CalHFA MULTIFAMILY PROGRAMS DIVISION

Final Commitment Staff Report & Request for Loan Approval of Permanent Take-Out Loan for Tax Exempt financing with Mixed Income Program Subsidy Financing

Senior Loan Committee "Approval": 11/1/21 for Board Meeting on 11/16/21

Project Name, County:	Marina Village Apartments, Solano County	
Address:	201 Marina Blvd. Suisun City, CA 94585	
CalHFA Project Number:	21-015-A/X/N	Total Units: 160
Requested Financing by Loan Program:	$35,449,239	Tax Exempt Bond – Conduit Issuance Amount
	$10,927,278	Taxable Bond-Conduit Issuance Amount
	$2,500,000	Tax Exempt Recycled Bond-Conduit Issuance Amount
	$24,125,000	CalHFA Permanent Tax-Exempt Loan with HUD Risk Sharing
	$3,175,000	Subsidy GAP Loan funded by MIP funds

DEVELOPMENT/PROJECT TEAM

Developer:	Solano Affordable Housing Foundation	**Borrower:**	Marina Village Suisun Partners, L.P.
Permanent Lender:	CalHFA	**Construction Lender:**	JP Morgan Chase
Equity Investor:	R4 Capital, LLC	**Management Company:**	John Stewart Company (JSCo)
Contractor:	Tricorp Construction	**Architect**	Vrilakas Architects
Loan Officer:	Kevin Brown	**Loan Specialist:**	N/A
Asset Manager:	Jessica Doan	**Loan Administration:**	Mirna Ramirez
Legal (Internal):	Marc Victor	**Legal (External):**	N/A
Concept Meeting Date:	4/21/21	**Approval Expiration Date:**	180 days from Approval

LOAN TERMS

1.		**CONDUIT ISSUANCE (Chase)**	**PERMANENT LOAN (CalHFA)**	**MIP (GAP) LOAN**
	Total Loan Amount	$35,449,239 (t/e) $10,927,278 (tax) $2,500,000 (t/e recycled bonds)	$24,125,000	$3,175,000
	Loan Term & Lien Position	30 months-interest only, with up to two 6-month renewal options. The second renewal at 0.25% fee. 1st Lien Position during construction	40-year partially amortizing due in 30 years. First Lien Position at permanent conversion	30-year - Residual Receipts; 2nd Lien Position during permanent loan conversion

	Interest Rate (subject to change and locked 30 days prior to loan closing)	SOFR + 1.80% (TE) SOFR + 2.30% (Tax) Underwritten at 2.30% variable rate (TE) and 3.00% variable rate (Tax)	30-year MMD + 2.28%. Underwritten at 4.22% that includes a .25% cushion. Estimated rate based on a 36 month forward commitment.	Greater of 1.00% Simple Interest or the Applicable Federal Rate at time of MIP closing. Underwritten at 2.00%
	Loan to Value (LTV)	79% of investment value (T/E & Tax)	89% of restricted value	N/A
	Loan to Cost	75% (T/E & Tax)	36%	N/A

PROJECT SUMMARY

2.	**Legislative Districts**	**Congress:**	3 John Garamendi	**Assembly:**	11 Jim Frazier	**State Senate:**	3 Bill Dodd

Brief Project Description

Marina Village Apartments (the "Project") is a new family mixed income Project, consisting of 8 residential buildings of 3 stories walk-up and one community building. There will be 160 total units, 159 of which will be restricted between 30% and 70% of the Solano County Area Median Income (AMI). There will be 39 one-bedroom units (600 s.f.), 55 two-bedroom units (980 s.f.), 50 three-bedroom units (1,100 s.f.) and 16 four-bedroom units (1,450 s.f.). One two-bedroom will be served as the manager's unit. The site is currently vacant, and the project is not located in a disaster area and is not a part of locality's disaster recovery strategy/plan.

Financing Structure: The Project's financing structure includes tax-exempt bonds, a taxable tail, recycled tax-exempt bonds, 4% tax credits, state tax credits, a CalHFA tax-exempt permanent loan with HUD risk sharing, a CalHFA MIP loan and a sponsor-funded Bridge Loan. The project will be income averaged, pursuant to TCAC regulations.

Tax Credits and/or CDLAC Status: The developer received an allocation for 4% tax credits from TCAC and bond cap from CDLAC on 8/11/21.

Ground Lease: N/A.

Project Amenities: The Project includes a community room, laundry rooms and outdoor picnic and recreational areas. Unit amenities will include central heating and air, dishwasher, garbage disposal and free internet service. On site resident services will be available to tenants, refer to section 33 for more information.

Local Resources and Services: The Project is located in a Low Resource area, per TCAC's Opportunity Area Map. The Project is in close proximity to the following local amenities and services:

- Grocery stores –.5 miles
- Schools - .4 miles
- Public Library – 1 mile
- Public transit – bus stop adjacent to the site
- Retail - .3 to 1 mile
- Park and recreation - .4 miles
- Hospitals – 1 mile

Non-displacement <u>and</u> No Net Loss: To the extent feasible, it is the Agency's priority to mitigate the overall effects upon affordable housing availability that may arise from

		multifamily developments that may result in permanent displacement of existing affordable housing residents and/or net loss of existing affordable housing units. The Project is a new construction project, with no related demolition of existing affordable housing, hence no existing affordable housing units will be lost nor will existing residential households be displaced as a result of this development. **Commercial Space:** The Project does not include commercial space.

MISSION

3.	CalHFA Mission/Goals	
This Project and financing proposal provide 159 units of affordable housing with a range of restricted rents between 30% AMI and 70% of AMI which will support much needed rental housing that will remain affordable for 55 years.		

ANTICIPATED PROJECT MILESTONES & SCHEDULE

4.	CDLAC/TCAC Closing Deadline:	2/7/2022	Est. Construction Loan Closing:	2/1/2022
	Estimated Construction Start:	2/1/2022	Est. Construction Completion:	11/1/2023
	Estimated Stabilization and Conversion to Perm Loan(s):		7/1/2024	

SOURCES OF FUNDS

5.

Construction Period Financing				
SOURCE	**AMOUNT**	**LIEN POSITION**	**INTEREST RATE**	**DEBT TYPE**
Citibank T/E Const. Loan	$35,449,239	1st	2.30%	Interest Only
Citibank Tax. Const. Loan	$10,927,278	1st	3.00%	Interest Only
Citibank T/E Recycled Bonds	$2,500,000	1st	3.00%	Interest Only
Tax Credit Equity	$3,337,973	N/A	N/A	N/A
SAHF Bridge Loan	$3,000,000	2nd	2.16%	Interest Only
Deferred Costs	$3,535,980	N/A	N/A	N/A
TOTAL	**$58,750,470**		**Per Unit**	**$367,190**

Permanent Financing				
SOURCE	**AMOUNT**	**LIEN POSITION**	**INTEREST RATE**	**DEBT TYPE**
CalHFA Permanent Loan	$24,125,000	1st	4.22%	Balloon 40/30
CalHFA MIP Loan	$3,175,000	2nd	2.00%	Residual Receipts
Tax Credit Equity	$33,379,732	N/A	N/A	N/A
Deferred Developer Fee	$7,166,861	N/A	N/A	Paid via Available Cash Flow
TOTAL DEVELOPMENT COST:	**$67,846,593**		**Per Unit**	**$424,041**

Subsidy Efficiency: $19,969 Per MIP restricted unit.

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

- 4% Federal Tax Credits: $ 32,262,466 assuming estimated pricing of $0.8425 ($203,904 per total units).

	• State Tax Credits: $7,459,942 assuming estimated pricing of $0.82 ($46,625 per total units). **Rental Subsidies**: The Project will not be subsidized by project-based vouchers. **Other State Subsidies:** The Project will not be funded by other state funds. **Other Locality Subsidies:** The Project will not be funded by local subsidies. **Cost Containment Strategy:** The Developer will competitively bid all trades, obtaining a minimum of 3 bids, and implement design standards that facilitate efficiency in cost and construction scheduling. Prior to construction loan closing, CalHFA will require the Developer to certify that cost containment measures have been implemented.
6.	Equity – Cash Out (estimate): Not Applicable.

TRANSACTION OVERVIEW

7.	**Proposal and Project Strengths**

- The Project anticipates receiving 4% federal and state tax credits which is projected to generate equity representing 49% of total financing sources.
- The developer/sponsor has experience in developing similar affordable housing projects.
- The Project will serve low-income families ranging between 30% to 70% of AMI.
- The rents are affordable to families at 27% to 69% of market and 27% of the units are at or below 40% AMI.
- The Loan-to-Value will be 89%, which meets the Agency's minimum requirements, providing less risk to the Agency.
- The projected portion of the developer's fee that will be collected at or prior to permanent loan conversion is $3,221,896, which could be available to cover cost overruns and/or unforeseen issues during construction.
- The exit analysis assumes 7% cap rate and 3% increase of the underwriting interest rate at loan maturity. Based on these assumptions, the Project will have the ability to fully repay the balance of Agency's permanent first lien and subsidy loans.

8.	**Project Weaknesses with Mitigants:**

None

9.	**Underwriting Standards or Term Sheet Variations**

For purposes of MIP subsidy efficiency analysis, the underwriting of the permanent first lien loan is typically required to be sized based on the maximum TCAC income and rent limits. The developer is requesting an exception to this requirement and instead has requested that project rents for 32 of the units be limited to 15% below TCAC regulated maximum rents. This is a condition required by the investor to ensure that the income average is at 58% of AMI (60% is the maximum), which mitigates the Project's risk of losing tax credits during the compliance period pursuant to income averaging requirements. The income for these 32 units average 42% below market rents for similar units vs. average of 32% below market rents if TCAC maximum rents are used. This request does not include the 10% of total units (16 units) restricted between 60% and 80% AMI as required by the MIP term sheet. To facilitate project feasibility, staff is recommending an exception to the MIP subsidy efficiency requirement to allow the project's permanent first lien loan underwriting to align with the investor's requirements.

10.	**Project Specific Conditions of Approval**

Approval is conditioned upon:

- No site work or construction commenced prior to the issuance of a HUD Firm Approval Letter.

- Receipt of LPA evidencing equity investor's requirements that the residual receipt split must be modified to 100% towards the earlier of repayment of DDF or 15 years. In addition, the owner must provide evidence of investor approval of the total deferred developer's fee structure and residual receipt split.
- The total deferred developer's fee of $7,166,861 will not be fully repaid by year 15 per project cashflow, therefore the owner must provide evidence of investor approval of the total deferred developer's fee structure. The developer has confirmed that they will forgo any outstanding developer fee in year 15 and treat the amount as a developer's contribution. This condition will be documented in the investor commitment letter and/or LPA.
- CalHFA requires that MIP affordability covenants be recorded in senior position ahead of any foreclosable debt.
- 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 and/or permanent loan closing. For instance, if the permanent loan interest rate decreased, then the subsidy may be reduced due to additional debt generated by the lower interest rate. The debt service coverage ratio ("DSCR") shall be a maximum of 1.20. An increase of the subsidy loan will not be allowed and will be subject to Agency's approval.
- Approval of plan check prior to construction loan closing.
- Approval of NEPA prior to construction loan closing

11. Staff Conclusion/Recommendation:

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

AFFORDABILITY

12. CalHFA Affordability & Occupancy Restrictions

The CalHFA Permanent Financing Regulatory Agreement will restrict a minimum of 40% of the total units at or below 60% AMI with 10% of these units at 50% of AM for 55 years.

