State of California

Cal HFA California Housing Finance Agency

Public Meeting Agenda

California Housing Finance Agency Board of Directors
Thursday, January 19, 2023
10:00 a.m.

Click on the link to register:
https://teams.microsoft.com/registration/t6lThtiDl0Od3z9kBCjoFQ,Upr4jXN59E-h11zZO2bY8w,aoVyn_M05kSkJ5mVWWSBaw,acRWl3fANUCBD1-d_Ort3Q,MDO8E_yC_kuKh3n0ashL1A,fmAILZicEEKZGaMkxvg5sQ?mode=read&tenantId=8653a9b7-83d8-4397-9ddf-3f640428e815&webinarRing=gcc
To listen only by telephone without public comment:
Dial: 1-916-573-6333
Enter Phone Conference ID: 888 261 693#

1. Roll Call

2. Approval of the minutes of the November 17, 2022 meeting 1

3. Chairperson/Executive Director comments

4. Report from the Executive Evaluation Committee (Jim Cervantes)

5. Discussion, recommendation, and possible action regarding a final loan commitment for the following project: (Kate Ferguson) 6

NUMBER	DEVELOPMENT	LOCALITY	UNITS
22-007-A/X/N	Alves Lane Apartments	Bay Point/Contra Costa	100

Resolution No. 23-01 45

6. Update on Single Family Special Programs (Ellen Martin) 48

7. Presentation of the Bagley-Keene Open Meeting Act (Claire Tauriainen)

8. Informational reports:

    A. Multifamily Loan Production report 56

    B. Single Family Loan Production report 64

9. Other Board matters

10. Public comment: Opportunity for members of the public to address the Board on matters within the Board’s authority

11. Adjournment

MINUTES

California Housing Finance Agency (CalHFA)
Board of Directors Meeting
November 17, 2022
Meeting noticed on November 7, 2022

1. ROLL CALL

The California Housing Finance Agency Board of Directors Meeting was called to order at 10:07 a.m. A quorum of members was present.

MEMBERS PRESENT:	Avila Farias, Ballmer (for Ma), Cabildo, Grant (for Castro Ramírez), Cervantes, Gunn (for Imbasciani), Johnson Hall, Olmstead (for Velasquez), Russell, Silber (for Assefa), Sotelo, White
MEMBERS ARRIVING AFTER ROLL CALL:	None
MEMBERS ABSENT:	Miller, Prince,
STAFF PRESENT:	Claire Tauriainen, Melissa Flores, Don Cavier, Ellen Martin, Kate Ferguson, Rebecca Franklin

*Early departures: Sotelo and BCSH delegate Grant was replaced by delegate Kergan

2. Approval of the Minutes – October 20, 2022

On a motion by Avila Farias, the minutes were approved by unanimous consent of all members in attendance.

3. Chairperson/Executive Director comments

Chairperson comments:

- Chair Cervantes welcomed and introduced Tyrone Roderick Williams, who joins the Board as an appointee of Governor Newsom.

Executive Director comments:

- Executive Director Johnson Hall highlighted recent election results and looks forward to working with all those elected in the coming year.

- She has recently participated in discussion panels at several housing conferences including the San Diego Housing Federation Annual Conference and at the UCLA Simon Center.
- She discussed the innovative work being done at CalHFA by highlighting the success of the Forgivable Equity Builder Loan Program and the Accessory Dwelling Unit Grant Program.

4. Report from the Audit Committee

Presented by Dalila Sotelo, Audit Committee Chair

Chair Sotelo reported to the Board that the Audit Committee welcomed Director White as a new member. She shared that at the October 26 Committee meeting, the audit of the California Housing Finance Fund for the year ending June 30, 2021 resulted in an unmodified or “clean opinion.” She reported that there were no findings on the Single Audit of the Section 8 program and that the annual review of the committee’s charter resulted in no changes. She then shared that at the November 17 meeting, CalHFA’s I.T. division gave an update on cybersecurity activities.

5. Report from the Executive Evaluation Committee

Presented by Jim Cervantes, Executive Evaluation Committee Chair

Chair Cervantes reported to the Board that the EEC met on October 28. The topics discussed included the Committee’s review of the Committee charter and their determination that no changes are recommended; a salary survey will be conducted to review executive compensation and a report with recommendations will be brought to the board upon completion next year’; and during closed session, the Committee prepared an evaluation of the Executive Director’s annual performance.

6. **Closed session under Government Code section 11126(a)(1) to evaluate the performance of a public employee and Government Code section 11126(e)(1) to discuss pending litigation**

Closed session convened at 10:41 a.m. Upon conclusion of the closed session, the Board members returned to the open meeting at 11:39 a.m.

7. Report from closed session

Chair Cervantes reported that the closed session had concluded.

8. <u>Discussion, recommendation, and possible action to adjust the salary of the Executive Director – Resolution No. 22-30</u>

On a motion by Russell, the Board approved **<u>Resolution No. 22-30</u>**. The votes were as follows:

AYES:	Avila Farias, Cabildo, Cervantes, Gunn (for Imbasciani), Ballmer (for Ma), Olmstead (for Velasquez), Grant (for Castro Ramírez), Russell, White
NOES:	None
ABSTENTIONS:	None
ABSENT:	Prince, Sotelo

9. <u>Final Loan Commitment for Mainline North Apartments – No. 22-010-A/X/N, for 151 units in Santa Clara/Santa Clara - Resolution No. 22-31</u>

Presented by Kate Ferguson, with guest speaker Darren Bobrowsky, USA Properties

On a motion by Gunn, the Board approved **<u>Resolution No. 22-31</u>**. The votes were as follows:

AYES:	Avila Farias, Cabildo, Cervantes, Gunn (for Imbasciani), Ballmer (for Ma), Olmstead (for Velasquez), Grant (for Castro Ramírez), White
NOES:	None
RECUSALS:	Russell
ABSENT:	Prince, Sotelo

10. <u>Update on the California Mortgage Relief Program</u>

Presented by Rebecca Franklin

Rebecca Franklin, president of CalHFA Homeowners Relief Corporation, reviewed the current status and possible upcoming expansion of the California Mortgage Relief

Program for the Board. She stated the program has helped a total of 7,360 households and distributed just under $220 million to date.

11. Update on Forgivable Equity Builder Loan Program

Presented by Ellen Martin

Director of Business Development and Stakeholder Relations, Ellen Martin, gave the Board an update on the current status of the Forgivable Equity Builder Loan Program. She reported that to date, 1,700 loan reservations have been made with the average forgivable loan amount of $39,000. She futher stated staff are in the process of winding down the program as all funds are nearly exhausted.

12. Update on California Dream For All Program

Presented by Ellen Martin

Martin gave the Board an update on the current status of the California Dream for All Program. She reported that staff is continuing to develop the legal, technological and program infrastructure needed in creating the program. She is anticipating the program will start sometime in the first quarter of 2023.

13. Update on Accessory Dwelling Unit Grant Program

Presented by Ellen Martin

Martin gave the Board an update on the current status of the Accessory Dwelling Unit Grant Program. She reported that of the original $100 million dollar appropriation, $84 million has been committed, with 2,100 loan reservations in the program. She also stated that the program funds are likely to be exhausted by December.

14. Update on Single Family market conditions

Presented by Don Cavier and Erwin Tam

Chief Deputy Director Don Cavier and Director of Financing Erwin Tam gave the Board an overview of CalHFA's single family financing model and discussed how economic challenges and market volatility are impacting that model.

15. Informational reports

Chair Cervantes asked if there were any questions regarding the informational reports. There were none.

16. Other Board matters

Chair Cervantes asked if there were any other Board matters to be discussed. There were none.

17. Public comment

Chair Cervantes asked if there were any members of the public who would like to provide a comment. The following people made a public comment regarding agenda item 13:

- Jared Chase
- Meredith Stowers
- Dolores Sanchez

Written public comment was also received from the following regarding agenda item 13:

- Ryan O'Connell
- Jeffery Barlow
- Angela Harder
- David Barajas
- Jason Kilroy
- Eriverto Espinoza
- Gurbir Sidhu

18. Adjournment

As there was no further business to be conducted, Chair Cervantes adjourned the meeting at 1:21 pm.

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": December 21, 2022
Board Meeting on: January 19, 2023

Project Name, County:	**Alves Lane Apartments, Contra Costa**	
Address:	**301 Alves Lane, Bay Point (Unincorporated), 94565**	
Type of Project:	**New Construction**	
CalHFA Project Number:	22-007-A/X/N	**Total Units: 100 (Family)**
Requested Financing by Loan Program:	$28,325,000	**CalHFA Tax-Exempt Bond – Conduit Issuance Amount**
	$2,250,000	**CalHFA Tax-Exempt Bond (Supplemental) – Conduit Issuance Amount (allocated by CDLAC on 9/7/2022)**
	Up to $26,000,000	**CalHFA Taxable Bond Issuance – Conduit Issuance Amount (includes 10% cushion) (which may include recycled bonds)**
	$20,351,000	**CalHFA Tax-Exempt Permanent Loan with HUD Risk Sharing**
	$7,360,403	**CalHFA MIP Subsidy Loan ($2,500,000 Original Allocation and $4,860,403 Supplemental Allocation)**

DEVELOPMENT/PROJECT TEAM

Developer:	Meta Development, LLC	**Borrower:**	Alves Lane, L.P.
Permanent Lender:	CalHFA	**Construction Lender:**	JPMorgan Chase Bank, N.A.
Equity Investor:	RBC Community Investments, LLC	**Management Company:**	Cambridge Real Estate Services, Inc.
Contractor:	RAAM Construction, Inc.	**Architect**	Dahlin Group, Inc.
Loan Officer:	N/A	**Loan Specialist:**	Jennifer Beardwood
Asset Manager:	Jessica Doan	**Loan Administration:**	Courtney Ide
Legal (Internal):	None	**Legal (External):**	Amara Harrell and Orrick, Herrington & Sutcliffe LLP
Concept Meeting Date:	5/26/2022	**Approval Expiration Date:**	180 days from Approval

LOAN TERMS

1.		**CONDUIT ISSUANCE/ Chase Bank CONSTRUCTION LOAN**	**CalHFA PERMANENT LOAN**	**CalHFA MIP SUBSIDY LOAN AND SUPPLEMENTAL MIP LOAN**
	Total Loan Amount	$30,575,000 (T/E) ($28,325,000 – Original Allocation) ($2,250,000 – Supplemental Allocation)	$20,351,000	Original MIP: $2,500,000 Supplemental MIP: $4,860,403 Total CalHFA MIP Subsidy Loan: $7,360,403 ($74,348/restricted unit)

		$23,250,000 (Taxable or T/E recycled bonds)		
	Loan Term & Lien Position	30 months - interest only; 1st Lien Position during construction. Two 6-month extensions available.	40 year – partially amortizing due in year 17; 1st Lien Position during permanent loan term	17 year - Residual Receipts; 2nd Lien Position during permanent loan term
	Interest Rate (subject to change and locked 30 days prior to loan closing)	Underwritten at 5.46% variable rate.	Underwritten at 6.31% (Fixed Rate Locked*) Estimated rate based on a 36-month forward commitment.	Greater of 1% Simple Interest or the Applicable Federal Rate (AFR) at time of MIP closing (3% Simple was used for underwriting purposes)
	Loan to Value (LTV)	85% of investment value	70% of restricted value	N/A
	Loan to Cost	84%	31%	N/A

** The Agency has determined that the Indicative Rate of 6.31%, is the fixed rate that shall be locked upon Borrower's request as set forth in the Indicative Rate Lock Agreement.*

PROJECT SUMMARY

2.	**Legislative Districts**	**Congress:**	11 – Mark DeSaulnier	**Assembly:**	15 – Timothy S. Grayson	**State Senate:**	7 – Steven M Glazer
	Brief Project Description	**Alves Lane Apartments (the "Project")** is a new construction, family, mixed-income Project. It consists of 1, 3-story residential walk-up building. There will be 100 total units, 99 of which will be restricted between 30% and 70% of the Contra Costa County Area Median Income (AMI). There will be 18 one-bedroom units (590 sf), 36 two-bedroom units (810 sf), 36 three-bedroom units (1,120 sf), and 10 four-bedroom units (1,277 sf). In addition, one of the two-bedroom units will serve as the manager's unit. The site is currently vacant. **Financing Structure:** The Project's financing structure includes financing from tax-exempt bonds, taxable or recycled bonds, 4% Federal Tax Credit equity (4% Federal LIHTC allocation, federal energy tax credit and energy efficient home tax credits (45L)), state housing tax credits, Agency's tax-exempt loan program and the Mixed-Income Program (original and supplemental). **Tax Credits and/or CDLAC Status:** The developer received an allocation for 4% tax credits and bond cap from CDLAC on 06/15/2022 and a supplemental bond cap allocation on 9/7/2022. The supplemental allocation was requested to add a cushion to meet the project's 50% aggregate basis requirement (the "50% test") which was at approximately 50% and remains at approximately 50% due to recent budget adjustments/increase. The supplemental allocation is necessary to accommodate a potential cost increase during construction. **Ground Lease:** Not applicable. **Project Amenities:** The Project includes a clubhouse/community room, multiple flex spaces, a bike room, a laundry room, service coordination, and an on-site management office. Additional outdoor amenities include a play area, picnic area, and a dog park. Service coordination will include afterschool tutoring and classes such as health and financial literacy. Unit amenities will include blinds, carpeting, coat closets, central heating, central air, dishwasher, garbage disposal, and washer/dryer hookups in the three- and four-bedroom units.					

		Local Resources and Services: For TCAC/CDLAC purposes, the Project is located within a low resource area per TCAC/HCD's Opportunity Area Map. The Project is near the following local amenities and services: • Grocery stores – 0.4 miles • Schools – 0.6 and 1.4 miles • Public Library – 1.4 miles • Public transit – 0.2 and 0.3 miles • Retail – 4.4 miles • Park and recreation – 0.1 miles • Hospitals – 5.3 miles • Police Department – 3.1 miles • Fire Station – 0.5 miles **Non-displacement and No Net Loss:** To the extent feasible, it is the Agency's priority to mitigate the overall effects on 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 because of this development. The subject site is currently vacant. **Commercial and/or Other (i.e. Parking) Space:** The Project does not include commercial space.

MISSION

3.	**CalHFA Mission/Goals**	
This Project and financing proposal provide 99 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:	3/2023*	Est. Construction Loan Closing:	02/2023
	Estimated Construction Start:	02/2023	Est. Construction Completion:	09/30/2024
	Estimated Stabilization and Conversion to Perm Loan(s):		07/2025	

* *On September 28, 2022 CDLAC approved a 90-day extension to the bond issuance deadline from 12/12/22 to 3/12/2023 for all projects that received bond allocation on June 15, 2022.*

SOURCES OF FUNDS

5.	**Gap Funding Explanation and request for supplemental MIP subsidy loan funding:** At the time of CalHFA's initial commitment (March of 2022), the developer estimated the total development cost (TDC) to be $57,901,959 or $579,020/unit. CalHFA issued an initial commitment based on these initial costs estimates for developer to use to apply to CDLAC for tax exempt bond cap and to CTCAC for both federal and state tax credits. On June 15, 2022, the Borrower received the related allocations from CDLAC and CTCAC and on September 7, 2022, the Borrower received supplemental allocation from CDLAC. On the sources side, there were cost adjustments related predominantly to 1) market related increases driving CalHFA's higher interest rate and spreads which resulted in a $1,393,200 decrease to the permanent loan

amount; 2) an increase in the investor equity contribution of $1,643,481 (includes new Solar and 45L Equity totaling $185,981) resulting from an increase in eligible basis; 3) an increase in the Deferred Developer Fee of $1,318,200.

On the Uses side, cost increases were related to; 1) 3.36% increase to construction hard costs of $1,112,394; 2) 99.19% increase to construction and permanent financing costs of $2,734,850; 3) 16.44% increase to legal, reserves, contingency, other costs of $2,509,587; and 4) 10.21% increase to developer overhead/profit of $694,252. Overall, the deficit in the updated budget is $7,051,085 (12.18% TDC increase).

The summary of changes in the Sources and Uses between initial commitment vs. current proposed are outlined below:

Summary of changes in Sources/Uses since the Initial Commitment approval					
SOURCES - Major Changes Description	**Initial Commitment Amount $**	**Current Proposed Amount $**	**Increase/ Reduction $**	**Per Unit Cost Adjustment**	**% Adjustment of Initial Commitment Amount**
1 - CalHFA Perm Loan	$21,122,000	$19,728,800	-$1,393,200	-$13,932	-6.60%
2 – CalHFA MIP Loan (initial)	$2,500,000	$2,500,000	$0	$0	0.00%
3 - Deferred developer's fee	$5,107,098	$6,425,298	$1,318,200	$13,182	25.81%
4 - Investor Equity Contribution	$29,172,861	$30,816,342	$1,643,481	$16,435	5.63%
Total Changes in Sources (A)	**$57,901,959**	**$59,470,440**	**$1,568,481**	**$15,685**	**2.71%**

USES - Major Cost Changes Description	**Initial Commitment Amount $**	**Current Proposed Amount $**	**Increase/ Reduction $**	**Per Unit Cost Adjustment**	**% Adjustment of Initial Commitment Amount**
1 - Construction costs	$33,076,456	$34,188,850	$1,112,394	$11,124	3.36%
2 – Financing Costs	$2,329,089	$4,999,603	$2,670,514	$26,705	104.27%
3- Other Construction Financing Costs	$1,250,724	$1,188,541	-62,183	-$622	20.61%
4 – Land and Acquisition	$3,552,627	$3,542,627	-$10,000	-$100	-0.28%
5 – Soft Costs	$2,492,758	$2,362,178	-$130,581	-$1,306	-5.24%
6 – Permanent Financing	$428,041	$492,377	$64,336	$643	2.04%
7 –Hard and soft cost contingency	$2,203,823	$3,632,353	$1,428,530	$14,285	64.82%
8 – Legal, Reserves and Other Project Costs	$5,768,512	$7,052,334	$1,283,822	$12,838	21.87%
9– Developer Overhead/Profit	$6,799,929	$7,494,181	$694,252	$6,943	10.21%
Total Changes in Uses (B)	**$57,901,959**	**$64,953,044**	**$7,051,085**	**$70,511**	**12.18%**
		Current Funding Gap (A-B):	-$-5,482,604		
Gap Funding sources:					
		Increase in CalHFA Perm loan (at rate locked rate):	$622,201		
		Supplemental MIP Request:	$4,860,403		
		Gap funding Sources Total:	$5,482,604		
		Remaining Funding Gap:	$0		

Hard Cost/Soft Cost changes: Due to ongoing market volatility and supply chain issues, the revised construction cost estimates were approximately $1,112,394 higher than originally anticipated at the Initial Commitment. The constraint on oil production due to the war in Ukraine has caused additional uncertainty and is further compounded by the inflationary environment that has caused ripple effects throughout all trades. Moreover, the current hard costs are based on the lowest of hard bids received from three general contractors.

Deferred Developer Fee: The original budget included a $6,799,929 developer fee of which $5,107,098 would be deferred (DDF). To increase eligible basis and help cover a portion of the funding gap with tax credit equity, the Developer has increased the developer fee to $7,494,181 from $6,799,929 (by $694,252) of which $6,425,298 would be deferred. The resulting cash developer fee at closing was reduced by $647,446 from initial commitment of $1,692,831 to $1,068,883.

Perm Loan Reduction & Equity Contribution Adjustment: At receipt of the Supplemental MIP application, the CalHFA permanent loan of $21,122,000 was reduced by $1,393,200 to $19,728,800. This was attributed to the increases in perm loan financing costs related to macroeconomic factors, such as inflation. To assist the Borrower with maximizing the perm loan amount, CalHFA is allowing the removal of the 25-bps underwriting cushion and granting a rate lock at time of final commitment. This resulted in a permanent loan increase of $622,200 to $20,351,000, which reduced the overall funding gap to be funded by Supplemental MIP to $4,860,403 as shown above. The equity contribution adjustment is anticipated to increase by approximately $1,619,984 resulting primarily from increase in eligible basis.

The estimated funding gap after exhausting all resources available to the project totals approximately $4,860,403. The Borrower has requested an increase to the MIP Subsidy Loan of $4,860,403 to fund the remaining gap. Pursuant to the TCAC/CDLAC requirements this project must begin construction by March 2023. A $4.86 million increase in the MIP supplemental subsidy ($49,095/restricted unit) results in an overall MIP Regulated Unit amount of $74,348 per restricted unit. The original MIP and Supplemental MIP total is $7,360,403. The proposed construction and permanent sources (inclusive of the proposed supplemental MIP) and uses are as follow:

Construction Sources and Uses				
Sources	**Amount**	**Details (Lien Position/Rate/Debt Type)**	**Uses**	**Amount**
CalHFA Conduit - Chase Bank	$30,575,000	1st/5.46%/Interest Only	Total Acquisition costs	$3,542,627
CalHFA Taxable or TE Recycled Bonds - Chase Bank	$23,250,000	1st/5.46%/Interest Only	Construction/Rehab Costs	$34,188,850
		N/A	Soft Costs	$2,753,926
Deferred Developer Fee	$7,186,523	N/A	Hard Cost contingency	$2,882,353
Investor Equity Contribution	$3,063,035	N/A	Soft Cost contingency	$750,000
			Financing Costs	$6,333,201
			Local Impact Fees	$4,797,967
			Developer Fees	$7,494,181
			Other Costs	$1,330,453
TOTAL	**$64,074,558**			**$64,074,558**
TOTAL PER UNIT	**$640,736**			
Permanent Sources and Uses				
Sources:	**Amount**	**Details (Lien Position/Rate/Debt Type)**	**Uses**	**Amount**

CalHFA Perm Loan	$20,351,000	1st/6.31%/40 yr amortization due in yr 17	Total Loan Payoffs and Equity	$56,580,377
CalHFA MIP Loan	$2,500,000	2nd/3.00%/Residual Receipts	Financing costs	$346,320
CalHFA Supplemental MIP Loan	$4,860,403	2nd/3.00%/Residual Receipts	Other Soft costs	$17,500
Deferred Developer Fees	$6,425,298	N/A	Operating Reserves	$514,666
Investor Equity Contributions	$30,819,342	N/A	Developer Fees	$7,494,181
TOTAL	**$64,953,044**			**$64,953,044**
TOTAL PER UNIT	**$649,530**			

Subsidy Efficiency: The Initial MIP commitment for this Project was $2.5 million ($25,253 per MIP restricted unit). The current proposed MIP commitment is $7,360,403 ($74,348 per MIP restricted unit). Staff is recommending an exception to the project Allocation Limit of $50,000 per MIP restricted unit. Approval of this exception is further detailed in the "Underwriting Standards or Term Sheet Variations" below.

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

- 4% Federal Tax Credits (estimate): $33,186,686 ($335,219 per TCAC restricted unit).
- State Tax Credits: $3,200,000 ($32,323 per TCAC restricted unit).

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 locality funds.

