HOUSING
TRUST FUND
VENTURA COUNTY
Everyone deserves a home

Revolving Loan Fund Program Guidelines

(LHTF State Matching Program)

Housing Trust Fund Ventura County

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Program Guidelines

Introduction & Background

Mission

The mission of the Housing Trust Fund Ventura County (HTFVC) is *to support more housing choices, by generating and leveraging financial resources, working in partnership with the public, private, and nonprofit sectors throughout Ventura County.* The HTFVC provides a regional solution to the insufficient supply of housing that is affordable to local workers and residents throughout Ventura County – facilitating a fundamental building block of healthy communities.

By creating innovative partnerships and new sources of private and public revenue, the HTFVC will help to expand the supply of affordable housing for extremely low-to-moderate-income residents of Ventura County. The HTFVC supports housing developments that enhance the quality of life and preserve the long-term affordability of housing as a community resource.

History

High housing costs in Ventura County affect families and individuals across a broad range of income and socio-economic levels. A housing trust fund is a tool for enhancing the affordability of housing by attracting and leveraging public and private funding sources for the creation of new housing opportunities. The concept of a Housing Trust Fund for Ventura County was introduced at the First Annual Ventura County Housing Conference in 2001, as one of the *tools* in the *toolbox* of potential solutions to the deficiency of housing that is affordable to Ventura County residents.

At a subsequent Conference, Housing Opportunities Made Easier (HOME) invited Mary Brooks, a national housing trust fund expert, to lead a workshop. Once again, the response was overwhelmingly clear: housing professionals and advocates desired a housing trust fund to help create affordable housing in Ventura County. HOME proceeded with a detailed feasibility analysis. The results indicated that a countywide housing trust fund was possible and desirable. At the 2008 HOME Housing Conference, Ventura County asked HOME to create the Housing Trust Fund Subcommittee as a special initiative of HOME, a 501(c)(3) nonprofit corporation. In 2011, the Ventura County Housing Trust Fund separated from HOME, after receiving its own 501(c)(3) nonprofit status.

When California voters passed Proposition 1C, creating The Housing and Emergency Shelter Trust Fund of 2006, VCHTF applied for matching funds under the *New Local Housing Trust Fund Program* of Proposition 1C and in 2012 was awarded a $2,000,000 grant from the California Department of Housing & Community Development. These funds were fully matched with contributions local cities, County of Ventura, businesses and financial institutions, community and nonprofit organizations, and individuals. By 2018 all ten cities had contributed to the Revolving Loan Fund at a minimum $50,000.

With its first loan in 2013 VCHTF launched its *Revolving Loan Fund* to provide below-market interest rate gap, predevelopment, and construction loans, to qualified Applicants of affordable housing developments.

In 2016 VCHTF was designated as a CDFI (Community Development Financial Institution) under the California COIN program (California Organized Investment Network). In 2018, VCHTF was designated as a federal CDFI under the U.S. Department of Treasury.

Today

In August 2019, the organization's name was changed to Housing Trust Fund Ventura County (HTFVC) and included a new logo. With the passage of Proposition 1 (the Veterans and Affordable Housing Act) in 2018,

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HTFVC is poised to grow its Revolving Loan Fund to $50MM. Under this program, the California Department of Housing and Community Development (State HCD) will match dollar-for-dollar all funds raised and loaned on eligible projects up to $25 million over five years.

From the first loan in 2013 to today, HTFVC has loaned over $10 million to create 720 affordable housing units. These homes include rental apartments as well as single-family for-sale homes.

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Many Mansions

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About the Revolving Loan Fund

Program Purpose

Established in collaboration with community lenders, private foundations, and the local jurisdictions, the HTFVC *Revolving Loan Fund* is designed to provide bridge/gap financing, predevelopment and construction loans to support new housing developments which expand Ventura County's affordable housing stock. Loan funds are used to support the production and acquisition/rehabilitation of affordable housing developments by experienced public, non-profit, or private developers. Loans are structured as short-term, below-market loans that are repaid from construction or permanent financing and revolve back into the Fund. Additionally, grants maybe available in the future for the production of extremely low income units.

Developments funded by the *Revolving Loan Fund* provide needed housing for low and moderate income individuals and families, with priority for veterans, persons experiencing homelessness, transitional-age foster youth, farm workers and their families, and those with extremely low income. In evaluating applications, projects serving these targeted populations will receive priority in fund allocation.