*The CalHFA MIP Subsidy Regulatory Agreement requires 10% of total units (16 units) be restricted at or below 50% of AMI and 10% of total units (16 units) be restricted between 60% and 80% of AMI with a minimum average of 70% of AMI for a term of 55 years. The rents for the 60% to 80% tranche and the applicable target occupancy are required to be sized and determined by the minimum income limit of 70% of AMI and TCAC maximum rent limits, however, the developer is requesting an exception to this requirement and instead to allow the project to underwrite the rents for 32 of the 70% of AMI units to 60% of AMI. This is a condition required by the investor to ensure that the income average is at 58% of AMI. . The remaining 127 units will be restricted at or below 120% of AMI. For underwriting purposes, the initial rents at permanent loan conversion must be no less than the underwriting rent levels outlined on the "Unit Mix and Rent Summary" enclosed.

Rent Limit Summary Table

AMI	Total	Studio	1-bdrm	2-bdrm	3-bdrm	4-bdrm	% of Total
30%	16	-	4	4	4	4	10.0%
40%	28	-	28	-	-	-	17.5%
50%	0	-	-	-	-	-	0.0%
60%	11	-	3	-	-	8	6.9%
70%	104	-	4	50	46	4	65.0%
Manager's Unit	1	-	-	1	-	-	0.6%
Total	160	0	39	55	50	16	100.0%

The average affordability restriction is 60% of AMI. Per investor conditions, 4 1BRs and 28 2BRs are restricted at 70% of AMI and underwritten with rents that are determined based on 60% of AMI to ensure that actual rents average 58% of AMI and not at-risk of exceeding the 60% of AMI threshold under LIHTC's income averaging rule.

NUMBER OF UNITS AND AMI RENTS RESTRICTED BY EACH AGENCY

Regulatory Source	Recordation Priority if Recorded Document	Term of Agrmt (years)	Number of Units Restricted For Each AMI Category									
			30% AMI	40% AMI	50% AMI	60% AMI	70% AMI	70% AMI *(60% to 80% Tranche)	Not to Exceed 120% AMI	Mgrs Unit	Total Units Regulated	% of Regulated Units
CalHFA Bond	1st	**55**			16	48				1	64	40.0%
***CalHFA Subsidy**	2nd	**55**			16			16	127	1	159	99.4%
Tax Credits	3rd	**55**	16	28		11	104			1	159	99.4%

13. Geocoder Information

Central City:	Yes /No	Underserved:	No
Low/Mod Census Tract:	Lower/Moderate	Below Poverty line:	13%
Minority Census Tract:	78%	Rural Area:	No

FINANCIAL ANALYSIS SUMMARY

14. Capitalized Reserves:

Replacement Reserves (RR):	N/A
Operating Expense Reserve (OER):	$536,401 The developer/sponsor met the threshold requirements for the proposed OER budget, which is based on 3 months of total operating expense, annual replacement reserves, and debt service. CalHFA will hold this reserve for the life of the 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.
Transitional Operating Reserve (TOR):	N/A.

15. Cash Flow Analysis

1st Year DSCR:	1.15	**Project-Based Subsidy Term:**	N/A
End Year DSCR:	2.01	**Annual Replacement Reserve Per Unit:**	$250/unit
Residential Vacancy Rate: **Subsidy Vacancy Rate:**	5% N/A	**Rental Income Inflation Rate:** **Subsidy Income Inflation Rate:**	2.50% N/A
Non-residential Vacancy Rate:	N/A	**Project Expenses Inflation Rate:** **Property Tax Inflation Rate:**	3.50% 1.25%

16. Loan Security

The CalHFA loans will be secured against the above described Project site.

17.	Balloon Exit Analysis Applicable: ☒ Yes ☐ No

The exit analysis assumes 7% cap rate and 3% increase of the underwriting interest rate at loan maturity. Based on these assumptions, the Project will have the ability to fully repay the balance of Agency's permanent first lien and subsidy loans.

APPRAISAL AND MARKET ANALYSIS

18.	Appraisal Review	Dated: September 17, 2021

- The Appraisal dated September 17, 2021, prepared by Watts, Cohn and Partners, Inc., values the land at $2,000,000 with entitlements and the As-Is Market Value is $1,980,000.
- The cap rate of 5.0% and the projected net operating income is $1.36M, which is $70k lower than underwritten net operating income. This is because the utility allowances in the appraisal were based on 2020 estimates. The Housing Authority updated the utility allowances, which are used in the current underwriting.
- The as-restricted stabilized value is $27,250,000, which results in the Agency's permanent first lien loan(s) to value of 89%.
- The absorption rate is 5 months (30 units per month) and generally consistent with the market study.

Market Study:	Novogradac	Dated: March 10, 2021

Regional Market Overview

- The Primary Market Area is the city of Suisun City and the central portion of the city of Fairfield (population estimated to be 93,196 at market entry) and the Secondary Market Area ("SMA") is Vallejo-Fairfield, CA Metropolitan Statistical Area (MSA) which consists of Solano County (population estimated to be 453,408 at market entry)
- The general population in the PMA is anticipated to increase by 0.5% per year.
- Unemployment for the PMA was not provided and was 8.8% in the SMA. The study states that the increase in unemployment compared to previous years is "due to the stay-at-home orders issued by the governor… as a result of the ongoing COVID-19 pandemic. It is reasonable to assume that some of these jobs may return as the state reopens and the pandemic ends."

Local Market Area Analysis

- **Supply:**
  - There are currently 14 family projects in the PMA and of the projects with occupancy and wait list data available. All, with the exception of one project, are 100% occupied with long wait lists. The exception project is 97% occupied and does not maintain a wait list.
  - While the market study was undertaken, Novogradac inquired but received no information from either Suisun City or the City of Fairfield regarding affordable projects under construction or proposed.
- **Demand/Absorption:**
  - The project will need to capture 10.2% of the total demand for family units of the Subject's bedroom types in the PMA. The affordable units are anticipated to lease up at a rate of 30 units per month and reach 97% stabilized occupancy within 5 months of opening.

DEVELOPMENT SUMMARY

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

- The property is located on the south east side of Marina Boulevard and Buena Vista Avenue, in the City of Suisun City, Solano County.
- The site is currently vacant, with generally level topography at street grade and a slight regional slope to the south, measuring approximately 5.2 acres, and is generally irregular in shape.
- The site consists of nine (9) contiguous parcels that will be merged prior to start of construction.
- Four of the parcels are zoned for CR (Commercial Retail) and the remaining five parcels are zoned RH2 (High Density Residential). The Suisun Planning Department has confirmed that the site has General Plan designation of Mixed Use with permitted multifamily residential use at a residential density of 10-45 units per gross acre.

• The subject is located in Flood Zone X. 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.	
20.	**Form of Site Control & Expiration Date**
The site was purchased via an arms-lengths transaction. The Project purchased the land from Ken, Inc., A California Corporation on 09/30/2021 for an amount of $2,000,000.	
21.	**Current Ownership Entity of Record**
Title is currently vested in Marina Village Suisun Partners, L.P., a California limited partnership as the fee owner.	
22.	**Environmental Review Findings** **Dated: April 30, 2021**
• A Phase I Environmental Site Assessment performed by RMD Environmental Solutions, Inc., dated April 30, 2021 revealed recognized environmental conditions (RECs) related to a former airfield runway on the site and residual volatile organic compounds (VOCs) in the groundwater. • A Phase II Environmental Site Investigation Report performed by RMD Environmental Solutions, dated July 30, 2021 concluded that "Contamination is not present at concentrations that would warrant additional investigation or remediation." • A NEPA review has been initiated and will be completed prior to construction loan closing.	
23.	**Seismic** **Requires Earthquake Insurance:** ☐ **Yes** ☒ **No**
This new Project will be built to State and City of Suisun City Building Codes so no seismic review is required.	
24.	**Relocation** **Requires Relocation:** ☐ **Yes** ☒ **Not Applicable**
The Project is new construction, therefore, relocation is not applicable.	

PROJECT DETAILS

25.	**Residential Areas:**				
		Residential Square Footage:	155,500	**Residential Units per Acre:**	31
		Community Area Sq. Ftg:	2,500	**Total Parking Spaces:**	234
		Supportive Service Areas:	N/A	**Total Building Sq. Footage:**	167,699
26.	**Mixed-Use Project:** ☒ **Yes** ☐ **No**				
		Non-Residential Sq. Footage:	N/A	**Number of Lease Spaces:**	N/A
		Master Lease:	☐ **Yes** ☒ **No**	**Number of Parking Spaces:**	N/A
27.	**Construction Type:**	Eight (8) 3-story, type-VA wood-framed residential building with surface parking spaces.			
28.	**Construction/Rehab Scope** **Requires Demolition:** ☐ **Yes** ☒ **No**				
The subject site is new construction. Fencing along the abutting gas station entry drive will be solid and metal picket east of the gas station to the parking lot.					
29.	**Construction Budget Comments:**				
• CalHFA will require an independent review of the costs by a 3rd Party consultant prior to construction loan closing. • The Developer is currently looking for cost saving design options to reduce construction costs and minimize the amount of deferred developer fee. • The developer had established cost containment strategies that include: ○ competitively bidding all trades ○ obtaining a minimum of 3 bids ○ implementing design standards that facilitate efficiency in cost and construction scheduling.					

ADDITIONAL DEVELOPMENT/ PROJECT TEAM INFORMATION

30. Borrower Affiliated Entities

- Managing General Partner (MGP): Suisun Housing Company, LLC, a California limited liability company; 0.001% interest
  - Member: Solano Affordable Housing Foundation (SAHF), Managing Member, a California nonprofit public benefit corporation (100%)
  - After closing, MGP membership interest will be reallocated so that SAHF retains 99.99% and Kingdom Development, Inc., Member, a California nonprofit public benefit corporation will be admitted to the partnership at 0.01%.
- Investor Limited Partner: R4 Capital LLC Affiliate; 99.99% interest.

31. Developer/Sponsor

Solano Affordable Housing Foundation (SAHF), a non-profit corporation, was created in 1990 by a coalition of business, social, and political leaders throughout Solano County concerned about the cost of housing escalating beyond the ability of many Solano County resident's ability to pay. Since its inception, SAHF has developed more than 900 affordable housing units for Solano County families. SAHF is eligible for Black, Indigenous, and Other People of Color (BIPOC) status pursuant to CDLAC Regulations Chapter 2, Article 1, Section §5170. They have completed nine (9) tax credit projects in California (842 total units) and have two (2) projects under construction and in the CalHFA portfolio. In addition, they have two (2) projects in the pipeline.

32. Management Agent

The Project will be managed by John Stewart Company (JSCo), which has extensive experience in managing similar affordable housing projects in the area and manages several projects in CalHFA's portfolio. Currently they manage 3 projects (214 units total) in the CalHFA portfolio, and they are performing as expected. JSCo worked directly with the developer to prepare the anticipated operating budget for this project.

33. Service Provider **Required by TCAC or other funding source?** ☒ **Yes** ☐ **No**

LifeSTEPS, evidenced through an executed MOU, will provide supportive services for all tenants through at least 15 years that will be funded through operations. Adult on-site classes will be offered, which include classes on health/wellness and financial literacy. An after-school program will be offered for children. The cost of these services is included in the operating budget.

