance after the end of year 14</li> </ul> <p>All prepayments require a prior written 120-day notice to CalHFA.</p>
<p><b>Subordinate Financing</b></p>	<p>Financing or grants are encouraged from local governments and third parties to achieve project feasibility. All financing, leases, development and regulatory agreements must be coterminous (or have a longer term than the combined terms of any CalHFA Acq/Rehab Loan and Perm Loan) and be subordinate to CalHFA financing.</p>

# TAX-EXEMPT PERMANENT LOAN PROGRAM

<b>Occupancy Requirements</b>	<p>Must maintain the greater of (A) existing affordability restrictions, or (B) either (i) 20% of the units must be rent restricted and occupied by individuals whose incomes are 50% or less of the area (county) median gross income as determined by HUD ("AMI") with adjustments for household size ("20% @ 50% AMI"), or (ii) 40% or more of the units must be both rent restricted and occupied by individuals whose income is 60% or less of the AMI, with adjustments for household size ("40% @ 60% AMI"); however in the latter case, a minimum of 10% of the units must be at 50% or less of AMI ("10% @ 50% AMI").</p> <p>CalHFA's regulated units must represent a pro-rata share of the available unit sizes (by bedroom count and square feet), and be disbursed throughout the project.</p>
<b>Due Diligence</b>	<p>The following due diligence is required to be provided at the Owner/Borrower's expense:</p> <ul style="list-style-type: none"><li>• Appraisal (a construction lender's appraisal may be acceptable).</li><li>• HUD-2530 previous participation clearance.</li><li>• Construction Costs Review for new construction loans (other construction lender's review is acceptable).</li><li>• 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).</li><li>• Phase I Environmental Site Assessment including but not limited to impact reviews that meet federal environmental requirements (such as historic preservation and noise remediation).</li><li>• Market Study satisfactory to CalHFA.</li><li>• NEPA Review.</li><li>• Termite/Dry Rot reports by licensed company.</li><li>• Seismic review and other studies may be required at CalHFA's discretion.</li></ul>
<b>Required Impounds and Reserves</b>	<ul style="list-style-type: none"><li>• Replacement Reserve: Initial cash deposit required for existing Projects, with annual deposits between \$250 and \$500 per unit/per year depending on the Project type and PNA/RRNA findings.</li><li>• Operating Expense Reserve: 3-6 months of operating expenses, reserves, debt service, and monitoring fees due at Perm Loan closing (letter of credit or cash) and held for the life of the CalHFA Perm Loan.</li><li>• Impounds held by CalHFA: One year's prepaid earthquake, hazard and liability insurance premiums, and property tax assessments are collected at loan closing. An earthquake insurance waiver is available for Projects which have met CalHFA earthquake waiver standards during rehabilitation or construction.</li><li>• Transition Operating Reserve (TOR): required for Projects with rental subsidy contracts with contract terms that are less than 20 years.</li><li>• Other reserves as required (at CalHFA's discretion).</li></ul>

Last revised: 4/2019

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# MIXED-INCOME LOAN PROGRAM

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

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

## Qualifications

### APPLICATION:

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

### AVAILABILITY:

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

### USES:

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

### FINANCING STRUCTURE:

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

1. Tax-exempt Bond and 4% tax credit project where at least 51% of the units in each project must be tax credit financed, OR
2. Qualified mixed-income project under the California Debt Limit Allocation Committee's (CDLAC) regulations (50% or fewer units designated as tax credit or tax-exempt bond restricted) utilizing an allocation of private activity bonds to finance the project, OR
3. Qualified mixed-income project through income averaging.

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# MIXED-INCOME LOAN PROGRAM

## Qualifications (continued)

### READINESS:

Projects must have site control and be prepared to submit for a bond and tax credit allocation and will only receive funds if bonds are issued within the issuance timeframes specified in CDLAC Regulations Section 5100.