Eligible Housing Type and Tenure

Housing types may include, among others:

- new construction of affordable rental housing and conversion of non-residential buildings to housing
- acquisition and rehabilitation of existing market-rate residential units into affordable units
- single family residential and condominium developments for first time homebuyers
- SRO (single-occupancy room) developments
- affordable residential portion of mixed-use developments
- group homes, transitional housing with support services, and assisted living developments
- co-housing and self-help housing developments

Housing tenure may be rental or ownership, including cooperative ownership.

Use of Funds[1]

Funds will be used to make short-term loans up to a maximum of 72 months for the development of new affordable housing and rehabilitation and/or conversion of existing units throughout Ventura County. All assisted units must be structured with long-term affordability provisions for a minimum length of 30 years.

Eligible uses include:

- Bridge loans
- Acquisition of property and rehabilitation expenses for the conversion of market-rate homes or non-residential property to affordable residential homes.
- Construction and Development expenses (site preparation, materials).
- Land Acquisition – HTFVC will consider short term land acquisitions (maximum five years). Land acquisition loans are expected to be re-paid through a consolidated construction loan or through long-term permanent financing.

[1] Applicants should be aware that the *Revolving Loan Fund* selection criteria are subject to change as the Fund develops.

Loans will not be made for agency operating expenses, social services, or development reserves.

Qualified Applicants

Eligible borrowers (Sponsors) include qualified nonprofits, private sector developers, public agencies, social service agencies, faith-based & other community groups, and partnerships between a private sector developer & qualified 501(c)(3), where the exempt purposes of the development are protected through legal agreements.

The HTFVC may also fund developments sponsored solely by private developers provided that:

1. Loans to developments will only assist units within a development that serve residents meeting the affordable income requirements,
2. Loans are not available from conventional sources to provide the needed financial assistance and the HTFVC loan does not compete with conventional lenders; and,
3. The long-term affordability of the assisted housing is maintained through executed legal contracts, deed restrictions, covenants, and/or certifications.

Affordability Requirements

Eligible developments must serve households that meet federal income level definitions for housing affordability, with incomes (adjusted for household size) between:

- 0-30% of the County Area Median Income (AMI) - extremely low-income
- 31-50% - very low-income households
- 50-80% - low-income households
- 80-120% - moderate-income households

To be funded by the HTFVC, the proposal must contain affordable housing units within the development. **The HTFVC will give priority to developments with a higher percentage of affordable units, or which better serve the need of the targeted clientele and may assist developments in achieving a greater degree of affordability**. The HTFVC assistance will apply only to the affordable units serving a **restricted** class within each development.

Developments must be structured so that their affordability is maintained for the longest feasible period, with the minimum standard being 30 years. Longer periods of affordability between 45-55 years are encouraged. When using State or Federal funding sources that require 55-year affordability, or other compliance requirements, HTFVC loans will adhere to this affordability standard. Applicants must agree to execute a Regulatory Agreement restricting the affordability of the development for the applicable period of time.

Funding Availability

HTFVC continuously seeks additional capital for the *Revolving Loan Fund* from public and private sources. As of January 2015, HTFVC moved to an open funding process. Applicants can apply anytime during the year and if funds are available applications will go through the underwriting progress.

Selection Criteria[2]:

[2] A cash-flow projection shall be requested for rental developments.

Funding Priorities

Funding decisions will be made based on evaluations of developments, funding streams, and committed permanent source of takeout financing. Generally, eligible developments that meet threshold requirements will receive equal funding consideration and priority. The overriding priority for selection shall be development quality and value. However, funding decisions by HTFVC and priority may take into account:

- Geographic dispersion,
- Developments with a higher percentage of affordable units for veterans, homeless, extremely low-income individuals and families, transitional-aged foster youth, and farm workers, or which better serve the needs of these clientele, based on location, adjunct services, etc.,
- Development readiness,
- Proposed accelerated loan repayment, to enable Fund monies to quickly return to the market.

Geographic Area to Be Served

The HTFVC *Revolving Loan Fund* is restricted to assisting developments located within Ventura County, and it is the intention of the HTFVC to encourage developments across the entire County. Funds acquired through the State's various funding sources may only be awarded to developments within jurisdictions which have an adopted housing element deemed in compliance by the State at the time of development application.

In the event that two or more competing developments from separate participating jurisdictions have overall equal point totals, the award shall be made to the development in the participating jurisdiction which had not previously been awarded a development. Further, in the event that all participating jurisdictions have previously received at least one development award, the award shall be given to the jurisdiction experiencing the longest time period between awards.