34. Contractor **Experienced with CalHFA?** ☒ **Yes** ☐ **No**

The general contractor is Tricorp Group, which has experience in constructing a similar affordable housing project in California. They completed an affordable 138-unit new construction project with Bridge Housing and performed renovation work on seven (7) housing projects with affordable housing developers (i.e., Mutual Housing, Eden Housing and Solano Affordable Housing). In addition, they have completed 4 new construction market-rate housing projects. They are working on renovating two (2) projects currently under construction that are in the CalHFA portfolio.

35. Architect **Experienced with CalHFA?** ☐ **Yes** ☒ **No**

The architect is Vrilakas Architects, which is involved in an 85-unit low-income, transitional housing project in California with Mercy Housing. Project completion is anticipated in the fall. The firm has also completed 6 mixed-use projects that include a residential component (700 units), which are comparable in design to the project. CalHFA is not familiar with the architect.

36. Local Review via Locality Contribution Letter

The locality, City of Suisun City, returned the local contribution letter stating they have no position on the project because it did not need to go before the Planning Commission or City Council for approval. The City Manager confirmed that no local approvals were required based on the application submitted.

EXHIBITS: Detailed Financial Analysis and applicable Term Sheets

PROJECT SUMMARY — Final Commitment

Acquisition, Rehab, Construction & Permanent Loans — **Project Number 21-015-A/X/N**

Project Full Name	Marina Village Apartments	**Borrower Name:**	Marina Village Suisun Partners, L.P.
Project Address	201 Marina Blvd.	**Managing GP:**	Suisun Housing Company, LLC
Project City	Suisun City	**Developer Name:**	Solano Affordable Housing Foundation
Project County	Solano	**Investor Name:**	R4 Capital
Project Zip Code	94585	**Prop Management:**	John Stewart Company
		Tax Credits:	4
Project Type:	Permanent Loan Only	**Total Land Area (acres):**	5.20
Tenancy/Occupancy:	Individuals/Families	**Residential Square Footage:**	155,500
Total Residential Units:	160	**Residential Units Per Acre:**	30.77
Total Number of Buildings:	9		
Number of Stories:	3	**Covered Parking Spaces:**	160
Unit Style:	Flat	**Total Parking Spaces:**	234
Elevators:	--		

Acq/Construction/Rehab Financing	Loan Amount ($)	Loan Fees	Loan Term (Mo.)	Amort. Period (Yr.)	Starting Interest Rate
Chase T/E Construction Loan	35,449,239	0.750%	30	--	2.300%
Chase Tax Construction Loan	10,927,278	0.750%	30	--	3.000%
Chase-Recycled T/E Bonds	2,500,000	0.750%	30	--	3.000%
SAHF Bridge Loan	3,000,000	0.000%	30	--	2.160%
Investor Equity Contribution	3,337,973	NA	NA	NA	NA
Deferred Costs	3,535,980	NA	NA	NA	NA
TOTAL	**58,750,470**				

Permanent Financing	Loan Amount ($)	Loan Fees	Loan Term (Yr.)	Amort. Period (Yr.)	Starting Interest Rate
Perm	24,125,000	1.000%	30	40	4.220%
MIP	3,175,000	1.000%	30	--	2.000%
Deferred Developer Fees	7,166,861	NA	NA	NA	NA
Investor Equity Contributions	33,379,732	NA	NA	NA	NA
TOTAL	**67,846,593**				

Appraised Values Upon Completion of Rehab/Construction

Appraisal Date:	9/17/21	**Capitalization Rate:**	5.00%
Investment Value ($)	61,925,000	**Restricted Value ($)**	27,250,000
Construct/Rehab LTC	75%	**CalHFA Permanent Loan to Cost**	36%
Construct/Rehab LTV	68%	**CalHFA 1st Permanent Loan to Value**	89%
		Combined CalHFA Perm Loan to Value	100%

Additional Loan Terms, Conditions & Comments

Construction/Rehab Loan

Payment/Performance Bond	0	
Completion Guarantee Letter of Credit	0.00%	

Permanent Loan

Operating Expense Reserve Deposit	$536,401	Cash
Initial Replacement Reserve Deposit	$0	Cash
Annual Replacement Reserve Per Unit	$250	Cash

Date Prepared: 10/14/21 — Senior Staff Date: 11/1/21

UNIT MIX AND RENT SUMMARY **Final Commitment**

Marina Village Apartments **Project Number 21-015-A/X/N**

PROJECT UNIT MIX					
Unit Type of Style	Number of Bedrooms	Number of Baths	Average Size (Sq. Ft.)	Number of Units	Est. No. of Tenants
Flat	1	1	600	39	58.5
Flat	2	1	980	55	165
Flat	3	2	1,100	50	225
Flat	4	2	1,450	16	96
-	-	-	-	-	0
-	-	-	-	-	0
				160	544.5

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%
Bond/RiskShare	0	0	16	48	0	0	0
CalHFA MIP	0	0	16	0	16	0	127
Tax Credit	16	28	0	11	104	0	0
-	0	0	0	0	0	0	0
-	0	0	0	0	0	0	0
-	0	0	0	0	0	0	0
-	0	0	0	0	0	0	0

COMPARISON OF AVERAGE MONTHLY RESTRICTED RENTS TO AVERAGE MARKET RENTS							
Unit Type	Restricting Agency	% of Area Median Income	Average Restricted Rents: Number of Units	Average Restricted Rents: Unit Rent	Average Market Rents	Average Monthly Savings	% of Market Rents
Studios	CTCAC	30%	-	-	$0	-	-
1 Bedroom	CTCAC	30%	4	$507	$1,850	$1,343	27%
	CTCAC	40%	28	$689		$1,161	37%
	CTCAC	60%	3	$1,053		$797	57%
	CTCAC	70%	-	-		-	-
	CTCAC	70%	4	$1,053		$797	57%
	HCD	100%	-	-		-	-
	HCD	120%	-	-		-	-
2 Bedrooms	CTCAC	30%	4	$593	$2,150	$1,557	28%
	CTCAC	40%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	70%	22	$1,467		$683	68%
	CTCAC	70%	28	$1,248		$902	58%
	HCD	120%	-	-		-	-
	HCD	-	-	-		-	-
3 Bedrooms	CTCAC	30%	4	$678	$2,450	$1,772	28%
	CTCAC	40%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	70%	46	$1,688		$762	69%
	CTCAC	70%	-	-		-	-
	HCD	100%	-	-		-	-
	HCD	120%	-	-		-	-
4 Bedrooms	CTCAC	30%	4	$743	$2,700	$1,957	28%
	CTCAC	40%	-	-		-	-
	CTCAC	60%	8	$1,588		$1,112	59%
	CTCAC	70%	4	$1,869		$831	69%
	CTCAC	70%	-	-		-	-
	HCD	100%	-	-		-	-
	HCD	120%	-	-		-	-
5 Bedrooms	CTCAC	30%	-	-	-	-	-
Date Prepared:	10/14/21					Senior Staff Date:	11/1/21

SOURCES & USES OF FUNDS					Final Commitment
Marina Village Apartments			Project Number		21-015-A/X/N
SOURCES OF FUNDS	CONST/REHAB $	PERMANENT $	TOTAL PROJECT SOURCES OF FUNDS SOURCES ($)	PER UNIT ($)	%
Chase T/E Construction Loan	35,449,239				0.0%
Chase Tax Construction Loan	10,927,278				0.0%
-	-				0.0%
Chase-Recycled T/E Bonds	2,500,000				0.0%
Construct/Rehab Net Oper. Inc.	-				0.0%
Deferred Developer Fee	-				0.0%
Developer Equity Contribution	-				0.0%
Investor Equity Contribution	3,337,973				0.0%
Perm		24,125,000	24,125,000	150,781	35.6%
MIP		3,175,000	3,175,000	19,844	4.7%
Construct/Rehab Net Oper. Inc.		-	-	-	0.0%
Deferred Developer Fees		7,166,861	7,166,861	44,793	10.6%
Developer Equity Contribution		-	-	-	0.0%
Investor Equity Contributions		33,379,732	33,379,732	208,623	49.2%
TOTAL SOURCES OF FUNDS	**58,750,470**	**67,846,593**	**67,846,593**	**424,041**	**100.0%**
TOTAL USES OF FUNDS (BELOW)	**58,750,470**	**67,846,593**	**67,846,593**	**424,041**	**100.0%**
FUNDING SURPLUS (DEFICIT)	**-**	**0**	**0**		

USES OF FUNDS	CONST/REHAB $	PERMANENT $	TOTAL PROJECT USES OF FUNDS USES ($)	PER UNIT ($)	%
CONSTRUCTION/REHAB SOURCES OF FUNDS		**58,750,470**			
ACQUISITION COSTS					
Lesser of Land Cost or Appraised Value	2,000,000	-	2,000,000	12,500	2.9%
Demolition Costs	-	-	-	-	0.0%
Legal & Other Closing Costs	-	-	-	-	0.0%
TOTAL ACQUISITION COSTS	**2,245,577**	**-**	**2,245,577**	**14,035**	**3.3%**
CONSTRUCTION/REHAB COSTS					
Offsite Improvements	-	-	-	-	0.0%
Environmental Remediation (Hard Costs)	-	-	-	-	0.0%
Site Work (Hard Cost)	4,515,477	-	4,515,477	28,222	6.7%
Structures (Hard Cost)	31,829,993	-	31,829,993	198,937	46.9%
General Requirements	-	-	-	-	0.0%
Contractor Overhead	1,084,015	-	1,084,015	6,775	1.6%
Contractor Profit	1,084,015	-	1,084,015	6,775	1.6%
Contractor Bond	357,760	-	357,760	2,236	0.5%
Contractor Liability Insurance	354,219	-	354,219	2,214	0.5%
Personal Property	-	-	-	-	0.0%
Other (GC Contingency)	1,362,379	-	1,362,379	8,515	2.0%
TOTAL CONSTRUCT/REHAB COSTS	**40,587,857**	**-**	**40,587,857**	**253,674**	**59.8%**

SOURCES & USES OF FUNDS					Final Commitment
Marina Village Apartments			Project Number		21-015-A/X/N
USES OF FUNDS	CONST/REHAB $	PERMANENT $	TOTAL PROJECT USES OF FUNDS USES ($)	PER UNIT ($)	%
RELOCATION COSTS					
Relocation Expense	-	-	-	-	0.0%
Relocation Compliance Monitoring	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL RELOCATION COSTS	**-**	**-**	**-**	**-**	**0.0%**
ARCHITECTURAL FEES					
Design	850,000	-	850,000	5,313	1.3%
Supervision	100,000	-	100,000	625	0.1%
TOTAL ARCHITECTURAL FEES	**950,000**	**-**	**950,000**	**5,938**	**1.4%**
SURVEY & ENGINEERING FEES					
Engineering	75,000	-	75,000	469	0.1%
Supervision	25,000	-	25,000	156	0.0%
ALTA Land Survey	-	-	-	-	0.0%
TOTAL SURVEY & ENGINEERING FEES	100,000	-	100,000	625	0.1%
CONTINGENCY RESERVES					
Hard Cost Contingency Reserve	1,999,393	-	1,999,393	12,496	2.9%
Soft Cost Contingency Reserve	823,121	-	823,121	5,145	1.2%
TOTAL CONTINGENCY RESERVES	2,822,514	-	2,822,514	17,641	4.2%
CONSTRUCT/REHAB PERIOD COSTS					
Loan Interest Reserve					
Chase T/E Construction Loan	2,318,194	-	2,318,194	14,489	0.034168
Chase Tax Construction Loan	-	-	-	-	0
-	-	-	-	-	0.0%
Chase-Recycled T/E Bonds	-	-	-	-	0.0%
Loan Fees					
Chase T/E Construction Loan	265,869	-	265,869	1,662	0.4%
Chase Tax Construction Loan	81,955	-	81,955	512	0.1%
-	-	-	-	-	0.0%
Chase-Recycled T/E Bonds	18,750	-	18,750	117	0.0%
Other Const/Rehab Period Costs					
Deficit Const/Rehab NOI (Net Operating In	-	-	-	-	0.0%
Credit Enhancement & Application Fees	-	-	-	-	0.0%
Owner Paid Bonds/Insurance	-	-	-	-	0.0%
CalHFA Inspection Fees	7,500	-	7,500	47	0.0%
Insurance During Rehab	396,301	-	396,301	2,477	0.6%
Title & Recording Fees	60,000	-	60,000	375	0.1%
Construction Management & Testing	250,000	-	250,000	1,563	0.4%
Predevelopment Interest Expense	75,000	-	75,000	469	0.1%
Bond Issuer Fee	51,938	-	51,938	325	0.1%
Bridge Loan interest	-	-	-	-	0.0%
TOTAL CONST/REHAB PERIOD COSTS	**3,525,507**	**-**	**3,525,507**	**22,034**	**5.2%**

