



CALIFORNIA HOUSING PARTNERSHIP

QUALIFICATIONS

The mission of the California Housing Partnership (the “Partnership”) is to create and preserve affordable and sustainable homes for Californians with low incomes by providing expert financial and policy solutions to nonprofit and public partners. The Partnership was incorporated by the state legislature in 1988 as a private nonprofit 501(c)(3) public benefit corporation. The governor and respective leaders of the legislative bodies appoint the eight board of directors based on their professional qualifications and interests. The Partnership is recognized nationally as a leader in preserving at-risk subsidized apartments and in the financial structuring of Low-Income Housing Tax Credit and tax-exempt bond transactions. Our areas of expertise include:

Affordable Multifamily Housing Financial Consulting and Syndication Services

The Partnership has provided financial consulting services for over 30 years on hundreds of multifamily transactions totaling more than 70,000 apartments. Our services include advising on financial structures to maximize equity and bond or loan proceeds raised, negotiation with equity investors, lenders, and underwriters, preparation of financial projections, and assistance in obtaining funding from competitive programs. The sources of financing which the Partnership regularly assists its clients to obtain include:

- Redevelopment Agency Set-aside Funds
- Tax-Exempt Bond programs
- 9% and 4% Low Income Housing Tax Credit (LIHTC) programs
- California Housing Finance Agency (CalHFA) programs
- Multifamily Housing Program (MHP)
- State and Local CDBG and HOME programs
- Federal Home Loan Bank AHP Program
- Santa Clara County Office of Supportive Housing programs
- Affordable Housing Sustainable Communities (AHSC) program
- Rental Assistance Demonstration (RAD) program
- HUD, including 202/811 Mixed-Finance and FHA mortgage insurance, and Preservation programs
- Veterans Housing and Homelessness Prevention (VHHP) program
- Transit-Oriented Development (TOD) program
- Infill Infrastructure Grant (IIG) program
- Joe Serna Farmworker Housing Grant Program
- McKinney Supportive Housing programs
- Project-based Section 8 Vouchers and contract extensions
- Other federal, state and local funding sources

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Typical client projects range from the new construction of family apartments with childcare to the acquisition and rehabilitation of SRO buildings for extremely low-income residents with special needs.

The Partnership also provides consulting services on exit strategies for projects whose Tax Credits are reaching the end of their fifteen-year compliance period. The Partnership will analyze project economic, tax, and regulatory considerations and assist in structuring a financing plan that employs innovative techniques to ensure that the nonprofit sponsor can retain ownership of the project with minimal out-of-pocket cash requirements.

Typical services provided to our partners include:

Redevelopment Agency Set-aside Funds

The Partnership staff have many years of experience running and using Redevelopment set-aside 20% funds. The Partnership has provided assistance to its clients in structuring applications for redevelopment for many years. The Partnership provided direct assistance to the San Francisco Redevelopment Agency and Los Angeles Community Redevelopment Agency for more than a decade as well as assistance to the Sacramento Housing and Redevelopment Agency.

Tax Exempt Mortgage Revenue Bonds

The Partnership provides consultation to its clients on all phases of obtaining allocations of tax-exempt bonds from the California Debt Limit Allocation Committee (CDLAC) including project feasibility, preparing financial projections, obtaining credit enhancements or bank purchasers, selecting bond lenders, meeting CDLAC thresholds, structuring applications, and maximizing competitiveness. The Partnership prepares all financial forms required for the CDLAC application. The Partnership also reviews the application for completeness and competitiveness prior to submission. To date, the Partnership has assisted clients in obtaining more than 500 allocations of tax-exempt bonds from CDLAC with more than 50 pending.