Application Process

Applicants interested in receiving funding from the HTFVC *Revolving Loan Fund* must follow the application process outlined below. All development applications will be screened and reviewed based on the Program eligibility requirements and priorities established by the HTFVC Board of Directors and HTFVC Underwriting Committee. The HTFVC Underwriting Committee will make preliminary loan decisions, underwriting determinations and forward a formal recommendation to the Board of Directors. HTFVC's Board of Directors will make the final funding decision. HTFVC staff is available at (805) 407-2455 or email: Linda@HousingTrustFundVC.org to answer questions and clarify development and sponsor eligibility requirements, funding standards and development evaluation criteria.

Initial Development Review

1. Applicants should first contact HTFVC to discuss the eligibility of the development for loan funding, the development need, and the current availability of funding.
2. If the request is fairly typical of previously funded HTFVC loans, meets the program requirements, and adequate funds are available, the applicant will be invited to submit a Full Application. Invitation will be documented via written correspondence (hard copy or email) from HTFVC. If a Full Application is not received in 30 days applicant must reaffirm eligibility and availability of funds.

Development Application

Upon invitation, applicants can submit a Full Application along with documents and analysis required for loan underwriting. A digital version of the full application must be provided to HTFVC. Loans being matched under Prop 1 LHTF Match will not pay an application fee. The formal loan application is available on-line for completion. A completed loan application will include some or all of the documents in the Full Application Check list. (See Exhibit A)

Underwriting

The application will be reviewed by an independent evaluator. The Underwriting Committee will review the application and the independent underwriter's evaluation and recommend to the HTFVC Board of Directors to approve or decline the loan application. Loans being matched under Prop 1 LHTF Match will not pay an underwriting fee. Provided all information is submitted, the Board of Directors can make a final decision in 60 days. If the loan is approved, a funding commitment letter will be issued, and funds will be reserved for the development.

Closing and Funding

Following loan approval, loan documentation will be completed. Applicant will be notified of date and location to obtain requisite signatures. A loan origination fee of 1% of the total loan amount will be due at this time. Loan closing and funding disbursement procedures will vary depending on the type of loan (e.g., acquisition, construction, gap). Normally, loan fund dispersal shall occur in one lump payment. HTFVC will consider up to three incremental payments if requested; this should be noted in the loan application.

Eligibility

Sponsor Eligibility: Current nonprofit 501(c)(3) agency or public agency status; or private developer; or a nonprofit/private partnership legal or ownership structure of the entity.

Site Control: Demonstration of site control through an option or purchase agreement, deed of trust or similar legal instrument. (The HTFVC recognizes issues of timeliness involved in land transactions and is willing to work with applicants to evaluate the feasibility of *Revolving Loan Fund* financing.) For acquisition/rehab developments proof of site control must be demonstrated prior to award of HTFVC funding.

Land Use: Ability of the Sponsor to develop the development under current local land use regulations.

Funding Sources: Demonstration of committed or proposed funding sources for the development (local, state, or federal government, private lenders or philanthropic).

Local Support: Demonstration of local support for the development (such as other funding or a letter from the jurisdiction stating that the development is in compliance with their consolidated plan).

Development Affordability and Targeted Incomes: Number of units and percentage affordable; targeted income levels for extremely low, very low, low, and moderate-income households.

Term of Affordability: Commitment to maintaining the affordability of the development for a minimum of 30 years. Developments with longer affordability requirements of 45-55 years are encouraged.

Development Capacity: Indication of the capacity and ability of the development Sponsor and proposed Development Team to complete the development, including payoff financing, in a timely manner.

Proposed Ownership and Management Structure: Ability of the Sponsor/ownership entity to manage the asset and maintain development affordability over time.

Completion of Development Due Diligence: Completion of development due diligence materials, as appropriate for the development stage, including but not limited to:

- Preliminary Title Report
- Appraisal
- Phase I Environmental Report
- Identification of barriers to development (e.g., required relocation assistance, environmental issues, etc.)
- Preliminary development estimate and proposed sources of funding
- Unusual site conditions

* Updated reports may be required.

Loan Terms

The following general HTFVC program loan terms are currently effective but may be subject to change, depending upon funding availability, the requirements of participating lenders, and unique loan needs.

In general, the terms for HTFVC *Revolving Loan Fund* loans are outlined below. The HTFVC Underwriting Committee, in consultation with its participating lenders, may at its discretion consider any exceptions or refinements to the loan terms.