SOURCES & USES OF FUNDS					Final Commitment
Marina Village Apartments			**Project Number**	**21-015-A/X/N**	
USES OF FUNDS	**CONST/REHAB $**	**PERMANENT $**	**TOTAL PROJECT USES OF FUNDS**		
			USES ($)	**PER UNIT ($)**	**%**
PERMANENT LOAN COSTS					
Loan Fees					
CalHFA Application Fee	-	-	-	-	0.0%
Perm	120,625	120,625	241,250	1,508	0.4%
MIP	15,875	15,875	31,750	198	0.0%
Permanent Loan Cost of Issuance Fee	55,000	55,000	110,000	688	0.2%
Credit Enhancement & Application Fees	-	-	-	-	0.0%
Title & Recording (closing costs)	-	-	-	-	0.0%
Year 1 - Taxes & Special Assessments and Insura	-	-	-	-	0.0%
CalHFA Fees	-	10,085	10,085	63	0.0%
Tax Exempt Bond Allocation Fee	-	-	-	-	0.0%
Other (Bond Recycling Transaction Fee)	12,500	12,500	25,000	156	0.0%
TOTAL PERMANENT LOAN COSTS	**204,000**	**214,085**	**418,085**	**2,613**	**0.6%**
LEGAL FEES					
CalHFA Construction/Rehab Loan Legal Fees	-	-	-	-	0.0%
Other Construction/Rehab Loan Legal Fees	88,028	46,972	135,000	844	0.2%
CalHFA Permanent Loan Legal Fees	17,500	17,500	35,000	219	0.1%
CalHFA Bond Counsel	62,000	-	62,000	388	0.1%
TOTAL LEGAL FEES	**167,528**	**64,472**	**232,000**	**1,450**	**0.3%**
OPERATING RESERVES					
Operating Expense Reserve Deposit	-	536,401	536,401	3,353	0.8%
Other (Specify)	-	-	-	-	0.0%
TOTAL OPERATING RESERVES	**-**	**536,401**	**536,401**	**3,353**	**0.8%**
REPORTS & STUDIES					
Appraisal Fee	10,000	-	10,000	63	0.0%
Market Study Fee	15,000	-	15,000	94	0.0%
Physical Needs Assessment Fee	-	-	-	-	0.0%
Environmental Site Assessment Reports	17,500	-	17,500	109	0.0%
Other ( )	-	-	-	-	0.0%
TOTAL REPORTS & STUDIES	**42,500**	**-**	**42,500**	**266**	**0.1%**

SOURCES & USES OF FUNDS					Final Commitment
Marina Village Apartments			Project Number	21-015-A/X/N	
USES OF FUNDS	CONST/REHAB	PERMANENT	TOTAL PROJECT USES OF FUNDS		
	$	$	USES ($)	PER UNIT ($)	%
OTHER COSTS					
TCAC Application, Allocation & Monitor Fees	86,693	12,000	98,693	617	0.1%
CDLAC Fees	18,702	-	18,702	117	0.0%
Local Permits & Fees	630,000	-	630,000	3,938	0.9%
Local Impact Fees	4,800,000	-	4,800,000	30,000	7.1%
Other Local Fees	-	-	-	-	0.0%
Syndicator/Investor Fees & Expenses	-	-	-	-	0.0%
Furnishings	70,000	-	70,000	438	0.1%
Accounting & Audits	65,000	15,000	80,000	500	0.1%
Advertising & Marketing Expenses	50,000	-	50,000	313	0.1%
Financial Consulting	250,000	-	250,000	1,563	0.4%
TOTAL OTHER COSTS	**5,970,395**	**27,000**	**5,997,395**	**37,484**	**8.8%**
SUBTOTAL PROJECT COSTS	**56,615,878**	**59,592,428**	**57,457,836**	**359,111**	**84.7%**
DEVELOPER FEES & COSTS					
Developer Fees, Overhead & Profit	2,134,592	8,254,165	10,388,757	64,930	15.3%
CASH EQUITY OUT TO DEVELOPER	-	-	-	-	0.0%
TOTAL DEVELOPER FEES & COSTS	**2,134,592**	**8,254,165**	**10,388,757**	**64,930**	**15.3%**
TOTAL PROJECT COSTS	**58,750,470**	**67,846,593**	**67,846,593**	**424,041**	**100.0%**

PROJECTED INITIAL ANNUAL RENTAL OPERATING BUDGET			Final Commitment
Marina Village Apartments	**Project Number**		**21-015-A/X/N**
INCOME	**AMOUNT**	**PER UNIT**	**%**
Rental Income			
Restricted Unit Rents	$ 2,421,516	$ 15,134	104.01%
Unrestricted Unit Rents	-	-	0.00%
Commercial Rents	-	-	0.00%
Rental & Operating Subsidies			
Project Based Rental Subsidy	-	-	0.00%
Other Project Based Subsidy	-	-	0.00%
Income during renovations	-	-	0.00%
Other Subsidy (Specify)	-	-	0.00%
Other Income			
Laundry Income	29,120	182	1.25%
Parking & Storage Income	-	-	0.00%
Miscellaneous Income	-	-	0.00%
GROSS POTENTIAL INCOME (GPI)	**$ 2,450,636**	**$ 15,316**	**105.26%**
Less: Vacancy Loss	**$ 122,532**	**$ 766**	**5.26%**
EFFECTIVE GROSS INCOME (EGI)	**$ 2,328,104**	**$ 16,082**	**100.00%**
OPERATING EXPENSES	**AMOUNT**	**PER UNIT**	**%**
Administrative Expenses	$ 335,435	$ 2,096	$ 0
Management Fee	98,025	613	4.21%
Social Programs & Services	23,040	144	0.99%
Utilities	110,000	688	4.72%
Operating & Maintenance	212,760	1,330	9.14%
Ground Lease Payments	-	-	0.00%
CalHFA Monitoring Fee	7,500	47	0.32%
Other Monitoring Fees	-	-	0.00%
Real Estate Taxes	24,000	150	1.03%
Other Taxes & Insurance	45,000	281	1.93%
Assisted Living/Board & Care	-	-	0.00%
SUBTOTAL OPERATING EXPENSES	**$ 855,760**	**$ 5,349**	**36.76%**
Replacement Reserve	$ 40,000	$ 250	1.72%
TOTAL OPERATING EXPENSES	**$ 895,760**	**$ 5,599**	**38.48%**
NET OPERATING INCOME (NOI)	**$ 1,432,344**	**$ 8,952**	**61.52%**
DEBT SERVICE PAYMENTS	**AMOUNT**	**PER UNIT**	**%**
Perm	$ 1,249,842	$ 7,812	53.68%
-	$ -	-	0.00%
-	$ -	-	0.00%
-	$ -	-	0.00%
-	$ -	-	0.00%
-	$ -	-	0.00%
-	$ -	-	0.00%
MIP Annual Fee (applicable for MIP only deals)	$ -	-	0.00%
TOTAL DEBT SERVICE & OTHER PAYMENTS	**$ 1,249,842**	**$ 7,812**	**53.68%**
EXCESS AFTER DEBT SERVICE & MONITORING FEES	**$ 182,502**	**$ 1,141**	**7.84%**
DEBT SERVICE COVERAGE RATIO (DSCR)	**$ 1 to 1**		
Date: 10/14/21		Senior Staff Date:	11/01/21

PROJECTED PERMANENT LOAN CASH FLOWS										Marina Village Apartments		
Final Commitment										Project Number	21-015-A/X/N	
	YEAR	1	2	3	4	5	6	7	8	9	10	11
RENTAL INCOME	CPI											
Restricted Unit Rents	2.50%	2,421,516	2,482,054	2,544,105	2,607,708	2,672,901	2,739,723	2,808,216	2,878,422	2,950,382	3,024,142	3,099,745
Laundry Income	2.50%	29,120	29,848	30,594	31,359	32,143	32,947	33,770	34,615	35,480	36,367	37,276
Parking & Storage Income	2.50%	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	2.50%	-	-	-	-	-	-	-	-	-	-	-
GROSS POTENTIAL INCOME (GPI)		**2,450,636**	**2,511,902**	**2,574,699**	**2,639,067**	**2,705,044**	**2,772,670**	**2,841,986**	**2,913,036**	**2,985,862**	**3,060,509**	**3,137,021**
VACANCY ASSUMPTIONS	Vacancy											
Restricted Unit Rents	5.00%	121,076	124,103	127,205	130,385	133,645	136,986	140,411	143,921	147,519	151,207	154,987
Laundry Income	5.00%	1,456	1,492	1,530	1,568	1,607	1,647	1,689	1,731	1,774	1,818	1,864
TOTAL PROJECTED VACANCY LOSS		**122,532**	**125,595**	**128,735**	**131,953**	**135,252**	**138,633**	**142,099**	**145,652**	**149,293**	**153,025**	**156,851**
EFFECTIVE GROSS INCOME (EGI)		**2,328,104**	**2,386,307**	**2,445,964**	**2,507,114**	**2,569,791**	**2,634,036**	**2,699,887**	**2,767,384**	**2,836,569**	**2,907,483**	**2,980,170**
OPERATING EXPENSES	CPI / Fee											
Administrative Expenses	3.50%	*358,475*	371,022	384,007	397,448	411,358	425,756	440,657	456,080	472,043	488,565	505,664
Management Fee	4.00%	98,025	95,452	97,839	100,285	102,792	105,361	107,995	110,695	113,463	116,299	119,207
Utilities	3.50%	110,000	113,850	117,835	121,959	126,228	130,645	135,218	139,951	144,849	149,919	155,166
Operating & Maintenance	3.50%	212,760	220,207	227,914	235,891	244,147	252,692	261,536	270,690	280,164	289,970	300,119
Ground Lease Payments	3.50%	-	-	-	-	-	-	-	-	-	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Other Agency Monitoring Fee	0.00%	-	-	-	-	-	-	-	-	-	-	-
Real Estate Taxes	1.25%	*24,000*	24,300	24,604	24,911	25,223	25,538	25,857	26,180	26,508	26,839	27,174
Other Taxes & Insurance	3.50%	45,000	46,575	48,205	49,892	51,639	53,446	55,316	57,253	59,256	61,330	63,477
Required Reserve Payments	1.00%	*40,000*	40,400	40,804	41,212	41,624	42,040	42,461	42,885	43,314	43,747	44,185
TOTAL OPERATING EXPENSES		**895,760**	**919,305**	**948,707**	**979,098**	**1,010,510**	**1,042,979**	**1,076,542**	**1,111,235**	**1,147,098**	**1,184,170**	**1,222,492**
NET OPERATING INCOME (NOI)		**1,432,344**	**1,467,001**	**1,497,257**	**1,528,016**	**1,559,282**	**1,591,057**	**1,623,345**	**1,656,149**	**1,689,471**	**1,723,314**	**1,757,678**
DEBT SERVICE PAYMENTS	Lien #											
Perm	1	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842
MIP Annual Fee (applicable for MIP only deals)	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		**1,249,842**	**1,249,842**	**1,249,842**	**1,249,842**	**1,249,842**	**1,249,842**	**1,249,842**	**1,249,842**	**1,249,842**	**1,249,842**	**1,249,842**
CASH FLOW AFTER DEBT SERVICE		**182,502**	**217,159**	**247,415**	**278,174**	**309,439**	**341,215**	**373,503**	**406,307**	**439,629**	**473,471**	**507,836**
DEBT SERVICE COVERAGE RATIO		**1.15**	**1.17**	**1.20**	**1.22**	**1.25**	**1.27**	**1.30**	**1.33**	**1.35**	**1.38**	**1.41**
Date Prepared:	10/14/21									Senior Staff Date:	11/1/21	