Cost Containment Strategy:

Project Team: Early engagement of project team, including general contractor, construction manager, and experienced design consultants, for design coordination from design development to building permit issuance.
Cost Estimate and Analysis: The general contractor will prepare cost estimates for the project at multiple intervals during the preconstruction phase. All cost estimates shall be consistent with the completed design documents and bid proposals (with input from the general contractor and their subcontractors). The documents will include a detailed breakdown of direct costs, general conditions, contract contingency, applicable taxes, general liability insurance, contractor's fee, payment and performance bond, and other costs designated by the Borrower as necessary for project construction completion. The general contractor will include with each cost estimate, the pertinent supporting data, including a detailed description of all assumptions, clarifications, exclusions, and exceptions. All supporting data will be evaluated for potential cost impact.
Cost Estimate Overruns: If a cost estimate exceeds previously approved budgets, the general contractor will provide a detailed breakdown of all changes that increased the updated cost estimate and will make appropriate recommendations, including appropriate value engineering and cost savings suggestions, for review by the Borrower and the Borrower's construction manager. Items that are value engineered may be reevaluated and added back to the contract if the hard cost contingency appears sufficient during construction.
Construction Schedule: In order to manage and mitigate schedule delays, the construction schedule will be prepared by the general contractor in the Critical Path Method format and will be updated to incorporate additional details or adjustments as information is received, as well as evaluated for time and cost impact. Any substantial critical path delays will be evaluated by the ownership. All approved time delays will be documented formally via change orders.

	High Cost Explanation: The total development cost per unit is $649,530, which is high. Following are some of the major contributing factors of the high cost: • The Project is located in the Bay Area which is typically expensive to purchase and construct. The Project purchased the land from D&M Investment Partners on 09/23/2021 for an amount of $3,200,000. The carrying costs for the Project includes predevelopment and acquisition loan of approximately $342k. • Construction costs are based on a cost estimate assuming a December 2022 construction start, which increased by $1,112,394 (3.36%) since the original budget at initial commitment. • Per TCAC's unit threshold basis limit, the project has a greater proportion of three- and four-bedroom units that contributes to higher construction costs estimated at $7,663,292 compared to projects with two-bedroom units. • The Project is located in unincorporated Bay Point and is subject to high Contra Costa County impact fees including school, park, childcare, traffic, public facilities, fire facilities, water district, and sewer district fees of approximately $5,343,241. Deducting these costs results in an adjusted total development cost of approximately $472,971 per unit.
6.	Equity – Cash Out (estimate): Not Applicable

TRANSACTION OVERVIEW

7. Proposal and Project Strengths

- The Project received 4% federal and state tax credits which is projected to generate equity representing 47% of total financing sources.
- The developer/sponsor has extensive experience in developing similar affordable housing projects and have experience with CalHFA.
- The Project will serve low-income families ranging between 30% to 70% of AMI. On average, the rents are between 17% to 67% below market rents based on current appraisal report.
- The projected portion of the developer's fee that will be collected at or prior to permanent loan conversion is $1,068,883, which could be available to cover cost overruns and/or unforeseen issues during construction.

8. Project Weaknesses with Mitigants:

- Staff completed two different exit analysis scenarios. The primary source of repayment for both the first mortgage and the MIP subsidy loan is refinance of the project's 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.
  - The first exit analysis scenario assumes the same cap rate (5.50%) and interest rate (6.31%) used in the final underwriting. Based on these assumptions, the Project will have the ability to fully repay the balance of the Agency's permanent first lien loan and has the ability to repay the majority of the Agency's original and supplemental MIP subsidy loan in the total estimated amount of $10,015,758, leaving an outstanding balance of $541,561 (principal and accrued interest) of MIP outstanding to be paid at maturity.
  - The second exit analysis scenario assumes 2% increase to the appraisal cap rate (resulting in 7.50%) and a 3% increase of the underwriting interest rate at loan maturity (resulting in 9.31%). Based on these assumptions, the Project will have the ability to fully repay the balance of the Agency's permanent first lien loan at maturity. However, a refinance would only be sufficient to repay a portion ($2,448,706) of the total MIP subsidy debt leaving an outstanding balance of $8,108,612 (principal and accrued interest).

9. Underwriting Standards or Term Sheet Variations

- Pursuant to the MIP loan term sheet, no project may receive more than the lesser of (i) $8 million project cap, (ii) the aggregate MIP loan amount based on up to $50k per MIP regulated unit or (iii) MIP loan not to exceed 50% of the CalHFA perm loan. Based on the project economics, the per unit MIP loan amount of $74,348 exceeds the $50K threshold but still meets the $8M project cap and the requirement that MIP funds not exceed 50% of the CalHFA perm loan. MF Staff recommends this exception to the MIP term sheet and recommends the total MIP Loans for approval to facilitate the progression of a shovel ready project without delay. The project received tax credit and bond cap allocations from TCAC/CDLAC on June 15, 2022, supplemental bond cap allocation on September 7, 2022, and is ready to proceed to construction loan closing by March 2023.

- CalHFA underwriting policy as outlined in the Underwriting Standards and Reference Manual requires that CalHFA regulated unit sizes (by bedroom count) be distributed substantially on a pro rata basis across income ranges proportionately to their availability in the development, however, deviations may be allowed based on demonstrable market data and community needs. The developer/sponsor has requested a waiver on the affordability distribution to mitigate potential lease-up issues/delays due to the rental market demand in the County. Based on the property management company's experience, leasing larger bedroom units to lower AMI households is challenging because they are seeing a larger number of double-income households that exceed lower targeted occupancy thresholds. Additionally, they are seeing many single occupant households that are not able to meet the higher target occupancy thresholds. Based on the current affordability unit mix, the market study and appraisal report anticipate that an estimated capture rate of 4.7% of the Primary Market Area (PMA; cities of Bay Point-Pittsburg-Antioch) and the development will be leased up within 4 months of construction completion. In addition, the proposed affordability unit mix also aligns with the City's Density Bonus and Inclusionary Housing Development Agreement requirements. This exception to the CalHFA underwriting policy is recommended by Multifamily Lending and Credit Staff to ensure that the unit distribution is consistent with current market dynamics which will ensure successful lease-up of the units in a manner consistent with the City 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.
- CalHFA requires that MIP affordability covenants be recorded in senior position to all foreclosable debt.
- The CalHFA subsidy (including the supplemental MIP subsidy loan, if any) will be, in the Agency's sole discretion, the lesser of 1) the principal amount as stated on hereto or 2) an amount as determined by the Agency in the event the financial assumptions change prior to construction loan closing and/or permanent loan closing.
- All MIP Loan principal and interest will due and payable at maturity. Outstanding Supplemental MIP loan funds will have first repayment priority whether the source of repayment is cash flow during the term of the loan or repayment via refinance, partner contribution, or other source at loan maturity.
- The Project's proposed operating expense does not meet TCAC minimums**,** therefore, Borrower must provide evidence that the proposed operating expense is sufficient to operate the project via an appraisal report and/or other supporting documentation acceptable to CalHFA. In addition, approvals of the proposed operating expense from the investor, all lenders, and TCAC are required.
- The Borrower has requested that 100% of surplus cash be available for the repayment of the deferred developer's fee (DDF) until the earlier of year 15 of operations is complete or full repayment of the DDF. Thereafter, the surplus cash split shall be 50% to Borrower and 50% to Residual Receipt lender. As a condition of this approval, the Borrower must provide evidence that the DDF repayment structure is required pursuant to the Limited Partnership Agreement (LPA). In the event of a shortfall the GP will contribute an amount equal to the balance of the deferred developer fee outstanding.
- The locality is requiring the Borrower to encumber the Property by recording a Density Bonus Agreement and Inclusionary Housing Affordability Restrictions. Prior to constructing loan closing and closing of the CalHFA loans, the Density Bonus and Inclusionary Housing Developer Agreement is subject to CalHFA review and approval in accordance with agency underwriting standards.
- Funds from the CalHFA permanent loan and/or the subsidy loan shall not be used to fund or offset any portion of the offsite improvement costs.
- In the event of cost savings at permanent loan conversion, 100% of cost savings will be used to reduce the supplemental portion of the MIP loan amount first (may be shared with other residual receipt lenders on a pro rata basis, if applicable). Once the supplemental portion of the MIP loan amount is fully reduced, the remaining cost savings will be split 50% between reducing the original MIP loan amount (or may be shared with other residual receipt lenders on a pro rata basis, if applicable) and reducing the Deferred Developer Fee. Any default to any loan

by the Agency for the Development shall constitute a default under any other loan by the Agency for the Development.

- A standstill agreement between the County and the Agency that includes, but is not limited to, (1) Acknowledgement that the affordability restrictions are not foreclosable, and enforcement limited to specific performance or injunction; and (2) Standstill of certain reporting, penalty and other non-affordability provisions in the event CalHFA acquires the project.

11. Staff Conclusion/Recommendation:

The Multifamily Lending Division supports approval of the described financing in the amounts requested, subject to the above proposed terms and conditions. As noted earlier, the supplemental MIP subsidy loan was not part of the Initial Commitment approved by the SLC and Board, and hence approval is being sought for this financing through the Final Commitment Approval.

AFFORDABILITY

12. CalHFA Affordability (Occupancy and Rent) Restrictions

The CalHFA Permanent Financing Regulatory Agreement will restrict a minimum of 40% of the total units at or below 60% AMI; with 30% of the total units (30 units) at or below 60% AMI and 10% of the total units (10 units) at 50% of AMI for 55 years.

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

- CTCAC will restrict 99 units at or below 70% of AMI for 55 years.
- Pursuant to a Density Bonus and Inclusionary Housing Developer Agreement drafted by the Contra Costa County (County), the Project must restrict 3 units at 50% AMI and 10 units at 60% AMI under the County's Inclusionary Housing Ordinance and density bonus requirements for 55 years. The County's inclusionary requirements apply to the subject property even though there are no market rate units included in the project.

Rent Limit Summary Table

AMI	Total	Studio	1-bdrm	2-bdrm	3-bdrm	4-bdrm	% of Total
30%	10	-	3	3	3	1	10.0%
40%	0	-	-	-	-	-	0.0%
50%	20	-	12	3	3	2	20.0%
60%	19	-	3	12	4	-	19.0%
70%	50	-		17	26	7	50.0%
100%	0	-	-	-	-	-	0.0%
110%	0	-	-	-	-	-	0.0%
120%	0	-	-	-	-	-	0.0%
Manager's Unit	1	-	-	1	-	-	1.0%
Total	100	0	18	36	36	10	100.0%

The average affordability restriction is 60% of AMI based on 99 TCAC-restricted units.

NUMBER OF UNITS AND AMI RENTS RESTRICTED BY EACH AGENCY										
Regulatory Source	**Recordation Priority of Recorded Document**	**Term of Agrmt (years)**	**Number of Units Restricted For Each AMI Category**							
			30% AMI	**50% AMI**	**60% AMI**	**70% AMI**	**80% AMI**	**<= 120% AMI**	**Total Units Regulated**	**% of Regulated Units**
CalHFA Bond / Risk Share	2nd	**55**	-	10	30	-	-	-	40	40.0%
CalHFA MIP*	3rd	**55**	10	20	-	10	-	59	99	99.0%
County Density Bonus and Inclusionary Housing	1st	**55**	-	3	10	-	-	-	13	13.0%
Tax Credits	4th	**55**	10	20	19	50	-	-	99	99.0%

*The CalHFA MIP Subsidy Regulatory Agreement requires 10% of total units (10 units) be restricted at or below 30% of AMI, 20% of total units (20 units) be restricted at or below 50% of AMI, 10% of total units (10 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 will be determined by the minimum income limit of 70% of AMI, not to exceed 80% of AMI. The remaining 59 restricted units will be restricted at or below 120% of AMI. For underwriting purposes, the initial rents at permanent loan closing must be no less than the underwriting rent levels outlined on the "Unit Mix and Rent Summary" enclosed as part of the project's staff report package. The CalHFA permanent loan agreement will require minimum underwriting rent levels as outlined in the Rent Limit Summary Table Below.

13. Geocoder Information

Central City:	No	Underserved:	No
Low/Mod Census Tract:	Low	Below Poverty line:	32.25%
Minority Census Tract:	81.64%	Rural Area:	No

FINANCIAL ANALYSIS SUMMARY

14.	**Capitalized Reserves:**	
	Replacement Reserves (RR):	N/A.
	Operating Expense Reserve (OER):	$514,666 OER amount is the minimum amount required be the investor and generally sized based on 3 months of operating expenses, first lien debt service, and annual replacement reserves deposits. CalHFA will hold this reserve for the term of the CalHFA permanent loan. 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. A minimum of 3 to 6 months operating expense, reserves, and debt service ("OER") is required to be held for the life of the CalHFA permanent loan. The OER may be based on 3 months of total operating expense, reserves, and debt service if the developer provides evidence that, within the last 2 years, that they have received allocations from TCAC or provide a certification from a third- party accountant that they met TCAC's general partner and management experience pursuant to CTCAC regulations. The developer has submitted supporting documentation that they've met this requirement.

	Transitional Operating Reserve (TOR):	N/A.		
15.	**Cash Flow Analysis**			
	1st Year DSCR:	1.15	**Project-Based Subsidy Term:**	N/A
	End Year DSCR:	1.61	**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 permanent first lien loan will be secured by a first lien deed of trust against the above-described Project site and improvements. The CalHFA MIP loan will be secured by a second lien deed of trust against the above-described Project site and improvements.

17. Balloon Exit Analysis **Applicable:** ☒ **Yes** ☐ **No**

- Staff completed two different exit analysis scenarios. The primary source of repayment for both the first mortgage and the MIP subsidy loan is refinance of the project's 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.

    - The first exit analysis scenario assumes the same cap rate (5.50%) and interest rate (6.31%) used in the final underwriting. Based on these assumptions, the Project will have the ability to fully repay the balance of the Agency's permanent first lien loan and has the ability to repay the majority of the Agency's original and supplemental MIP subsidy loan in the total estimated amount of $10,015,758, leaving an outstanding balance of $541,561 (principal and accrued interest) of MIP outstanding to be paid at maturity.
    - The second exit analysis scenario assumes 2% increase to the appraisal cap rate (resulting in 7.50%) and a 3% increase of the underwriting interest rate at loan maturity (resulting in 9.31%). Based on these assumptions, the Project will have the ability to fully repay the balance of the Agency's permanent first lien loan at maturity. However, a refinance would only be sufficient to repay a portion ($2,448,706) of the total MIP subsidy debt leaving an outstanding balance of $8,108,612 (principal and accrued interest).

APPRAISAL AND MARKET ANALYSIS

18. Appraisal Review **Dated: 12/15/2022**

- The Appraisal dated 12/15/2022 prepared by Watts, Cohn and Partners, Inc., values the land at $3,200,000.
- The cap rate of 5.50% and projected net operating income ("NOI") of $1,596,108, were used to determine the appraised value of the subject site. The Borrower's estimated NOI is $1,606,063 which is approximately $9,955 (~.62%) higher than the estimated NOI on the appraisal report and is due to the following reasons:
    - The Borrower estimated approximately $17,820 for net WiFi income that will be provided through a third-party services provider, which is $720 (~4.21%) higher than the appraisal's estimated budget of $17,100.
    - The Borrower estimated approximately $106,600 for repairs and administration, which is $32,400 (~23.3%) lower than the appraisal's estimated budget of $139,000. The Borrower's proposed estimated repairs and administration budget is based on the current operations of a similar project in the area.
    - The Borrower estimated approximately $90,717 for property management fee (per the management agreement between the Borrower and property management company), which is $15,717 (~21%) higher than the appraisal's estimated budget of $75,000.
    - The Borrower estimated approximately $7,448 higher in the other remaining operating expense budget line items than the appraisal's estimated operating expense budget.

Considering these deviations, the proposed operating expenses are reasonable based on the Developer's experience with operating a similar project in the area and per the property management agreement.

- The as-restricted stabilized value is $29,020,000, which results in the Agency's permanent first lien loan to value (LTV) of 70%. The combined LTV, including MIP subsidy loan is 95%.
- The appraisal predicts a lease-up period of 4 months which is slightly more conservative than the market study that was completed in February 2022 and estimated 3 months.

Market Study:	Novogradac Consulting LLP	**Dated: 2/10/2022**

Regional Market Overview

- The Primary Market Area ("PMA") is the cities of Bay Point-Pittsburg-Antioch (population of 127,103) and the Secondary Market Area ("SMA") is San Francisco-Oakland-Berkeley (population of 4,640,719).
- The general population in the PMA is anticipated to increase by 0.7% per year.
- Unemployment in the MSA is 3.5%, which evidences a strong employment area. Per the appraisal, the unemployment rate in April 2022 was 3.1%. The PMA has generally experienced a lower unemployment rate compared to other areas of California.

Local Market Area Analysis

- **Supply:**
  - There are currently 31 affordable family projects in the PMA and they have low vacancy rates with long wait lists.
  - There are 2 affordable projects under construction which received LIHTC allocation in 2020 and are anticipated to complete in 2023.
- **Demand/Absorption:**
  - The project will need to capture 4.7% of the total demand for family units in the PMA. The affordable units are anticipated to lease up at a rate of 33 units per month and reach stabilized occupancy within 3 months of opening.

DEVELOPMENT SUMMARY

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

- The property is located on the north side of Alves Lane, between Chadwick Lane and Virginia Drive, in the City of Bay Point, unincorporated, Contra Costa County.
- The site is currently vacant, with generally level topography at street grade, measuring approximately 3.86 acres and is polygonal in shape.
- The site consists of two contiguous parcels that will be merged prior to start of construction.
- The site is zoned Planned Unit District (P-1) and the General Plan land use designation is MM – Multiple Family Residential – Medium Density with permitted multifamily residential use.
- The subject is located in Flood Zone X (area of minimum flood hazard). Zone X is the area determined to be outside the 500-year floodplain and protected by levee from a 100-year floodplain, therefore the Project will not be subject to flood insurance.

20. Form of Site Control & Expiration Date

The Project purchased the land from D&M Investment Partners on 09/23/2021 for an amount of $3,200,000.

21. Current Ownership Entity of Record

Title is currently vested in Alves Lane, L.P. as the fee owner.

22. Environmental Review Findings **Dated: 10/12/2022**

- A Phase I Environmental Site Assessment performed by AEI Consultants dated 10/12/2022 revealed no evidence of recognized environmental conditions, so no additional investigation was recommended.
- 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 Contra Costa County 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:	92,870	**Residential Units per Acre:**	25.91
Community/Common Area Sq. Ftg:	21,299	**Total Parking Spaces:**	202
Supportive Service Areas:	N/A	**Total Building Sq. Footage:**	114,169

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:**	Three-story type V wood frame building that form an open triangle around the central landscaped courtyard with surface parking spaces.

28.	**Construction/Rehab Scope**	**Requires Demolition:** ☐ **Yes** ☒ **No**

- The subject site is new construction.
- The contract will be structured as a Stipulated Sum contract and the builder overhead, profit, and general requirements, will not exceed 14%. TCAC's allowable limit is 14%.
- The County is requiring project-specific offsite improvements immediately bordering the subject property. During construction, the cost of the offsite improvement will be paid by tax credit equity. At permanent loan closing, the improvements will be paid off by tax credit equity as follows:

USES	**Construction**	**Permanent**
Offsite improvements hardscape and utility connections to the building cost	**$ 1,359,427**	**$1,359,427**
SOURCES		
CalHFA Loan	$0	$0
Tax Credit Equity	$1,359,427	$$1,359,427
Total Sources	**$1,359,427**	**$1,359,427**

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 has established cost containment strategies, which are outlined in Section 5 above.

ADDITIONAL DEVELOPMENT/ PROJECT TEAM INFORMATION

30. Borrower Affiliated Entities

- Managing General Partner: FFAH V Alves Lane, LLC, a California limited liability company; 0.0044% interest
  - Sole Member: Foundation for Affordable Housing V, Inc., a California nonprofit public benefit corporation
- Administrative General Partner: Alves Lane, LLC, a California limited liability company; 0.0046% interest
  - Sole Member and Manager: Meta Development, LLC, a California limited liability company; 100% interest
    - Member - HVE Trust; 66 & 2/3% interest

- Member – The Burke Family Trust; 33 & 1/3% interest
  - Managers: John Huskey and Kasey Burke
- Investor Limited Partner: RBC Community Investments; 99.99% interest
- Investor Manager: RBC Community Investments Manager II, Inc.; 0.001% interest

31. Developer/Sponsor

- Meta Development, LLC (Meta Development) is a California limited liability company established in May of 2021 and is an affiliate of Meta Housing Corporation. As of June 30, 2022. Meta Development has 5 housing projects (660 units) under construction and 5 housing projects (705 units) in pre-development which included 2 projects with CalHFA (Alves Lane and West Carson).
- Meta Housing Corporation (Meta) is a California S-Corporation wholly owned by John M. Huskey. Meta has 121 housing projects (11,546 units) completed or under construction, including 15 projects currently under construction or in the lease-up phase.
- Currently Meta has 13 projects (1,056 units) in the CalHFA portfolio, and all are performing as expected. In addition, they have five (5) projects under construction with CalHFA and one project that recently completed permanent loan conversion and pending transfer to CalHFA Asset Management. Mission Gateway is progressing as expected, however, per the developer, four (4) of the projects under construction are experiencing delays; all are due to challenges related to securing permanent power.
  - The first deal, 433 Vermont Apartments (Vermont), expects the installation of the building transformer and electrical meters on the first week of November and is scheduled to receive temporary certificate of occupancy (TCO) early December 2022. The permanent lender for Vermont, California Community Reinvestment Corporation (CCRC) will be increasing their permanent loan based on extending the loan amortization and underwriting to current TCAC rents and payment voucher standards. The construction delay contributed to the increased costs in labor and materials and to updating the switch gear to comply with the Los Angeles Department of Water and Power requirements.
  - The second deal, Beacon Villa (Beacon), is currently anticipating completion in March 2023, driven by delays securing switchgear components and PG&E's energization estimates, stemming from limited capacity and availability for site inspections. Beacon secured a supplemental bond allocation in November 2022 to cover construction period shortfalls due to supply chain issues, price escalations in key trades and materials, to ensure the project meets the 50% test.
  - The third deal, Mosaic on Mission, is awaiting the utility to relocate a transformer and it is anticipated that a TCO will be issued by end of 2022. Delays and change orders on the project, due to the required vaper mitigation system by Alameda County, are offset by hard and soft cost contingency.
  - The last deal in construction with CalHFA, One Lake Family (one Lake), is currently experiencing a delay that resulted from PG&E's inability to perform. One Lake was expecting energization on 9/27, but due to PG&E staffing and material issues, the site was not energized until 11/30. Currently, PG&E is setting unit meters. The construction team is working with the City to schedule inspections for fire life safety systems, as those approvals are needed for a certificate of occupancy. The certificate of occupancy for the project is now contingent upon the timing of inspections from the City. The development team is working to obtain a certificate of occupancy before the end of the year. Any cost overruns from One Lake's delay will be absorbed by managing savings in both hard and soft cost contingency.