1. **Site:** The site must be ready for construction (all potential environmental issues have been identified, mitigation plan is in place, and costs associated with the mitigation plan have been incorporated in the development budget). Environmental issues may include but not be limited to receipt of clearances for CEQA, NEPA, and applicable tribal land environmental reviews.
2. **Construction Start:** All projects must commit to begin construction 180 days from the earlier of the date of the tax-exempt bond allocation or 4% federal/state tax credit reservation. Within the 180-day period the following items must be submitted to CalHFA in their final form:
  - a. A complete updated application (inclusive of all CalHFA Addendum Items) form along with a detailed explanation of any changes from the initial application,
  - b. An executed construction contract,
  - c. Recorded deeds of trust for all construction financing (unless a project's location on tribal trust land precludes this),
  - d. Binding commitments for any other financing required to complete project construction,
  - e. Copy of a limited partnership agreement executed by the general partner/sponsor and the investor limited partner/equity provider,
  - f. Payment of all construction lender fees,
  - g. Copies of buildings permits (a grading permit does not suffice to meet this requirement except that in the event that the city or county as a rule does not issue building permits prior to the completion of grading, a grading permit shall suffice; if the project is a design build project in which the city or county does not issue building permits until designs are fully complete, the city or county shall have approved construction to begin) or the applicable tribal documents,
  - h. Copy of the notice to proceed delivered to the contractor,
  - i. If no construction lender is involved, evidence must be submitted within 180 days, as applicable, that the equity partner has been admitted to the ownership entity, and that an initial disbursement of funds has occurred.
  - j. Other documentation and information necessary to close construction financing required by CalHFA.

### MIP ALLOCATION LIMITS:

1. **10% Project Cap:** No project may receive more than 10% of the total MIP allocation for the respective year.
2. **33% Sponsor Cap:** No sponsor (any individual, entity, affiliate and related entity) may receive more than 33% of MIP funds for the respective year.
3. **33% County Cap:** No one county may receive more than 33% of MIP funds for the respective year.
4. **25% Age-Restricted Cap:** No more than 25% of MIP funds for the respective year may be received by age-restricted projects.

### EVIDENCE OF COST CONTAINMENT:

**A Cost Containment Analysis will be completed by CalHFA at the time of the Construction Loan Closing.** The developer/sponsor must certify that cost containment measures have been implemented to minimize construction costs. These measures may include but are not limited to 1) competitively bidding out all major subcontractor and self-performing trades 2) obtain 3 bids for all major trades and 3) engage value engineer/consultant during the design process.



# MIXED-INCOME LOAN PROGRAM

<p><b>Qualifications</b> (continued)</p>	<p><b>EVIDENCE OF SUBSIDY EFFICIENCY:</b></p> <p>A Subsidy Efficiency Analysis will be completed as part of the Application review. The analysis will be completed again prior to closing the MIP Subordinate Loan and the MIP Loan amount may be adjusted based on the final analysis. Parameters of the analysis may include but are not limited to the following:</p> <ul style="list-style-type: none"> <li>• A maximum of 1.20 Debt Service Coverage Ratio (“DSCR”). CalHFA may allow an initial DSCR higher than 1.20 on a case by case basis, if deemed necessary;</li> <li>• 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;</li> <li>• A separate project cash flow that supports any commercial component of the project;</li> <li>• A cashflow after debt service that is limited to the higher of 25% of the anticipated annual must pay debt service payment or 8% of gross income, during each of the first 3 years of project operation;</li> <li>• Inflation factors and vacancy rates consistent with the Agency’s Underwriting Standards and Reference Manual (“USRM”);</li> <li>• Developer Fee requirements will match those required under the 4% federal and/or state tax credit reservation.</li> <li>• Capitalized reserves shall be subject to approval by Agency for reasonableness consistent with the USRM and the Investor Limited Partnership Agreement (ILPA);</li> <li>• Review of Excess Sources over final Uses as approved by CalHFA resulting from any of the following:             <ul style="list-style-type: none"> <li>· An increase in tax credit equity;</li> <li>· An increase in permanent loan debt due to a combination of permanent loan rate reduction and/or reduction to operating expense assumptions;</li> </ul> </li> <li>• Construction Cost Savings as evidenced by final cost certification, funds shall be used to reduce the MIP loan prior to CalHFA MIP loan closing or if required by other subordinate lenders, funds may be split on a pro rata basis between CalHFA and other subordinate lenders.</li> </ul>
<p><b>CalHFA Mixed-Income Qualified Lender Qualifications</b></p>	<p>A CalHFA Qualified Construction Lender is defined as a Construction Lender that has closed at least 5 construction loans using tax-exempt bonds and 4% federal and/or state tax credits in California within the last 3 years and satisfies the requirement set forth within the application.</p> <p>A CalHFA Qualified Permanent Lender is defined as a Permanent Lender that has closed at least 5 Permanent loans using tax-exempt bonds and 4% federal and/or state tax credits in California within the last 3 years and satisfies the requirement set forth within the application.</p>
<p><b>CalHFA Mixed-Income Development Team Qualifications</b></p>	<p>The <b>Developer/Co-Developer</b> must be registered to do business and in good standing in the state of California. A CalHFA Qualified Developer/Co-Developer must have developed at least three (3) comparable projects within the past five (5) years.</p> <p>The proposed <b>Project Manager</b> must have personally managed the development of at least two (2) comparable projects within the past 5 years.</p> <p><b>Financial Consultants</b> hired to assist the Developer in meeting the minimum experience requirements must be able to provide details regarding at least three (3) comparably financed projects over the last five (5) years.</p>