		1	2	3	4	5	6	7	8	9	10	11
LESS: Asset Management Fee	3%	-	-	-	-	-	-	-	-	-	-	-
LESS: Partnership Management Fee	3%	7,500	7,725	7,957	8,195	8,441	8,695	8,955	9,224	9,501	9,786	10,079
net CF available for distribution		**175,002**	**209,434**	**239,458**	**269,978**	**300,998**	**332,520**	**364,548**	**397,083**	**430,128**	**463,686**	**497,756**
	$20K MGP fee to be out of the developers split per R4 9/8 LOI.											
Developer Residual Receipts Distribution	*100%*	**175,002**	**209,434**	**239,458**	**269,978**	**300,998**	**332,520**	**364,548**	**397,083**	**430,128**	**463,686**	**497,756**
Deferred developer fee repayment	7,166,861	7,166,861	6,991,859	6,782,425	6,542,967	6,272,989	5,971,991	5,639,471	5,274,923	4,877,840	4,447,712	3,984,026
		175,002	209,434	239,458	269,978	300,998	332,520	364,548	397,083	430,128	463,686	497,756
		6,991,859	6,782,425	6,542,967	6,272,989	5,971,991	5,639,471	5,274,923	4,877,840	4,447,712	3,984,026	3,486,270
Payments for Residual Receipt Payments		*0%*										
RESIDUAL RECEIPTS LOANS	*Payment %*	-	-	-	-	-	-	-	-	-	-	-
MIP	*100.00%*	-	-	-	-	-	-	-	-	-	-	-
Total Residual Receipts Payments	**100.00%**	-	-	-	-	-	-	-	-	-	-	-
Balances for Residual Receipt Payments												
RESIDUAL RECEIPTS LOANS	*Interest Rate*											
MIP---Simple	*2.00%*	3,175,000	3,238,500	3,302,000	3,365,500	3,429,000	3,492,500	3,556,000	3,619,500	3,683,000	3,746,500	3,810,000
Total Residual Receipts Payments		**3,175,000**	3,238,500	3,302,000	3,365,500	3,429,000	3,492,500	3,556,000	3,619,500	3,683,000	3,746,500	3,810,000

PROJECTED PERMANENT LOAN CASH FL0WS									Marina Village Apartments				
Final Commitment								Project Number	21-015-A/X/N				
	YEAR	12	13	14	15	16	17	18	19	20	21	22	23
RENTAL INCOME	CPI												
Restricted Unit Rents	2.50%	3,177,239	3,256,670	3,338,087	3,421,539	3,507,077	3,594,754	3,684,623	3,776,739	3,871,157	3,967,936	4,067,134	4,168,813
Laundry Income	2.50%	38,208	39,163	40,142	41,146	42,174	43,229	44,310	45,417	46,553	47,717	48,909	50,132
Parking & Storage Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	2.50%	-	-	-	-	-	-	-	-	-	-	-	-
GROSS POTENTIAL INCOME (GPI)		3,215,447	3,295,833	3,378,229	3,462,685	3,549,252	3,637,983	3,728,932	3,822,156	3,917,710	4,015,652	4,116,044	4,218,945
VACANCY ASSUMPTIONS	Vacancy												
Restricted Unit Rents	5.00%	158,862	162,833	166,904	171,077	175,354	179,738	184,231	188,837	193,558	198,397	203,357	208,441
Laundry Income	5.00%	1,910	1,958	2,007	2,057	2,109	2,161	2,215	2,271	2,328	2,386	2,445	2,507
TOTAL PROJECTED VACANCY LOSS		160,772	164,792	168,911	173,134	177,463	181,899	186,447	191,108	195,885	200,783	205,802	210,947
EFFECTIVE GROSS INCOME (EGI)		3,054,674	3,131,041	3,209,317	3,289,550	3,371,789	3,456,084	3,542,486	3,631,048	3,721,824	3,814,870	3,910,242	4,007,998
OPERATING EXPENSES	CPI / Fee												
Administrative Expenses	3.50%	523,363	541,680	560,639	580,262	600,571	621,591	643,346	665,863	689,169	713,290	738,255	764,094
Management Fee	4.00%	122,187	125,242	128,373	131,582	134,872	138,243	141,699	145,242	148,873	152,595	156,410	160,320
Utilities	3.50%	160,597	166,218	172,035	178,056	184,288	190,738	197,414	204,324	211,475	218,877	226,537	234,466
Operating & Maintenance	3.50%	310,623	321,495	332,747	344,393	356,447	368,923	381,835	395,199	409,031	423,347	438,165	453,500
Ground Lease Payments	3.50%	-	-	-	-	-	-	-	-	-	-	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Other Agency Monitoring Fee	0.00%	-	-	-	-	-	-	-	-	-	-	-	-
Real Estate Taxes	1.25%	27,514	27,858	28,206	28,559	28,916	29,277	29,643	30,014	30,389	30,769	31,154	31,543
Other Taxes & Insurance	3.50%	65,699	67,998	70,378	72,841	75,391	78,029	80,760	83,587	86,513	89,540	92,674	95,918
Required Reserve Payments	1.00%	44,627	45,073	45,524	45,979	46,439	46,903	47,372	47,846	48,324	48,808	49,296	49,789
TOTAL OPERATING EXPENSES		1,262,109	1,303,064	1,345,402	1,389,173	1,434,423	1,481,205	1,529,571	1,579,575	1,631,274	1,684,726	1,739,990	1,797,130
NET OPERATING INCOME (NOI)		1,792,565	1,827,978	1,863,915	1,900,378	1,937,366	1,974,879	2,012,915	2,051,473	2,090,550	2,130,144	2,170,252	2,210,868
DEBT SERVICE PAYMENTS	Lien #												
Perm	1	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842
MIP Annual Fee (applicable for MIP only deals)	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		1,249,842	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842
CASH FLOW AFTER DEBT SERVICE		542,723	578,135	614,073	650,535	687,524	725,036	763,072	801,630	840,708	880,302	920,409	961,026
DEBT SERVICE COVERAGE RATIO		1.43	1.46	1.49	1.52	1.55	1.58	1.61	1.64	1.67	1.70	1.74	1.77
Date Prepared:	10/14/21							Senior Staff Date:		11/1/21			
		12	13	14	15	16	17	18	19	20	21	22	23
LESS: Asset Management Fee	3%	-	-	-	-	-	-	-	-	-	-	-	-
LESS: Partnership Management Fee	3%	10,382	10,693	11,014	11,344	11,685	12,035	12,396	12,768	13,151	13,546	13,952	14,371
net CF available for distribution		532,341	567,442	603,059	639,191	675,839	713,001	750,676	788,862	827,557	866,756	906,457	946,655
	$20K MGP fee to be out of t												
						50%							
Developer Residual Receipts Distribution	100%	532,341	567,442	603,059	639,191	337,919	356,500	375,338	394,431	413,778	433,378	453,229	473,327
Deferred developer fee repayment	7,166,861	3,486,270	2,953,928	2,386,486	1,783,428	-	-	-	-	-	-	-	-
		532,341	567,442	603,059	639,191	-	-	-	-	-	-	-	-
		2,953,928	2,386,486	1,783,428	1,144,237	-	-	-	-	-	-	-	-
Payments for Residual Receipt Payments						50%							
RESIDUAL RECEIPTS LOANS	Payment %	-	-	-	-	337,919	356,500	375,338	394,431	413,778	433,378	453,229	473,327
MIP	100.00%	-	-	-	-	337,919	356,500	375,338	394,431	413,778	433,378	453,229	473,327
Total Residual Receipts Payments	100.00%	-	-	-	-	337,919	356,500	375,338	394,431	413,778	433,378	453,229	473,327
Balances for Residual Receipt Payments													
RESIDUAL RECEIPTS LOANS	Interest Rate												
MIP---Simple	2.00%	3,873,500	3,937,000	4,000,500	4,064,000	4,127,500	3,853,081	3,560,080	3,248,242	2,917,311	2,561,879	2,179,738	1,770,105
Total Residual Receipts Payments		3,873,500	3,937,000	4,000,500	4,064,000	4,127,500	3,853,081	3,560,080	3,248,242	2,917,311	2,561,879	2,179,738	1,770,105

PROJECTED PERMANENT LOAN CASH FL0WS		Marina Village Apartments						
Final Commitment						Project Number	21-015-A/X/N	
	YEAR	24	25	26	27	28	29	30
RENTAL INCOME	CPI							
Restricted Unit Rents	2.50%	4,273,033	4,379,859	4,489,355	4,601,589	4,716,629	4,834,545	4,955,408
Laundry Income	2.50%	51,385	52,670	53,987	55,337	56,720	58,138	59,591
Parking & Storage Income	2.50%	-	-	-	-	-	-	-
Miscellaneous Income	2.50%	-	-	-	-	-	-	-
GROSS POTENTIAL INCOME (GPI)		**4,324,418**	**4,432,529**	**4,543,342**	**4,656,926**	**4,773,349**	**4,892,683**	**5,015,000**
VACANCY ASSUMPTIONS	Vacancy							
Restricted Unit Rents	5.00%	213,652	218,993	224,468	230,079	235,831	241,727	247,770
Laundry Income	5.00%	2,569	2,634	2,699	2,767	2,836	2,907	2,980
TOTAL PROJECTED VACANCY LOSS		**216,221**	**221,626**	**227,167**	**232,846**	**238,667**	**244,634**	**250,750**
EFFECTIVE GROSS INCOME (EGI)		**4,108,198**	**4,210,902**	**4,316,175**	**4,424,079**	**4,534,681**	**4,648,048**	**4,764,250**
OPERATING EXPENSES	CPI / Fee							
Administrative Expenses	3.50%	790,837	818,516	847,164	876,815	907,504	939,266	972,140
Management Fee	4.00%	164,328	168,436	172,647	176,963	181,387	185,922	190,570
Utilities	3.50%	242,673	251,166	259,957	269,055	278,472	288,219	298,307
Operating & Maintenance	3.50%	469,373	485,801	502,804	520,402	538,616	557,468	576,979
Ground Lease Payments	3.50%	-	-	-	-	-	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Other Agency Monitoring Fee	0.00%	-	-	-	-	-	-	-
Real Estate Taxes	1.25%	31,937	32,336	32,741	33,150	33,564	33,984	34,409
Other Taxes & Insurance	3.50%	99,275	102,750	106,346	110,068	113,921	117,908	122,035
Required Reserve Payments	1.00%	50,287	50,789	51,297	51,810	52,328	52,852	53,380
TOTAL OPERATING EXPENSES		**1,856,209**	**1,917,295**	**1,980,456**	**2,045,764**	**2,113,293**	**2,183,118**	**2,255,319**
NET OPERATING INCOME (NOI)		**2,251,988**	**2,293,608**	**2,335,719**	**2,378,315**	**2,421,389**	**2,464,930**	**2,508,930**
DEBT SERVICE PAYMENTS	Lien #							
Perm	1	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842	1,249,842
MIP Annual Fee (applicable for MIP only deals)	-	-	-	-	-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		**1,249,842**	**1,249,842**	**1,249,842**	**1,249,842**	**1,249,842**	**1,249,842**	**1,249,842**
CASH FLOW AFTER DEBT SERVICE		**1,002,146**	**1,043,765**	**1,085,877**	**1,128,473**	**1,171,547**	**1,215,088**	**1,259,088**
DEBT SERVICE COVERAGE RATIO		**1.80**	**1.84**	**1.87**	**1.90**	**1.94**	**1.97**	**2.01**
Date Prepared:	10/14/21					Senior Staff Date:	11/1/21	