Meta Development LLC:

Projects In CalHFA Pipeline	Total Units	Perm Loan Amount	MIP/Other Subsidy Loan Amount	Target/Actual Construction Closing	Target Perm Closing	Under Construction?	Progressing as Expected?	Notes
Subject property Alves Lane	100	$20,347,750	$7,360,403	1/31/2023	7/1/2025	No		
West Carson	230	N/A	N/A	12/15/2022	7/1/2025	No		Conduit Only
Total:	**330**	**$20,347,750**	**$7,360,403**					

Meta Housing Corporation:

Projects In CalHFA Pipeline	Total Units	Perm Loan Amount	MIP/Other Subsidy Loan Amount	Target/Actual Construction Closing	Target Perm Closing	Under Construction?	Progressing as Expected?	Notes
433 Vermont Apts. (SNHP)	72	$2,520,000	$0	3/28/2019	6/1/2023	Yes	No	73% complete - delayed 566 days (see above for more information)
Beacon Villa	54	$13,091,000	$6,350,000	10/21/2020	6/1/2023	Yes	No	63% compete - delayed 251 days (see above for more information)
Mosaic on Mission (FKA Hayward Mission)	140	$0	$5,000,000	8/26/2020	7/1/2023	Yes	No	66% compete - delayed 247 days (see above for more information)
One Lake Family	190	$25,780,000	$14,255,000	11/20/2020	11/20/2023	Yes	No	84% complete - delayed 50 days (see above for more information)
Mission Gateway	356	$0	$15,500,000	8/18/2020	2/1/2024	Yes	Yes	88% complete – progressing as expected
Whittier & Downey NE (SNHP)	42	$1,995,000	$0	11/22/2019	10/5/2022	No	Yes	Closed permanent loan conversion - pending transfer to Asset Management
Subtotal:	**854**	**$43,386,000**	**$41,105,000**					

Project In CalHFA Portfolio	Total Units	Original Perm Loan Amount	Origination Date	Current Perm Loan Balance Amount	Current MIP/Other Subsidy Loan Amount	Maturity Date	Regulatory Restriction Exp. Date	Operating as Expected?	RR Balance	OER Balance	DSCR
El Segundo Blvd Apartments (SNHP)	75	$0	9/5/2019	$0	$1,500,000	9/1/2074	9/1/2074	Yes	n/a	n/a	n/a
Whittier Downey SE aka Puesta Del Sol (SNHP and Perm)	71	$6,500,000	10/15/2020	$6,410,406	$3,325,000	3/1/2073	3/1/2073	Yes	$65,381	$278,072	1.89
127th Street Apartments (SNHP)	85	$0	6/25/2019	$0	$3,000,000	6/1/2074	6/1/2074	Yes	n/a	n/a	n/a
Artists Colony	141	$1,601,500	12/27/2005	$1,287,097	$0	1/1/2046	1/1/2046	Yes	$767,902	$59	1.42
Cottons Point Senior Apartments (MHSA)	76	$0	8/1/2012	$0	$1,622,400	8/1/2067	8/1/2067	Yes	$0	$0	n/a
Courson Arts Colony West (SNHP)	84	$0	7/15/2020	$0	$855,000	7/1/2075	7/1/2075	Yes	$0	$0	n/a
Downtown Hayward (Conduit)	60	$0	12/4/2015	$0	$0	n/a	6/1/2072	Yes	n/a	n/a	n/a
Long Beach & 21st Apartments (MHSA)	41	$0	3/20/2014	$0	$1,897,450	3/1/2069	3/1/2069	Yes	$0	$0	n/a
Lugo Senior(MHSA)	119	$0	2/1/2013	$0	$1,124,486	2/1/2068	2/1/2068	Yes	$0	$0	n/a
Santa Ana Arts Collective (SNHP)	58	$0	8/17/2021	$0	$2,362,215	8/1/2076	8/1/2076	Yes	$0	$0	n/a
Sylmar Court (MHSA)	101	$0	3/29/2016	$0	$1,250,000	3/1/2071	3/1/2071	Yes	$0	$0	n/a
Tavarua Senior Apartments (MHSA)	50	$0	3/29/2016	$0	$1,081,600	12/1/2066	12/1/2066	Yes	$0	$0	n/a
Winnetka Senior (MHSA)	95	$0	2/26/2018	$0	$750,000	2/1/2073	2/1/2073	Yes	$0	$0	n/a

Subtotal:	**1056**	**$8,101,500**		**$7,697,503**	**$18,768,151**						
Aggregate Total:	**1910**			**$51,083,503**	**$59,873,151**						

32. Management Agent

Cambridge Real Estate Services, Inc. (Cambridge) will manage the Project. This company has extensive experience managing similar affordable housing projects in the area and currently manages four projects in CalHFA's portfolio –Cedar Park (Grass Valley, 81 units), Glenbrook Apartments (Grass Valley, 52 Units) Kennedy Meadows Apartments (Jackson, 56 units), and the Aspens at South Lake ((MHSA)(South Lake Tahoe, 48 units). All projects are performing as expected except for Kennedy Meadows which is having issues maintaining a stable DSCR. CalHFA Asset Management is monitoring the project closely. Cambridge has experience working with the Developer (Meta Development) and its affiliate (Meta).

Currently, Meta Development and Cambridge have 1 project under construction, Stoney Oaks (Santa Rosa), and 1 project in predevelopment, Blue Square Apartments (Concord). Cambridge also has experience with Meta with 2 completed projects in operation, Willow View (Bay Point) and the Grove at Sunset (Brentwood) and 1 CalHFA project under construction, Beacon Villa (Pittsburg).

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

The Borrower has elected to provide a Service Coordinator. Embrace Foundation, the Residential Services arm of the Foundation for Affordable Housing (FFAH), will provide the services for all tenants. Services will include 12 hours/week of after-school programming and health and wellness skill-building classes. The expense for these services is currently included in the proposed operating budget. Services will be conducted onsite. CTCAC requires site services for 15 years, however, the Borrower is anticipating to provide services for an indefinite term.

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

The general contractor is RAAM Construction, Inc., who has experience in constructing similar affordable housing projects in California, however, CalHFA is not familiar with the general contractor. The GC has completed or is working on at least three comparable projects in the last five years. The GC and the Developer have 1 project under construction.

In addition, the GC and Meta Housing Corporation have completed three projects together and are working on two projects that are under construction.

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

The architect is Dahlin Group, who has extensive experience in designing and managing similar affordable housing projects in California, is experienced in navigating locality building permit processes, and has designed several projects financed by CalHFA.

The architect and the Developer have worked on one project that is under construction.

Additionally, the architect and Meta Housing Corporation have worked on two projects that have been completed and are working on three projects that are in the under construction and one projects in predevelopment.

36. Local Review via Locality Contribution Letter

The locality, County of Contra Costa, returned the local contribution letter stating they support the project.

EXHIBITS: Detailed Financial Analysis and applicable Term Sheets

PROJECT SUMMARY — Final Commitment

Acquisition, Rehab, Construction & Permanent Loans — **Project Number 22-007-A/X/N**

Project Full Name	Alves Lane Apartments	**Borrower Name:**	Alves Lane, L.P.
Project Address	301 Alves Lane	**Managing GP:**	FFAH V Alves Lane, LLC
Project City	Bay Point	**Developer Name:**	Meta Development, LLC
Project County	Contra Costa	**Investor Name:**	RBC Community Investments, LLC
Project Zip Code	94565	**Prop Management:**	Cambridge Real Estate Services, Inc.
		Tax Credits:	4
Project Type:	Permanent Loan Only	**Total Land Area (acres):**	3.86
Tenancy/Occupancy:	Individuals/Families	**Residential Square Footage:**	92,870
Total Residential Units:	100	**Residential Units Per Acre:**	25.91
Total Number of Buildings:	1		
Number of Stories:	3	**Covered Parking Spaces:**	0
Unit Style:	Flat	**Total Parking Spaces:**	202
Elevators:	--		

Acq/Construction/Rehab Financing	Loan Amount ($)	Loan Fees	Loan Term (Mo.)	Amort. Period (Yr.)	Starting Interest Rate
CalHFA Conduit - JPMorgan Chase Bank, N.A	30,575,000	0.650%	30	--	5.460%
CalHFA Recycled Bonds - JPMorgan Chase Bank, N.A.	23,250,000	0.650%	30	--	5.460%
--	--	--	--	--	--
Deferred Developer Fee	7,186,523	--	--	--	--
--	--	NA	NA	NA	NA
Investor Equity Contribution	3,063,035	NA	NA	NA	NA
Total:	**64,074,558**	NA	NA	NA	NA

Permanent Financing	Loan Amount ($)	Loan Fees	Loan Term (Yr.)	Amort. Period (Yr.)	Starting Interest Rate
Perm	20,351,000	1.000%	17	40	6.310%
MIP	2,500,000	1.000%	17	NA	3.000%
Supplemental MIP	4,860,403	1.000%	17	NA	3.000%
--	--	--	--	--	--
Deferred Developer Fees	6,425,298	NA	NA	NA	NA
--	--	NA	NA	NA	NA
Investor Equity Contributions	30,816,342	NA	NA	NA	NA
Total:	**64,953,043**	NA	NA	NA	NA

Appraised Values Upon Completion of Rehab/Construction

Appraisal Date:	11/22/22	**Capitalization Rate:**	5.50%
Investment Value ($)	62,990,000	**Restricted Value ($)**	29,020,000
Construct/Rehab LTC	84%	**CalHFA Permanent Loan to Cost**	31%
Construct/Rehab LTV	85%	**CalHFA 1st Permanent Loan to Value**	70%
		Combined CalHFA Perm Loan to Value	95%

Additional Loan Terms, Conditions & Comments

Construction/Rehab Loan

Payment/Performance Bond	Required	
Completion Guarantee Letter of Credit	Required	

Permanent Loan

Operating Expense Reserve Deposit	$514,666	Cash
Initial Replacement Reserve Deposit	$0	Cash
Annual Replacement Reserve Per Unit	$250	Cash

Date Prepared: 12/21/22 — Senior Staff Date: 12/21/22

UNIT MIX AND RENT SUMMARY — Final Commitment

Alves Lane Apartments — **Project Number 22-007-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	590	18	27
Flat	2	1	810	36	108
Flat	3	2	1,120	36	162
Flat	4	2	1,277	10	60
-	-	-	-	-	0
-	-	-	-	-	0
				100	357

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%
CalHFA Bond/RiskShare	0	0	10	30	0	0	0
CalHFA MIP	10	0	20	0	10	0	59
Tax Credit	10	0	20	19	50	0	0
County Density Bonus and Inclusionary Housing	0	0	3	10	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%	-	-	-	-	-
	CTCAC	50%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	70%	-	-		-	-
	HCD	100%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	80%	-	-		-	-
1 Bedroom	CTCAC	30%	3	$743	$2,150	$1,407	35%
	CTCAC	50%	12	$1,279		$871	59%
	CTCAC	60%	3	$1,547		$603	72%
	CTCAC	70%	-	-		-	-
	HCD	100%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	80%	-	-		-	-
2 Bedrooms	CTCAC	30%	3	$881	$2,600	$1,719	34%
	CTCAC	50%	3	$1,524		$1,076	59%
	CTCAC	60%	12	$1,845		$755	71%
	CTCAC	70%	17	$2,167		$433	83%
	HCD	100%	-	-		-	-
	CTCAC	80%	-	-		-	-
	CTCAC	-	-	-		-	-
3 Bedrooms	CTCAC	30%	3	$1,008	$3,000	$1,992	34%
	CTCAC	50%	3	$1,751		$1,249	58%
	CTCAC	60%	4	$2,122		$878	71%
	CTCAC	70%	26	$2,493		$507	83%
	HCD	100%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	80%	-	-		-	-
4 Bedrooms	CTCAC	30%	1	$1,111	$3,350	$2,239	33%
	CTCAC	50%	2	$1,939		$1,411	58%
	CTCAC	60%	-	-		-	-
	CTCAC	70%	7	$2,767		$583	83%
	HCD	100%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	80%	-	-		-	-
5 Bedrooms	CTCAC	30%	-	-	-	-	-
	CTCAC	50%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	70%	-	-		-	-
	HCD	100%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	80%	-	-		-	-
Date Prepared:	12/21/22					Senior Staff Date:	12/21/22

SOURCES & USES OF FUNDS					Final Commitment
Alves Lane Apartments			Project Number	22-007-A/X/N	
SOURCES OF FUNDS	CONST/REHAB	PERMANENT	TOTAL PROJECT SOURCES OF FUNDS		
	$	$	SOURCES ($)	PER UNIT ($)	%
CalHFA Conduit - JPMorgan Chase Bank, N.A	30,575,000				0.0%
CalHFA Recycled Bonds - JPMorgan Chase Bank,	23,250,000				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
Construct/Rehab Net Oper. Inc.	-				0.0%
Deferred Developer Fee	7,186,523				0.0%
Developer Equity Contribution	-				0.0%
Investor Equity Contribution	3,063,035				0.0%
Perm		20,351,000	20,351,000	203,510	31.3%
MIP		2,500,000	2,500,000	25,000	3.8%
Supplemental MIP		4,860,403	4,860,403	48,604	7.5%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
Construct/Rehab Net Oper. Inc.		-	-	-	0.0%
Deferred Developer Fees		6,425,298	6,425,298	64,253	9.9%
Developer Equity Contribution		-	-	-	0.0%
Investor Equity Contributions		30,816,342	30,816,342	308,163	47.4%
TOTAL SOURCES OF FUNDS	**64,074,558**	**64,953,043**	**64,953,043**	**649,530**	**100.0%**
TOTAL USES OF FUNDS (BELOW)	**64,074,558**	**64,953,044**	**64,953,043**	**649,530**	**100.0%**
FUNDING SURPLUS (DEFICIT)	**0**	**(1)**	**(0)**		

USES OF FUNDS	CONST/REHAB	PERMANENT	TOTAL PROJECT USES OF FUNDS		
	$	$	USES ($)	PER UNIT ($)	%
CONSTRUCTION/REHAB SOURCES OF FUNDS		**64,074,558**			
ACQUISITION COSTS					
Lesser of Land Cost or Appraised Value	3,200,000	-	3,200,000	32,000	4.9%
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 (PreDev Interest)	342,627	-	342,627	3,426	0.5%
Other (Specify)	-	-	-	-	0.0%
TOTAL ACQUISITION COSTS	**3,542,627**	**-**	**3,542,627**	**35,426**	**5.5%**
CONSTRUCTION/REHAB COSTS					
Offsite Improvements	1,359,427	-	1,359,427	13,594	2.1%
Environmental Remediation (Hard Costs)	-	-	-	-	0.0%
Site Work (Hard Cost)	-	-	-	-	0.0%
Structures (Hard Cost)	28,676,513	-	28,676,513	286,765	44.1%
General Requirements	2,208,525	-	2,208,525	22,085	3.4%
Contractor Overhead	736,175	-	736,175	7,362	1.1%
Contractor Profit	736,175	-	736,175	7,362	1.1%
Contractor Bond	472,035	-	472,035	4,720	0.7%
Contractor Liability Insurance	-	-	-	-	0.0%
Personal Property	-	-	-	-	0.0%
HVAC/Resident Damage	-	-	-	-	0.0%
TOTAL CONSTRUCT/REHAB COSTS	**34,188,850**	**-**	**34,188,850**	**341,889**	**52.6%**

SOURCES & USES OF FUNDS					Final Commitment
Alves Lane Apartments			Project Number	22-007-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	1,099,300	-	1,099,300	10,993	1.7%
Supervision	272,200	-	272,200	2,722	0.4%
TOTAL ARCHITECTURAL FEES	**1,371,500**	**-**	**1,371,500**	**13,715**	**2.1%**
SURVEY & ENGINEERING FEES					
Engineering	990,678	-	990,678	9,907	1.5%
Supervision	-	-	-	-	0.0%
ALTA Land Survey	-	-	-	-	0.0%
TOTAL SURVEY & ENGINEERING FEES	990,678	-	990,678	9,907	1.5%
CONTINGENCY RESERVES					
Hard Cost Contingency Reserve	2,882,353	-	2,882,353	28,824	4.4%
Soft Cost Contingency Reserve	750,000	-	750,000	7,500	1.2%
TOTAL CONTINGENCY RESERVES	3,632,353	-	3,632,353	36,324	5.6%
CONSTRUCT/REHAB PERIOD COSTS					
Loan Interest Reserve					
CalHFA Conduit - JPMorgan Chase Bank,	2,777,127	-	2,777,127	27,771	0.042756
CalHFA Recycled Bonds - JPMorgan Chas	1,872,613	-	1,872,613	18,726	0.02883
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Loan Fees					
CalHFA Conduit - JPMorgan Chase Bank,	198,738	-	198,738	1,987	0.3%
CalHFA Recycled Bonds - JPMorgan Chas	151,125	-	151,125	1,511	0.2%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Other Const/Rehab Period Costs					
Deficit Const/Rehab NOI (Net Operating In	-	-	-	-	0.0%
Credit Enhancement & Application Fees	72,300	-	72,300	723	0.1%
Owner Paid Bonds/Insurance	-	-	-	-	0.0%
CalHFA Inspection Fees	15,000	-	15,000	150	0.0%
Real Estate Taxes During Rehab	30,000	-	30,000	300	0.0%
Completion Guaranty Fee	-	-	-	-	0.0%
Wage Monitoring Fee (Davis Bacon, Preva	-	-	-	-	0.0%
Insurance During Rehab	872,036	-	872,036	8,720	1.3%
Title & Recording Fees	96,724	-	96,724	967	0.1%
Construction Management & Testing	-	-	-	-	0.0%
Predevelopment Interest Expense	-	-	-	-	0.0%
Bond Issuer Fee	54,413	-	54,413	544	0.1%
-	48,068	-	48,068	481	0.1%
TOTAL CONST/REHAB PERIOD COSTS	**6,188,144**	**-**	**6,188,144**	**61,881**	**9.5%**

SOURCES & USES OF FUNDS					Final Commitment
Alves Lane Apartments			Project Number		22-007-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	101,755	101,755	203,510	2,035	0.3%
MIP	12,500	12,500	25,000	250	0.0%
Supplemental MIP	24,302	24,302	48,604	486	0.1%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Permanent Loan Cost of Issuance Fee	-	110,000	110,000	1,100	0.2%
Credit Enhancement & Application Fees	-	38,763	38,763	388	0.1%
Title & Recording (closing costs)	-	33,000	33,000	330	0.1%
Year 1 - Taxes & Special Assessments and Insura	-	-	-	-	0.0%
CalHFA Fees	7,500	1,000	8,500	85	0.0%
Tax Exempt Bond Allocation Fee	-	-	-	-	0.0%
Other (CalHFA Bond Recycling Fee)	-	25,000	25,000	250	0.0%
TOTAL PERMANENT LOAN COSTS	**146,057**	**346,320**	**492,377**	**4,924**	**0.8%**
LEGAL FEES					
CalHFA Construction/Rehab Loan Legal Fees	-	-	-	-	0.0%
Other Construction/Rehab Loan Legal Fees	-	-	-	-	0.0%
CalHFA Permanent Loan Legal Fees	17,500	17,500	35,000	350	0.1%
Other Permanent Loan Legal Fees	-	-	-	-	0.0%
Sponsor Legal Fees	-	-	-	-	0.0%
Organizational Legal Fees	210,000	-	210,000	2,100	0.3%
Syndication Legal Fees	-	-	-	-	0.0%
Borrower Legal Fee	80,000	-	80,000	800	0.1%
CalHFA Bond Counsel	-	-	-	-	0.0%
TOTAL LEGAL FEES	**307,500**	**17,500**	**325,000**	**3,250**	**0.5%**
OPERATING RESERVES					
Operating Expense Reserve Deposit	0	514,666	514,666	5,147	0.8%
Initial Replacement Reserve Deposit	-	-	-	-	0.0%
Transition Operating Reserve Deposit	-	-	-	-	0.0%
Rent-Up Reserve Deposit	-	-	-	-	0.0%
HOME Program Replacement Reserve	-	-	-	-	0.0%
Investor Required Reserve	-	-	-	-	0.0%
Other (Reserve Adj t match devSpecify)	-	-	-	-	0.0%
TOTAL OPERATING RESERVES	**0**	**514,666**	**514,666**	**5,147**	**0.8%**
REPORTS & STUDIES					
Appraisal Fee	10,500	-	10,500	105	0.0%
Market Study Fee	15,023	-	15,023	150	0.0%
Physical Needs Assessment Fee	-	-	-	-	0.0%
Environmental Site Assessment Reports	58,725	-	58,725	587	0.1%
HUD Risk Share Environmental / NEPA Review F	-	-	-	-	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%
TOTAL REPORTS & STUDIES	**84,248**	**-**	**84,248**	**842**	**0.1%**

SOURCES & USES OF FUNDS					Final Commitment
Alves Lane Apartments			Project Number	22-007-A/X/N	
USES OF FUNDS	CONST/REHAB	PERMANENT	TOTAL PROJECT USES OF FUNDS		
	$	$	USES ($)	PER UNIT ($)	%
OTHER COSTS					
TCAC Application, Allocation & Monitor Fees	113,141	-	113,141	1,131	0.2%
CDLAC Fees	14,674	-	14,674	147	0.0%
Local Permits & Fees	-	-	-	-	0.0%
Local Impact Fees	4,797,967	-	4,797,967	47,980	7.4%
Other Local Fees	545,274	-	545,274	5,453	0.8%
Syndicator/Investor Fees & Expenses	-	-	-	-	0.0%
Furnishings	268,000	-	268,000	2,680	0.4%
Accounting & Audits	65,000	-	65,000	650	0.1%
Advertising & Marketing Expenses	119,000	-	119,000	1,190	0.2%
Financial Consulting	-	-	-	-	0.0%
Miscellaneous costs	8,433	-	8,433	84	0.0%
HUD Risk Share Insurance (First Year Prepaid)	-	-	-	-	0.0%
Other (utility Connenctions/Deposit)	75,000	-	75,000	750	0.1%
Other - Bond Premium	121,931	-	121,931	1,219	0.2%
TOTAL OTHER COSTS	**6,128,420**	**-**	**6,128,420**	**61,284**	**9.4%**
SUBTOTAL PROJECT COSTS	**56,580,377**	**64,953,044**	**57,458,862**	**574,589**	**88.5%**
DEVELOPER FEES & COSTS					
Developer Fees, Overhead & Profit	7,494,181	-	7,494,181	74,942	11.5%
Consultant Processing Agent	-	-	-	-	0.0%
Project Administration	-	-	-	-	0.0%
Syndicator Consultant Fees	-	-	-	-	0.0%
Guarantee Fees	-	-	-	-	0.0%
Construction Oversight & Management	-	-	-	-	0.0%
Other Adminstration Fees	-	-	-	-	0.0%
Other (Specify) correction to balance	-	-	-	-	0.0%
CASH EQUITY OUT TO DEVELOPER	-	-	-	-	0.0%
TOTAL DEVELOPER FEES & COSTS	**7,494,181**	**-**	**7,494,181**	**74,942**	**11.5%**
TOTAL PROJECT COSTS	**64,074,558**	**64,953,044**	**64,953,043**	**649,530**	**100.0%**

