

## HOST Housing Investment Term Sheet

The following term sheet is designed to provide transparent and predictable investment guidelines for the Department of Housing Stability (HOST) borrowers. Loan requests and/or projects outside of the adopted term sheet will be considered on a case-by-case basis, following HOST's guiding principles for lending and investments, as well as strategic plan and/or annual action plan goals.

	Rental Gap Financing	Acquisition/Preservation Loan		For-Sale	Grants	
	<i>HOST \$/unit for all affordable units in the building is based on # of 30% AMI units</i>	<i>HOST \$/unit for all affordable units in the building is based on # of 30% AMI units</i>		<i>At or below 80% AMI</i>		
		Land Acquisition/ Predev	NOAH MF Acquisition/ Rehab	For-Sale Developments	Supportive Services	Emergency Maintenance
Loan Type	New construction, acq/rehab	Land banking	Acq/rehab	New construction, Acq/Rehab	Grant	Grant
Maximum Loan Amount <150 units	\$3,000,000	\$3,000,000	\$3,000,000	\$5,000,000	\$2,000,000	\$250,000
Maximum Loan Amount >150 units	\$6,500,000	\$5,000,000	\$7,500,000	Case-by-Case	N/A	N/A
Loan per Unit	\$15,000/unit - \$35,000/unit	N/A	\$25,000-\$75,000/unit	\$35,000/unit	\$1,500 PUPA	N/A
Bonus for 3BR+ *	+\$15,000/unit	N/A		+\$15,000/3BR unit +\$25,000/4BR unit	N/A	
Minimum Affordability	60 years	99 years	60 years	Greater of 30 years or dependent on regulatory requirements and program	Requires 60 year covenant	
Maximum Loan Term	60 years	3 year term with up to two 1-yr extensions	The greater of 5 years or matching other senior or subordinate lenders, up to 35 years.	DOT Term	N/A	
Draw Period	2 yrs w/ 1-yr extension	2 years	2 years w/ 1 year extension	2 years w/ 1 year extension	Pro-rated over 15 years	3 Months
Minimum DSCR	1.05	1.05		NA	N/A	
Maximum LTV	95%	95%		95%	N/A	
Loan Amortization	Up to 40 years	Interest Only	Up to 35 years	N/A	N/A	

<b>Interest Rate</b>	up to 2%	up to 2%		N/A	N/A	
<b>Repayment**</b>	Required at loss of affordability or at refinancing	Balloon	Amortizing or Balloon or at refinancing or resale	Required if units are not completed and sold to income-qualified buyers within 5 years	N/A	
<b>Payment</b>	Performance, Amortizing, Cash Flow, or Balloon	Accrued interest or IO	Up to 2 year payment holiday, cash flow, deferred am	Performance or Balloon	N/A	
<b>Position</b>	Senior Covenant, Subordinate Loan maximum 3rd position	1st	1st, 2nd	First or Subordinate	N/A	
<b>Prepayment</b>	No penalty	No penalty		N/A	N/A	
<b>Recourse</b>	Non-recourse or Guarantor as needed	Recourse to the sponsor/guarantor	Recourse to the sponsor/guarantor	Non-recourse or Guarantor as needed	N/A	
<b>Reserves</b>	As required by priority lender	Interest reserve	Interest reserve or as required by priority lender	As required by priority lender	N/A	
<b>Loan Call</b>	At refinance or sale	At refinance or sale		N/A	N/A	
<b>Supportive Housing</b>	Total loan amount up to \$45,000/unit if development includes minimum of 40% of the units as supportive housing	Total loan amount up to \$45,000/unit if development includes minimum of 40% of the units as supportive housing	N/A	N/A	N/A	
<b>Special Rules</b>	HOST approval of transfer of general partnership interests, not to be unreasonably withheld	Affordability restriction running with land, if development does not proceed, city will take ownership	To qualify for loan forgiveness, underwritten proforma must show property does not cash flow with debt service	\$5,000/unit for each 5 years of additional affordability up to \$40,000 (total per unit loan amount of \$75K/unit)	Paid pro-rata annually in advance, based on annual budget submission	Must be a critical building system, health and safety, or critical accessibility upgrade.
	To qualify for loan forgiveness, underwritten proforma must show property does not cash flow with debt service. Loans may also be structured as partially repayable/partially performance on a case-by-case basis.	Subject to analysis of location priority and developability	Per unit funding amount contingent on the ratio of 30% AMI units and fund availability		Cash flow to property per the underwritten proforma is limited to \$500 PUPA, with any additional deposited into a services reserve.	Must be: a) unexpected, b) urgent, and c) unfunded by property cash flow, sponsor balance sheet, or insurance.

	<p>Per unit funding amount contingent on the projects alignment with HOST's strategic plan and City goals, including: ratio of non-supportive housing 30% AMI units, exceeding the Minimum Affordability, serving special populations, and exceeding the minimum accessibility requirements.</p>	<p>Requires covenant based on anticipated number of units to be developed or at least 51% at 80% AMI</p>	<p>Tax credit projects or acquisitions for future tax credit projects are not eligible for NOAH MF Acq/Rehab funds</p>			<p>80% of units must be at or below 80% AMI</p>	
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**Footnotes**

\*Amount is paid on new 3+ BR units only.  
 \*\* If awarded a performance loan, the loan term will match the covenant term. Performance loans have no payment requirements, and repayment is forgiven if the property remains in compliance.