		24	25	26	27	28	29	30
LESS: Asset Management Fee	3%	-	-	-	-	-	-	-
LESS: Partnership Management Fee	3%	14,802	15,246	15,703	16,174	16,660	17,159	17,674
net CF available for distribution		**987,344**	**1,028,519**	**1,070,173**	**1,112,299**	**1,154,887**	**1,197,929**	**1,241,414**
	$20K MGP fee to be out of t							
Developer Residual Receipts Distribution	***100%***	**493,672**	**514,260**	**535,087**	**556,149**	**577,443**	**598,964**	**620,707**
Deferred developer fee repayment	7,166,861	-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Payments for Residual Receipt Payments								
RESIDUAL RECEIPTS LOANS	*Payment %*	**493,672**	**514,260**	**535,087**	**556,149**	**577,443**	**598,964**	**620,707**
MIP	*100.00%*	493,672	514,260	375,558	-	-	-	-
Total Residual Receipts Payments	**100.00%**	493,672	514,260	375,558	-	-	-	-
Balances for Residual Receipt Payments								
RESIDUAL RECEIPTS LOANS	*Interest Rate*							
MIP---Simple	*2.00%*	1,332,179	865,151	368,194	-	-	-	-
Total Residual Receipts Payments		1,332,179	865,151	368,194	-	-	-	-

TAX-EXEMPT PERMANENT LOAN PROGRAM

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

Qualifications	• Available to for-profit, non-profit, and public agency sponsors. • Tax-exempt bond authority must be obtained from the California Debt Limit Allocation Committee (CDLAC) or through a 501(c)(3) exemption. • The Tax-Exempt Permanent Loan may be used with or without 4% low income housing tax credits. • If a lender other than CalHFA is providing short-term, first-lien debt, CalHFA shall be used as the bond issuer (for more information, review the Conduit Issuer Program Term Sheet). • For Section 8 Projects, a final commitment is conditioned upon review and acceptance by CalHFA of the HAP or AHAP contract. • The Perm Loan will be credit-enhanced through CalHFA's HUD/FHA Risk Sharing Program. • For existing CalHFA portfolio loans, the current owner is required to pay off all outstanding CalHFA debt. Visit www.calhfa.ca.gov for the CalHFA Portfolio Loan Prepayment Policy.
Loan Amount	• Minimum Perm Loan amount of $5,000,000. • Minimum 1.15x for initial debt service coverage ratio (include any financing with amortizing debt) and minimum of 1.05x for the term of the Perm Loan. • Lesser of 90% of restricted value or 100% of development costs. For Projects with equity being cashed out, the Perm Loan amount will be restricted to no more than 80% of the restricted value.
Fees (subject to change)	• Application Fee: $10,000 non-refundable, due at time of application submittal, and is credited toward the CalHFA Legal Fee at Perm Loan closing. • Perm Loan Fee: 1.00%, half due at final commitment, with balance due at Perm Loan closing. • Cost of Issuance Fee: $110,000, half due at final commitment, with balance due at Perm Loan Closing. • Credit Enhancement Fee: included in the interest rate. • Annual Administrative Fee: $7,500 annually (not to be duplicated if used in conjunction with CalHFA's Conduit Program). • Inspection fees should be estimated at $500 per month for the term of the construction (reports and fees can be shared with other construction lenders) • Legal Fee: $35,000, half due at final commitment, with balance due at Perm Loan closing. • Administrative Fee: $1,000 at Perm Loan closing. • Letter of Interest Fee: $5,000 at LOI request, and is credited toward the CalHFA Perm Loan Fee See CalHFA standard Conduit Issuer Program Term Sheet for information on conduit issuance fees.

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Rate & Terms (subject to change)	Interest Rate: • 17-Year Balloon Loans: 15-Year "AAA" Municipal Market Data (MMD) plus CalHFA spread • 30-Year Balloon and Fully Amortizing Loans: 30-Year "AAA" MMD plus CalHFA spread • Estimated CalHFA Spread: 2.00% to 3.00% • Rate may be locked up to 30 days prior to the construction loan closing. Rate may be locked for the term of the construction period, not to exceed 3 years. Amortization/Term: • Amortization: Up to 40 Year Amortization • Term: Fully Amortizing, and 17- or 30-Year Balloons available[1] • Perm Loan Reduction: up to 10% reduction at Perm Loan closing permitted at no cost. • Up to two, three-month extension(s) permitted upon payment of a fee equal to 0.25% of the Perm Loan amount for each three-month extension. • Breakage Fee (if applicable): due between construction loan closing and Perm Loan closing and calculated based on hedge termination cost. 1. Balloon loans subject to agency approved exit strategy.
Loan Closing Requirements	• 90% stabilized rental housing occupancy for 90 days as evidenced by rent rolls. • 90% of tax credit investor equity shall have been paid into the Project. • Project income is sufficient to pay operating expenses, required debt service, reserves and monitoring fees. • For mixed-use Projects, 100% non-residential occupancy as evidenced by executed leases or guarantees. • Deposit Account Control Agreement between CalHFA, the Borrower and lending institution is in form and substance acceptable to all parties and ready to be executed at Perm Loan closing.
Prepayment	The Perm Loan may be prepaid at par after 15 years of the Perm Loan period. However, the Perm Loan may be prepaid after 10 years of the Perm Loan period subject to a yield maintenance calculation of: • 5% of the principal balance after the end of year 10 • 4% of the principal balance after the end of year 11 • 3% of the principal balance after the end of year 12 • 2% of the principal balance after the end of year 13 • 1% of the principal balance after the end of year 14 All prepayments require a prior written 120-day notice to CalHFA.
Subordinate Financing	Financing or grants are encouraged from local governments and third parties to achieve project feasibility. All financing, leases, development and regulatory agreements must be coterminous (or have a longer term than the combined terms of any CalHFA Acq/Rehab Loan and Perm Loan) and be subordinate to CalHFA financing. A Lien Priority/Position Estoppel in form and substance acceptable to CalHFA will be required prior to construction financing closing, if applicable.

Occupancy Requirements	Must maintain the greater of (A) existing affordability restrictions, or (B) either (i) 20% of the units must be rent restricted and occupied by individuals whose incomes are 50% or less of the area (county) median gross income as determined by HUD ("AMI") with adjustments for household size ("20% @ 50% AMI"), or (ii) 40% or more of the units must be both rent restricted and occupied by individuals whose income is 60% or less of the AMI, with adjustments for household size ("40% @ 60% AMI"): however in the latter case, a minimum of 10% of the units must be at 50% or less of AMI ("10% @ 50% AMI"). CalHFA's regulated units must represent a comparable share of the available unit sizes (by bedroom count and square feet) and be disbursed throughout the project.
Due Diligence	The following due diligence is required to be provided at the Owner/Borrower's expense (refer to the program's document checklist for a full list): • Appraisal* (a construction lender's appraisal may be acceptable). • HUD-2530 previous participation clearance. • Construction Costs Review for new construction loans (other construction lender's review is acceptable). • Physical Needs Assessment* ("PNA") for rehabilitation projects with a Replacement Reserve Needs Analysis ("RRNA") over time for the first 20-year term (other lender's PNA/RRNA may be acceptable). • Phase I and Phase II (if applicable) Environmental Site Assessment* including, but not limited to, impact reviews that meet federal environmental requirements (such as historic preservation and noise remediation). • Market Study* satisfactory to CalHFA. • NEPA Review. • Termite/Dry Rot reports* by licensed company. • Seismic review* and other studies may be required at CalHFA's discretion. *Note: Third party reports shall be within 180 days prior to the CalHFA's final commitment approval and may be subject to a new or updated report if the report(s) was completed more than 180 days prior to construction loan closing, in CalHFA's sole discretion.
Required Impounds and Reserves	• Replacement Reserve: Initial cash deposit required for existing Projects with annual deposits between $250 and $500 per unit/per year depending on the Project type and PNA/RRNA findings. • Operating Expense Reserve ("OER"): 3-6 months of operating expenses, reserves, debt service, and monitoring fees due at Perm Loan closing (letter of credit or cash) and held for the life of the CalHFA Perm Loan by CalHFA. In the event OER funds are drawn down during the term of CalHFA Perm Loan, it must be replenished over a period of 12 months to the original level. • Impounds held by CalHFA: One year's prepaid earthquake, hazard and liability insurance premiums, and property tax assessments are collected at loan closing. An earthquake insurance waiver is available for Projects which have met CalHFA earthquake waiver standards during rehabilitation or construction. • Transition Operating Reserve (TOR): required for Projects with state or locally administered rental subsidy contracts with contract terms that are less than 20 years or the CalHFA Perm Loan term. • Other reserves as required (at CalHFA's discretion).

Last revised: 4/2021

California Housing Finance Agency

MIXED-INCOME LOAN PROGRAM

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

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

Qualifications

APPLICATION:

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

AVAILABILITY:

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

USES:

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

FINANCING STRUCTURE:

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

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

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Qualifications
(continued)

READINESS:

Projects must have site control and be prepared to submit for a bond and tax credit allocation and will only receive funds if bonds are issued within the issuance timeframes specified in the California Debt Limit Allocation Committee's (CDLAC) Regulations Section 5100.