PROJECTED INITIAL ANNUAL RENTAL OPERATING BUDGET			Final Commitment
Alves Lane Apartments	**Project Number**		**22-007-A/X/N**
INCOME	**AMOUNT**	**PER UNIT**	**%**
Rental Income			
Restricted Unit Rents	$ 2,332,236	$ 23,322	102.84%
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	36,267	363	1.60%
Parking & Storage Income	-	-	0.00%
Miscellaneous Income	35,640	356	1.57%
GROSS POTENTIAL INCOME (GPI)	**$ 2,404,143**	**$ 24,041**	**106.01%**
Less: Vacancy Loss	**$ 136,245**	**$ 1,362**	**6.01%**
EFFECTIVE GROSS INCOME (EGI)	**$ 2,267,898**	**$ 25,404**	**100.00%**
OPERATING EXPENSES	**AMOUNT**	**PER UNIT**	**%**
Administrative Expenses	$ 103,192	$ 1,032	$ 0
Management Fee	90,717	907	4.00%
Social Programs & Services	25,000	250	1.10%
Utilities	165,050	1,651	7.28%
Operating & Maintenance	148,584	1,486	6.55%
Ground Lease Payments	-	-	0.00%
CalHFA Monitoring Fee	7,500	75	0.33%
Other Monitoring Fees	-	-	0.00%
Real Estate Taxes	9,000	90	0.40%
Other Taxes & Insurance	87,792	878	3.87%
Assisted Living/Board & Care	-	-	0.00%
SUBTOTAL OPERATING EXPENSES	**$ 636,835**	**$ 6,368**	**28.08%**
Replacement Reserve	$ 25,000	$ 250	1.10%
TOTAL OPERATING EXPENSES	**$ 661,835**	**$ 6,618**	**29.18%**
NET OPERATING INCOME (NOI)	**$ 1,606,063**	**$ 16,061**	**70.82%**
DEBT SERVICE PAYMENTS	**AMOUNT**	**PER UNIT**	**%**
Perm	$ 1,396,831	$ 13,968	61.59%
Supplemental MIP	$ -	-	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	**$ 1,396,831**	**$ 13,968**	**61.59%**
EXCESS AFTER DEBT SERVICE & MONITORING FEES	**$ 209,233**	**$ 2,092**	**9.23%**
DEBT SERVICE COVERAGE RATIO (DSCR)	**1.15**	**to 1**	
Date: 12/21/22		Senior Staff Date:	12/21/22

PROJECTED PERMANENT LOAN CASH FLOWS										Alves Lane Apartments		
Final Commitment									Project Number	22-007-A/X/N		
	YEAR	1	2	3	4	5	6	7	8	9	10	11
RENTAL INCOME	CPI											
Restricted Unit Rents	2.50%	2,332,236	2,390,542	2,450,305	2,511,563	2,574,352	2,638,711	2,704,679	2,772,296	2,841,603	2,912,643	2,985,459
Unrestricted Unit Rents	2.50%	-	-	-	-	-	-	-	-	-	-	-
Commercial Rents	2.00%	-	-	-	-	-	-	-	-	-	-	-
Project Based Rental Subsidy	1.50%	-	-	-	-	-	-	-	-	-	-	-
Other Project Based Subsidy	1.50%	-	-	-	-	-	-	-	-	-	-	-
Income during renovations	0.00%	-	-	-	-	-	-	-	-	-	-	-
Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-	-
Laundry Income	2.50%	36,267	37,174	38,103	39,056	40,032	41,033	42,059	43,111	44,188	45,293	46,425
Parking & Storage Income	2.50%	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	2.50%	35,640	36,531	37,444	38,380	39,340	40,323	41,331	42,365	43,424	44,509	45,622
GROSS POTENTIAL INCOME (GPI)		**2,404,143**	**2,464,247**	**2,525,853**	**2,588,999**	**2,653,724**	**2,720,068**	**2,788,069**	**2,857,771**	**2,929,215**	**3,002,446**	**3,077,507**
VACANCY ASSUMPTIONS	Vacancy											
Restricted Unit Rents	5.00%	116,612	119,527	122,515	125,578	128,718	131,936	135,234	138,615	142,080	145,632	149,273
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 (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-	-
Laundry Income	5.00%	1,813	1,859	1,905	1,953	2,002	2,052	2,103	2,156	2,209	2,265	2,321
Parking & Storage Income	50.00%	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	50.00%	17,820	18,266	18,722	19,190	19,670	20,162	20,666	21,182	21,712	22,255	22,811
TOTAL PROJECTED VACANCY LOSS		**136,245**	**139,651**	**143,143**	**146,721**	**150,389**	**154,149**	**158,003**	**161,953**	**166,002**	**170,152**	**174,405**
EFFECTIVE GROSS INCOME (EGI)		**2,267,898**	**2,324,596**	**2,382,711**	**2,442,278**	**2,503,335**	**2,565,919**	**2,630,067**	**2,695,818**	**2,763,214**	**2,832,294**	**2,903,101**
OPERATING EXPENSES	CPI / Fee											
Administrative Expenses	3.50%	128,192	132,679	137,322	142,129	147,103	152,252	157,581	163,096	168,804	174,713	180,827
Management Fee	4.00%	90,717	92,985	95,310	97,693	100,135	102,638	105,204	107,834	110,530	113,293	116,126
Utilities	3.50%	165,050	170,827	176,806	182,994	189,399	196,028	202,889	209,990	217,339	224,946	232,819
Operating & Maintenance	3.50%	148,584	153,784	159,167	164,738	170,504	176,471	182,648	189,040	195,657	202,505	209,592
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%	9,000	9,113	9,226	9,342	9,459	9,577	9,696	9,818	9,940	10,065	10,190
Other Taxes & Insurance	3.50%	87,792	90,865	94,045	97,337	100,743	104,269	107,919	111,696	115,605	119,651	123,839
Required Reserve Payments	3.00%	25,000	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669	32,619	33,598
TOTAL OPERATING EXPENSES		**661,835**	**683,502**	**705,899**	**729,049**	**752,980**	**777,717**	**803,288**	**829,721**	**857,046**	**885,292**	**914,493**
NET OPERATING INCOME (NOI)		**1,606,063**	**1,641,093**	**1,676,812**	**1,713,229**	**1,750,355**	**1,788,202**	**1,826,779**	**1,866,097**	**1,906,168**	**1,947,002**	**1,988,609**
DEBT SERVICE PAYMENTS	Lien #											
Perm	1	1,396,831	1,396,831	1,396,831	1,396,831	1,396,831	1,396,831	1,396,831	1,396,831	1,396,831	1,396,831	1,396,831
Supplemental MIP	2	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
MIP Annual Fee (applicable for MIP only deals)	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		**1,396,831**	**1,396,831**	**1,396,831**	**1,396,831**	**1,396,831**	**1,396,831**	**1,396,831**	**1,396,831**	**1,396,831**	**1,396,831**	**1,396,831**
CASH FLOW AFTER DEBT SERVICE		**209,232**	**244,263**	**279,981**	**316,398**	**353,525**	**391,371**	**429,948**	**469,267**	**509,338**	**550,171**	**591,778**
DEBT SERVICE COVERAGE RATIO		**1.15**	**1.17**	**1.20**	**1.23**	**1.25**	**1.28**	**1.31**	**1.34**	**1.36**	**1.39**	**1.42**
Date Prepared:	12/21/22									Senior Staff Date:	12/21/22	
LESS: Asset 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
LESS: Partnership Management Fee	3%	17,500	18,025	18,566	19,123	19,696	20,287	20,896	21,523	22,168	22,834	23,519
net CF available for distribution		**184,232**	**218,513**	**253,459**	**289,080**	**325,387**	**362,389**	**400,097**	**438,520**	**477,668**	**517,552**	**558,180**

	YEAR	1	2	3	4	5	6	7	8	9	10	11
Deferred developer fee repayment	6,425,298	6,425,298	6,241,066	6,022,553	5,769,094	5,480,014	5,154,627	4,792,238	4,392,140	3,953,620	3,475,952	2,958,400
	100%	184,232	218,513	253,459	289,080	325,387	362,389	400,097	438,520	477,668	517,552	558,180
		6,241,066	6,022,553	5,769,094	5,480,014	5,154,627	4,792,238	4,392,140	3,953,620	3,475,952	2,958,400	2,400,220
Payments for Residual Receipt Payments		*50%*										
RESIDUAL RECEIPTS LOANS	*Payment %*	-	-	-	-	-	-	-	-	-	-	-
MIP	*33.97%*	-	-	-	-	-	-	-	-	-	-	-
Supplemental MIP	*66.03%*	-	-	-	-	-	-	-	-	-	-	-
Total Residual Receipts Payments	**100.00%**	**-**	-	-	-	-	-	-	-	-	-	-
Balances for Residual Receipt Payments												
RESIDUAL RECEIPTS LOANS	*Interest Rate*											
MIP---Simple	*3.00%*	2,500,000	2,575,000	2,650,000	2,725,000	2,800,000	2,875,000	2,950,000	3,025,000	3,100,000	3,175,000	3,250,000
Supplemental MIP---Simple	*3.00%*	4,860,403	5,006,215	5,152,027	5,297,839	5,443,651	5,589,463	5,735,276	5,881,088	6,026,900	6,172,712	6,318,524
Total Residual Receipts Payments		**7,360,403**	7,581,215	7,802,027	8,022,839	8,243,651	8,464,463	8,685,276	8,906,088	9,126,900	9,347,712	9,568,524

PROJECTED PERMANENT LOAN CASH FLOWS							
Final Commitment							
	YEAR	12	13	14	15	16	17
RENTAL INCOME	CPI						
Restricted Unit Rents	2.50%	3,060,096	3,136,598	3,215,013	3,295,388	3,377,773	3,462,217
Unrestricted Unit Rents	2.50%	-	-	-	-	-	-
Commercial Rents	2.00%	-	-	-	-	-	-
Project Based Rental Subsidy	1.50%	-	-	-	-	-	-
Other Project Based Subsidy	1.50%	-	-	-	-	-	-
Income during renovations	0.00%	-	-	-	-	-	-
Other Subsidy (Specify)	0.00%	-	-	-	-	-	-
Laundry Income	2.50%	47,586	48,776	49,995	51,245	52,526	53,839
Parking & Storage Income	2.50%	-	-	-	-	-	-
Miscellaneous Income	2.50%	46,763	47,932	49,130	50,358	51,617	52,908
GROSS POTENTIAL INCOME (GPI)		**3,154,444**	**3,233,306**	**3,314,138**	**3,396,992**	**3,481,916**	**3,568,964**
VACANCY ASSUMPTIONS	Vacancy						
Restricted Unit Rents	5.00%	153,005	156,830	160,751	164,769	168,889	173,111
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 (Specify)	0.00%	-	-	-	-	-	-
Laundry Income	5.00%	2,379	2,439	2,500	2,562	2,626	2,692
Parking & Storage Income	50.00%	-	-	-	-	-	-
Miscellaneous Income	50.00%	23,381	23,966	24,565	25,179	25,809	26,454
TOTAL PROJECTED VACANCY LOSS		**178,765**	**183,235**	**187,815**	**192,511**	**197,324**	**202,257**
EFFECTIVE GROSS INCOME (EGI)		**2,975,679**	**3,050,071**	**3,126,323**	**3,204,481**	**3,284,593**	**3,366,708**
OPERATING EXPENSES	CPI / Fee						
Administrative Expenses	3.50%	187,156	193,707	200,487	207,504	214,766	222,283
Management Fee	4.00%	119,029	122,005	125,055	128,181	131,386	134,670
Utilities	3.50%	240,968	249,402	258,131	267,166	276,516	286,194
Operating & Maintenance	3.50%	216,928	224,521	232,379	240,512	248,930	257,643
Ground Lease Payments	3.50%	-	-	-	-	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500	7,500	7,500	7,500
Other Agency Monitoring Fee	0.00%	-	-	-	-	-	-
Real Estate Taxes	1.25%	10,318	10,447	10,577	10,710	10,843	10,979
Other Taxes & Insurance	3.50%	128,174	132,660	137,303	142,108	147,082	152,230
Required Reserve Payments	3.00%	34,606	35,644	36,713	37,815	38,949	40,118
TOTAL OPERATING EXPENSES		**944,679**	**975,885**	**1,008,145**	**1,041,495**	**1,075,973**	**1,111,617**
NET OPERATING INCOME (NOI)		**2,031,000**	**2,074,186**	**2,118,178**	**2,162,986**	**2,208,620**	**2,255,090**
DEBT SERVICE PAYMENTS	Lien #						
Perm	1	1,396,831	1,396,831	1,396,831	1,396,831	1,396,831	1,396,831
Supplemental MIP	2	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
MIP Annual Fee (applicable for MIP only deals)	-	-	-	-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		**1,396,831**	**1,396,831**	**1,396,831**	**1,396,831**	**1,396,831**	**1,396,831**
CASH FLOW AFTER DEBT SERVICE		**634,170**	**677,356**	**721,347**	**766,155**	**811,789**	**858,260**
DEBT SERVICE COVERAGE RATIO		**1.45**	**1.48**	**1.52**	**1.55**	**1.58**	**1.61**
Date Prepared:	12/21/22						

LESS: Asset Management Fee	3%	10,382	10,693	11,014	11,344	11,685	12,035
LESS: Partnership Management Fee	3%	24,224	24,951	25,699	26,470	27,264	28,082
net CF available for distribution		**599,564**	**641,712**	**684,634**	**728,340**	**772,840**	**818,142**

	YEAR	12	13	14	15	16	17
Deferred developer fee repayment	6,425,298	2,400,220	1,800,656	1,158,944	474,310		
	100%	599,564	641,712	684,634	474,310		
		1,800,656	1,158,944	474,310	-	-	-

Payments for Residual Receipt Payments							
RESIDUAL RECEIPTS LOANS	*Payment %*	-	-	-	127,015	386,420	409,071
MIP	*33.97%*	-	-	-	-	-	-
Supplemental MIP	*66.03%*	-	-	-	127,015	386,420	409,071
Total Residual Receipts Payments	**100.00%**	-	-	-	127,015	386,420	409,071
Balances for Residual Receipt Payments							
RESIDUAL RECEIPTS LOANS	*Interest Rate*						
MIP---Simple	*3.00%*	3,325,000	3,400,000	3,475,000	3,550,000	3,625,000	3,700,000
Supplemental MIP---Simple	*3.00%*	6,464,336	6,610,148	6,755,960	6,901,772	6,920,569	6,679,961
Total Residual Receipts Payments		9,789,336	10,010,148	10,230,960	10,451,772	10,545,569	10,379,961

California Housing Finance Agency

MIXED-INCOME LOAN PROGRAM (2022)

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/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, 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 that 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 if the city or county as a rule does not issue building permits prior to the completion of grading, then a grading permit shall suffice; if the project is a design build project in which the city or county does not issue building permits until designs are fully complete, the city or county shall have approved construction to begin) or the applicable tribal documents,
    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 pursuant to CTCAC regulations designated on the CTCAC/HCD (California Department of Housing and Community Department) Opportunity Area Map.
2. **Sponsor Cap:** No sponsor (any individual, entity, affiliate and related entity) may receive more than 20% of total MIP allocation or funding of two projects, whichever is less, for the respective year.
3. **County Cap:** No one county may receive more than 25% 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 may not be limited to, 1) competitively bidding out all major subcontractor and self-performing trades and 2) engaging a value engineer/consultant during the design process.

EVIDENCE OF SUBSIDY EFFICIENCY:

A Subsidy Efficiency Analysis will be completed as part of the application review. The analysis will be completed again prior to construction loan closing and closing of the MIP subordinate loan. 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") at year 1 ("Initial DSCR"). CalHFA may allow an initial DSCR higher than 1.20 on a case-by-case basis, if deemed necessary. The year 1 DSCR underwritten at the time of final loan approval and final commitment must be maintained through the term of the CalHFA permanent first lien loan,
- A project cash flow that supports the residential component of the project based on the required CalHFA permanent first lien annual debt service coverage ratio,
- A separate project cash flow that supports any commercial component of a mixed-use project,
- A cash flow after debt service shall be limited to the higher of 25% of the anticipated annual must pay debt service payment or 8% of gross income, during each of the first three years of project operation,
- Inflation factors and vacancy rates consistent with the Agency's Underwriting Standards,
- 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 bond cap, state tax credits, and MIP per adjusted unit shall be prioritized for MIP funding considerations. The bond cap, 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 evidence of project's receipt of CDLAC's preliminary tax-exempt bond allocations and CTCAC's tax credits reservations within the respective year, • Acquisition cost shall be the lesser of 1) 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 construction loans using tax-exempt bonds and 4% federal and/or state tax credits in California within the last three 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 comparable projects within the past five 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 comparable projects within the past five years. **Financial Consultants** hired to assist the Developer in meeting the minimum experience requirements must be able to provide details regarding at least three comparably financed projects over the last five years. **Architects** new to CalHFA must provide information for three comparable projects they designed that were built and occupied within the past five years in California. **General Contractor (GC)** must be licensed by the State of California. GCs new to CalHFA must provide information related to three comparable (in design) projects built in the past five years. Similar information will be required for the proposed on-site construction supervisor. The on-site construction supervisor must have overseen three comparable projects built in the past five years, and they must have overseen the projects from construction start to final completion. **Tax Credit Investors** must have closed/executed at least five investor limited partnership agreements for a comparable deal structure using tax-exempt bonds and 4% federal and/or state tax credits in California within the last three years.

MIXED-INCOME LOAN PROGRAM (2022)

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 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 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 the year 1 DSCR underwritten at the time of final loan approval and final commitment through the term of the CalHFA permanent first lien loan. The Initial DSCR must not exceed 1.20.
Construction First Lien Loan	Must be 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 (IIG), Affordable Housing and Sustainable Communities (AHSC) and Transit Oriented Development (TOD) housing programs. Inclusion of these programs is contingent upon restrictions that are compatible with the MIP program requirements outlined herein. Inclusion of other subordinate debt and subsidy will be allowed at CalHFA's sole 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 resulting from 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 subsidy 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, 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, which are based on the HUD and locality (as applicable) income and rent limits which are current at the time of MIP application, for a term of 55 years: a. 30% of total units at or below 50% of AMI. Of these, a minimum of 10% of total units must be at or below 30% of AMI, b. 10% of total units between 60% and 80% of AMI with an average of 70% of AMI or greater, subject to the Maximum Allowable Rents outlined below, and c. Remaining 60% of total units at or below 120% of AMI (with the exception of any non-restricted manager's unit(s)) OR at the affordability restrictions consistent with CTCAC requirements. d. The minimum range between the lowest and highest occupancy target levels must be at least 40%. (Deviations from the above requirements will only be considered if Market Study supports such deviations.) 2. If applicable, tax credit transactions that are income-averaged must have a maximum average affordability up to 60% of AMI across all CTCAC restricted units.
Mixed-Income Project Occupancy Requirements (Continued)	**MAXIMUM ALLOWABLE RENTS:** Rents for all restricted units must be at least 10% below market rents for the MIP affordability term as evidenced by a current market study or appraisal. This threshold will be analyzed at time of application and again at CalHFA's final commitment approval and may be monitored on an ongoing basis for the MIP affordability term. The report shall be current within 180 days of Agency's final commitment and may be subject to required updating if the report expires prior to construction loan closing. For underwriting purposes, CTCAC and locality maximum rents for the respective target income limits must be used. 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 of MIP loan closing, at CalHFA's sole discretion. Any units restricted by the Agency pursuant to this program, including those units restricted in addition to the minimum requirements set forth above, shall be rented at rents not to exceed 30% of the applicable income restriction required in the Agency's Regulatory Agreement.
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 $60,000 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 pursuant to CTCAC regulations 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 LOAN PROGRAM (2022)

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. **Lien Position**: Second lien position, after CalHFA permanent first lien loan. 4. **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. 5. **Affordability Term**: 55 years. 6. **Prepayment**: May be prepaid at any time without penalty. 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) 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. 8. **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. **Other Fees:** Refer to 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: 01/25/2022

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.

Cal HFA
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").

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). If a Project includes CalHFA's subsidy loan, the maximum DSCR at year 1 shall not exceed 1.20, unless CalHFA approves a higher DSCR at its own discretion. The year 1 DSCR underwritten at the time of final loan approval and final commitment must be maintained as the minimum DSCR through the term of the Perm Loan. CalHFA may require the initial DSCR to be higher than the minimum 1.15x, if deemed necessary to meet the Agency's underwriting requirements. • 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. The applicant may be subject to a new Application Fee if the CalHFA commitment expires prior to construction loan closing. • Perm Loan Fee: 1.00%, half due at final commitment, with balance due at Perm Loan closing. • Credit Enhancement Fee: included in the interest rate. • Annual Monitoring Fee: $7,500 annually (not to be duplicated if used in conjunction with CalHFA's Conduit 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. • Perm Loan Funding Fee: $110,000 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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TAX-EXEMPT PERMANENT LOAN PROGRAM

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 available1 • 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 (i.e., 30% @ 60% AMI; 10% @ 50% AMI).

TAX-EXEMPT PERMANENT LOAN PROGRAM

Occupancy Requirements (continued)	Any units restricted by the Agency pursuant to this program, including those units restricted in addition to the minimum requirements set forth above, shall be rented at rents up to 30% of the applicable income restriction using the occupancy assumptions required in the Agency's Regulatory Agreement. Rents for all restricted units must be at least 10% below market rents as evidenced by current market study or an appraisal. CalHFA's regulated units must represent a comparable share of the available unit sizes (by bedroom count and square feet) and be disbursed throughout the project.
Due Diligence	The following due diligence is required to be provided at the Owner/Borrower's expense (refer to the program's document checklist for a full list): • 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). A RRNA for a longer time period may be required if the Perm Loan term is greater than 20 years. • Phase I and Phase II (if applicable) Environmental Site Assessment* including, but not limited to, impact reviews that meet federal environmental requirements (such as historic preservation and noise remediation). The Purpose section of Phase I must state "a purpose of the Phase I is to document compliance with HUD policy pursuant to 24 CFR §58.5(i)(2) or §50.3(i)". • Market Study* 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: 5/2022

Cal HFA
California Housing Finance Agency

CONDUIT ISSUER PROGRAM

MULTIFAMILY HOUSING BONDS

Term sheet effective for applications submitted after March 1, 2022

The CalHFA Conduit Issuer Program is designed to facilitate access to tax-exempt and taxable bonds ("Bond") by developers that seek financing for eligible projects that provide affordable multifamily rental housing for individuals, families, seniors, veterans or special needs tenants ("Project"). The conduit Bonds may be used to finance the acquisition, rehabilitation, and/or development of an existing Project, or they can be used for the construction of a new Project.