# MIXED-INCOME LOAN PROGRAM

<p><b>CalHFA Mixed-Income Development Team Qualifications (Continued)</b></p>	<p><b>Architects</b> new to CalHFA must provide information for three (3) comparable projects they designed that were built and occupied within the past five (5) years.</p> <p><b>General Contractor (GC)</b> must be licensed by the State of California. GCs new to CalHFA must provide information related to three (3) comparable (in design) projects built in the past five (5) years. Similar information will be required for the proposed on-site construction supervisor. The on-site construction supervisor must have overseen three (3) comparable projects built in the past five (5) years, and they must have overseen the projects from construction start to final completion.</p> <p><b>Management Company</b> must have a local presence or a field office in Northern or Southern CA (depending on the location of the Project) and have experience managing at least ten (10) low to moderate income rent restricted Comparable (size and tenant types) Projects. Also required is a resume for the proposed on-site Property Manager, reflecting prior experience during the past five (5) years managing onsite project operations and compliance with rent restricted units.</p>
<p><b>Permanent First Lien Loan</b></p>	<p>Provided by CalHFA or a CalHFA Mixed-Income Qualified Permanent Lender. The permanent loan must meet an initial DSCR of at least 1.15 and must maintain a DSCR of 1.0 or higher for the term of the permanent first lien loan. CalHFA may require an initial DSCR higher than 1.15 on a case by case basis, if deemed necessary.</p>
<p><b>Construction First Lien Loan</b></p>	<p>Provided by a CalHFA Mixed-Income Qualified Construction Lender.</p>
<p><b>Limitations</b></p>	<ol style="list-style-type: none"> <li>1. MIP cannot be combined with the Tax Credit Allocation Committee’s (TCAC) 9% program.</li> <li>2. MIP cannot be combined with other state subordinate debt and/or subsidy programs (this does not include state tax credits). Inclusion of other subordinate debt and subsidy will be allowed at CalHFA’s discretion.</li> <li>3. Projects that have a below market rate component as a result of an inclusionary obligation or are 100% below market as a result of an inclusionary obligation must demonstrate master developer commitment through a dollar-for-dollar match of CalHFA’s resources. Match can be obtained through a monetary match or equivalent in-kind contributions (e.g., land donation, land use fee concessions.)</li> <li>4. At the time of MIP application to CalHFA, a project must not have already received an allocation of 4% federal and/or state tax credits from TCAC or a tax-exempt bond allocation from CDLAC.</li> <li>5. Projects will not be eligible for other subsidy resources from CalHFA in addition to MIP.</li> </ol>
<p><b>Mixed-Income Project Occupancy Requirements</b></p>	<p><b>FEDERAL BOND REGULATORY AGREEMENT REQUIREMENTS (ALL PROJECTS):</b></p> <p>Must maintain either (a) 20% of the units must be rent restricted and occupied by individuals whose incomes are 50% or less of AMI with adjustments for household size (“20% @ 50% AMI”), OR (b) 40% or more of the units must be both rent restricted and occupied by individuals whose incomes are 60% or less of AMI with adjustments for household size (“40% @ 60% AMI”): in the latter case, a minimum of 10% of the unit types must be at 50% or less of AMI (“10% @ 50% AMI”).</p> <p><b>MIXED INCOME REGULATORY AGREEMENT REQUIREMENTS (ALL PROJECTS):</b></p> <p>Affordability Requirements:</p> <ol style="list-style-type: none"> <li>1. To qualify, a project must have at least 10% of the total units restricted as follows*:             <ol style="list-style-type: none"> <li>a. 81% to 120% of AMI with an average of 100% of AMI or greater OR if the market study does not support restrictions at these levels,</li> </ol> </li> </ol>