Low Income Housing Tax Credits (LIHTC)

The Partnership provides assistance to its clients in structuring applications for Tax Credits. The Partnership consults on all phases of development including project feasibility, syndication and financial projections, meeting program thresholds and maximizing competitiveness. We prepare the financial pages of the TCAC application form and the cash flow projections required for the application. The Partnership also reviews the application for completeness and competitiveness prior to submission. To date, the Partnership has assisted clients in obtaining and syndicating more than 1,000 Tax Credit allocations and has dozens of applications pending allocations. The Partnership staff regularly communicates with the director of the state-allocating agency to discuss policy and regulatory issues involving the Tax Credit program.

California Housing Finance Agency (CalHFA)

To date, the Partnership has assisted clients in closing more than two-dozen CalHFA loans with another dozen pending. The Partnership staff talks regularly with the CalHFA Director and Multifamily Director about underwriting and policy issues.

Multifamily Housing Program (MHP)

The Partnership provides assistance to its clients in preparing an application to the California Department of Housing and Community Development (HCD) Multifamily Housing Program (MHP) and assessing its competitiveness. The Partnership prepares all financial pages of the MHP application form and projections required for the application to the California Department of Housing & Community Development. The

Partnership also reviews the application for completeness and competitiveness in dozens of MHP awards. The Partnership's President talks regularly with the Director of HCD since he is a member of the Partnership's Board of Directors by state statute. The Partnership staff also talks regularly to the Deputy Director for Financial Assistance, who oversees MHP policy and funding awards, as well as the various managers of the different financial assistance programs. The Partnership has been deeply involved in the review of HCD regulations and guidelines, including the 2017 Uniform Multifamily Regulations and Proposition 1 MHP Draft Guidelines.

Other State Department of Housing and Community Development (HCD) programs

The Partnership has helped clients prepare hundreds of applications to virtually all of HCD's other funding programs including VHHP, NPLH, TOD, IIG, Joe Serna, etc. The Partnership staff are regularly asked for formal and informal input by HCD staff in developing program guidelines and implementing underwriting procedures. The Partnership staff are well-known to and respected by HCD staff.

The Federal Home Loan Bank's Affordable Housing Program (AHP)

The Partnership is very familiar with the requirements of the Affordable Housing Program since approximately 75% of the projects the Partnership consults on use AHP. The Partnership regularly reviews AHP applications for clients for conformance with program rules and competitive strategy and assists clients with negotiations with the Federal Home Loan Bank.

Affordable Housing and Sustainable Communities (AHSC) program

The Partnership commissioned the research that persuaded the California Legislature to fund this groundbreaking new program from its Greenhouse Gas Reduction Fund. The Partnership also played a role in developing the program structure and competitive point system. The Partnership provides assistance to clients with applications to the AHSC Program, including assessing and adjusting competitiveness. The Partnership prepares all financial pages of the AHSC application form and projections required for the application to the California Department of Housing and Community Development. Since the program was formed in 2014, the Partnership has provided technical assistance to 153 AHSC applications – 24 of which have received \$167 million in funding and are in various stages of development.

Rental Assistance Demonstration (RAD) program

Beginning in 2012, The Partnership worked with the Fresno Housing Authority to close the first ever public housing financings done with RAD in California and has continued assisting FHA with additional RAD financings ever since. The Partnership was also selected by the City of San Francisco to lead the financial structuring of the largest RAD portfolio financing in the history of the program. Using our deep expertise in federal programs, the Partnership helped the City negotiate new flexibilities in the U.S. Department of Housing and Urban Development (HUD) RAD program. Monday, November 23, 2015 marked the closing of the financing for the last of the 15 properties in the first phase of San Francisco's ambitious program to revitalize its public housing properties. This was also the date on which ownership of the 15 properties (but not the land) officially transferred to eight owner/developer teams who started rehabilitation of the 1,422 apartments, which was completed in 2015. A second phase of SF RAD consisting of 2,044 apartments in an additional 14 properties started renovations in late 2016. Together, the two phases of SF RAD meant over \$1.2 billion in net new funding resulting in approximately \$800 million in physical improvements to outdated buildings that make up the bulk of San Francisco's public housing. Overall, the SF RAD program renewed 3,500 affordable homes to benefit 10,000 residents without displacement.