Maximum Loan Amount[3]:
Loan amounts for bridge, construction, and acquisition/rehabilitation will be determined by development need, the availability of funding and requirements of participating lenders. The minimum loan amount is $250,000. For acquisition loans the maximum is $4M and $4M for construction and acquisition/rehabilitation. No one loan, or the total of all loans to a single project, will exceed $4 million dollars.

Use of Loan Proceeds:
- Construction loans: Only construction-related costs such as site preparation, materials, labor, hard costs, etc.
- Acquisition/rehabilitation: Only related costs such as property acquisition, permits, materials and hard costs, etc.
- Bridge/Gap: Only as specified in loan application.
- Land Acquisition (limited opportunity): Short-term funding of land acquisition expenses as part of a new affordable housing development; to be repaid with a construction loan or permanent financing.

Loan to Value Ratio:
The HTFVC loan, in combination with other funding sources, generally does not exceed 100% of appraised value.

[3] Funding limits may be periodically revised based on the availability of loan funds.

Debt coverage:

The first year Debt Service Coverage Ratio shall not be:

(1) less than 1.10:1 or

(2) greater than 1.20:1, except where a higher first-year ratio is necessary to:

(A) project first-year cash flow after debt service and required reserve deposits equal to or less than 12 percent of operating expenses;

(B) meet the requirements of subsection (i);

(C) meet CalHFA's standard underwriting requirements or those of a direct federal lending program; or

(D) project a positive cash flow over 20 years, using the assumptions specified in subsection.

The Project must demonstrate a positive cash flow for 15 years, using income and expenses increase rate assumptions specified in California Code of Regulations, Title 4, Section 10327. If projected Project income includes rental assistance or operating subsidy payments under a renewable contract, HTFVC and/or State HCD may assume that this contract will be renewed, where the renewal of the rental assistance or operating subsidy is likely.

Projecting Operating Costs:

In analyzing Project feasibility, HTFVC and/or State HCD shall, at a minimum, utilize the following assumptions and criteria:

- Total Operating Expenses (not including property taxes or the approved costs of on-site service coordination) shall not be less than those specifically listed in California Code of Regulations, Title 4, Section 10327 as minimum Operating Expenses (without the reduction allowed by those regulations for bond-financed projects). The State HCD may project higher Operating Expenses where warranted by the experience of comparable properties and particular building characteristics, such as the nature of the tenant population or the level of rehabilitation. Prior to loan closing, the State HCD may approve total Operating Expenses that are less than those specified in Section 10327, supra, only if the Project has an extraordinary design feature, such as its own electrical generation system, which results in a quantifiable operating cost savings as documented by a qualified third party.

- All Operating Expenses, including property management fees, shall be within the normal market range, as periodically determined by the State HCD in surveys or based on costs observed in its portfolio.

Operating Reserves:

The Sponsor shall establish an operating reserve for the purpose of defraying operating shortfalls resulting from approved Operating Expenses exceeding Operating Income beyond the rent-up period.

a) Withdrawals from the operating reserve shall require prior written approval of the HTFVC & State HCD. Should HTFVC or State HCD fail to take action on a request for an eligible withdrawal from the operating reserve within 30 days from documented receipt of the request, that request shall be deemed approved.

b) The initial deposit to the operating reserve shall be funded from development funding sources in an amount determined by HTFVC and/or State HCD, which shall be not less than the total of the following: 4 months of projected Operating Expenses (excluding the cost of on-site Supportive Services coordination), 4 months of required replacement reserve deposits, and 4 months of non-contingent debt service. For projects with tax credits, the requirement shall be 3 months of these items. In setting the initial funding requirement, HTFVC and/or the State HCD shall consider factors including, but not limited to the projected level of Project cash flow, the adequacy of the operating budget, Project location, local market characteristics, the number of sites, and Project design.

c) Sponsor shall fully replace any withdrawals from the Operating Reserve, up to the minimum initial deposit amount specified in subsection (b) above, as may be modified in accordance with subsection (d) or (e) below, using available cash flow prior to use of any cash flow to pay deferred Developer Fee, partnership management or similar fees, or Distributions.

d) In the absence of some extraordinary occurrences, such as litigation affecting the project or construction defects, and upon occurrence of both of the following events, HTFVC and/or State HCD shall reduce the required minimum balance: (i) operation at a debt service coverage ratio of 1.15 or greater for 5 years; and (ii) operation at an Operating Expense coverage ratio of 1.08, where Operating Expense ratio is defined to equal effective gross income, less required replacement reserve deposits and non-contingent debt service, divided by total Operating Expenses, not including the approved cost of Supportive Services coordination.