1. **Site:** The site must be ready for construction (all potential environmental issues have been identified, mitigation plan is in place, and costs associated with the mitigation plan have been incorporated in the development budget). Environmental issues may include, but not be limited to, receipt of clearances for CEQA, NEPA, and applicable tribal land environmental reviews. Pursuant to HUD-Risk Sharing requirements, sponsor is expected to start the NEPA process shortly after CalHFA verifies application completeness and determines that the project is ready to move forward with an initial commitment ("notification date"). The NEPA clearance and HUD's firm approval letter will be required prior to construction loan closing.
2. **General Contractor and/or Third Party Construction Services Engagement:** At the time of application, Applicant must provide evidence that the applicant or developer has engaged a general contractor or third-party construction services company to provide construction services including, but not limited to, value engineering, bid/budget services, and constructability review of plans and designs. In addition, the proposed construction budget is based on the general contractor's or third-party construction services company's preliminary bid estimates pursuant to the current plans and designs.
3. **Disposition and Development Agreement:** Applicant must provide a copy of the disposition and development agreement, if applicable.
4. **Construction Start:** All projects must commit to begin construction 180 days from the earlier of the date of the tax-exempt bond allocation or 4% federal/state tax credit reservation, unless an extension has been approved by California Tax Credit Allocation Committee (CTCAC), CDLAC, and CalHFA, as applicable. Within the 180-day period, the following items must be submitted to CalHFA in their final form:
   a. A complete updated application form along with a detailed explanation of any changes from the initial application,
   b. An executed construction contract,
   c. Recorded deeds of trust for all construction financing (unless a project's location on tribal trust land precludes this),
   d. Binding commitments for any other financing required to complete project construction,
   e. Copy of a limited partnership agreement executed by the general partner/sponsor and the investor limited partner/equity provider,
   f. Payment of all construction lender fees,
   g. Copies of buildings permits (a grading permit does not suffice to meet this requirement, except that in the event that the city or county as a rule does not issue building permits prior to the completion of grading, a grading permit shall suffice; if the project is a design build project in which the city or county does not issue building permits until designs are fully complete, the city or county shall have approved construction to begin) or the applicable tribal documents,
   h. Copy of the notice to proceed delivered to the contractor,
   i. If no construction lender is involved, evidence must be submitted within 180 days, as applicable, that the equity partner has been admitted to the ownership entity, and that an initial disbursement of funds has occurred,
   j. Other documentation and information required by CalHFA to close construction financing.

Qualifications (continued)

MIP ALLOCATION LIMITS:
(Exceptions may be considered by Agency in its sole discretion)

1. **Project Cap:** No project may receive more than the lesser of $8 million or the aggregate MIP loan amount calculated based on up to $50,000 per MIP regulated units or up to $60,000 per MIP regulated units for a Project located within the Highest or High Resource areas designated on the CTCAC/HCD Opportunity Area Map.
2. **Sponsor Cap:** No sponsor (any individual, entity, affiliate and related entity) may receive more than the lesser of funding of 2 projects or 20% of total MIP allocation for the respective year.
3. **County Cap:** No one county may receive more than 33% of total MIP allocations for the respective year.
4. **Age-Restricted Cap:** No more than 25% of total MIP funds for the respective year may be received by age-restricted projects (units that are restricted to residents who are 62 years of age or older under the applicable provisions of California Civil Code Section 51.3 and the federal Fair Housing Act), unless a waiver of the minimum age requirement has been granted by U.S. Department of Housing and Urban Development ("HUD").

EVIDENCE OF COST CONTAINMENT:

A Cost Containment Certification must be provided at the time of Construction Loan Closing in a form acceptable to CalHFA in its sole discretion. The certification acceptable to CalHFA may be found at www.calhfa.ca.gov/multifamily/mixedincome/forms/closing-cost-containment-certification.pdf.

The developer/sponsor must certify that cost containment measures have been implemented to minimize construction costs. These measures should include, but are not limited to, 1) competitively bidding out all major subcontractor and self-performing trades and 2) engaging value engineer/consultant during the design process.

EVIDENCE OF SUBSIDY EFFICIENCY:

A Subsidy Efficiency Analysis will be completed as part of the Application review. The analysis will be completed again prior to closing the MIP Subordinate Loan and the MIP Loan amount may be reduced based on the final analysis. Parameters of the analysis may include but are not limited to the following:

- A maximum of 1.20 Debt Service Coverage Ratio ("DSCR"). CalHFA may allow an initial DSCR higher than 1.20 on a case by case basis, if deemed necessary,
- A project cash flow that supports the residential component of the project based on the required CalHFA permanent first lien annual debt service coverage ratio,
- A separate project cash flow that supports any commercial component of a mixed-use project,
- A cash flow after debt service that is limited to the higher of 25% of the anticipated annual must pay debt service payment or 8% of gross income, during each of the first 3 years of project operation,
- Inflation factors and vacancy rates consistent with the Agency's Underwriting Standards,
- Developer Fee requirements matching those required under the 4% federal and/or state tax credit reservation,
- Capitalized reserves subject to approval by Agency for reasonableness consistent with the Agency's Underwriting Standards and the Investor Limited Partnership Agreement (ILPA),

Qualifications (continued)	• Review of Excess Sources over final Uses as approved by CalHFA resulting from any of the following: · An increase in tax credit equity, · An increase in permanent loan debt due to a combination of permanent loan rate reduction and/or reduction to operating expense assumptions; • Construction Cost Savings as evidenced by final cost certification, funds shall be used to reduce the MIP loan prior to CalHFA MIP loan closing or if required by other subordinate lenders, funds may be split on a pro rata basis between CalHFA and other subordinate lenders. • State tax credit request is expected to be within a range of $50,000 to $75,000 per unit. The projects that evidence the most efficient use of state tax credits and MIP per adjusted unit shall be prioritized for MIP funding considerations. The state tax credits and MIP per adjusted unit calculation shall be consistent with CDLAC Regulation Section 5231(g)(1) and 5231(g)(2). MIP final commitment shall be subject to the project's receipt of CDLAC's preliminary tax-exempt bond allocations and CTCAC's tax credits reservations, • Acquisition cost shall be the lesser of 1) the purchase price pursuant to a current purchase and sales agreement between unrelated parties, 2) the purchase price of an arm's length transaction executed within the past 10 years plus reasonable carrying costs, or 3) the appraised "as-is" value based on an Appraisal acceptable to CalHFA in its sole discretion. The appraised value of the real estate may be considered if the arm's length transaction exceeds 10 years.
CalHFA Mixed-Income Qualified Construction Lender	A CalHFA Qualified Construction Lender is defined as a Construction Lender that has closed at least five (5) construction loans using tax-exempt bonds and 4% federal and/or state tax credits in California within the last three (3) years and satisfies the requirement set forth within the application.
CalHFA Mixed-Income Development Team Qualifications	The **Developer/Co-Developer/General Partner** must be registered to do business and in good standing in the state of California. A CalHFA Qualified Developer/Co-Developer/General Partner must have developed at least three (3) comparable projects within the past five (5) years or meet the requirements to receive a minimum of 7 points under the CDLAC General Partner Experience category pursuant to CDLAC Regulations Section 5230(f). The proposed **Project Manager** must have personally managed the development of at least two (2) comparable projects within the past five (5) years **Financial Consultants** hired to assist the Developer in meeting the minimum experience requirements must be able to provide details regarding at least three (3) comparably financed projects over the last five (5) years. **Architects** new to CalHFA must provide information for three (3) comparable projects they designed that were built and occupied within the past five (5) years in the State of California. **General Contractor (GC)** must be licensed by the State of California. GCs new to CalHFA must provide information related to three (3) comparable (in design) projects built in the past five (5) years. Similar information will be required for the proposed on-site construction supervisor. The on-site construction supervisor must have overseen three (3) comparable projects built in the past five (5) years, and they must have overseen the projects from construction start to final completion.

CalHFA Mixed-Income Development Team Qualifications (Continued)	**Management Company** must have a local presence or a field office in Northern or Southern CA (depending on the location of the Project) and have experience managing at least ten (10) low to moderate income rent restricted Comparable (size and tenant types) Projects. Also required is a resume for the proposed on-site Property Manager, reflecting prior experience during the past five (5) years managing onsite project operations and compliance with rent restricted units or meet the requirements to receive a minimum of 3 points under the CDLAC Management Company Experience category pursuant to CDLAC Regulations Section 5230(f).
Permanent First Lien Loan	Must be provided by CalHFA. The permanent loan must meet an initial minimum DSCR of at least 1.15 and must maintain a DSCR of 1.0 or higher for the term of the permanent first lien loan.
Construction First Lien Loan	Provided by a CalHFA Mixed-Income Qualified Construction Lender. All parties shall permit the Agency to, in its sole and absolute discretion, recycle all or a portion of any Bond volume cap related to a paydown of the Bond financed loans, at the conversion of the construction financing to permanent financing and payoff of the Construction Loan, pursuant to the authority provided in Section 146(i)(6) of the Internal Revenue Code of 1986 and CDLAC Regulation Section 5060 (the "Bond Recycling"). The Bond documents, loan documents and any other documents related to the financing of the Development shall contain any necessary approvals and permit all actions necessary to accomplish a Bond Recycling.
Limitations	1. MIP cannot be combined with the CTCAC 9% program. 2. MIP cannot be combined with other state subordinate debt and/or subsidy programs (this does not include state tax credits) with the exception of the Infill Infrastructure Grant, contingent upon restrictions that are compatible with the MIP program requirements. Inclusion of other subordinate debt and subsidy will be allowed at CalHFA's discretion so long as any restrictions of subordinate debt or subsidy are compatible with MIP program requirements outlined herein. 3. Projects that have a below market rate component as a result of an inclusionary obligation or are 100% below market as a result of an inclusionary obligation must demonstrate master developer commitment through a dollar-for-dollar match of CalHFA's resources. Match can be obtained through a monetary match or equivalent in-kind contributions (e.g., land donation, land use fee concessions.) 4. At the time of MIP application to CalHFA, a project must not have already received an allocation of 4% federal and/or state tax credits from CTCAC or a tax-exempt bond allocation from CDLAC. 5. Projects will not be eligible for other subsidy resources from CalHFA in addition to MIP.
Mixed-Income Project Occupancy Requirements	**BOND REGULATORY AGREEMENT REQUIREMENTS (ALL PROJECTS):** Must maintain either (a) 20% of the units must be rent restricted and occupied by individuals whose incomes are 50% or less of AMI with adjustments for household size ("20% @ 50% AMI"), OR (b) 40% or more of the units must be both rent restricted and occupied by individuals whose incomes are 60% or less of AMI with adjustments for household size ("40% @ 60% AMI"): in the latter case, CDLAC requires a minimum of 10% of the unit types must be at 50% or less of AMI ("10% @ 50% AMI").

Mixed-Income Project Occupancy Requirements (Continued)	**MIXED INCOME REGULATORY AGREEMENT REQUIREMENTS (ALL PROJECTS):** **Affordability Requirements:** 1. To qualify, a project must meet the following affordability restrictions, based on the HUD or locality (as applicable) income and rent limits which are current at the time of MIP application, for a term of 55 years: a. 10% of total units at or below 50% of AMI, b. 10% of total units between 60% to 80% of AMI with an average of 70% of AMI or greater, subject to the Maximum Allowable Rents outlined below, and c. Remaining 80% of total units at or below 120% of AMI with the exception of the non-restricted manager's unit(s) OR at the affordability restrictions consistent with CTCAC requirements. (Deviations from the average unit affordability levels of 70% AMI will only be considered if Market Study supports such deviations.) 2. Projects must be tax credit transactions that are income-averaged and must not exceed an average affordability of 60% of AMI across all restricted units.
Mixed-Income Project Occupancy Requirements (Continued)	**MAXIMUM ALLOWABLE RENTS:** Rents for all restricted units must be at least 10% below market rents as evidenced by a current Market Study or an Appraisal. This threshold will be analyzed at time of application and again at CalHFA's final commitment approval. The report shall be current within 180 days of Agency's final commitment and may be subject to required updating if the report expires prior to construction loan closing. Any proposed rent adjustments above 5% of the approved rents subsequent to construction loan closing may be considered if supported by a recent or updated Market Study or Appraisal that is dated within 180 days from MIP loan closing, at CalHFA's sole discretion.
Mixed-Income Subordinate Loan	1. Maximum loan amount for each project shall not exceed the lesser of $8 million or the aggregate MIP loan amount calculated based on up to $50,000 per MIP regulated units, unless an exception is approved by Agency in its sole discretion. a. Maximum loan per restricted (tax credit or CalHFA) units between 30%-120% AMI shall be up to $50,000. b. Projects located within the Highest or High Resource areas designated on the CTCAC/HCD Opportunity Area Map shall be eligible for an additional amount up to $10,000 per MIP regulated unit. Opportunity Map Home Page: www.treasurer.ca.gov/ctcac/opportunity.asp 2. Loan size based on project need but cannot be more than 50% of the permanent loan amount.

