

PLAN OF FINANCE

Casa Roseland Apartments
665 and 883 Sepastopol Road
Santa Rosa, California

CMFA and the Developer plan to finance the development of the Casa Roseland Apartments (the "Project") with tax-exempt Bonds and other sources including low-income housing tax credits, as follows:

<u>Source</u>	<u>Amount*</u>
Tax-Exempt Construction Loan	\$45,000,000**
Taxable Construction Loan	5,593,562
RED Housing Loan	4,200,000
County CDC Loan	3,750,000
Accrued Deferred Interest	147,990
County CFH Loan	2,079,447
Accrued Deferred Interest	82,063
County Land Takeback Loan	960,000
County CDC Loan - IIG	1,784,628
Sponsor Loan: State Earmark Passthrough	2,500,000
Impact Fee Waiver	1,020,785
Costs Deferred to Conversion	2,283,050
Deferred Developer Fee	6,090,408
GP Capital Contribution	100
LIHTC	4,884,506

* Preliminary; subject to change.

** Maximum principal amount outstanding at any time. The expected principal amount is \$35,548,000, but the amount shown includes possible supplemental debt and reissuances.

During the course of development and stabilization, CMFA and the Developer anticipate, based on years of prior experience in the development of affordable rental housing projects, that the Project may require minor modifications to the Bonds and/or supplemental construction debt to complete the project and obtain a permanent mortgage. Examples of minor modifications include extensions of the construction financing or more advantageous permanent mortgage terms. Examples of supplemental construction debt include debt to fund unexpected increases to total development cost. Accordingly, the plan of finance includes, when necessary to address such unanticipated scenarios, reissuance (replacement) of the existing tax-exempt Bonds or issuance of supplemental tax-exempt Bonds, but in no event will the total of tax-exempt Bonds outstanding at any one time exceed \$45,000,000. If Council will not grant a plan of finance approval for this Project, for each Bond modification or supplemental Bond issuance, the City will be required to conduct a new publicly-noticed TEFRA hearing and adopt a new City Council approving resolution for this Project, perhaps multiple times over the course of development, at a

delay of approximately two to three months each time, and such delays could add significant expense to the Project if not render the Project infeasible.

An approval of the plan of finance does not cause the City to be liable in any way for the repayment of the Bonds or the development cost of the Project.