# MIXED-INCOME LOAN PROGRAM

<p><b>Mixed-Income Project Occupancy Requirements (Continued)</b></p>	<ul style="list-style-type: none"> <li>b. 60% to 80% of AMI with an average of 70% of AMI or greater, subject to the Maximum Allowable Rents outlined below.</li> </ul> <p>*(Deviations from the average unit affordability levels of 70% AMI or 100% AMI outlined above will only be considered if market study supports such deviations.)</p> <ul style="list-style-type: none"> <li>2. <b>AND</b> either             <ul style="list-style-type: none"> <li>a. Tax credit transactions that are income-averaged must not exceed an average affordability of 60% AMI across all restricted units, <b>OR</b></li> <li>b. Mixed income per CDLAC definitions, a Qualified Residential Rental Project having 50% or fewer of its total units designated as Restricted Rental Units (as restricted by a Bond or TCAC Regulatory Agreement at 60% AMI or lower-CDLAC Regulations Article 1, Section 5000).</li> </ul> </li> </ul> <p>Note: These restrictions will remain in effect for 55 years. MIP regulatory agreement will restrict 10% of the total units at or below 80% of AMI, another 10% of the total units at or below 50% of AMI (or 80% AMI if there is an exception pursuant to Health and Safety Code Section 51335), and in addition to these restrictions, a minimum of 10% of the total units between 81% up to 120% of AMI OR (subject to the requirements identified above) 10%-29% of the total units between 60% up to 80% AMI, and the remaining units restricted at or below 120% of AMI, except for the designated manager's unit(s).</p> <p><b>MAXIMUM ALLOWABLE RENTS:</b></p> <p>Rents for units restricted at 80% AMI and below must be at least 10% below market rents as evidenced by a current Market Study.</p> <p>Rents for units restricted between 81%-120% AMI must be at least 10% below market as evidenced by a current Market Study.</p>
<p><b>Mixed-Income Subordinate Loan</b></p>	<ul style="list-style-type: none"> <li>1. Maximum loan amount for each project shall not exceed 10% of total MIP allocation for the respective year.             <ul style="list-style-type: none"> <li>a. Maximum loan per restricted (tax credit or CalHFA) units between 50%-80% AMI shall be \$50,000.</li> <li>b. Maximum loan per MIP restricted units between 81%-120% AMI shall be \$100,000.</li> <li>c. Projects located within the Highest or High Resource areas designated on the TCAC/HCD Opportunity Area Map shall be eligible for an additional 5% of the project eligible basis per 4% federal and state tax credit program. <a href="#">Opportunity Map Home Page</a></li> </ul> </li> <li>2. Loan size based on project need but cannot be more than 50% of the permanent loan amount.</li> </ul>
<p><b>Mixed-Income Subordinate Loan Rates &amp; Terms</b></p>	<ul style="list-style-type: none"> <li>1. Interest Rate: 2.75% simple interest.</li> <li>2. Loan Term: The MIP loan term shall be coterminous with the permanent first lien loan.</li> <li>3. Loan Payment: Residual receipt repayment based on cash flow analysis and split 50% to Owner and 50% to CalHFA and other residual receipt lenders. Residual receipt is defined as 50% of surplus cash which is determined as net operating income minus total debt service and other Agency approved payments. Payments shall be applied to the current and/or accrued interest and then principal of the MIP loan.</li> <li>4. Affordability Term: Up to 55 years.</li> <li>5. Assignability: Consent will be considered.</li> <li>6. Prepayment: May be prepaid at any time without penalty.</li> </ul>