e) The State HCD may agree with other financing sources to allocate authority regarding amounts deposited into or withdrawn from the Operating Reserve, where the State HCD determines that such arrangement would not jeopardize the fiscal integrity of the Project and the minimum reserve requirements would be maintained. For Projects subject to direct federal loan or grant programs, including the Native American Housing Assistance and Self Determination Act programs, or receiving a permanent loan from CalHFA, the State HCD may also defer to the operating reserve requirements of these agencies during the time such projects are regulated by a federal agency or CalHFA, and not require deposits in the amounts specified in subsection (b).

f) Where all Project development funding sources are legally precluded from using their funds to capitalize the operating reserve as required by subsection (b), the Sponsor may fund this account out of Operating Income, provided that cash flow is sufficient to reasonably ensure that the required balance can be accumulated within six years of initial occupancy.

g) In no event shall this reserve balance be used to fund limited partner exit costs, except for amounts in excess of the reserve balance required by the State HCD.

Note: Authority cited: Sections 50406(n), 50517.5(a)(1), 50517.5(a)(3), 50675.1(d), 50675.11, 50896.1(a) and 50896.3(b), Health and Safety Code. Reference: Sections 50517.5, 50675.5(b)(8) and 50896.1(a), Health and Safety Code.

Replacement Reserves:

The Sponsor shall establish a replacement reserve to repair or replace failed or damaged capital items and to cover extraordinary maintenance expenses, as approved by HTFVC and/or State HCD. Extraordinary maintenance expenses are expenses for infrequent major repairs and replacements of building components too costly to be absorbed by the Project's annual operating budget. In no event shall this reserve be used to fund limited partner exit costs.

(a) Withdrawals from the replacement reserve shall require prior written approval of HTFVC and/or State HCD. Should HTFVC and/or State HCD fail to take action on a request for an eligible withdrawal from the replacement reserve within 30 days of documented receipt of the request, that request shall be deemed approved.

(b) The replacement reserve shall be funded from Operating Income, development sources or a combination of Operating Income and development sources.

(1) For new construction or conversion Projects, the initial amount of annual deposits to the replacement reserve account shall be equal to at least the lesser of 0.6% of estimated construction costs associated with structures in the Project, excluding construction contingency and general contractor profit, overhead and general requirements, or $500 per unit. However, HTFVC and/or State HCD may approve a different amount based on the results of a third-party reserve analysis, which it may require, or other reliable indicators of the need for replacement reserve funds over the initial 20 years of operation, or, in the case of transactions involving restructuring of existing State HCD loans, 20 years of operations after the restructuring.

(2) For rehabilitation Projects, the initial amount of annual deposits to the replacement reserve account shall be determined by the HTFVC and/or State HCD based on the results of a third-party physical needs assessment or other reliable indicators of the need for replacement reserve funds over the initial 20 years of operation. In its initial underwriting, in the absence of an approved physical needs assessment or other reliable indicators of the need for replacement reserve funds, HTFVC and/or State HCD may assume that the initial amount of annual deposits shall be $500 per unit.

(3) HTFVC and/or State HCD may periodically adjust the amount of required deposits to the replacement reserve for a particular Project based on the results of reserve analysis or other reliable indicators of the need for replacement reserve funds over time.

(4) HTFVC and/or State HCD may agree with other financing sources to allocate authority regarding amounts deposited into or withdrawn from the replacement reserve, where HTFVC and/or State HCD determines that such arrangement would not jeopardize the fiscal integrity of the Project and the minimum reserve requirements would be maintained. For Projects subject to direct federal loan or grant programs, including Native American Housing Assistance and Self Determination Act programs, or receiving a permanent loan from CalHFA, HTFVC and/or State HCD may also defer to the replacement reserve requirements of these agencies during the time such projects are regulated by a federal agency or CalHFA.

(5) If HTFVC and/or State HCD requires a reserve analysis because State HCD determines the reserve is inadequate due to annual replacement costs exceeding or being reasonably likely to exceed the amounts deposited to the reserve, or due to a request by the Sponsor to adjust the required reserve amount, the analysis must result in a due diligence report that examines the current physical conditions at property(ies), specifies repairs or replacements needed immediately, and budgets for the long-term

capital repair and replacement needs during the life of an asset, such as the results of using the Capital Needs Assessment eTool, developed by the U.S. Department of Housing and Urban Development.

