

Proposed Terms of Conditional Commitment for 460 Persian Drive

Conditional commitment terms:

Awardee: MidPen Housing Corp.
Project Site: 460 Persian Drive, Sunnyvale
Project Type: 9% tax credit family/all-age rental project, 60-65 units
Funding Amount: \$5 million in Housing Mitigation funds

Deadline to satisfy conditions: Two years from date of award letter

Standard Conditions:

1. Complete environmental review processes (CEQA, possibly NEPA)
2. Obtain all entitlements and other permits required
3. Secure commitment letters for all sources of matching funds required to build the project
4. Enter into City loan and regulatory agreements in form provided by the City
5. Apply for tax credits
6. Receive tax credit award letter
7. Provide documentation of all City-required insurance policies, bonds, etc. prior to loan closing
8. Comply with applicable wage compliance provisions of any/all funders

Form of Funding:

	Bridge Loan	Permanent Loan
Principal	Up to \$5 million	Up to \$5 million (includes funds drawn on bridge loan)
Interest Rate	3% simple deferred	3% simple deferred, begins accruing at occupancy
Payment Terms	<ul style="list-style-type: none"> • Accrued interest due & payable in full at occupancy (CoO); • Outstanding principal refinanced into City permanent loan at occupancy 	Fully deferred except for residual receipts (i.e., surplus cash) payments, all principal and interest due in full at end of term
Loan Term	Maximum 2 years	Ends 55 years from project occupancy
Miscellaneous Terms	Bridge loan can close and funds can be drawn after applicant obtains entitlements for the project (estimated by December 2015)	Perm loan stays in first lien position except for construction loan and/or any permanent bank loan (i.e., will not subordinate to other soft/junior loans)
Eligible Uses	Acquisition	Construction and/or related development costs