# MIXED-INCOME LOAN PROGRAM

<p><b>Mixed-Income Subordinate Loan Rates &amp; Terms</b> (Continued)</p>	<p>7. Subordination: A subordination and/or extension of MIP maturity request in conjunction with a re-syndication, refinance, or ownership transfer (“capitalization event(s)”) will be considered. If MIP loan is outstanding at time of the capitalization event(s), the original MIP annual fee schedule will remain in place until the earlier of MIP regulatory restriction expiration, including any extensions, or repayment of the MIP loan. If the outstanding MIP loan is subordinated at the time of such event, the surplus cash split between borrower and CalHFA and other residual receipt lenders may be altered to reflect an increased percentage of residual receipts to CalHFA out of Borrower’s share until such time as the MIP loan is paid in full. The remaining residual receipts may be split between other residual receipt lenders.</p> <p>8. Funded: Only at permanent loan conversion.</p>
<p><b>CalHFA Conduit Bond Program</b></p>	<p>For more information on CalHFA’s Conduit Issuer Program and the fees associated with it, visit CalHFA’s website: <a href="http://www.calhfa.ca.gov/multifamily/programs/forms/termsheet-conduit.pdf">www.calhfa.ca.gov/multifamily/programs/forms/termsheet-conduit.pdf</a></p>
<p><b>CalHFA First Lien Permanent Rates &amp; Terms</b> (subject to change)</p>	<p>For more information on CalHFA’s Permanent Loan Program and the fees associated with it, visit CalHFA’s website: <a href="http://www.calhfa.ca.gov/multifamily/programs/forms/termsheet-perm-tax-exempt.pdf">www.calhfa.ca.gov/multifamily/programs/forms/termsheet-perm-tax-exempt.pdf</a></p>
<p><b>Fees</b> (subject to change)</p>	<ol style="list-style-type: none"> <li>1. Program Application Fee: \$10,000 non-refundable, due at time of CalHFA MIP application submittal. The application fee shall be credited towards Loan Fee at time of MIP permanent loan closing.</li> <li>2. Loan Fee: 1.00% of the loan amount (50% due at final commitment and 50% due at CalHFA MIP loan closing).</li> <li>3. Legal Fee: \$15,000, due at loan closing (applicable if CalHFA is not providing permanent financing).</li> <li>4. Ongoing Annual MIP Fee Payable in the event that CalHFA is not the Permanent Lender: 0.35% of the Permanent Loan Amount commencing at CalHFA MIP loan closing, calculated based on the principal balance of an amortization schedule with the following assumptions: i) 55 year amortization; ii) start date, interest rate and the loan amount consistent with permanent first lien loan (this fee is applicable if CalHFA is not providing permanent financing and will remain in place until the repayment of the MIP loan).</li> <li>5. Annual Administrative Fee: \$7,500 per year (subject to change).</li> </ol> <p>Conduit Bond Program Fees: Refer to CalHFA Conduit Bond Program <a href="http://www.calhfa.ca.gov/multifamily/programs/forms/termsheet-conduit.pdf">www.calhfa.ca.gov/multifamily/programs/forms/termsheet-conduit.pdf</a></p> <p>CDLAC Fees: Refer to CDLAC regulations for all applicable fees.</p> <p>If CalHFA is selected as the permanent lender, please refer to CalHFA First Lien Permanent Rates &amp; Terms for first mortgage loan fees, credit enhancements, trustee fees, legal fees, inspection fees, administrative fees. <a href="http://www.calhfa.ca.gov/multifamily/programs/forms/termsheet-perm-tax-exempt.pdf">www.calhfa.ca.gov/multifamily/programs/forms/termsheet-perm-tax-exempt.pdf</a></p>

Last revised: 11/2019

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# CONDUIT ISSUER PROGRAM

## MULTIFAMILY HOUSING BONDS

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.

<b>Qualifications</b>	<ul style="list-style-type: none"> <li>• Available to for-profit, non-profit or public agency sponsors.</li> <li>• Non-profit borrowers may be eligible for 501(c)(3) bonds.</li> <li>• If bond proceeds are utilized to pay off an existing CalHFA portfolio loan visit <a href="http://www.calhfa.ca.gov">www.calhfa.ca.gov</a> for the <a href="#">CalHFA Portfolio Loan Prepayment Policy</a>.</li> </ul>
<b>Bond Amount</b>	Bond amount is determined by the loan amount of the selected construction lender.
<b>Fees</b> (subject to change)	<ul style="list-style-type: none"> <li>• Application Fee: \$5,000 non-refundable, due at time of application submittal (covers the cost of the TEFRA) and is credited towards the CalHFA Issuer Fee.</li> <li>• Issuer Fee:             <ol style="list-style-type: none"> <li>1. The greater of \$15,000 or 0.20% of the Bond amount if less than \$20 million dollars</li> <li>2. If more than \$20 million dollars: \$40,000 + 0.10% of the amount above \$20 million dollars</li> </ol> </li> <li>• Annual Administrative Fee: \$7,500 (scattered site projects may require increased fees) due and payable in advance in annual installments commencing on Bond issuance through the term of the regulatory period.</li> <li>• Public Sale: additional fee of \$5,000 to \$10,000 applies when Bonds are sold to the public.</li> <li>• 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 is payable to CDLAC.</li> <li>• CDLAC Performance Deposit: 0.50% of the requested Bond amount, not to exceed \$100,000, due at time of CDLAC application submittal. Deposit to be refunded after the Bond closing, upon receipt of authorization letter from CDLAC.</li> </ul> <p>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.</p>