Qualifications	• Available to for-profit, nonprofit or public agency sponsors. • Nonprofit borrowers may be eligible for 501(c)(3) bonds. • If bond proceeds are utilized to pay off an existing CalHFA portfolio loan visit www.calhfa.ca.gov for the CalHFA Portfolio Loan Prepayment Policy.
Bond Amount	Bond amount is determined by the loan amount of the selected construction lender.
Fees (subject to change)	• 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: 1. The greater of $15,000 or 18.75 basis points of the Bond amount if lesser than or equal to $20 million. 2. 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.

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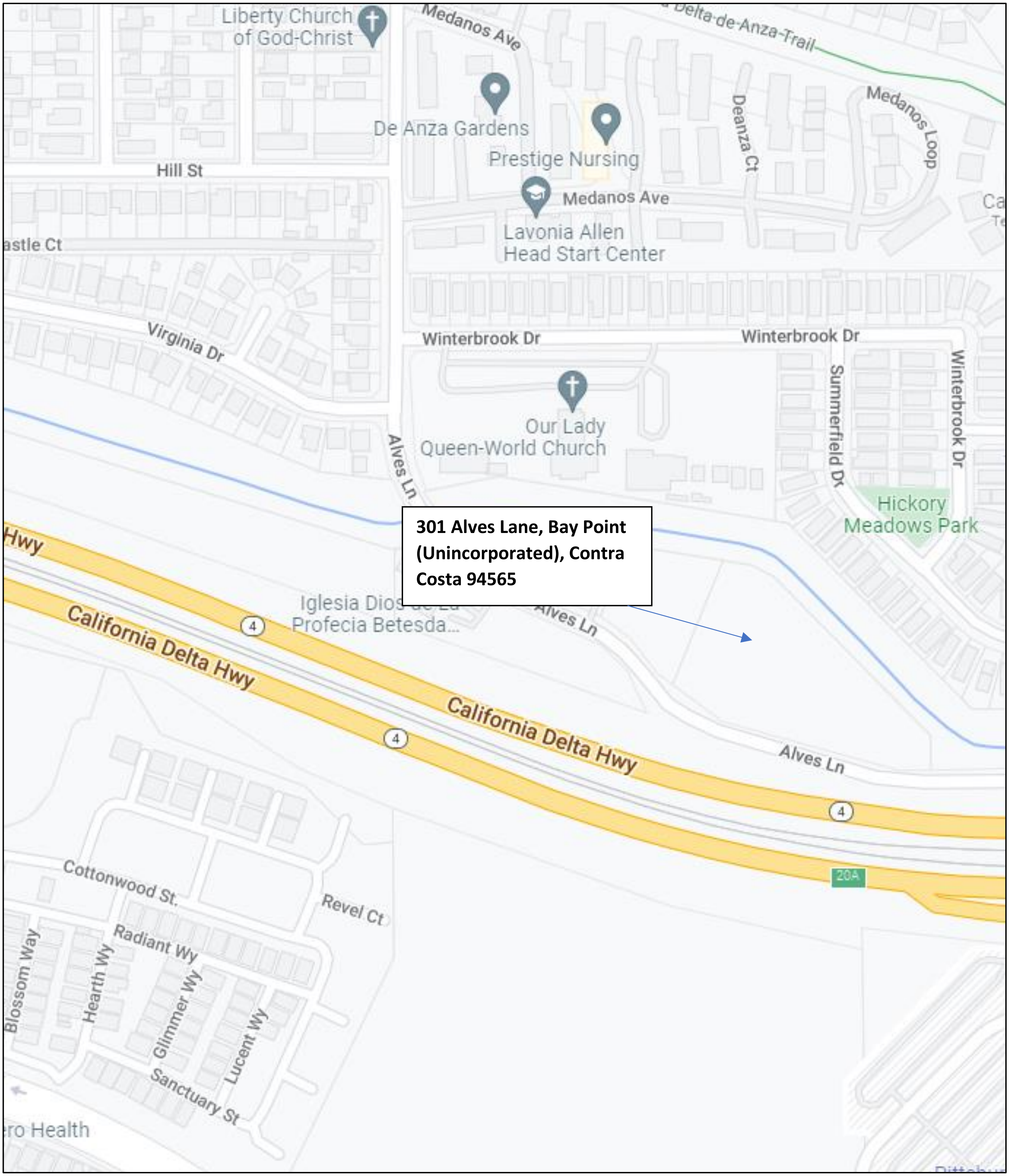
Occupancy Requirements	• Either (A) 20% of the units must be rent restricted and occupied by individuals whose incomes are 50% or less of the area median income as determined by HUD ("AMI") with adjustments for household size ("20% @ 50% AMI"), or (B) 40% or more of the units must be rent restricted 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 (i.e., 30% @ 60% AMI; 10% @ 50% AMI). • Any units restricted by the Agency pursuant to this program, including those units restricted in addition to the minimum requirements set forth above, shall be rented at rents up to 30% of the applicable income restriction using the occupancy assumptions required in the Agency's Regulatory Agreement. Rents for all restricted units must be at least 10% below market rents as evidenced by a current market study or an appraisal. • Borrower will be required to enter into a Regulatory Agreement which will be recorded against the Project for the Qualified Project Period (as defined in the CalHFA Regulatory Agreement). This includes the later of the federally-required qualified project period, repayment of the Bond funded loan, redemption of the Bonds, the full term of the CDLAC Resolution requirements or 55 years.

Last revised: 05/2022

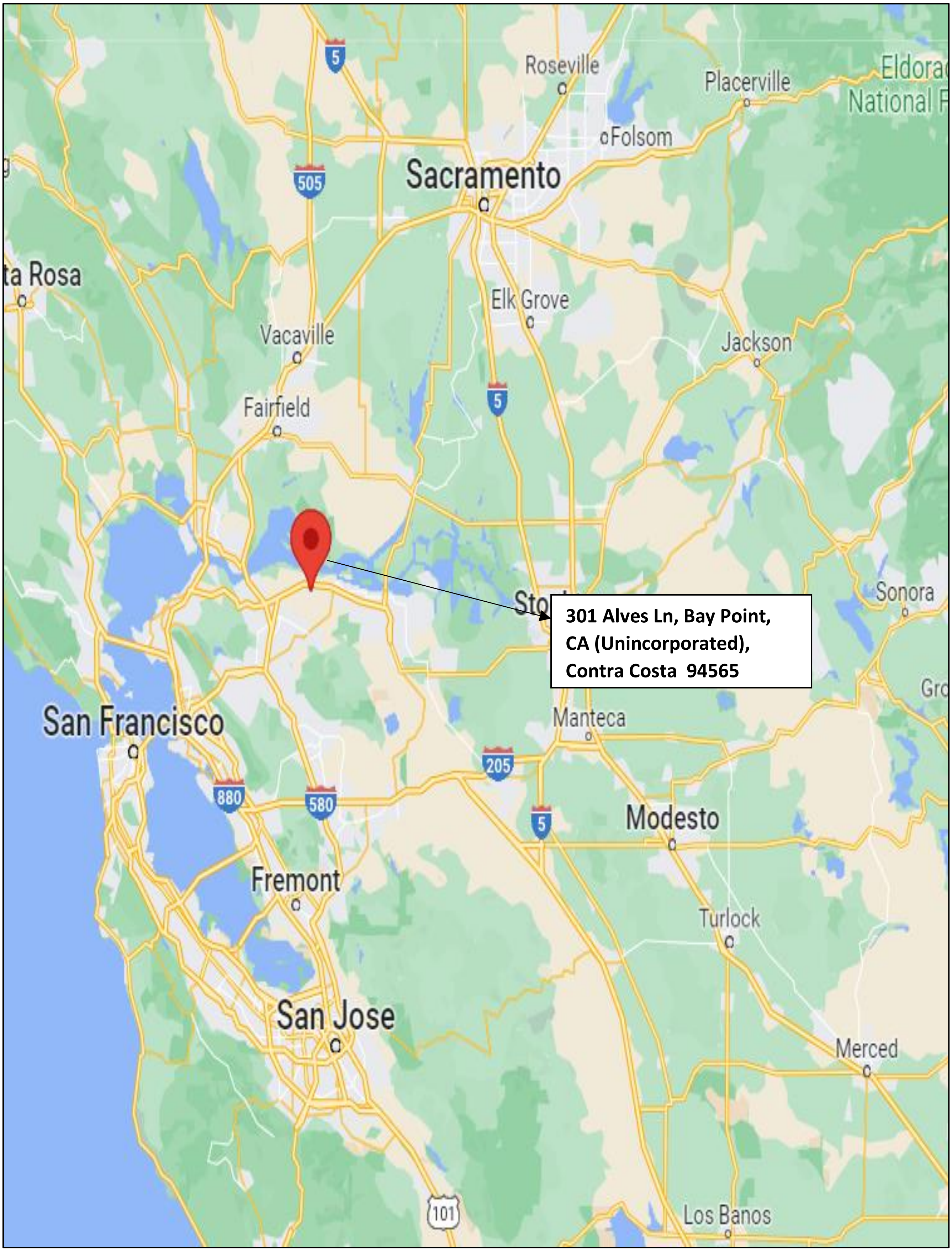
Alves Lane Apartments

Near



Alves Lane Apartments

Far



BOARD OF DIRECTORS
OF THE CALIFORNIA HOUSING FINANCE AGENCY

RESOLUTION NO. 23-01

RESOLUTION AUTHORIZING A FINAL LOAN COMMITMENT

WHEREAS, the California Housing Finance Agency (the "Agency") has received a loan application on behalf of Alves Lane, L.P., a California limited partnership (the "Borrower"), seeking a loan commitment, the proceeds of which are to be used to provide financing for a multifamily housing development located in the unincorporated area of the County of Contra Costa, California, to be known as Alves Lane Apartments (the "Development"); and

WHEREAS, the loan application has been reviewed by Agency staff which prepared a report presented to the Board on the meeting date recited below (the "Staff Report"), recommending Board approval subject to certain recommended terms and conditions; and

WHEREAS, Agency staff has determined or expects to determine prior to making a binding commitment to fund the loan for which the application has been made, that (i) the Agency can effectively and prudently raise capital to fund the loan for which the application has been made, by direct access to the capital markets, by private placement, or other means and (ii) any financial mechanisms needed to insure prudent and reasonable financing of loans can be achieved; and

WHEREAS, pursuant to the Executive Director's authority to issue Conduit Bonds, under Resolution 22-06 the Agency has filed an application with the California Debt Limit Allocation Committee ("CDLAC") for an allocation of California Qualified Private Activity Bonds for the Development; and

WHEREAS, the Development has received a TEFRA Resolution as required by the Tax Equity and Fiscal Responsibility Act of 1983, and under 26 U.S.C. section 147(f); and

WHEREAS, Section 1.150-2 of the Treasury Regulations requires the Agency, as the issuer of tax-exempt bonds, to declare its reasonable official intent to reimburse prior expenditures for the Development with proceeds of a subsequent borrowing; and

WHEREAS, on February 18, 2022, the Executive Director exercised the authority delegated to her under Resolution 15-16 to declare the official intent of the Agency to reimburse such prior expenditures for the Development; and

WHEREAS, the Agency has conditionally approved a subsidy loan pursuant to CalHFA's Mixed-Income Program ("***MIP***") pursuant to its authority under Resolutions 19-02 and 19-14; and

WHEREAS, the Board wishes to grant the staff the authority to enter into a loan commitment to provide permanent financing for the development and taking out the Conduit Bonds upon Agency staff determining in its judgment that reasonable and prudent financing mechanisms can be achieved;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors (the “Board”) of the California Housing Finance Agency as follows:

1. The Executive Director, or in her absence, the Chief Deputy Director, is hereby authorized to execute and deliver a final commitment letter, in a form acceptable to the Agency, and subject to recommended terms and conditions set forth in the Staff Report and any terms and conditions as the Board has designated in the Minutes of the Board Meeting, in relation to the Development described above and as follows:

PROJECT NUMBER	DEVELOPMENT NAME/ LOCALITY	MORTGAGE AMOUNT
22-007-A/X/N	ALVES LANE APARTMENTS Contra Costa County, California	$20,351,000.00 Tax-Exempt Permanent 1st Lien Loan with HUD Risk Sharing
		$ 7,360,403.00 Total MIP 2nd Lien Subsidy Loan
		($2,500,000.00 MIP Allocation; $4,860,403.00 MIP Supplemental Allocation)

The Board recognizes that in the event that staff cannot determine that reasonable and prudent financing mechanisms can be achieved, the staff will not enter into loan commitments to finance the Development. In addition, access to capital markets may require significant changes to the terms of loans submitted to the Board. Notwithstanding paragraph 2 below, the staff is authorized to make any needed modifications to the loan which in staff’s judgment are directly or indirectly the result of the disruptions to the capital markets referred to above.

2. The Executive Director may modify the terms and conditions of the loan or loans as described in the Staff Report, provided that major modifications, as defined below, must be submitted to this Board for approval. "Major modifications" as used herein means modifications which either (i) increase the total aggregate amount of any loans made pursuant to the Resolution by more than 7%; or (ii) modifications which in the judgment of the Executive Director, or in her absence, the Chief Deputy Director of the Agency, adversely change the financial or public purpose aspects of the final commitment in a substantial way.

SECRETARY'S CERTIFICATE

I, Claire Tauriainen, the undersigned, do hereby certify that I am the duly authorized Secretary of the Board of Directors of the California Housing Finance Agency, and hereby further certify that the foregoing is a full, true, and correct copy of Resolution No. 23-01 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 19th day of January 2023, at which meeting all said directors had due notice, a quorum was present and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

IN WITNESS WHEREOF, I have executed this certificate hereto this 19th day of January 2023.

ATTEST: ______________________________

CLAIRE TAURIAINEN
Secretary of the Board of Directors of the
California Housing Finance Agency

State of California

M E M O R A N D U M

To: CalHFA Board of Directors **Date:** January 19, 2023

From: Ellen Martin
CALIFORNIA HOUSING FINANCE AGENCY

Subject: Single Family Special Programs Update

This memorandum provides an update on the implementation status of two Single Family Programs – the Accessory Dwelling Unit Financing Program and the the California Dream for All Program.

ACCESSORY DWELLING UNIT FINANCING

In September 2021, CalHFA introduced the CalHFA Accessory Dwelling Unit (ADU) Grant Program which provided funding for predevelopment and other costs necessary to build an ADU. With $100 million in funding, the ADU Grant Program was developed to incentivize construction of ADUs. The original $100 million funding for the ADU Grant Program was exhausted in December 2022, and CalHFA paused the ADU Grant Program.

Separately, the 2022-23 Budget included $50 million in additional resources for the ADU Grant Program. Associated trailer bill language requires CalHFA to establish a working group that will develop ADU Program recommendations. The working group will be tasked with evaluating various approaches to increasing program utilization via financing alternatives, risk mitigation strategies and exploring outreach and education opportunities. It is the Legislature's intent that the outcomes of the ADU Working Group inform how the additional $50 million is deployed in support of ADU production and financing.

It is important to note that while the Governor's January 10 proposed budget eliminates the additional $50 million in ADU financing, CalHFA is moving forward with the ADU Working Group and will continue to seek input from our valued ADU stakeholders regarding the best approach for the State to support and catalyze ADU production. We understand that the budget process is extremely fluid, and hope that these discussions will provide constructive feedback and input that may inform ongoing discussions.

To that end, CalHFA has scheduled three ADU working group meetings (2 in January and 1 in February) and has invited more than 80 ADU professionals, stakeholders and industry experts to attend and offer their feedback. Following these sessions, CalHFA will summarize the input and recommendations received, and will circulate a survey tool to working group participants to identify key areas of consensus and/or areas that merit further exploration with stakeholders. CalHFA staff will summarize the outcomes of the working group for purposes of developing updated program guidelines for the ADU grant program or other ADU financing program.

DREAM FOR ALL

The Dream for All Program is a revolving, shared appreciation loan program designed to increase access to home ownership for low- and moderate-income Californians. The 2022-23 State Budget established the Dream for All Program, allocated $500 million to the Program over two years, and designated the California Housing Finance Agency (CalHFA) as the administrator of the Program. With consideration to reductions in Dream for All program funding proposed in the Governor's January 10 budget, this memorandum provides an update regarding the current DFA implementation status, summarizing work completed to date, ongoing implementation efforts, and external risks or challenges that may influence the implementation process.

Work Completed to Date

Since the Dream for All Program was established, CalHFA staff have been working to stand up the Program. With input from the Board, Legislature, Administration, and other stakeholders, CalHFA staff have completed the following efforts:

- Established initial program design parameters establishing program eligibility, eligible costs, down payment assistance levels, appreciation split and share, repayment events and many other key program terms.
- Drafted legal documents needed to secure the shared appreciation loan, including Shared Appreciation Note, Deed of Trust, and Disclosure documents.

- Prepared Program term sheets and handbook conveying terms of Program for use by CalHFA approved lenders.
- Conducted three separate Public Listening Sessions to receive stakeholder input regarding Program design parameters.
- Convened advisory Working Group, a curated group of industry experts and professionals that advised regarding specific and discrete program design and implementation topics.
- Established approach to homebuyer education that comports with regulatory requirements. Worked with homebuyer education provider to prepare first draft of specialized Dream for All homebuyer education script.
- Coordinated with GSEs and CalHFA master servicer to finalize program terms in compliance with GSE requirements and other secondary market considerations.
- Developed detailed consumer marketing and outreach strategy.

Ongoing Efforts

CalHFA's remaining implementation efforts include the following tasks:

- Completing system programming to build the necessary technological infrastructure to implement the DFA Shared Appreciation Loan product, including additional and new fields for reporting purposes, programming complex calculations to ensure that loan documents are created acurately based on social equity or standard parameters at time of origination, and machine learning of new documents.
- Develop necessary documents and systems to accommodate differentiated pricing for CalHFA first mortgages associated with a DFA Shared Appreciation Loan (master servicer requirement).
- Redesign of the servicing platform to include additional and new fields; establish detailed calculations based on loan origination parameters to calculate individualized payoff amounts based on the unique characteristics of each loan.
- On-going Request for Qualification efforts to obtain/contract with vendor(s) for valuation services as part of the payoff process. Updates to servicing system to facilitate timely and accurate servicing of shared appreciation loans.

- Finalize homebuyer education certification process, work with vendors to provide translation services and to launch a homebuyer education platform specific to Dream for All that is free for consumers.
- Prepare collateral materials for and conduct lender outreach and training.
- Update website content, prepare program bulletins, and develop other pre-launch collateral materials.

Despite some process delays associated with a changing regulatory environment and secondary market requirements, the implementation process remains largely on track. There are a number of external factors, however, that will have an impact on the successful implementation of the Dream for All program. It is important that we recognize and understand these factors and the implications that said factors may have on Program implementation.

External Risks and Challenges

CalHFA staff have always been clear-eyed and transparent regarding the implementation risks and challenges associated with launching a shared appreciation loan product, particularly in a volatile interest rate and real estate market environment. A shared appreciation loan program has never been implemented at the scale contemplated by Dream for All, and precedent programs have experienced significant challenges associated with the complexity of a shared appreciation loan product and servicing requirements as well as lack of consumer understanding of their responsibilities and obligations. CalHFA staff have been careful to address these challenges throughout the implementation process in an effort to mitigate associated Program risks. In addition, there are a number of market, real estate, and funding risks that CalHFA recognizes that will have an impact on the Program's implementation.

1. **Interest Rates and Inflationary Environment Risks.** The Federal Reserve has responded to rising inflation by increasing its benchmark interest rate to the highest level observed in 15 years. Recent reports indicate that the Federal Reserve is actively seeking to drive the economy into a weakened (recessionary) state to combat stubborn inflationary trends. The Federal Reserve has signaled that rates will continue to trend higher, with no reductions anticipated until 2024. This has resulted in a significant increase in mortgage interest rates – from a low of below 3 percent during 2020 and 2021 to a high of over 8

percent in October 2022. Rising mortgage interest rates add significant borrowing costs for potential homebuyers and reduces their buying power, creating the need for larger levels of assistance, which ultimately means program resources help fewer homebuyers.

2. **Real Estate Market Risk.** Federal Reserve efforts to stem inflation by increasing interest rates and removing liquidity from the secondary market are expected to result in a recessionary environment for housing. Real estate market analysts and economists widely believe that the housing market will see significant declines, with estimates ranging from a from a 10-20% decline in home values nationwide. According to data from the California Association of Realtors, median values for existing Single Family homes have already declined by 14 percent in California. Nationwide, researchers at Morgan Stanley projected a 5 percent decline in US home values in the second half of 2022 and a further 10% decline by 2024. Real estate market risk is a significant concern for Dream for All implementation, as both the State and consumer funds are at risk in the event that values decline significantly. With a key program goal of spurring wealth accumulation through home ownership, it is important that we ensure our borrowers are well positioned to withstand real estate risk and reap the benefits of home ownership. One clear lesson learned for the Great Financial Crisis is that when borrowers are upside-down on their homes, positive outcomes for borrower and lender diminish exponentially.

   While most analysts do not expect that this housing market downturn will be as severe as the Great Financial Crisis, it is instructive to note the timing of home price declines and recovery observed during that time. Nationwide, home prices peaked in about 2006, and then declined over the next six years, finally reaching the nadir in 2012. Home values took another 5-6 years to recover to levels observed in 2006.

   This underscores the importance of market timing – buyers that entered the market at its peak in 2006 suffered the most, while borrowers that entered closer to the bottom of the market were better positioned to weather shorter term declines and saw their home values recover more quickly.

   The housing market entered correction mode in the second half of 2022, and the Federal Reserve has indicated that they will continue raising interest rates through 2024, which is expected to continue to push home prices down. Therefore, considering how the timing of entry of the DFA product into the market can maximize benefits to the consumer is a critical aspect of implementation.

3. **Initial Funding.** With consideration to the State's fiscal outlook and a projected budget shortfall of $25 billion, with additional deficits expected in subsequent years, the Governor's January 10 budget proposes to reduce the initial funding for the Dream for All program from $500 million to $300 million, subject to a "trigger" that would restore funding if it is later determined that sufficient funding is available.. Budget negotiations are extremely fluid, and CalHFA staff are aware that future budget proposals could restore Dream for All funding or could propose further reductions.

   The uncertainty associated with the budget process will necessarily have an impact on Dream for All implementation. There are significant start up and ongoing costs associated with the Program and staff will need to ensure that these expenditures are calibrated based on final authorized appropriations and the timing of funding availability and justified relative to the scale of the Program. Said another way, even at its original funding level of $500 million, the Dream for All Program will have a very short lifecycle; therefore, the timing and strategy for market entry needs to be carefully considered.

