



Policy Principles

Tim Elliott

Community Housing Programs Manager
Affordable Housing Managed Pipeline
Division



Common Underwriting Guidelines (3 C's)



Capacity



Character



Collateral



Common Underwriting Guidelines (3 C's)

- **Capacity - Ability to pay the loan**
 - a) Proforma – Potential Income vs Expenses
 - b) Commitment Letters from other lenders
- **Character – demonstrate ability to handle debt**
 - a) Credit Score – Background Check
 - b) Letter from Council Office
- **Collateral – value of the property**
 - a) Site Control
 - b) Appraisal
 - c) Market Study
 - d) Relocation

Experience

- The LIHTC program requires applicants to demonstrate previous experience and therefore, the HCIDLA funding programs also require experience.

9% LIHTC	4% LIHTC	HCIDLA - HHH	HCIDLA - AHMP
Must score MAX points	Must score MIN points		
GP experience - 6 pts - 4 or more Special Needs projects in service more than 3 yrs + one CA LIHTC	GP experience - 4 pts - 3 Special Needs projects in service more than 3 yrs + one CA LIHTC	GP experience - Threshold - at least 2 special needs projects in service for more than one year	GP experience - 5 pts - 4 Special Needs projects in service more than 3 yrs + one CA LIHTC
6 pts - 5 or more projects in service more than 3 yrs of which one shall be in service more than 5 yrs and 2 projects must be CA LIHTC	4 pts - 3-4 projects in service more than 3 yrs of which one shall be in service more than 5 yrs and 2 projects must be CA LIHTC	n/a	5 pts - 5 or more projects in service more than 3 yrs of which one shall be in service more than 5 yrs and 2 projects must be CA LIHTC



Background Check – Credit Check

- Portfolio
- Occupancy
- Code
- Billings

Sample Background Check Form

XXXXX
(Proposed project)

Background Check for
Organizations Associated with

(Borrower)

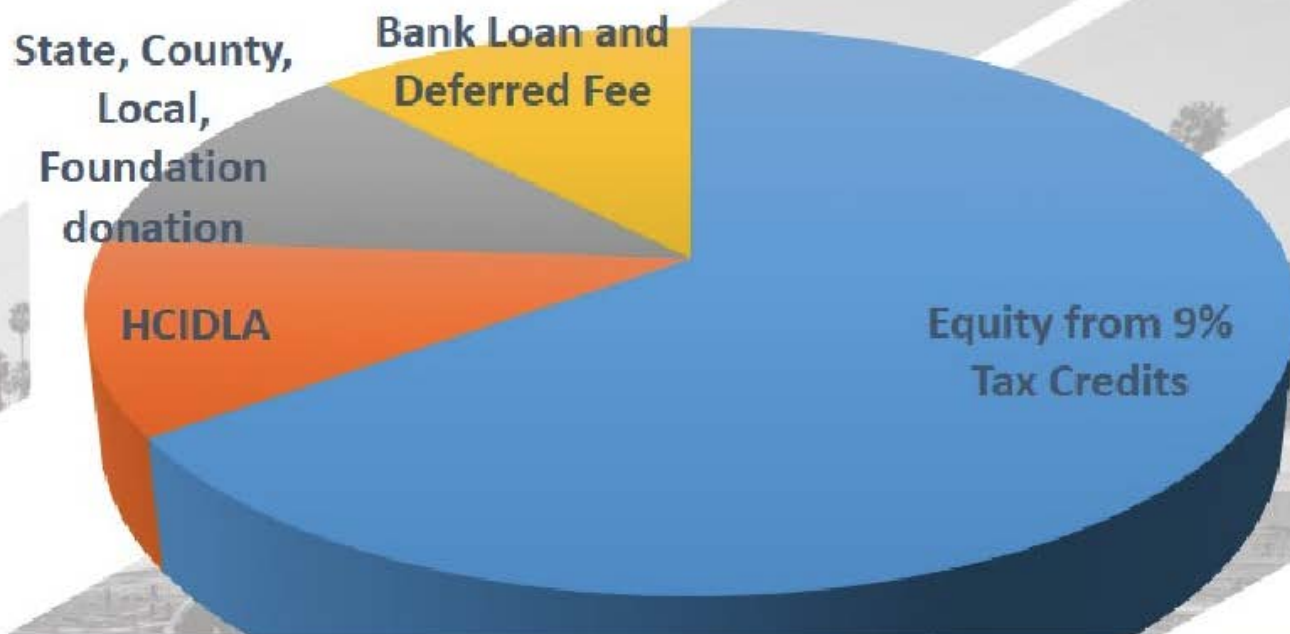
Organizational/Role in Proposed Borrower	Address	APN #	Project Name	Proj #	Loan #	Loan Amt.	Loan Type	All Fin. Stmt. Revd?	All \$ obligations paid?	Prop. Tax Compliant? (1)	Property Ins. Compliant? (2)	Liability Ins. Compliant? (2)	Comments	Recommendation	
SRO Housing Corp. (MGP)															
					990354	BA0307		\$956,742.00	RR	Yes	Yes	NA	NO	NO	Missing property and liability insurance. Submit insurance docs.
					980096	BA0190		\$534,079.00	RR	Yes	Yes	NA	NO	NO	Missing property and liability insurance. Submit insurance docs.
					070043	BA0510		\$4,160,000.00	RR	Yes	Yes	NA	NO	NO	Missing property and liability insurance. Submit insurance docs.
					060011	BA0479		\$2,035,070.00	RR	Yes	Yes	NA	NO	NO	Missing property and liability insurance. Submit insurance docs.
					010315	BA0404		\$2,019,520.00	RR	Yes	Yes	NA	NO	NO	Missing property and liability insurance. Submit insurance docs.
					070168	070168-002		\$8,773,848.00	RR	Yes	NO	NO	NO	RR loan delinquent amount of \$78.44. Missing property and liability insurance. Pay delinquent amount and submit insurance docs.	
					990069	DA0009		\$525,000.00	RR	Yes	Yes	NA	NO	NO	Missing property and liability insurance. Submit insurance docs.
					020277	BA0384		\$2,115,000.00	RR	Yes	Yes	NA	NO	NO	Missing property and liability insurance. Submit insurance docs.
					12-118785, CRA876105	12-118785-001, CRA876105-002		\$8,138,435.00	RR	Yes	NO	NA	Yes	NO	Missing liability insurance. Property insurance expires 10/31/17. RR loan delinquent loan amount of \$14,714.00. Submit insurance docs and pay/resolve delinquent amount.
					14-121647	14-121647-001		\$4,489,380.00	RR		Yes	NA	NO	Yes	Missing property insurance. Submit insurance docs.
					CRA871975	CRA871975-004		\$1,695,317.00	RR	NO	NO	NA	NO	NO	Loan matured on 12/03/15 and is due and payable of \$3,167,228. Missing 2016 FS. Missing property and liability insurance docs. Pay delinquent amount, submit FS and insurance docs.
					CRA875095	CRA875095-001		\$1,119,023.00	RR	Yes	Yes	NA	NO	NO	Missing property and liability insurance. Submit insurance docs.
					CRA885001	CRA885001-001		\$1,434,644.00	RR	Yes	Yes	NA	NO	NO	Missing property and liability insurance. Submit insurance docs.
					CRA875520	CRA875520-003		\$1,747,308.00	RR	Yes	Yes	NA	NO	NO	Missing property and liability insurance. Submit insurance docs.