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## CONDUIT ISSUER PROGRAM

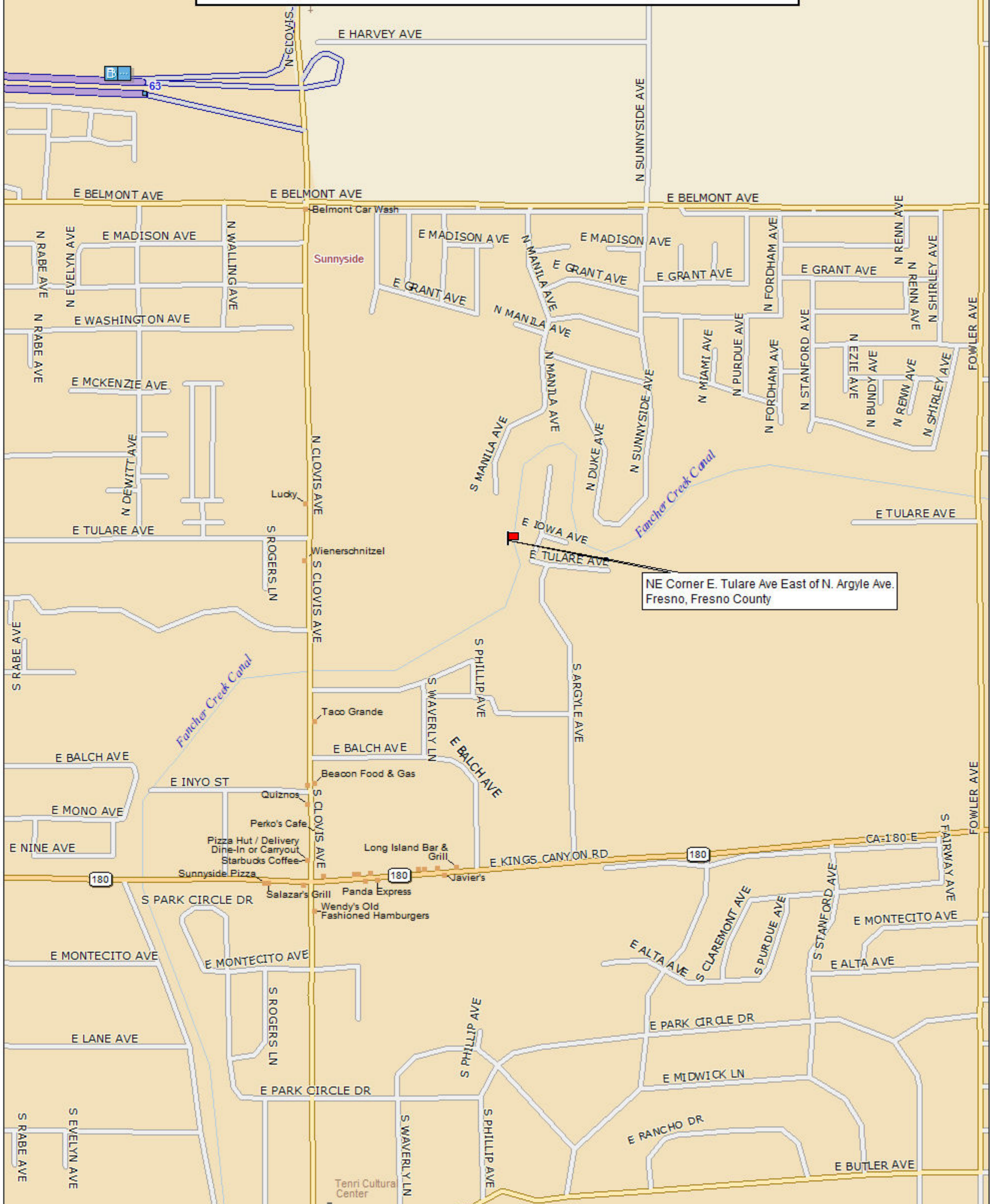
### Occupancy Requirements

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

Last revised: 03/2019

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

# Fancher Creek Senior Apts.



NE Corner E. Tulare Ave East of N. Argyle Ave.  