   In addition, Dream for All implementation will rely on our network of CalHFA approved lenders to deliver the product to consumers. As CalHFA is not a direct lender, it is our lending network that provides us with a conduit to the borrower and as such, their partnership is essential to delivering assistance to homebuyers. Our lenders that offer the program will need to make significant investments in their own infrastructure and staff training, and we need to ensure that the available Program funding is sufficient to justify not only our own investment, but also that of our lending partners.

   Finally, with a lower funding amount and given the real estate market dynamics enumerated above, CalHFA will need to be strategic regarding the timing of our entry into the real estate market to ensure that we do not overconcentrate DFA loans at or near the top of the market cycle. A successful shared appreciation loan program will rely on investments that are well diversified over time and geography to mitigate the risk of declining values and default.

4. **Ongoing Funding.** The statutory framework for the Program was informed by a report prepared for the California State Treasurer's Office by California Forward, which assumed that the Program would be funded by $1 billion a year in State General Fund revenue for a period of 10 years. This ongoing capital infusion was necessary for the

Program to reach a point at which it would be self-sustaining, with loan payoffs then occurring at a sufficient level to continually recycle funds at a meaningful scale.

If ongoing funding for the Dream for All Program is not available, CalHFA will only be able to make a finite number of loans and then will have to pause the Program until sufficient loan payoffs occur to justify originating new loans. Given that the average life of a shared appreciation loan is 16 years, it could be many years before the initial Dream for All loans are repaid and the funds are recycled to help the next group of homeowners. CalHFA staff acknowledges that the uncertainty of future funding allocations for the Program may exacerbate issues related to initial funding uncertainty – namely the ability to serve enough homeowners to justify CalHFA's and our lending community's investments in standing up the Program.

Mitigants

Key to mitigating these risks and challenges will be ensuring that CalHFA monitor the interest rate and real estate market environment and it's impact on the affordability and accessibility of homeownership for prospective DFA borrowers.

The best-case scenario for Dream for All consumers would be to enter the market as home prices bottom out, as they would then maximize benefits from increased home equity associated with a market recovery. As it is impossible to predict when that point will occur, CalHFA will monitor market conditions carefully and will seek to diversify the State's investment over time and geography to the extent praticable.

The homebuyer education will ensure that buyers are well educated on both the risks and rewards associated with homeownership generally, and a shared appreciation loan specifically. The homebuyer education will specifically address what happens when home values fall in order to ensure that prospective DFA homebuyers are well informed of the rights and responsibilities associated with homeownership.

Over the long term, investing in home ownership has proven to be one of the most reliable sources of intergenerational wealth creation, and the Dream for All program will help low- and moderate-income consumers to enter what continues to be an extremely challenging market. Dream for All buyers that are able to remain in their home over the long term are most likely to maximize their ability to generate wealth through home ownership.

Next Steps

CalHFA staff are committed to continuing to work assertively to implement the Dream for All program and are working diligently to complete all implementation processes and tasks needed to go live with the program and to service DFA loans. We will continue to monitor the interest rate environment and the real estate market as well as ongoing budget discussions and anticipated levels of funding for the Program to inform a measured, careful and prudent approach to Program implementation. CalHFA staff will continue to keep the Board apprised regarding our anticipated go live date and the impact of market and other external factors on Program implementation, with an overriding goal of ensuring that the Program can be delivered successfully and at sufficient scale to improve home ownership outcomes for low- and moderate-income Californians.

State of California

M E M O R A N D U M

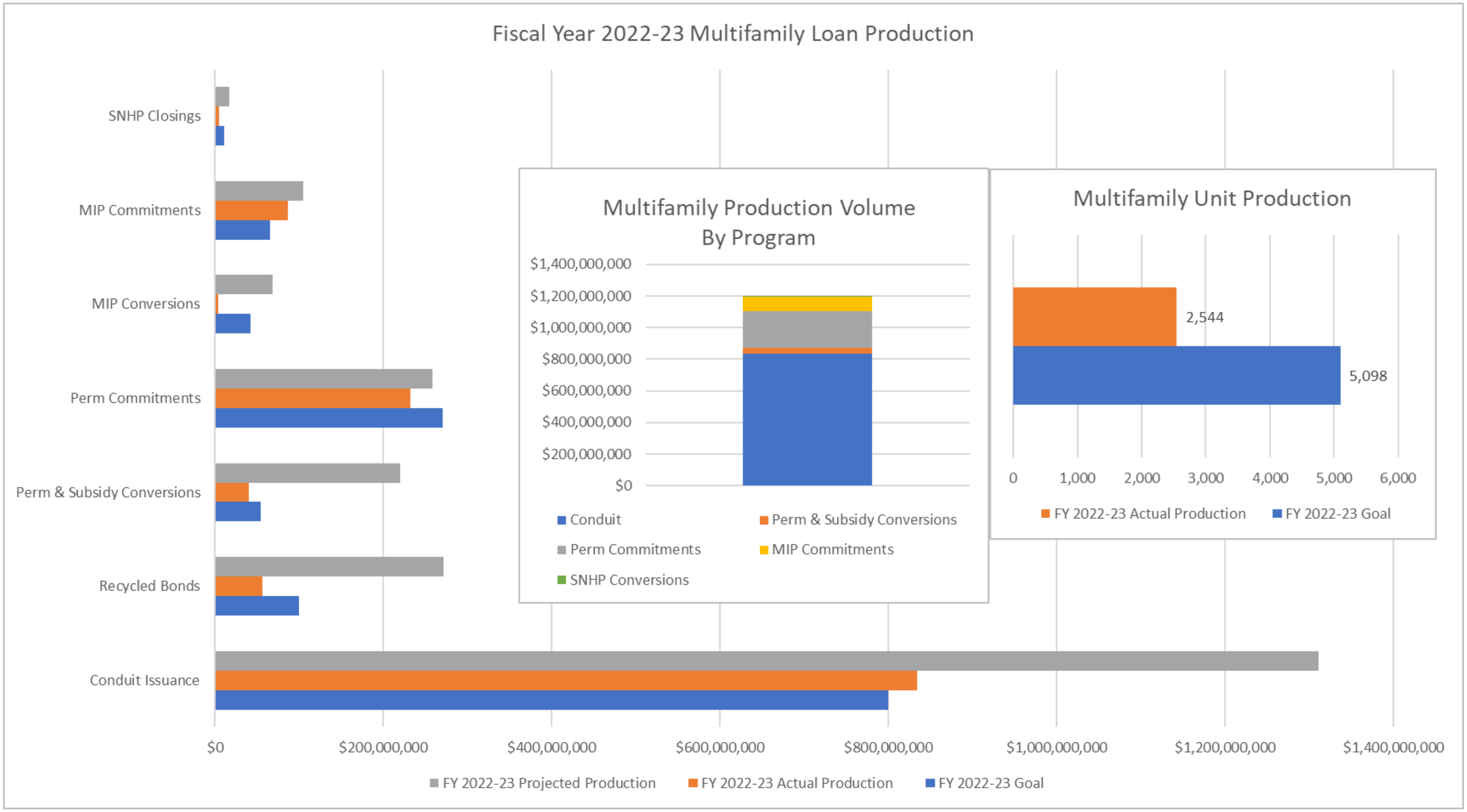
To: Board of Directors Date: January 19, 2023

From: Kate Ferguson, Director of Multifamily
CALIFORNIA HOUSING FINANCE AGENCY

Subject: UPDATE ON MULTIFAMILY LOAN PRODUCTION

CalHFA offers a variety of loan programs with competitive rates and long-term financing to advance the creation and preservation of affordable housing for people who truly need it. CalHFA's Taxable, Tax-Exempt, and/or CalHFA funded Permanent Loan programs provide competitive long-term financing for affordable multifamily rental housing projects. The CalHFA Mixed-Income Program provides competitive long-term subordinate financing for new construction multifamily housing projects restricting units between 30% and 120% of county Area Median Income. The CalHFA Conduit Issuer Program is designed to facilitate both for-profit and non-profit developers in accessing tax-exempt and taxable bonds for the financing of family and senior affordable and mixed-income housing developments. The goals of the programs are to increase and preserve the supply of affordable rental housing, maintain a quality living environment, leverage private sector funds to the greatest extent possible, and to cooperate with local jurisdictions to advance affordable housing goals.

Multifamily Loan Volume as of December 31, 2022



	Conduit Issuance	Recycled Bonds	Perm & Subsidy Conversions	Perm Commitments	MIP Conversions	MIP Commitments	SNHP Closings	Total All Programs
FY 2022-23 Goal	$800,000,000	$100,000,000	$54,114,902	$270,000,000	$42,435,968	$65,000,000	$11,368,956	$1,342,919,826
FY 2022-23 Actual Production	$833,714,504	$56,500,000	$39,910,000	$232,323,388	$3,350,000	$86,394,663	$5,196,893	$1,257,389,448
FY 2022-23 Projected Production	$1,311,396,038	$271,239,156	$219,875,548	$258,857,977	$68,070,000	$104,995,300	$16,978,032	$2,251,412,051
Percent of Goal Complete	104%	57%	74%	86%	8%	133%	46%	94%

FY 2022-23 Conduit Issuance as of December 31, 2022

Multifamily Conduit Transactions
(Closed)

	Project Name	Underwriting Type	City	Project Type	Closing Date	Units	Tax Exempt Loan	Taxable Loan	Recycled Bonds	Total
1	Kelsey Ayer Station	Conduit - MIP & Perm	San Jose	Family/Individual	7/8/2022	0	$36,000,000.00	-	-	$ 36,000,000.00
2	Anton Mosaic	Conduit - MIP & Perm	Sacramento	Family/Individual	11/14/2022	0	$ 35,226,614.00	$ 13,765,000.00	-	$ 48,991,614.00
3	West La Va - Bulding 404	Conduit - Reg Only	Los Angeles	Veterans	11/16/2022	73	$ 23,286,160.00	$ 12,947,757.00	-	$ 36,233,917.00
4	MacArthur Field A	Conduit - Reg Only	Los Angeles	Homeless, Special Needs	12/8/2022	75	$ 21,000,000.00	$ 13,500,000.00	-	$ 34,500,000.00
5	Serra Apartments	Conduit - MIP & Perm	Fremont	Family/Individual	12/15/2022	0	$ 46,650,000.00	$ 23,460,747.00	-	$ 70,110,747.00
6	Sarah's Court Apartments	Conduit - MIP & Perm	Fresno	Family/Individual	12/16/2022	0	$ 18,606,511.00	$ 6,555,580.00	-	$ 25,162,091.00
7	Mainline North	Conduit - MIP & Perm	Santa Clara	Family/Individual	12/16/2022	0	$ 42,500,000.00	-	-	$ 42,500,000.00
8	8181 Allison	Conduit - MIP & Perm	La Mesa	Family/Individual	12/16/2022	0	$ 31,875,000.00	$ 10,900,000.00	-	$ 42,775,000.00
9	Residency at the Empire I	Conduit - Reg Only	Burbank	Family/Individual	12/16/2022	148	$ 61,000,000.00	$ 9,404,500.00	$ 18,000,000.00	$ 88,404,500.00
10	Shiloh Crossing	Conduit - MIP & Perm	Windsor	Family/Individual	12/21/2022	0	$ 42,225,000.00	$ 20,485,000.00	$ 10,000,000.00	$ 72,710,000.00
11	Fiddyment Apartments	Conduit - MIP & Perm	Roseville	Family/Individual	12/22/2022	0	$ 63,000,000.00	$ 38,596,917.00	-	$ 101,596,917.00
12	Monroe Street Apartments	Conduit - MIP & Perm	Santa Clara	Family/Individual, Special Needs	12/22/2022	0	$ 2,200,000.00	-	-	$ 2,200,000.00
13	West Carson	Conduit - Reg Only	Torrance	Family/Individual	12/22/2022	230	$ 62,000,000.00	$ 26,300,000.00	$ 23,500,000.00	$ 111,800,000.00
14	The Monarch at Chinatown	Conduit - PTO	Fresno	Family/Individual	12/23/2022	0	$ 762,877.00	-	-	$ 762,877.00
15	La Vista Residential	Conduit - MIP & Perm	Hayward	Family/Individual	12/27/2022	0	$ 52,000,000.00	$ 26,791,301.00	$ 5,000,000.00	$ 83,791,301.00
16	515 Pioneer	Conduit - MIP & Perm	Glendale	Family/Individual	12/29/2022	0	$ 82,467,538.00	$ 9,177,478.00	-	$ 91,645,016.00
17	1322 O Street	Conduit - Reg Only	Sacramento	Family/Senior	12/29/2022	0	$ 1,030,524.00	-	-	$ 1,030,524.00
						526	$621,830,224.00	$ 211,884,280.00	$ 56,500,000.00	$ 890,214,504.00

Multifamily Conduit (Projected Closings) - FY 22-23
Q3 - 01/01/2023 - 03/31/2023

Project Name	Underwriting Type	City	Project Type	Closing Date	Units	Tax Exempt Loan	Taxable Loan	Recycled Bonds	Total
Village at Hanford Square	Conduit - Reg Only	Hanford	Family/Individual	1/6/2023	100	-	-	$ 20,000,000.00	$ 20,000,000.00
Residency at the Entrepreneur Hollywood	Conduit - Reg Only	Los Angeles	Homeless, Senior	1/16/2023	0	$ 5,000,000.00	-	-	$ 5,000,000.00
College Creek Apartments	Conduit - MIP & Perm	Santa Rosa	Family/Individual	1/31/2023	0	$ 2,650,000.00	-	-	$ 2,650,000.00
Alves Lane Apartments	Conduit - MIP & Perm	Bay Point	Family/Individual	2/1/2023	0	$ 32,825,000.00	-	$ 23,250,000.00	$ 56,075,000.00
California Grand Manor	Conduit - MIP & Perm	Atascadero	Senior	2/1/2023	0	$ 19,766,062.00	$ 1,220,316.00	-	$ 20,986,378.00
Mirasol Village Block D	Conduit - MIP & Perm	Sacramento	Family/Individual	2/9/2023	0	$ 35,331,000.00	$ 8,250,000.00	-	$ 43,581,000.00
Vose	Conduit - Reg Only	Van Nuys	Family/Individual	2/15/2023	332	-	-	$ 135,400,000.00	$ 135,400,000.00
Modica	Conduit - Reg Only	San Diego	Family/Individual, Special Needs	3/1/2023	94	$ 29,200,000.00	-	$ 10,442,768.00	$ 39,642,768.00
					526	$ 124,772,062.00	$ 9,470,316.00	$ 189,092,768.00	$ 323,335,146.00

Multifamily Conduit (Projected Closings) - FY 22-23
Q4 - 04/01/2023 - 06/30/2023

Project Name	Underwriting Type	City	Project Type	Closing Date	Units	Tax Exempt Loan	Taxable Loan	Recycled Bonds	Total
Taormina	Conduit - Reg Only	San Diego	Family/Individual	5/1/2023	136	$ 42,700,000.00	-	$ 11,646,388.00	$ 54,346,388.00
5626 Naranja	Conduit - Reg Only	San Diego	Family/Individual	5/1/2023	138	$ 26,500,000.00	$ 3,000,000.00	$ 14,000,000.00	$ 43,500,000.00
					274	$ 69,200,000.00	$ 3,000,000.00	$ 25,646,388.00	$ 97,846,388.00

Note: Projects with ‘0’ as the unit count had their units included with another CalHFA program’s unit total.

Total Conduit Issuance Closed: $890,214,504

FY 2022-23 Permanent & Subsidy Loan Conversions as of December 31, 2022

Multifamily Permanent & Subsidy Transactions
(Closed)

	Project Name	Underwriting Type	City	Project Type	Closing Date	Units	Permanent Loan Amount	Subsidy Loan Amount	Total
1	Reedley Village	Perm	Reedley	Family/Individual	8/30/2022	32	$ 1,050,000.00	$ 640,000.00	$ 1,690,000.00
2	Bernal Dwellings	Conduit - PTO	San Francisco	Family/Individual	9/23/2022	160	$ 21,780,000.00	$ 3,500,000.00	$ 25,280,000.00
3	Peterson Place	Conduit - MIP & Perm	Folsom	Family/Individual	10/21/2022	72	$ 7,875,000.00	-	$ 7,875,000.00
4	Blackstone McKinley TOD	Conduit - PTO	Fresno	Family/Individual	11/14/2022	88	$ 3,305,000.00	$ 1,760,000.00	$ 5,065,000.00
						352	$ 34,010,000.00	$ 5,900,000.00	$ 39,910,000.00

Multifamily Permanent & Subsidy (Projected Closings) - FY 22-23
Q3 - 01/01/2023 - 03/31/2023

	Project Name	Underwriting Type	City	Project Type	Closing Date	Units	Permanent Loan Amount	Subsidy Loan Amount	Total
	Linnaea Villas	Perm	Kingsburg	Senior, Veterans	1/12/2023	47	$ 1,500,000.00	$ 676,617.00	$ 2,176,617.00
	Cedar Grove Apartments	Conduit - MIP & Perm	Santa Rosa	Family/Individual	1/15/2023	96	$ 15,000,000.00	-	$ 15,000,000.00
	Frishman Hollow II	Conduit - MIP & Perm	Truckee	Family/Individual	1/30/2022	68	$ 7,072,700.00	-	$ 7,072,700.00
	Iamesi Village	Conduit - PTO	San Jose	Family/Individual, Special Needs	2/15/2023	135	$ 17,655,000.00	-	$ 17,655,000.00
	Brand Haven Senior Apartments	Conduit - MIP & Perm	Fresno	Senior	2/28/2023	180	$ 10,459,902.00	-	$ 10,459,902.00
	Fitch Mountain Terrace II	Perm-Refi	Healdsburg	Senior	3/1/2023	**20**	$ 1,150,000.00	-	$ 1,150,000.00
	Springs Village	Perm-Refi	Sonoma	Family/Individual	3/1/2023	**80**	$ 3,900,000.00	-	$ 3,900,000.00
	West Avenue	Perm-Refi	Santa Rosa	Family/Individual	3/1/2023	**40**	$ 1,980,000.00	-	$ 1,980,000.00
	The Monarch at Chinatown	Conduit - PTO	Fresno	Family/Individual	3/15/2023	57	$ 1,885,000.00	$ 775,000.00	$ 2,660,000.00
	Hayes Valley South	Conduit - PTO	San Francisco	Family/Individual	3/16/2023	110	$ 25,475,329.00	$ 3,500,000.00	$ 28,975,329.00
						833	$ 86,077,931.00	$ 4,951,617.00	$ 91,029,548.00

Multifamily Permanent & Subsidy (Projected Closings) - FY 22-23
Q4 - 04/01/2023 - 06/30/2023

	Project Name	Underwriting Type	City	Project Type	Closing Date	Units	Permanent Loan Amount	Subsidy Loan Amount	Total
	Arden Way Apartments	Conduit - MIP & Perm	Sacramento	Family/Individual	4/6/2023	120	$ 12,435,000.00	-	$ 12,435,000.00
	Beacon Villa	Conduit - MIP & Perm	Pittsburg	Family/Individual	6/1/2023	54	$ 13,091,000.00	-	$ 13,091,000.00
	Antioch Senior & Family Apartments	Conduit - MIP	Antioch	Family/Senior	6/30/2023	394	$ 63,410,000.00	-	$ 63,410,000.00
						568	$ 88,936,000.00	$ -	$ 88,936,000.00

Note: Units associated with Permanent & Subsidy Conversion projects that appear in **Bold** text are counted in FY 2022-23 production. Otherwise, the units for the Permanent & Subsidy loan conversions were counted in previous fiscal years.

Total Permanent & Subsidy Loan Conversions Closed: $39,910,000

FY 2022-23 Permanent & Subsidy Loan Commitments as of December 31, 2022

Multifamily Permanent & Subsidy Transactions									
(Closed)									
	Project Name	**Underwriting Type**	**City**	**Project Type**	**Closing Date**	**Units**	**Permanent Loan Amount**	**Subsidy Loan Amount**	**Total**
1	Kelsey Ayer Station	Conduit - MIP & Perm	San Jose	Family/Individual	7/8/2022	0	$ 15,910,000.00	-	$ 15,910,000.00
2	Anton Mosaic	Conduit - MIP & Perm	Sacramento	Family/Individual	11/14/2022	0	$ 23,201,000.00	-	$ 23,201,000.00
3	Serra Apartments	Conduit - MIP & Perm	Fremont	Family/Individual	12/15/2022	0	$ 27,179,522.00	-	$ 27,179,522.00
4	Sarah's Court Apartments	Conduit - MIP & Perm	Fresno	Family/Individual	12/16/2022	0	$ 6,364,866.00	-	$ 6,364,866.00
5	Mainline North	Conduit - MIP & Perm	Santa Clara	Family/Individual	12/16/2022	0	$ 24,695,000.00	-	$ 24,695,000.00
6	8181 Allison	Conduit - MIP & Perm	La Mesa	Family/Individual	12/16/2022	0	$ 20,685,000.00	-	$ 20,685,000.00
7	Shiloh Crossing	Conduit - MIP & Perm	Windsor	Family/Individual	12/21/2022	0	$ 21,696,000.00	-	$ 21,696,000.00
8	Fiddyment Apartments	Conduit - MIP & Perm	Roseville	Family/Individual	12/22/2022	0	$ 37,400,000.00	-	$ 37,400,000.00
9	La Vista Residential	Conduit - MIP & Perm	Hayward	Family/Individual	12/27/2022	0	$ 24,300,000.00	-	$ 24,300,000.00
10	515 Pioneer	Conduit - MIP & Perm	Glendale	Family/Individual	12/29/2022	0	$ 30,892,000.00	-	$ 30,892,000.00
						0	$ 232,323,388.00	$ -	$ 232,323,388.00
Multifamily Permanent & Subsidy (Commitments) - FY 22-23									
Q3 - 01/01/2023 - 03/31/2023									
	Project Name	**Underwriting Type**	**City**	**Project Type**	**Closing Date**	**Units**	**Permanent Loan Amount**	**Subsidy Loan Amount**	**Total**
	California Grand Manor	Conduit - MIP & Perm	Ataascadero	Senior	2/1/2023	0	$ 6,183,589.00	-	$ 6,183,589.00
	Alves Lane Apartments	Conduit - MIP & Perm	Bay Point	Family/Individual	2/1/2023	0	$ 20,351,000.00	-	$ 20,351,000.00
	Mirasol Village Block D	Conduit - MIP & Perm	Sacramento	Family/Individual	2/9/2023	0	$ 14,130,000.00	-	$ 14,130,000.00
						0	$ 26,534,589.00	$ -	$ 26,534,589.00

Note: Projects with '0' as the unit count had their units included with another CalHFA program's unit total.