U.S. Department of Housing and Urban Development (HUD)

The Partnership monitors changes in HUD's policies regarding Section 8 contract renewals, federally

subsidized mortgages and public housing and is generally considered the leading expert in the state on structuring HUD Section 8 transactions. The Partnership is frequently asked by HUD to participate in basic and advanced trainings on affordable housing finance in California. The Partnership has regular communication with HUD's Regional office to discuss a range of issues, including project specific issues raised by our clients.

Technical Assistance to Government Housing Agencies

The Partnership regularly provides technical assistance to public agencies involved in the financing and preservation of multifamily affordable homes. Examples of the Partnership's technical assistance work include: assisting the County of Los Angeles to develop a new housing needs and financing resources strategy template; conducting a detailed assessment of the displacement risk for the Metropolitan Planning Commission in key Bay Area transit locations and developing recommended policy strategies; participating in the Oakland Mayor's Housing Cabinet to assess displacement risks to various low-income populations and develop housing strategies to address these risks; assisting the City of Los Angeles to develop a model for preserving affordability for older bond-financed properties with expiring regulatory agreements; assisting various state funding agencies in evaluating the at-risk status of applicants for competitive financing programs wishing to preserve federally subsidized housing; assisting the California Housing Finance Agency in the design of its Preservation Acquisition Loan Program as well as its earlier program to refinance Section 236 and Section 202 developments; assisting the housing departments in Los Angeles, San Francisco, and Davis in developing multifamily underwriting guidelines; preparing a report for the City of Stockton on the potential creation of a local housing development corporation; assisting the County of Los Angeles Community Development Commission to evaluate and underwrite loan requests to the City of Industry loan program; and serving as a technical advisor to HUD, the Resolution Trust Corporation and Federal Deposit Insurance Corporation in their disposition of selected properties.

Program Evaluation

The Partnership works with public agencies that are working through the process of evaluating their housing programs. Most recently the Los Angeles Housing Department (LAHD) and the Housing Authority of the County of Los Angeles contracted with the Partnership to review housing policy and assist with the implementation of programs.

Training in Affordable Housing Development and Multifamily Affordable Housing Finance

The Partnership is nationally recognized as a leading trainer in multifamily affordable housing finance. Since the early 1990's, the Partnership has been the lead trainer for the Local Initiatives Support Corporation (LISC) Statewide Housing Development Institute (HDTI), an intensive yearlong training program for project managers. Other training clients have included the U.S. Department of Housing and Urban Development, the California Department of Housing and Community Development, NeighborWorks, the Neighborhood Reinvestment Corporation, the California Redevelopment Association, the Los Angeles Housing Department, the San Diego Housing Commission, the San Francisco Redevelopment Agency and Mayor's Office of Housing, the Low Income Investment Fund, and the staff of numerous nonprofit and local government housing agencies.

Preservation of At-Risk Affordable Housing

The Partnership maintains the most comprehensive database of existing HUD-assisted affordable housing in California. We use this database to help local governments assess the risk of loss of this housing as well as to develop plans for preserving properties that are at-risk of conversion and to advocate with state and federal lawmakers for additional resources. The Partnership's preservation services include assistance in project identification, assessing at-risk status, financial feasibility analysis, purchase negotiations, financial structuring, closing coordination, and compliance with HUD, state and local requirements. The Partnership has expertise with a wide range of preservation financing techniques and programs including Titles II & VI, Section 8 Mark-Up-To-Market and contract extensions, Section 236 IRP decoupling, and refinancing FHA insured mortgages. The Partnership has also provided consulting on projects participating in HUD's Multifamily Portfolio Reengineering Demonstration Program, property disposition program, and other transactions involving HUD-assisted or insured developments.