Portfolio Management Unit
9/19/2017



- Other- Regulatory
 - Relocation
 - Environmental Reports
 - Arch design
 - Accessibility compliance
 - Property Management Plan
- Permanent Supportive
 - Supportive Service Plan

**FUNDING SOURCES: 9% LIHTC EQ, PERM LN, HCIDLA, STATE & OTHERS
(5-YEAR AVERAGE)**

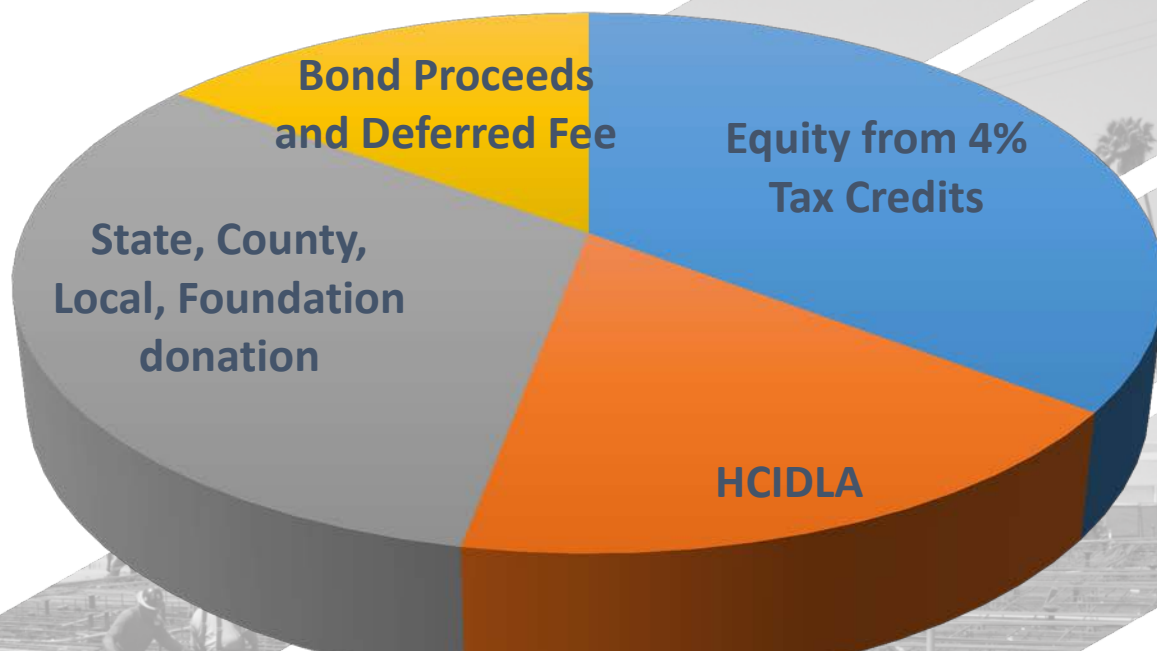


Large Family / Senior Projects (L.A. City Geographic)