Total Permanent & Subsidy Loan Commitments Closed: $232,323,388

FY 2022-23 Mixed Income Program Loan Conversions as of December 31, 2022

Mixed Income Program Transactions							
(Closed)							
	Project Name	**Underwriting Type**	**City**	**Project Type**	**Closing Date**	**Units**	**MIP Loan**
1	Peterson Place	Conduit - MIP & Perm	Folsom	Family/Individual	10/21/2022	72	$ 3,350,000.00
						72	$ 3,350,000.00
Mixed Income Program Transactions (Projected Closings) - FY 22-23:							
Q3 - 01/01/2023 - 03/31/2023							
	Project Name	**Underwriting Type**	**City**	**Project Type**	**Closing Date**	**Units**	**MIP Loan**
	Cedar Grove Apartments	Conduit - MIP & Perm	Santa Rosa	Family/Individual	1/15/2023	96	$ 4,750,000.00
	Frishman Hollow II	Conduit - MIP & Perm	Truckee	Family/Individual	1/30/2023	68	$ 4,060,000.00
	Brand Haven Senior Apartments	Conduit - MIP & Perm	Fresno	Senior	2/28/2023	180	$ 4,500,000.00
	1717 S Street	Conduit - MIP	Sacramento	Family/Individual	3/1/2023	159	$ 7,900,000.00
						503	$21,210,000.00
Mixed Income Program Transactions (Projected Closings) - FY 22-23:							
Q4 - 04/01/2023 - 06/30/2023							
	Project Name	**Underwriting Type**	**City**	**Project Type**	**Closing Date**	**Units**	**MIP Loan**
	Arden Way Apartments	Conduit - MIP & Perm	Sacramento	Family/Individual	4/6/2023	120	$ 7,610,000.00
	Valencia Pointe	Conduit - MIP	San Diego	Family/Individual	4/12/2023	102	$ 4,040,000.00
	Courtyards at Kimball	Conduit - MIP	National City	Family/Individual	5/1/2023	131	$ 6,500,000.00
	Beacon Villa	Conduit - MIP & Perm	Pittsburg	Family/Individual	6/1/2023	54	$ 6,350,000.00
	Glen Loma Ranch	Conduit - MIP	Gilroy	Family/Senior	6/1/2023	158	$ 7,850,000.00
	Twin Oaks Senior Apartments	Conduit - MIP	Oakley	Senior	6/1/2023	130	$ 5,160,000.00
	Antioch Senior & Family Apartments	Conduit - MIP	Antioch	Family/Senior	6/30/2023	394	$ 6,000,000.00
						1089	$43,510,000.00

Total Mixed Income Loan Conversions Closed: $3,350,000

FY 2022-23 Mixed Income Program Loan Commitments as of December 31, 2022

Mixed Income Program Transactions							
(Closed)							
	Project Name	**Underwriting Type**	**City**	**Project Type**	**Closing Date**	**Units**	**MIP Loan**
1	Kelsey Ayer Station	Conduit - MIP & Perm	San Jose	Family/Individual	7/8/2022	115	$ 4,600,000.00
2	Anton Mosaic	Conduit - MIP & Perm	Sacramento	Family/Individual	11/14/2022	194	$12,154,205.00
3	Serra Apartments	Conduit - MIP & Perm	Fremont	Family/Individual	12/15/2022	179	$10,173,471.00
4	Sarah's Court Apartments	Conduit - MIP & Perm	Fresno	Family/Individual	12/16/2022	120	$ 3,450,000.00
5	Mainline North	Conduit - MIP & Perm	Santa Clara	Family/Individual	12/16/2022	151	$ 7,025,000.00
6	8181 Allison	Conduit - MIP & Perm	La Mesa	Family/Individual	12/16/2022	147	$ 7,076,000.00
7	Shiloh Crossing	Conduit - MIP & Perm	Windsor	Family/Individual	12/21/2022	173	$15,442,362.00
8	Fiddyment Apartments	Conduit - MIP & Perm	Roseville	Family/Individual	12/22/2022	330	$ 8,000,000.00
9	La Vista Residential	Conduit - MIP & Perm	Hayward	Family/Individual	12/27/2022	176	$ 8,270,000.00
10	515 Pioneer	Conduit - MIP & Perm	Glendale	Family/Individual	12/29/2022	340	$10,203,625.00
						1,925	$86,394,663.00
Mixed Income Program (Commitments) - FY 22-23:							
Q3 - 01/01/2023 - 03/31/2023							
	Project Name	**Underwriting Type**	**City**	**Project Type**	**Closing Date**	**Units**	**MIP Loan**
	California Grand Manor	Conduit - MIP & Perm	Ataascadero	Senior	2/1/2023	76	$ 5,440,234.00
	Alves Lane Apartments	Conduit - MIP & Perm	Bay Point	Family/Individual	2/1/2023	100	$ 7,360,403.00
	Mirasol Village Block D	Conduit - MIP & Perm	Sacramento	Family/Individual	2/9/2023	116	$ 5,800,000.00
						292	$18,600,637.00

Total Mixed Income Loan Commitments Closed: $86,394,663

Please visit https://www.calhfa.ca.gov/multifamily/mixedincome/approved/index.htm to see the complete list of approved MIP projects.

FY 2022-23 Special Needs Housing Program Loan Conversions as of December 31, 2022

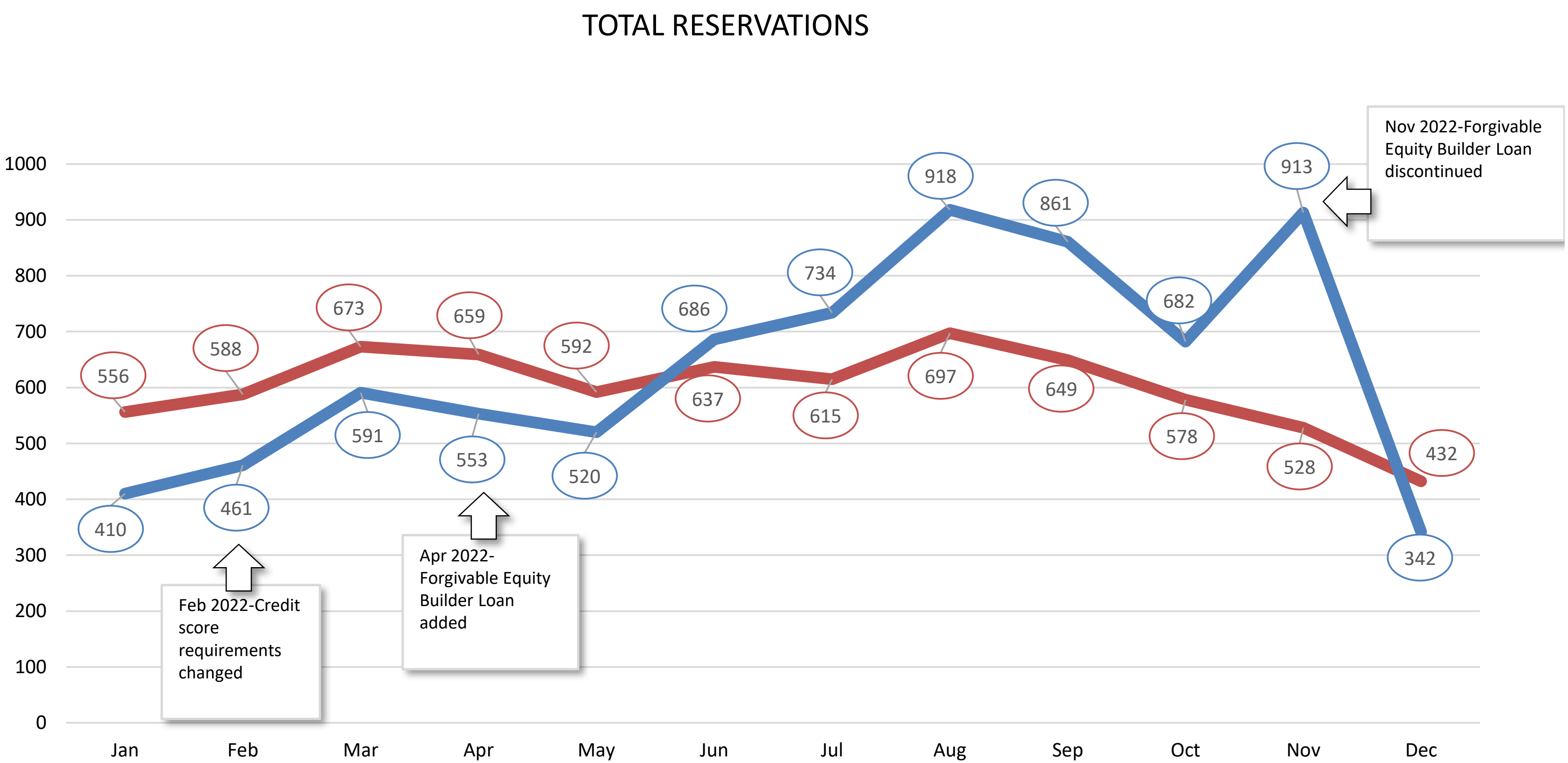
Multifamily Special Needs Housing Program Transactions							
(Closed)							
	Project Name	**Underwriting Type**	**City**	**Project Type**	**Closing Date**	**Units**	**SNHP Loan**
1	Post 310	SNHP/MHSA	San Diego	Family/Individual, Special Needs	8/5/2022	43	$ 1,500,000.00
2	Villa St. Joseph	SNHP/MHSA	Orange	Senior, Special Needs	12/29/2022	50	$ 3,696,893.00
						93	$ 5,196,893.00
Multifamily Special Needs Housing Program (Projected Closings) FY 22-23							
Q3 - 01/01/2023 - 03/31/2023							
	Project Name	**Underwriting Type**	**City**	**Project Type**	**Closing Date**	**Units**	**SNHP Loan**
	FX Residence	SNHP/MHSA	Santa Ana	Family/Individual, Special Needs	1/6/2023	17	$ 1,259,848.00
	McCadden Plaza Youth Housing	SNHP/MHSA	Los Angeles	Special Needs/ TAY	1/10/2023	26	$ 560,000.00
	Desert Haven	SNHP/MHSA	Victorville	Family/Individual, Homeless, Special Needs	1/13/2023	32	$ 2,173,669.00
	Rose Apartments	SNHP/MHSA	Venice	Family/Individual, Special Needs	1/18/2023	35	$ 3,237,622.00
	McCadden Campus Senior Housing	SNHP/MHSA	Los Angeles	Senior, Special Needs	2/1/2023	98	$ 1,000,000.00
	Huntington Square	SNHP/MHSA	Huntington Park	Special Needs/ TAY	3/27/2023	54	$ 2,000,000.00
	Liberty Lane	SNHP/MHSA	Redlands	Family/Individual, Special Needs	3/31/2023	80	$ 1,050,000.00
						342	$ 11,281,139.00
Multifamily Special Needs Housing Program (Projected Closings) FY 22-23							
Q4 - 04/01/2023 - 06/30/2023							
	Project Name	**Underwriting Type**	**City**	**Project Type**	**Closing Date**	**Units**	**SNHP Loan**
	FLOR 401 Lofts	SNHP/MHSA	Los Angeles	Family/Individual, Homeless, Special Needs	4/3/2023	99	$ 500,000.00
						99	$ 500,000.00

Total Special Needs Housing Program Loan Conversions Closed: $5,196,893

Single Family Reports

Month ending December 2022

January 19, 2023



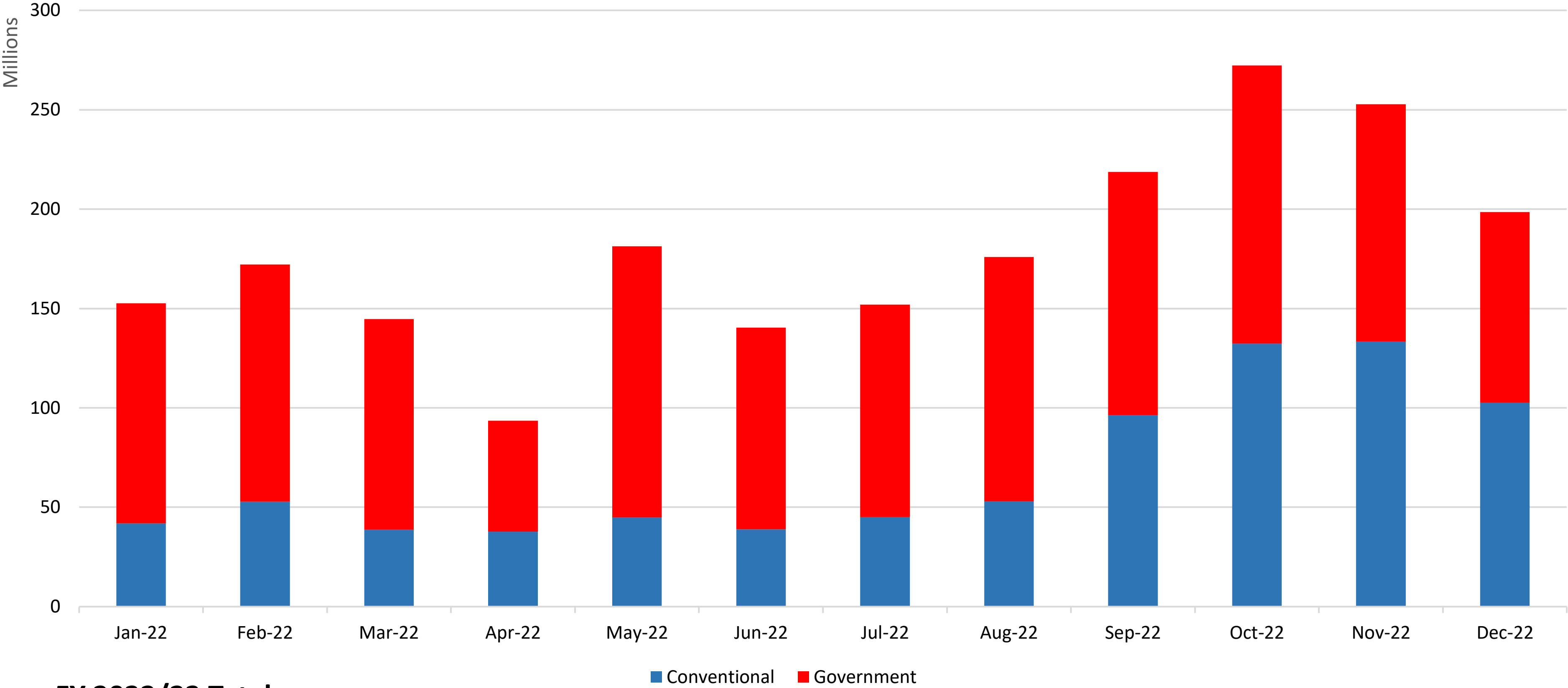
FY 2022/23 Totals:		
Conventional	**2232**	**51%**
FHA	**2157**	**49%**
	4389	

Totals:

January 2021 - December 2021 = 7204
January 2022 - December 2022 = 7671

1st Mtg. Reservations January 2021 - December 2021
1st Mtg. Reservations January 2022 - December 2022

January-2022 - December-2022 Securitized

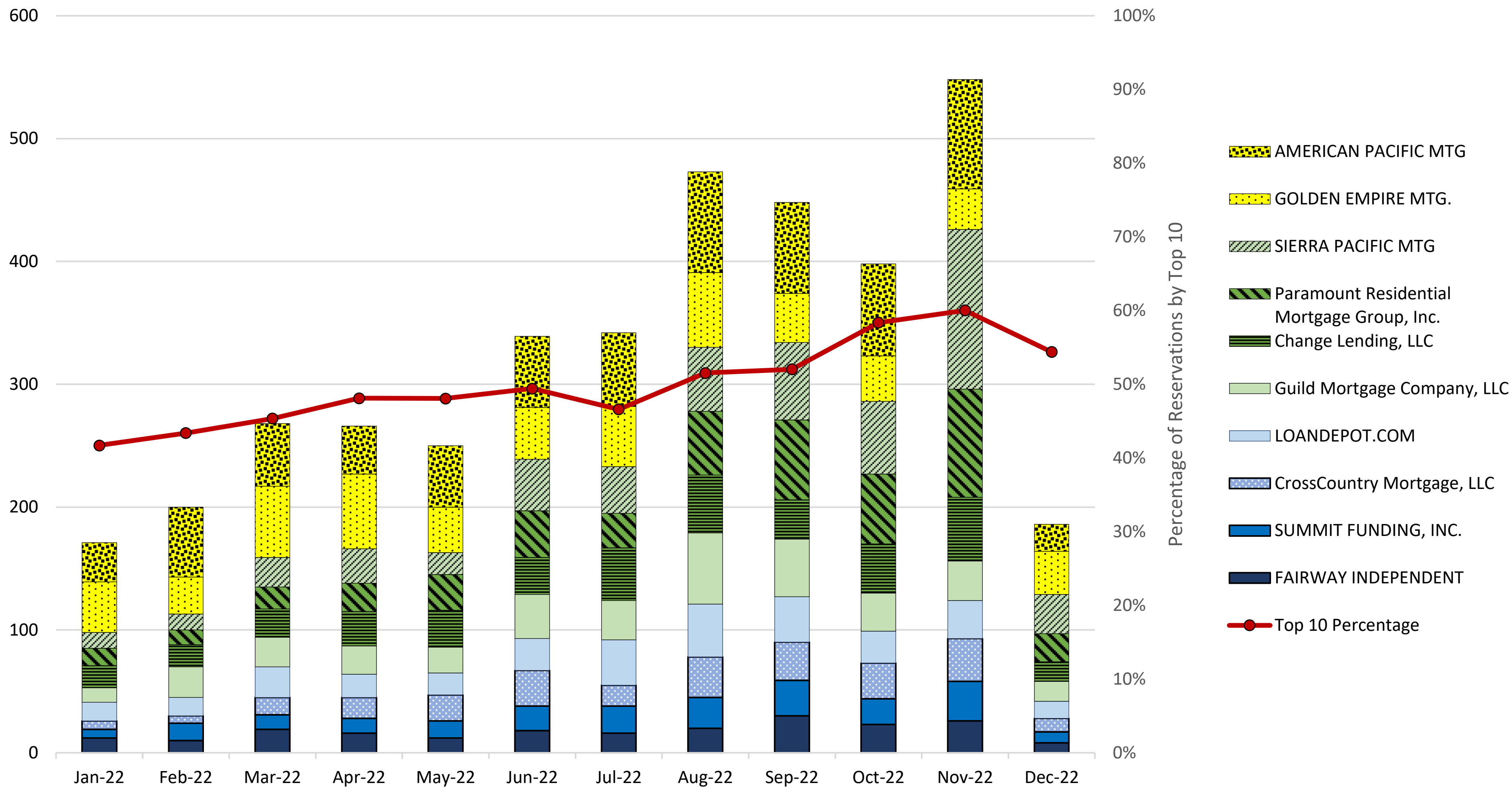


FY 2022/23 Totals

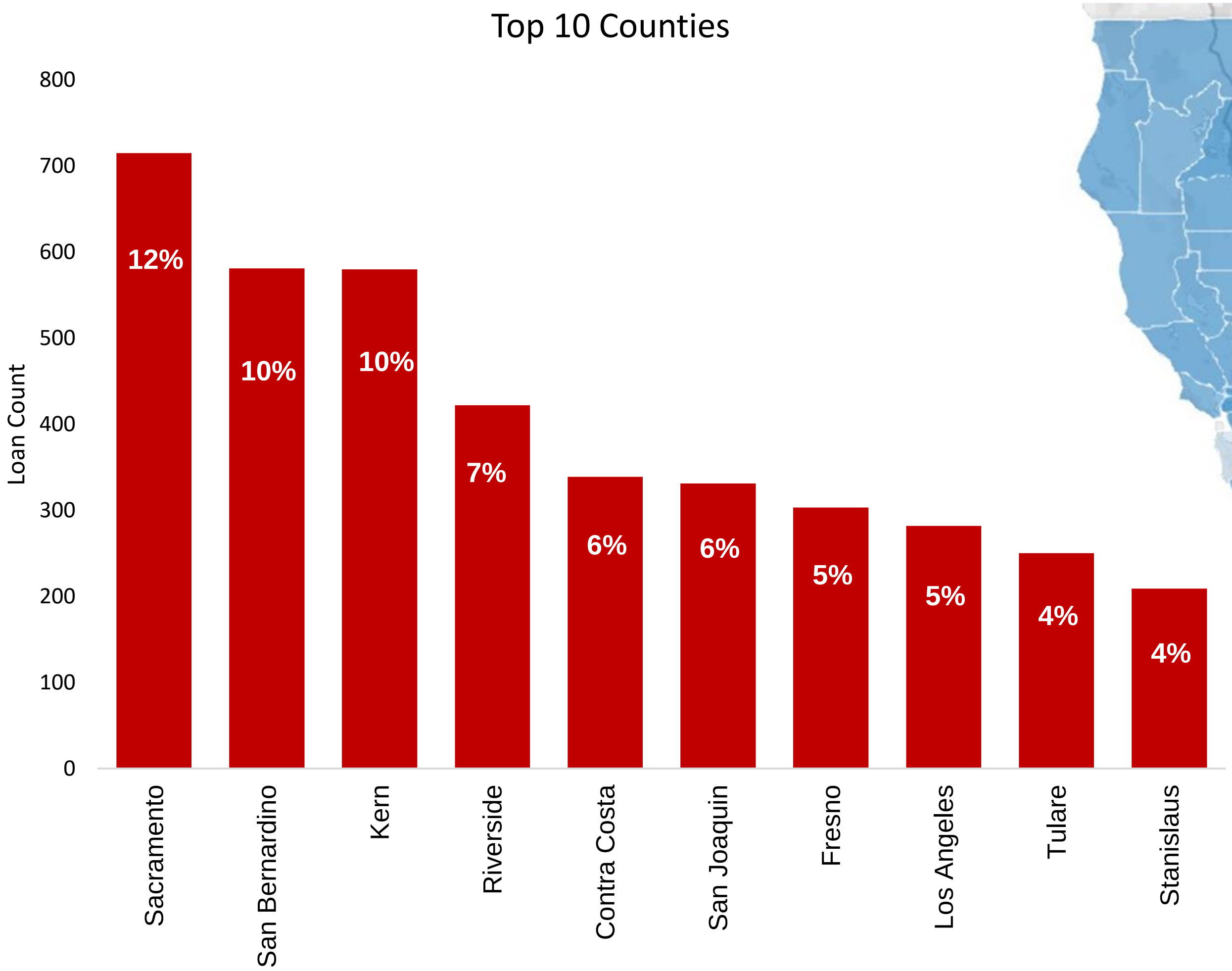
Government (54%)		
FHA with ZIP	**720**	**267,392,986**
FHA no ZIP	**1141**	**429,873,883**
VA	**27**	**10,472,202**
USDA	**25**	**6,935,724**
	1913	**714,674,795**
Total	**3447**	**1,276,989,314**

