

PROPOSED TERM SHEET
 “Eight Trees” Property
 183 Acalanes Dr., Sunnyvale, CA 94086

	Existing	Proposed
Units	24 Units: 1-bedroom: Four Units 2-bedroom: Eighteen Units 3-bedroom: Two Units	No Change
Owner / Borrower	HomeFirst SCC (HF)	MidPen Housing Corp. Affiliate (MP)
Loans	<ul style="list-style-type: none"> First Mortgage of ~\$2.1M held by private tax-exempt bond holder 4 City Loans with total outstanding balance of slightly over \$1.8 million (see Attach. 2 for details) City loan funding sources: CDBG, HOME, Housing Mitigation 	<p>Phase 1:</p> <ul style="list-style-type: none"> MP to assume all existing debt; Add new \$600K City loan for immediate repair needs and other immediate needs (subject to approval of CDD Director) <p>Phase 2 (refinancing):</p> <ul style="list-style-type: none"> Pay off 1st mortgage with new tax credit equity; Consolidate and restructure existing City debt; Seek additional City/other financing for substantial rehabilitation project
City Loan Terms	Mix of amortizing and fully deferred loans; most with interest rates at 5% simple	<p>Phase 1, post-closing:</p> <ul style="list-style-type: none"> Convert all to 3% simple deferred, residual receipts, 55-years; Combine loans of same funding source into single loan <p>Phase 2:</p> <ul style="list-style-type: none"> Consider MP additional funding request of up to \$2.4M for substantial rehab project; Coordinate with MP to facilitate tax credit application and identify other potential soft lenders
Loans Maturity Date	Ranges from 6/30/2016 to 2033	55 years

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Affordability Restrictions	Mix of Extremely Low & Very Low (ELI & VLI)	<p>Phase 1: Adjust to Low for Restructuring Period (tenant rents will not be changed): necessary to support additional financing for rehabilitation project</p> <p>Phase 2:</p> <ul style="list-style-type: none"> • New tax credit financing will include mix of ELI, VLI, and Low; • Seek award of project-based vouchers to provide deeper affordability and improve cash flow

TIMELINE

Target Date	Milestone	Parties
June 30, 2016	Close escrow / acquire property	MP, HF Lenders (City, Combs)
July - August 2016	Perform immediate repairs	MP City (lender, inspections)
August - November 2016	Apply for & receive commitment(s) of City / other financing for substantial rehabilitation project; seek voucher award	MP City, possibly other soft lenders, Housing Authority
December 2016	Receive formal commitments from lenders	MP, City, possibly other soft lenders, Housing Authority
January 2017	Apply for tax credits and tax-exempt bonds	MP, City (support)
March 2017	Receive tax credit and bond allocations	MP
July 2017	Close escrow on new financing Start rehabilitation work	MP City (lender, inspections)
April 2018	Finish rehabilitation work / complete project	MP City (lender, inspections)