Note: Authority cited: Sections 50406(n), 50517.5(a)(1), 50517.5(a)(3), 50675.1(d), 50675.11, 50896.1(a) and 50896.3(b), Health and Safety Code. Reference: Sections 50517.5(d)(1), 50675.5(b)(8) and 50896.1(a), Health and Safety Code.

Term:
Construction, gap/bridge, acquisition/rehabilitation, and land acquisition loans: Generally, up to 42 months, but HTFVC may consider a longer term depending upon funding needs, not to exceed five years.

Interest Rate:
Rate will be set at time of submittal of the application[4] not to exceed 3%.

Repayment:
A take-out source must be identified and, in most cases, committed. Under some cases the HTFVC may rely on a guarantee from an entity that can demonstrate significant financial strength in lieu of a committed take-out source. Repayment is at permanent financing unless specifically agreed to otherwise.

Collateral/Security:
Deed of Trust, secured by real property, or other security as approved by the HTFVC Underwriting Committee. The HTFVC may consider a loan guaranty from an entity that can demonstrate significant financial strength. HTFVC will consider subordinating its lien position to other lenders.

Debt Service Coverage Ratio:
"Debt Service Coverage Ratio" means the ratio of (1) Operating Income less the sum of Operating Expenses and required reserves to (2) debt service payments, excluding voluntary prepayments and non-mandatory debt service. In calculating Debt Service Coverage Ratio, HTFVC and/or State HCD may include all Operating Income and may exclude Operating Income that cannot be reasonably underwritten by lenders making amortized loans or that is approved by State HCD to be deposited into a reserve account to defray projected operating deficits.

Operating Expenses:
"Operating Expenses" means the amount approved by HFTVC and/or State HCD that is necessary to pay for the recurring expenses of the Project, such as utilizes, maintenance, management, taxes, licenses, and Supportive Services Costs, but not including debt service or required reserve account deposits.

Fees:
Fees are waived under the State LHTF Matching Programs with the exception of the loan origination fee. A loan origination fee of 1% of the loan amount will be charged for all loans at closing. The applicant will also pay any out-of-pocket expenses and legal costs associated with the loan, if incurred [5].

[4] HTFVC receives funding from private banks and lenders and the cost of these funds vary. Applicants should contact HTFVC to ascertain current funding availability and interest rates.

Loan Payments:
Loans generally will have monthly payments of interest only with principal due at maturity. Principal plus interest payment may be required in limited situations depending on loan type, terms, and funding source. No prepayment penalty will apply on any loan. A 5% penalty of loan payment amount will be incurred if loan payment is more than 10-days late.

Guarantors:
In some instances, the HTFVC may require loan guarantees provided by an acceptable third party.

Regulatory Agreement:
All developments receiving HTFVC funding derived from State or Federal sources must have a regulatory agreement recorded against the title to ensure the affordability of assisted units and occupancy by income-eligible households for the required minimum.

Loan Documents:
HTFVC loans will require an executed Promissory Note, Loan Agreement, Deed of Trust, Affordable Regulatory Agreement, and other documents appropriate to the transaction.

Documentation & Conditions:
The applicant must provide the HTFVC and participating lenders with any other documents, records and information needed and requested in order to determine whether or not to approve the loan request. The applicant will provide the HTFVC with all appropriate development cost estimates, contracts, income/expense budgets, and financial statements as required by the HTFVC. HTFVC's underwriting guidelines and loan policies are consistent with the current California Tax Credit Allocation Committee Regulations Implementing the Federal and State Low Income Housing Tax Credit Laws, California Code of Regulations, Title 4, Division 17, Chapter 1, Section 10327 Financial Feasibility and Determination of Credit Amounts (7) A & B.

Documentation During Life of Loan:
Applicant is required to provide HTFVC at each annual anniversary of the loan with: documentation set forth in the Loan Agreement. Default previsions may apply for noncompliance.

Equal Housing Opportunity:
All developments receiving HTFVC funding from governmental revenue sources must comply with applicable Equal Housing Opportunity laws.

Prevailing Wages and State or Federal Laws:
Prevailing wages may apply depending on funding sources.

[5] Examples of other out-of-pocket expenses may include escrow settlement fees, title recording fees, lender endorsement fees, etc., as appropriate for the development. The applicant is also responsible for any legal fees that may be incurred due to negotiations on the loan documents.