



CALIFORNIA HOUSING PARTNERSHIP CORPORATION

QUALIFICATIONS

The mission of the California Housing Partnership Corporation (CHPC) is to assist nonprofit and government housing agencies to create and preserve affordable homes for lower-income households, while providing leadership on housing preservation policy and funding. CHPC was created 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. CHPC is recognized nationally as a leader in preserving at-risk subsidized apartments and in the financial structuring of Low Income Housing Tax Credit and bond transactions. CHPC's focus is on improving the housing choices of California households earning less than 50% of the area median income, especially those earning less than 30%. CHPC's areas of expertise include:

Affordable Housing Finance and Supportive Housing Multifamily Financial Consulting and Syndication of Low-Income Housing Tax Credits

CHPC has provided financial consulting services on hundreds of multifamily transactions totaling more than 25,000 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 CHPC regularly assists its clients to obtain include:

- Tax-Exempt Bonds
- 9% and 4% Low Income Housing Tax Credit
- Multifamily Housing Program (MHP)
- Transit-Oriented Development (TOD)
- Infill Infrastructure Grant Program
- Joe Serna Farmworker Housing Grant Program
- Mental Health Services Act (MHSA)
- California Housing Finance Agency (CalHFA)
- State HOME
- McKinney Supportive Housing Program
- Rural Development programs
- Project-based Section 8 Vouchers and contract extensions
- Federal Home Loan Bank AHP Program
- HUD, including 202/811 Mixed-Finance and FHA mortgage insurance, and Preservation programs
- Local CDBG, HOME and Redevelopment Agency programs
- 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.

CHPC also provides consulting services on exit strategies for projects whose Tax Credits are reaching the end of their fifteen-year compliance period. CHPC 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:

Low Income Housing Tax Credits (LIHTC)

CHPC provides assistance to its clients in structuring applications for Tax Credits. CHPC 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. CHPC also reviews the application for completeness and competitiveness prior to submission. To date, CHPC has assisted clients in obtaining and syndicating more than 100 Tax Credit allocations and has over two-dozen applications pending allocations. CHPC staff regularly communicates with the director of the state allocating agency to discuss policy and regulatory issues involving the Tax Credit program.

Tax Exempt Mortgage Revenue Bonds

CHPC 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. CHPC prepares all financial forms required for the CDLAC application. CHPC also reviews the application for completeness and competitiveness prior to submission. To date, CHPC has assisted clients in obtaining more than 50 allocations of tax-exempt bonds from CDLAC with more than a dozen more pending.

California Housing Finance Agency (CalHFA)

To date, CHPC has assisted clients in closing more than two-dozen CalHFA loans with another dozen pending. CHPC staff talk regularly with the CalHFA Multifamily Director about underwriting and policy issues and the Executive Director when necessary.

California Housing and Community Development Multifamily Housing Program (MHP)

CHPC provides assistance to its clients in preparing an application to the Multifamily Housing Program (MHP) and assessing its competitiveness. CHPC prepares all financial pages of the MHP application form and projections required for the application. CHPC also reviews the application for completeness and competitiveness in dozens of MHP awards. The CHPC President talks regularly with the Director of HCD since she is a member of the CHPC board of directors by state statute. CHPC 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 Federal Home Loan Bank's Affordable Housing Program (AHP)

CHPC is familiar with the requirements of the Affordable Housing Program since approximately 75% of the projects CHPC consults on use AHP. However, CHPC does not generally fill out the applications for its clients and limits its involvement to reviewing the financial pages of the application for consistency with

other funding applications.

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

CHPC monitors changes in HUD's policies regarding Section 8 contracts, federally subsidized mortgages and public housing. CHPC has regular communication with HUD's San Francisco and Los Angeles Hub staff as well as the Sacramento field office to discuss a range of issues, including project specific issues raised by our clients.

Mental Health Services Act (MHSA) Funds (Administered by CalHFA)

CHPC is currently leading the charge to access this relatively new and powerful state financing tool by helping clients submit six first generation applications for MHSA funds for capital costs and on-going operating support. CHPC was heavily involved as an informal advisor to both CalHFA and the Corporation for Supportive Housing in developing the program to maximize the effectiveness of this new source of financing for the state Department of Mental Health (DMH). CalHFA and the DMH ultimately underwrite these program funds, however, the first round of approvals occurs in each county's Department of Mental Health. CHPC's statewide presence and relationships with state agencies puts us in a unique position to support our partners' MHSA applications. One way that CHPC does this is by sharing information, new approaches, and precedents discovered in one area as projects obtain local approval and move to CalHFA and DMH with others across the state.

Policy & Lobbying

Housing Preservation Policy Advocacy

CHPC serves as an information clearinghouse on federal and state policy relating to the preservation of existing federally subsidized housing. CHPC maintains a comprehensive database of HUD-assisted developments in California and uses this information to assist private and local government agencies to develop plans for preserving properties that are severely at-risk of conversion and to advocate with state and federal lawmakers for additional resources. CHPC regularly provides information regarding the risk of conversion of these federally subsidized properties to local, state, and federal policy makers. CHPC 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.

Public-Private Partnerships Technical Assistance to Government Housing Agencies

CHPC regularly provides technical assistance to public agencies involved in the financing and preservation of multifamily affordable homes. Examples of CHPC's technical assistance work include: 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 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 Housing Authority of the County of Los Angeles in evaluating 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. In 2007, in recognition of the

critical situation facing many California housing authorities, CHPC expanded its nationally recognized affordable housing preservation program to help California housing authorities use cutting edge financing strategies to maximize their ability to access non- HOPE VI public and private financing resources. CHPC is currently assisting the Los Angeles, San Mateo, Sutter, Fresno, and Marin Housing Authorities with repositioning their public housing portfolios to take maximum advantage of these other non-HUD resources. CHPC is also providing technical assistance to the City of Alameda and Richmond Housing Authorities.

CHPC has also been a pioneer in the development of specialized financing techniques to help partnerships between housing authorities and developers use project-based Section 8 vouchers to leverage more than \$250 million in additional private financing. CHPC was awarded a MacArthur Grant in 2003 in recognition of its expertise and national leadership in this area.

Program Evaluation

CHPC 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 CHPC to review housing policy and assist with the implementation of programs.

Training in Affordable Housing Development and Multifamily Affordable Housing Finance

CHPC is nationally recognized as a leading trainer in multifamily affordable housing finance. Since the early 1990's, CHPC has been the lead trainer for the Local Initiatives Support Corporation (LISC) Statewide Housing Development Institute, an intensive yearlong training program for project managers. CHPC is also working closely with the Enterprise Foundation and the Corporation for Supportive Housing in developing new trainings. Other training clients have included the U.S. Department of Housing and Urban Development, the California Department of Housing and Community Development, 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 Preservation of Federally Subsidized Rental Apartments

CHPC'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. CHPC 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.

CHPC 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.