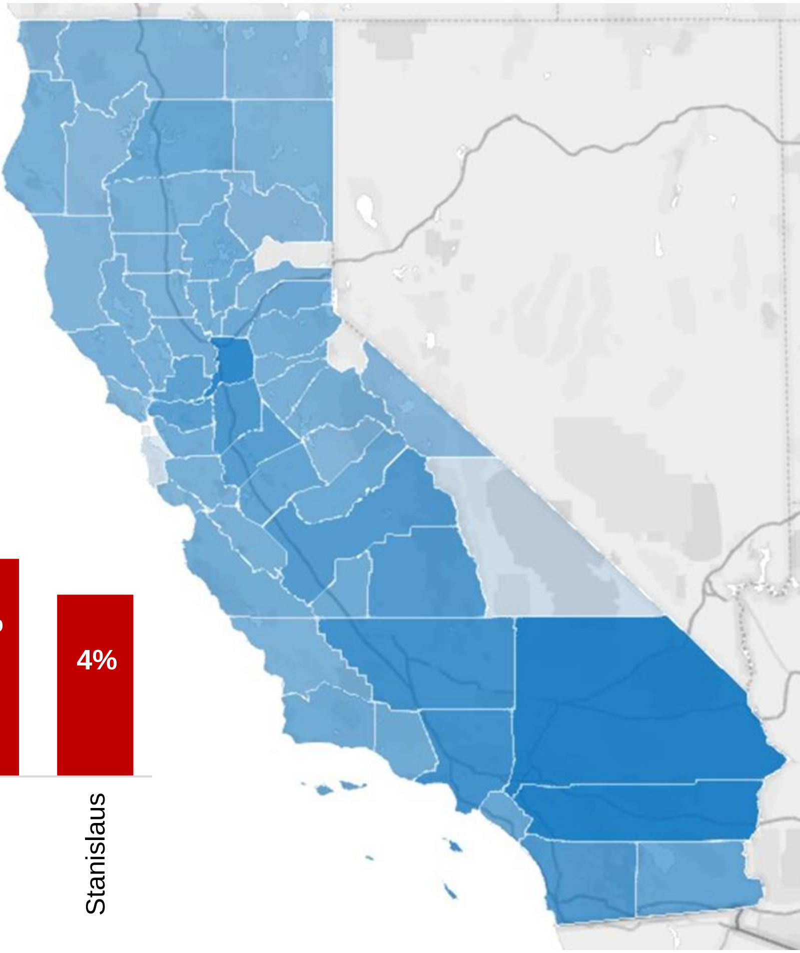
Conventional (45%)		
Conventional with ZIP	**61**	**24,702,194**
Conventional no ZIP	**277**	**119,018,447**
LI/VLI Conventional with ZIP	**3**	**688,610**
LI/VLI Conventional no ZIP	**1193**	**417,905,268**
	1534	**562,314,519**

Reservations by Top 10 Lenders

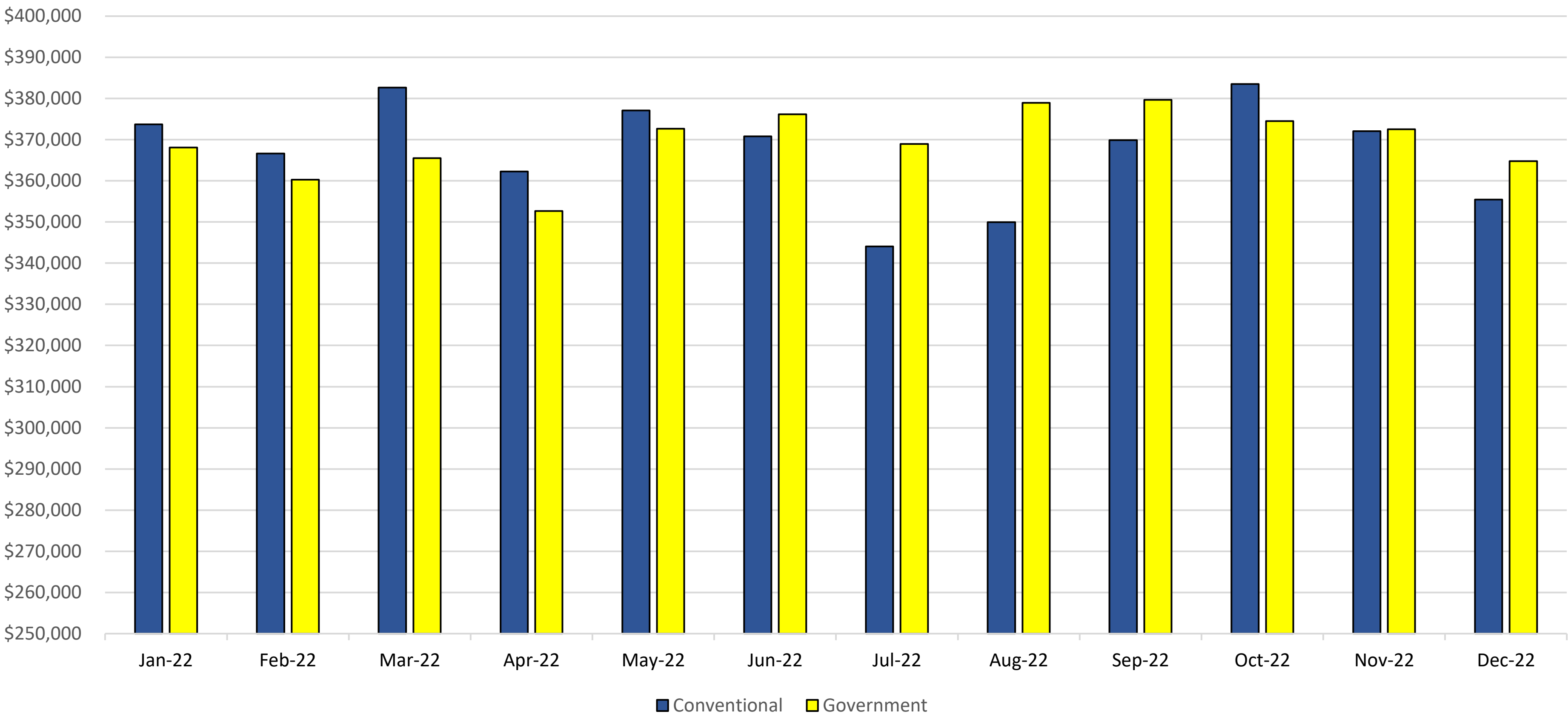


Where are our borrowers?





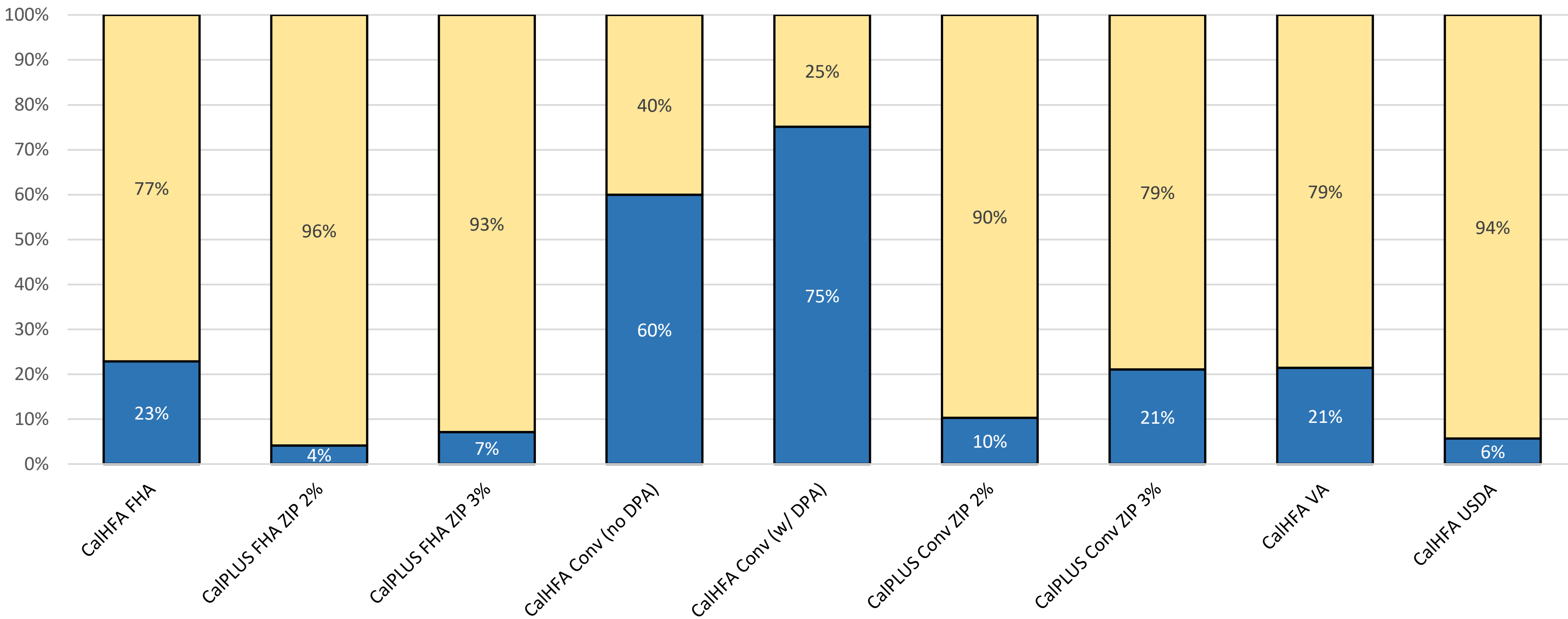
Average Loan Amount



Historical Averages

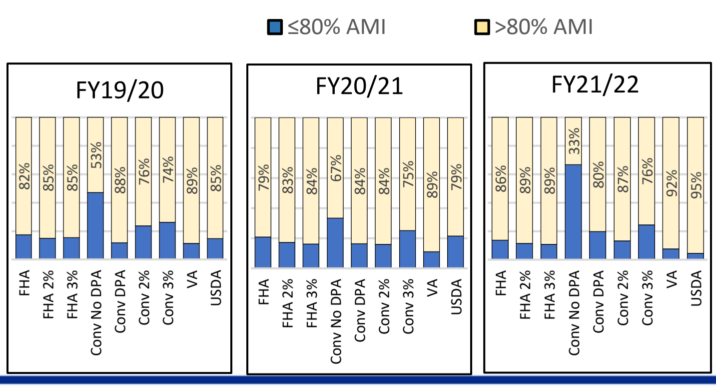
	FY14/15	FY15/16	FY16/17	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22
Government	221,428	229,240	253,145	268,199	282,148	310,593	321,005	356,602
Conventional	233,671	243,863	264,259	281,643	303,209	318,202	337,779	366,500
All Loans	228,381	235,207	256,159	272,562	290,641	311,959	325,603	359,476

Borrower Income Level Over or Under 80% AMI by Loan Program



Loan Count		
Government	≤80% AMI	>80% AMI
CalHFA FHA	333	1123
CalPLUS FHA ZIP 2%	45	1046
CalPLUS FHA ZIP 3%	72	938
CalHFA VA	9	33
CalHFA USDA	3	50
Government Total	**462**	**3190**

Conventional	≤80% AMI	>80% AMI
CalHFA Conv (no DPA)	6	4
CalHFA Conv (w/ DPA)	1222	405
CalPLUS Conv ZIP 2%	31	271
CalPLUS Conv ZIP 3%	59	221
Conventional Total	**1318**	**901**
Total All Loans	**1780**	**4091**



Lending by Region

By count for past 12 mos. securitized or funded

ADU Grant (Paused 12/9/22)

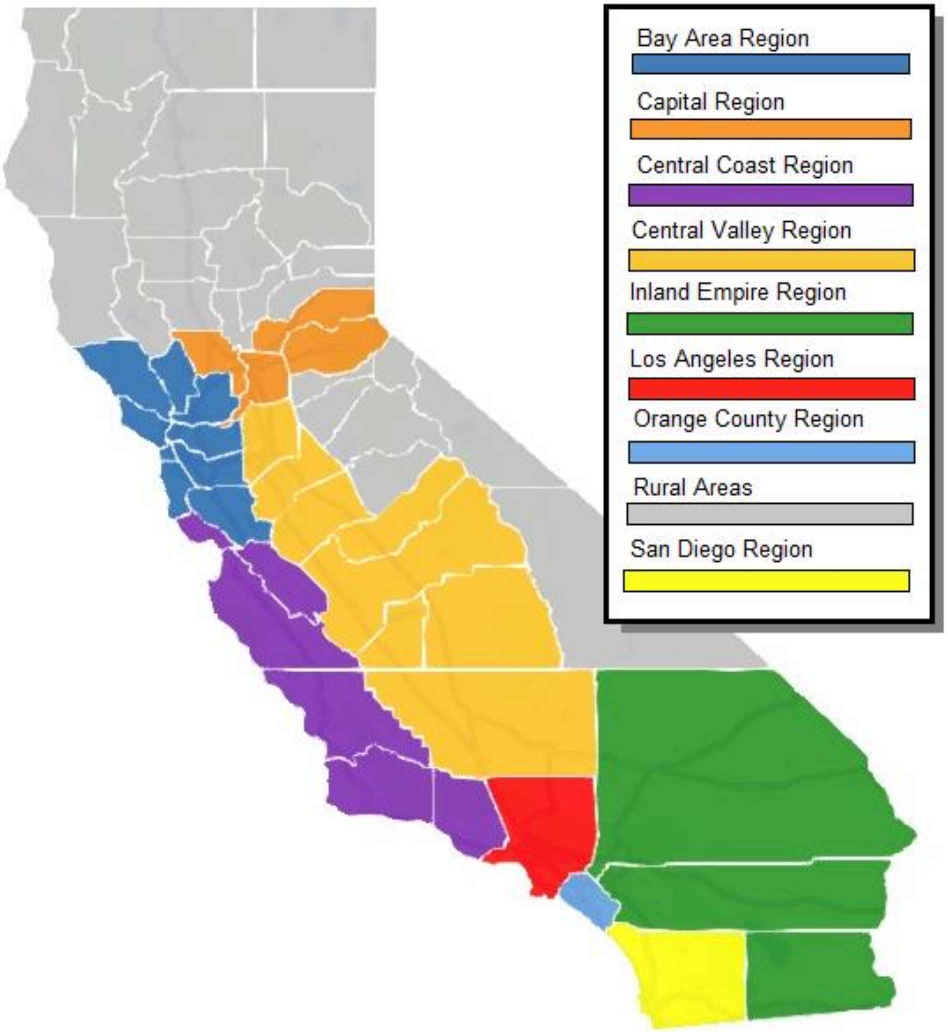
Los Angeles Region	40%
Bay Area Region	18%
San Diego Region	11%
Orange County Region	9%
Inland Empire Region	8%
Central Coast Region	6%
Capital Region	5%
Central Valley Region	2%
Rural Areas	1%

Forgivable Loan (Discontinued 11/30/22)

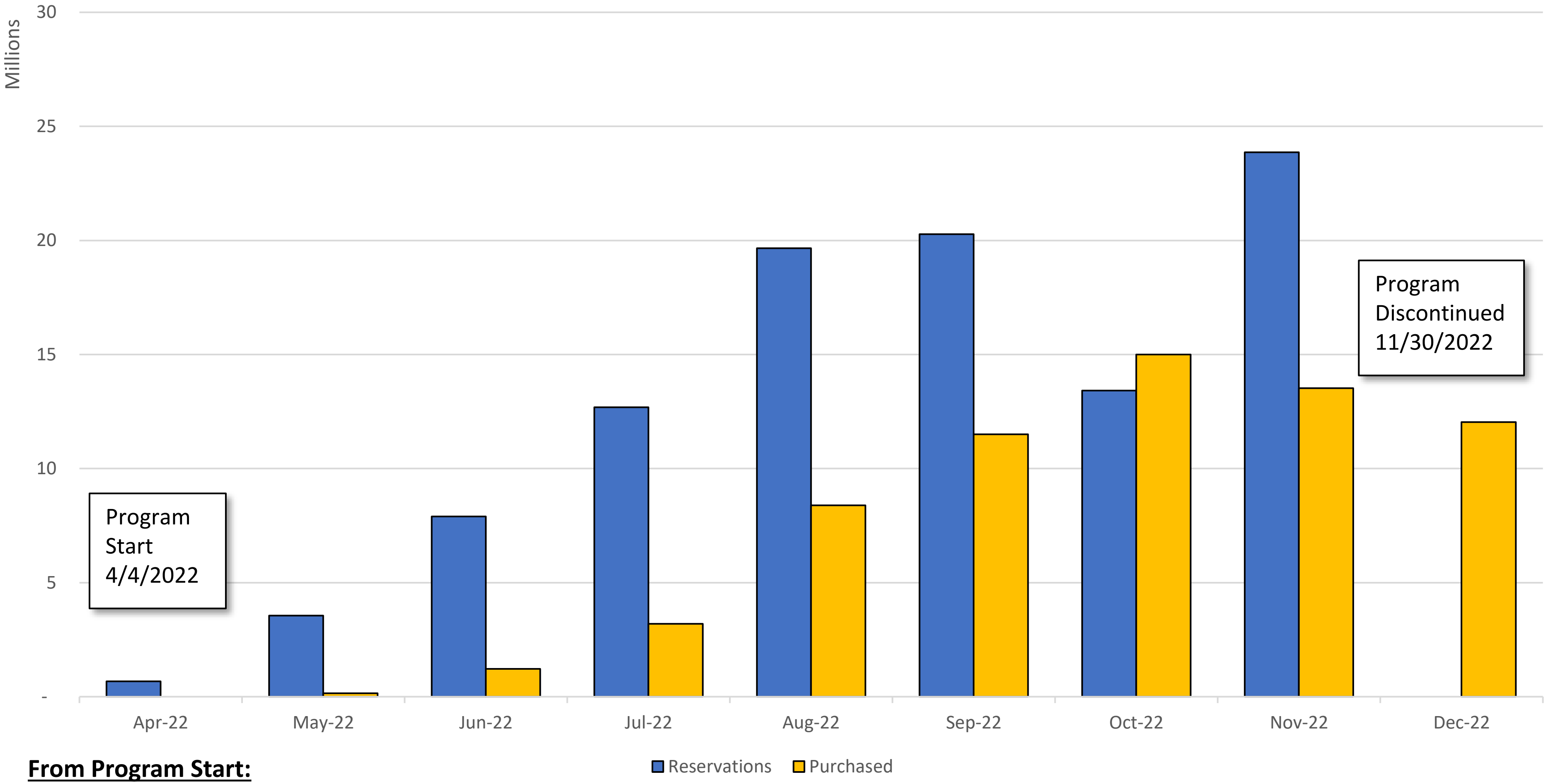
Bay Area Region	36%
Capital Region	23%
Central Valley Region	14%
Rural Areas	10%
Inland Empire Region	9%
Los Angeles Region	4%
Central Coast Region	3%
San Diego Region	2%
Orange County Region	1%

All Other Loans

Central Valley Region	39%
Inland Empire Region	23%
Capital Region	12%
Rural Areas	10%
Bay Area Region	6%
Los Angeles Region	5%
Central Coast Region	2%
San Diego Region	2%
Orange County Region	0%



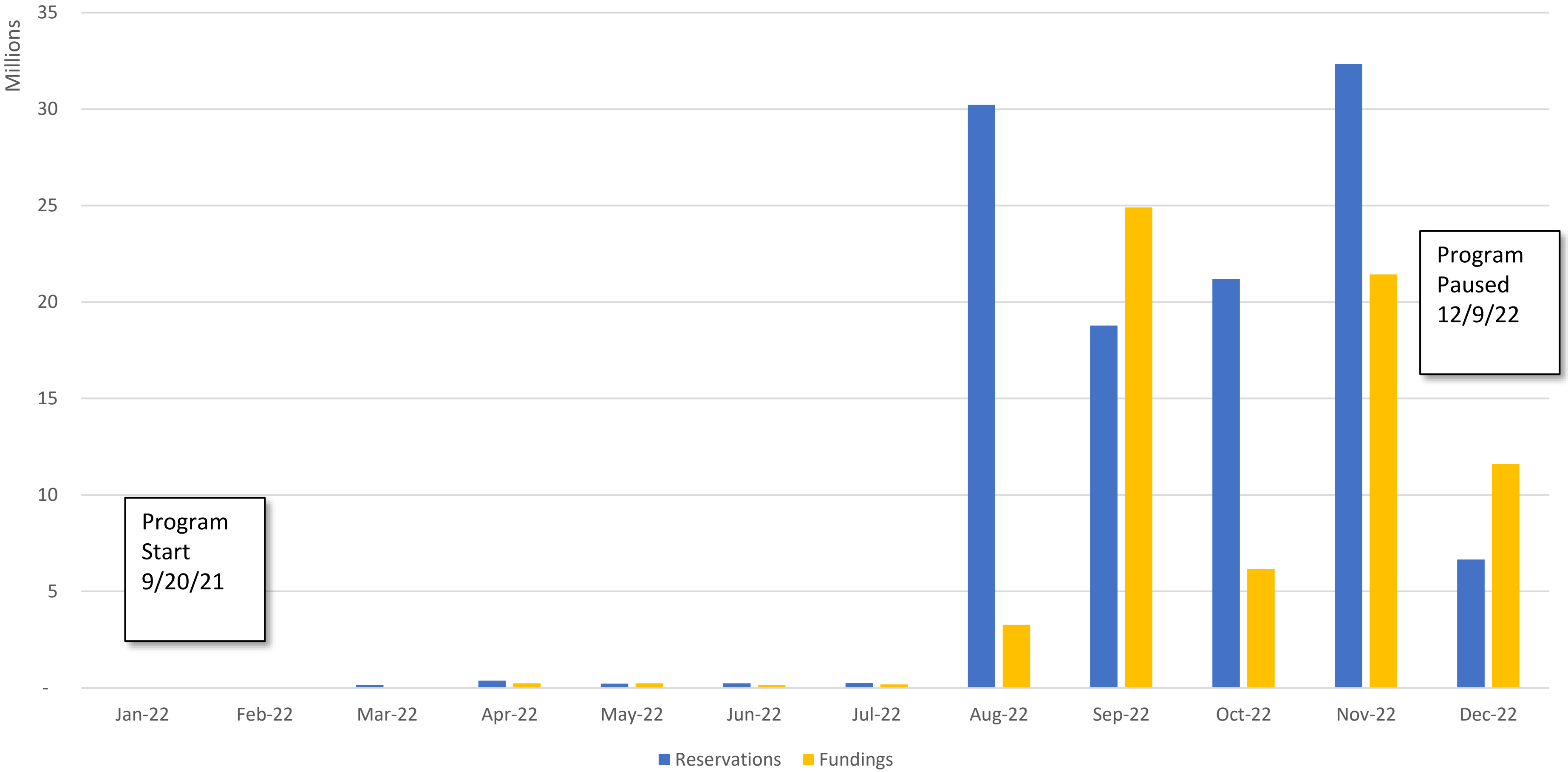
Forgivable Equity Builder Loan Program



From Program Start:

	Count	Amount
Reservations	2572	102,034,118
Purchased	1706	67,693,294

ADU Grant Program



From Program Start:

	Count	Amount
Reservations	2769	110,502,553
Fundings	1719	68,588,168