Fresno, Fresno County

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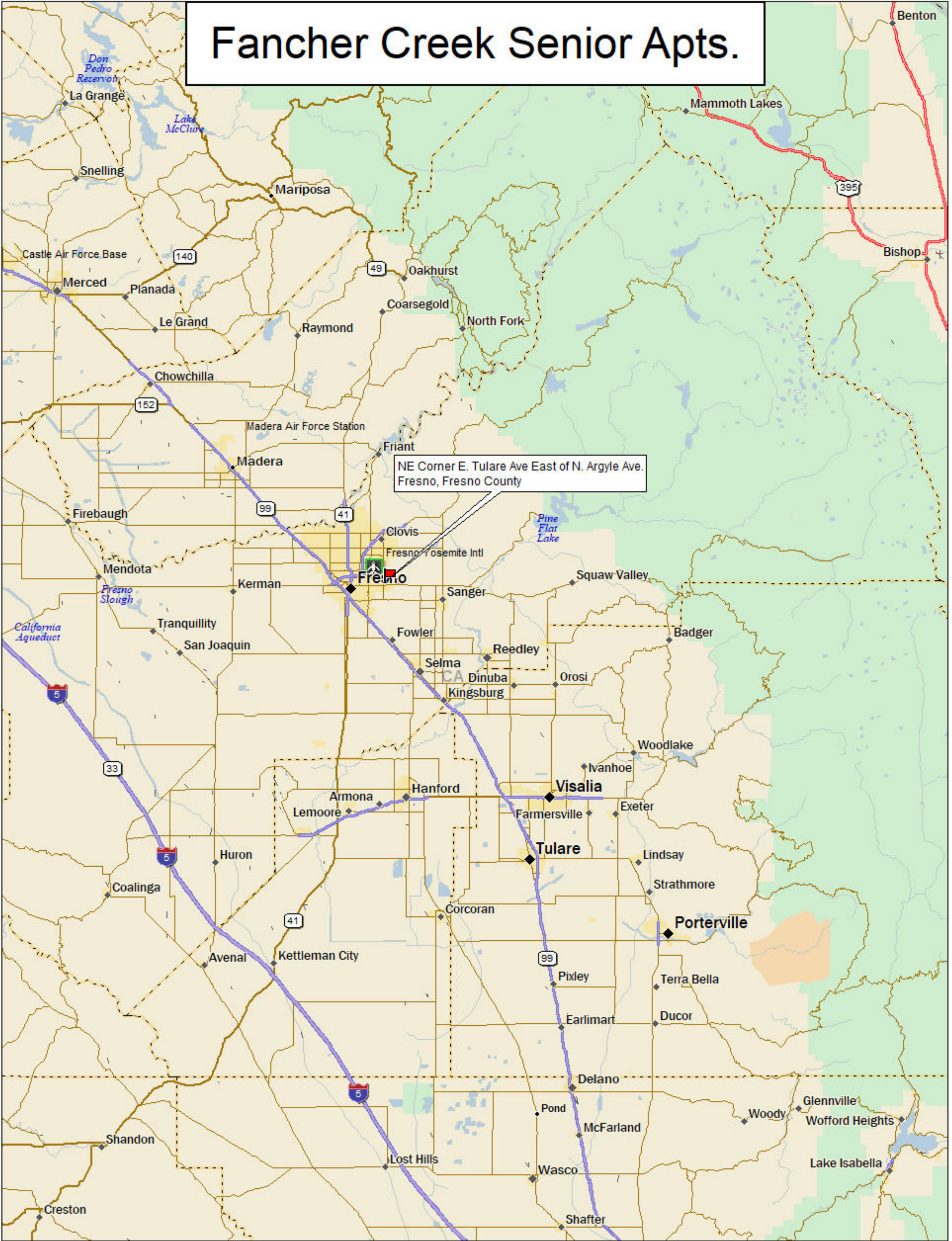
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# Fancher Creek Senior Apts.

NE Corner E. Tulare Ave East of N. Argyle Ave.  
Fresno, Fresno County



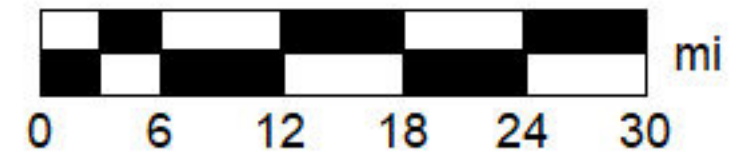
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