9% Tax Credits + HCIDLA + Other Funds

Source	Per Unit Amount (5-Year Average)	%	50-Unit Model
Equity from 9% Tax Credits	\$293,603	65%	\$14,680,150
HCIDLA	\$49,556	11%	\$2,477,800
State, County, Local, Foundation donation	\$52,759	12%	\$2,637,950
Bank Loan and Deferred Fee	\$55,169	12%	\$2,758,450
	\$451,087	100%	\$22,554,350

FUNDING SOURCES: 4% LIHTC EQ, Bonds, HCIDLA, State and others (5-year average)

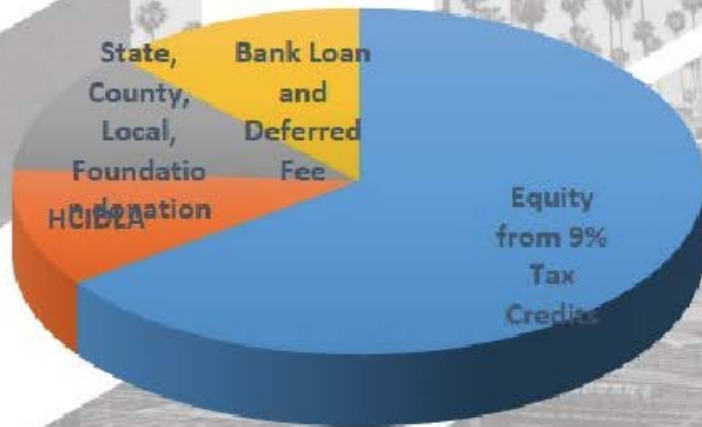


Large Family / Senior Projects (L.A. City Geographic)

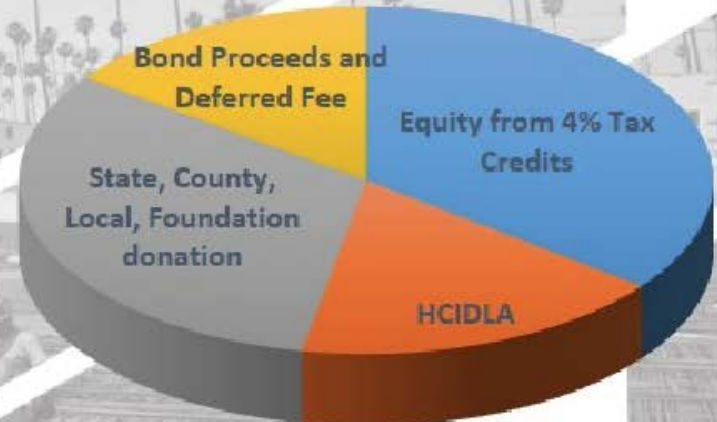
4% Tax Credits + Bonds+ HCIDLA + Other Funds

Source	Per Unit Amount (5-Year Average)	%	50-Unit Model
Equity from 4% Tax Credits	\$135,440	35%	\$6,772,000
HCIDLA	\$66,904	18%	\$3,345,200
State, County, Local, Foundation donation	\$122,768	32%	\$6,138,400
Bond Proceeds and Deferred Fee	\$57,044	15%	\$2,852,200
	\$382,156	100%	\$19,107,800

9% LIHTC EQ



4% LIHTC EQ



Sample Closing Call Distribution List

CITY OF LOS ANGELES
Multifamily Housing Revenue Bonds
Jordan Downs Phase 1B
Series 2018

DISTRIBUTION LIST
January 18, 2018

ISSUER

Los Angeles Housing and Community Investment Department (HCD/CAI) 1200 West 7th Street, 8th Floor Los Angeles, CA 90017	Bruce Ortiz bruce.ortiz@cityofla.org Francis Capron francis.capron@cityofla.org Magdalena Takayan magdalena.takayan@cityofla.org Carrey Griffith carrey.griffith@cityofla.org	Telephone: (213) 808-8958 Facsimile: (213) 808-8958 Telephone: (213) 808-8644 Facsimile: (213) 808-8958 Telephone: (213) 808-8952 Facsimile: (213) 808-8958 Telephone: Facsimile:
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Oyster, GA 30303

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Mail Code: MD4-325-03-02
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Multifamily Housing Revenue Bonds
Jordan Downs Phase 1B
Series 2018

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CITY OF LOS ANGELES
Multifamily Housing Revenue Bonds
Jordan Downs Phase 1B
Series 2018

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