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

Last revised: 01/2021

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

CONDUIT ISSUER PROGRAM

MULTIFAMILY HOUSING BONDS

Term sheet effective for applications submitted after May 1, 2020

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.

<table>
<tr><td>Qualifications</td><td>

Available to for-profit, nonprofit or public agency sponsors.
Nonprofit borrowers may be eligible for 501(c)(3) bonds.
If bond proceeds are utilized to pay off an existing CalHFA portfolio loan visit www.calhfa.ca.gov for the CalHFA Portfolio Loan Prepayment Policy.

</td></tr>
<tr><td>Bond Amount</td><td>Bond amount is determined by the loan amount of the selected construction lender.</td></tr>
<tr><td>Fees
(subject to change)</td><td>

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

The greater of $15,000 or 18.75 basis points of the Bond amount if lesser than or equal to $20 million.
If more than $20 million: $37.500 + 5 basis points for the amount above $20 million.

Annual Administrative Fee: 5 bps of the tax-exempt bond issuance amount due at construction loan closing and due annually thereafter until permanent loan conversion. After permanent loan conversion, billed annually in advance, 5 bps of unpaid principal balance amount of tax-exempt bond financed loan(s) until bonds are fully redeemed. Minimum Annual Administrative Fee shall be $4,000 through both the Qualified Project Period and the CDLAC compliance period.

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

If used in conjunction with a CalHFA permanent loan product, the annual administrative fee will not be duplicated. Please refer to the applicable permanent loan term sheet for the annual administrative fee.
Public Sale: Additional fee of $5,000 to $10,000 applies when Bonds are sold to the public.
CDLAC Allocation Fee: 0.035% of the Bond amount, $1,200 of which is due at time of CDLAC application submittal with the remaining fee due at construction loan closing and payable to CDLAC.
CDLAC Performance Deposit: 0.50% of the requested Bond amount, not to exceed $100,000, due at time of CDLAC application submittal. Deposit to be refunded after the Bond closing, upon receipt of authorization letter from CDLAC.

The Borrower shall be responsible for all other costs of Bond issuance including fees of the underwriter, trustee, rating agencies, lender, compliance administrator, all Bond counsel legal fees, and any other parties required to complete the transaction.
</td></tr>
</table>

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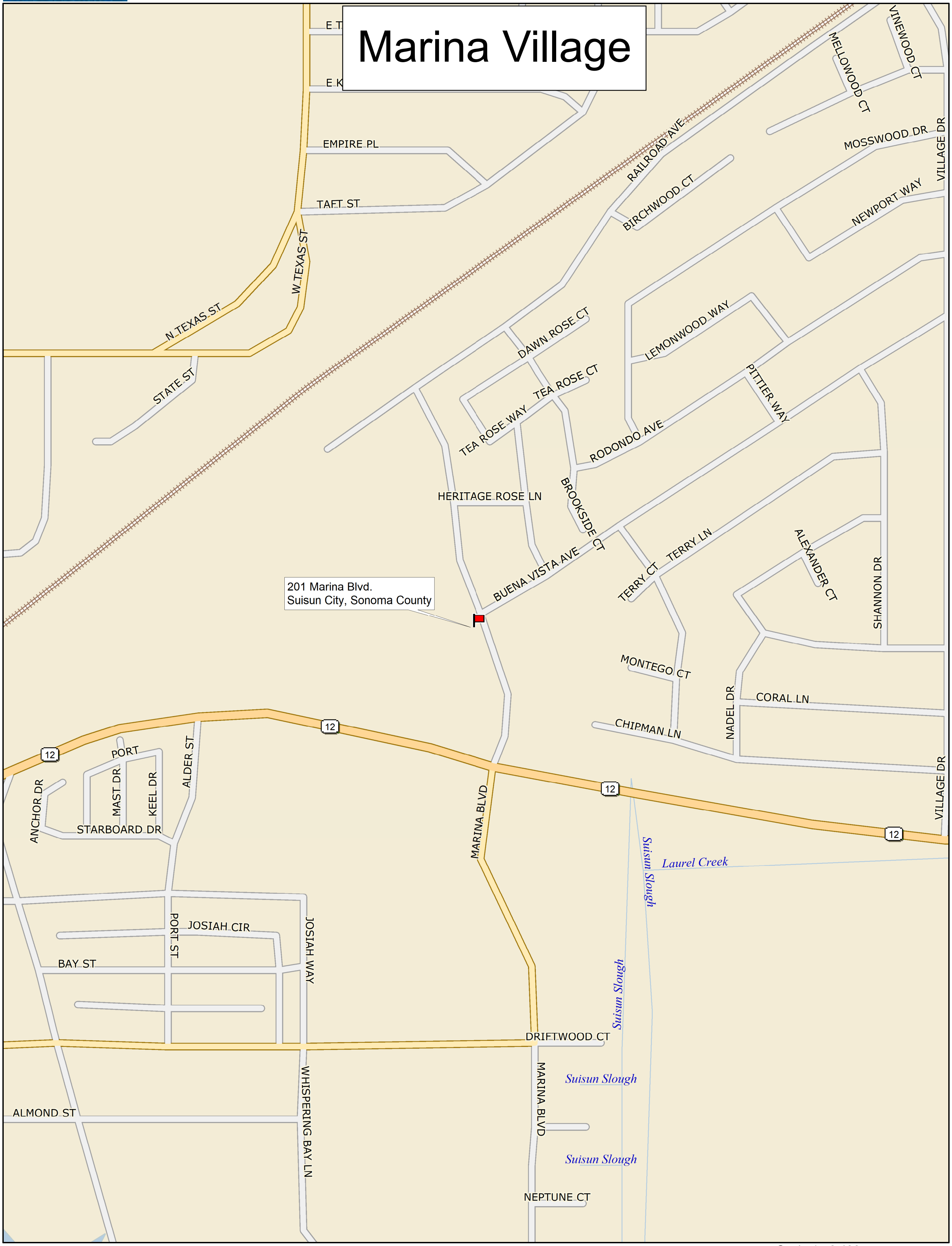
Occupancy Requirements	• Either (A) 20% of the units must be rent restricted and occupied by individuals whose incomes are 50% or less of the area median income as determined by HUD ("AMI") with adjustments for household size ("20% @ 50% AMI"), or (B) 40% or more of the units must be rent restricted and occupied by individuals whose income is 60% or less of AMI, with adjustments for household size ("40% @ 60% AMI"); however in the latter case, a minimum of 10% of the units must be at 50% or less of AMI. • 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.

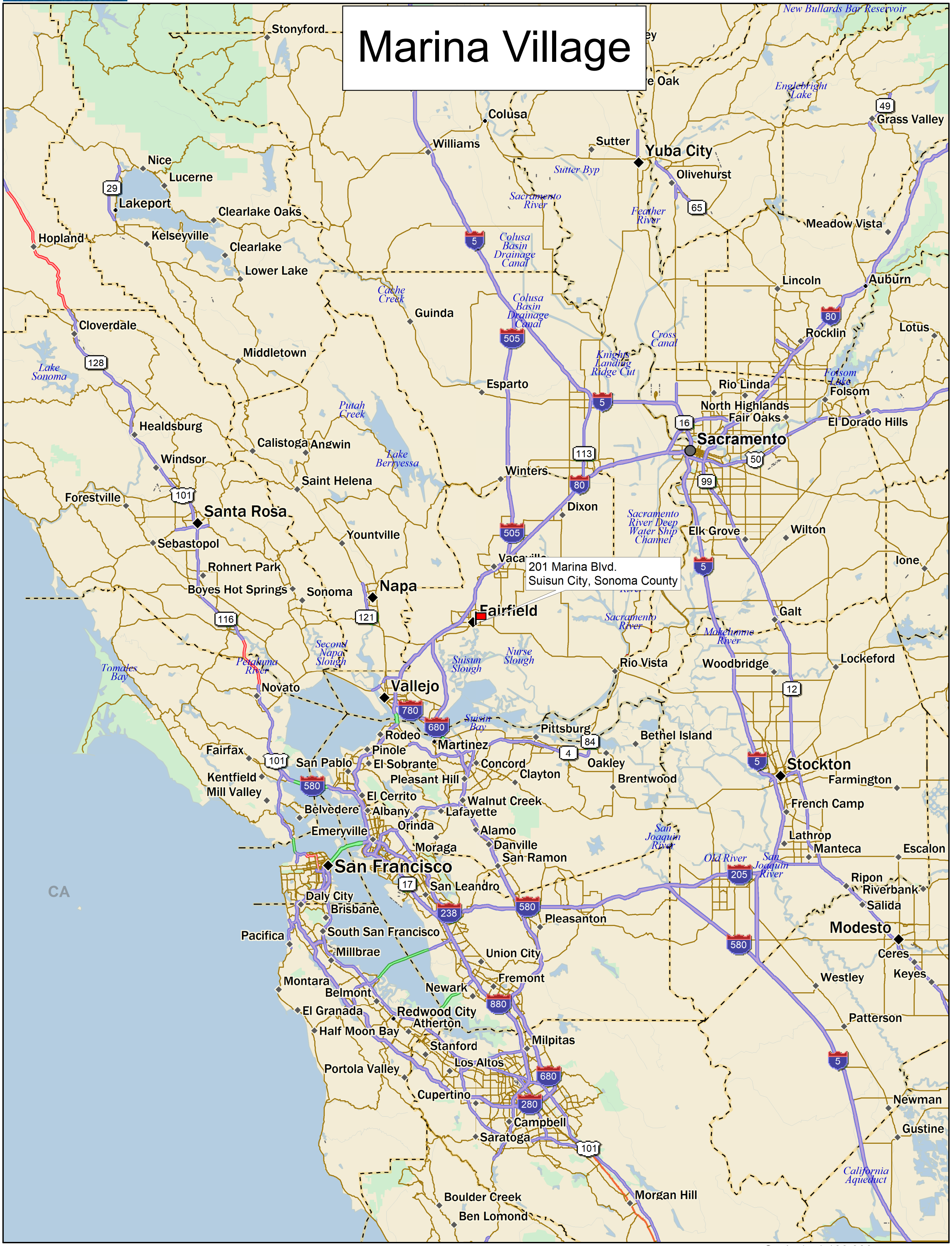
Last revised: 08/2020



TN
MN (13.1°E)

Scale 1 : 6,400
0 180 360 540 720 900 ft
0 40 80 120 160 200 m
1" = 533.3 ft
Data Zoom 15-0

Marina Village



Scale 1 : 1,100,000

0 6 12 18 24 30 mi
0 10 20 30 40 50 km

1" = 17.36 mi

Data Zoom 7-5