



CALIFORNIA HOUSING PARTNERSHIP | chpc.net

QUALIFICATIONS

The California Housing Partnership creates and preserves affordable and sustainable homes for Californians with low incomes by providing expert financial and policy solutions to nonprofit and public partners. Since 1988, the Partnership's on-the-ground technical assistance, applied research, and legislative leadership has leveraged more than \$20 billion in private and public financing to preserve and create more than 75,000 affordable homes. 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. The Partnership is a 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.

Our Areas of Expertise:

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 75,000 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:

- Tax-Exempt Bonds
- 9%, 4% and California Low Income Housing Tax Credits (LIHTC)
- California Department of Housing and Community Development Programs:
 - Multifamily Housing Program (MHP)
 - Veterans Housing and Homelessness Prevention (VHHP)
 - Affordable Housing Sustainable Communities (AHSC)
 - No Place Like Home (NPLH)
 - Transit-Oriented Development (TOD)
 - Infill Infrastructure Grant (IIG)
 - Joe Serna Farmworker Housing Grant
- HUD programs, including Rental Assistance Demonstration (RAD) program, 202/811 Mixed-Finance, Section 8 Project-Based Rental Assistance, Preservation programs, and FHA mortgage insurance
- Federal Home Loan Bank Affordable Housing Program (AHP)
- McKinney Supportive Housing programs
- California Housing Finance Agency (CalHFA) programs, including Mixed-Income Program (MIP)
- State and Local CDBG and HOME programs

SAN FRANCISCO
369 Pine Street
Suite 300
San Francisco, CA 94104
Tel: (415) 433-6804

LOS ANGELES
600 Wilshire Blvd.
Suite 890
Los Angeles, CA 90017
Tel: (213) 892-8875
Fax: (213) 892-8776

SACRAMENTO
1107 9th Street
Suite 700
Sacramento, CA 95814
Tel: (916) 683-1180

SAN DIEGO
4231 Balboa Avenue
Suite 1018
San Diego, CA 92117
Tel: (858) 617-0579

SANTA BARBARA
126 E. Haley Street
Suite A17
Santa Barbara, CA 93103
Tel: (805) 914-5401

- Project-based Section 8 Vouchers and contract extensions
- Other federal, state and local funding sources

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, in jurisdictions throughout California.

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:

Tax Exempt Affordable Housing 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. Partnership staff are also experienced in CalHFA's Mixed-Income Program (MIP).

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 ground-breaking 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.

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.

Technical Assistance to Government Housing Agencies

The Partnership regularly provides technical assistance (TA) to public agencies involved in the financing and preservation of multifamily affordable homes. Recent examples of the Partnership's TA work include:

- Input into the design of Project Homekey for the state Department of Housing and Community Development;
- Development and implementation of a comprehensive affordable housing needs and strategy annual report for the County of Los Angeles;
- Participation in the Committee to Save the Bay (CASA) process that resulted in a comprehensive set of "three Ps" proposals that helped to frame the Legislature's work in 2018 and 2019;
- Participation in the Oakland Mayor's Housing Cabinet with a lead role in assessing displacement risks to various low-income populations and developing strategies to address these risks, as described in the final report;
- A detailed assessment of the displacement risk for the Metropolitan Planning Commission in key Bay Area transit locations and developing recommended policy strategies;
- An innovative model for the City of Los Angeles Housing and Community Investment Department to preserve the affordability of older tax-exempt-bond-financed properties with expiring regulatory agreements;
- Assistance to various state funding agencies to evaluate the at-risk status of applicants for competitive financing programs wishing to preserve federally subsidized housing;
- Development and implementation of a comprehensive financing plan for the City of San Francisco to use the federal Rental Assistance Demonstration (RAD) program to revitalize the City's older public housing; and
- Training and technical assistance on affordable housing preservation issues and techniques for the City of San José.

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.

Preservation of At-Risk Subsidized Rental Apartments

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.

The California Housing Partnership has been providing preservation technical assistance continuously since 2001. This technical assistance includes risk assessments and feasibility reviews of at-risk properties throughout the state as well as providing local public agency support related to preservation of at-risk housing. The California Housing Partnership's work related to risk assessment includes the following:

- Regularly review the at-risk notice information pursuant to Government Code 65863.10-13.
- Regularly update the California Housing Partnership's at-risk database using the latest HUD, TCAC, HCD, CalHFA, and USDA data.
- Regularly improve the data analysis and risk assessment functions of the database.
- Provide at-risk housing data and advice to local governments updating the at-risk data in their housing elements.
- Assist various state funding agencies in evaluating the at-risk status of applicants for competitive financing programs wishing to preserve federally subsidized housing.
- Investigate the status of potential at-risk properties throughout California through direct outreach to owners.
- Provide feasibility review for preservation of affordability for at-risk properties and work to find preservation purchasers for these properties.
- Match nonprofit buyers with willing sellers and helped nonprofit housing organizations preserve California's precious supply of affordable rental homes for low income families.

Research and Policy Advocacy

The California Housing Partnership leads and coordinates housing advocacy efforts to increase funding for sustainability and housing production programs that create and preserve more low-income housing in the state. We are in a unique position to facilitate knowledge sharing across housing networks at the state and regional levels, and our online data tools facilitate the research and advocacy of public servants and mission-driven organizations statewide. The Partnership maintains a comprehensive database of federally and state-assisted affordable rental housing developments in California and uses this information to assist nonprofit and local government agencies to develop plans for preserving properties that are severely at risk of losing their rent restrictions. Additionally, we provide independent program support, analysis and

evaluation, as well as other forms of technical research assistance to public entities, advocacy groups, nonprofit organizations, foundations, academic institutions and other organizational partners.

Preservation Clearinghouse

The California Housing Partnership runs a statewide Affordable Housing Preservation Clearinghouse and manages the most comprehensive database of at-risk properties in California. The database includes data on all affordable housing properties funded through a range of federal and state programs including HUD grants, subsidized loans, and project-based rental assistance programs, LIHTC, HCD and CalHFA loan and grant programs, and USDA loan and rental assistance funds. The database provides analysis of risk of conversion to market rate for HUD properties and has recently been improved to estimate regulatory restriction expiration for LIHTC. The Partnership has recently made significant improvements to its database including property matching across datasets for different funding programs, allowing more accurate inventories of affordable housing supply and improved risk assessments. 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.

Housing Policy Advocacy

The California Housing Partnership serves as an information clearinghouse on federal and state affordable housing finance policy. The California Housing Partnership is active in the National Preservation Working Group, as well as other federal and state policy organizations. Previous activity includes efforts to enable the project-basing of Section 8 vouchers, participation on an advisory committee to the U.S. Senate Banking Committee regarding Section 8 portfolio restructuring, membership in HUD's "Mark-to-Market" working group, as well as participation in other federal and state housing task forces. Amidst COVID-19, we are proactively working with coalition partners, legislators and the Governor's Office on housing policy and finance-related pandemic response measures to support low-income renters and affordable housing providers.

Housing Needs Assessments

The California Housing Partnership performs extensive research on affordable housing and renters across the state to help define communities' affordable housing needs, identify solutions and build political will to support state and local-level efforts to increase public investments in affordable housing and affirmatively further fair housing. In 2018-19, the California Housing Partnership co-published reports that measured rising housing costs and re-segregation in regions of the Bay Area. In 2020, the Partnership developed reports on housing needs for the state and all 58 counties and launched an online dashboard for statewide tracking of housing need metrics and key indicators – the Housing Needs Dashboard (chpc.net/housingneeds).