From: Mario Washington <mwashington@communitycorp.org>
Sent: Monday, May 23, 2022 2:26 PM
To: Blumenfeld, Sol <sol.blumenfeld@culvercity.org>
Cc: Jesus Hernandez <jhernandez@communitycorp.org>
Subject: Updated 4464 Sepulveda Blvd. Commitment Letter

Hello Sol,

My name is Mario Washington and I am the Project Manager for the 4464 Sepulveda Boulevard development project. This is a request to update the current construction and permanent loan commitment letter for the subject property.

A few changes have been made to the unit count and unit mix to make a note of. The July 22, 2021 letter has 75 residential units (including one or more manager's units) that are affordable, very low- and low-income units. This has now been increased to increased to 95 units with two manager's units.

Community Corp. is planning on applying to HCD's Super NOFA round, which will include MHP and IIG funding that is due on June 28, 2022 and I am requesting to have the updated letter sent back to me by May 31st, 2022. Please see the fully executed letter attached for ease of reference.

Please let me know if you have any questions or concerns. I can be reached on my cell at 504-669-4858 or by email at mwashington@communitycorp.org.

Best,

Mario

Mario Washington
Project Manager
Community Corporation of Santa Monica
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T. 310.394.8487 x136
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Community Corp.
of SANTA MONICA

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From: Mario Washington <mwashington@communitycorp.org>
Sent: Monday, June 6, 2022 10:08 AM
To: Blumenfeld, Sol <sol.blumenfeld@culvercity.org>
Cc: Baker, Heather <heather.baker@culvercity.org>; Tara Barauskas <tbarauskas@communitycorp.org>; Todd C. Mooney <tmooney@kbblaw.com>
Subject: Re: [EXTERNAL] RE: Updated 4464 Sepulveda Blvd. Commitment Letter

Sol,

We respectfully request modification of the Culver City Housing Authority Construction and Perm Loan Commitment letter item 9 to include a General Partner Equity Contribution component for Developer Fee in excess of $2,500,000. The purpose of the GP Equity Contribution is to reduce a project's reliance on other, competitive project capital, by leveraging non-cash costs to generate more basis on which LIHTC can be raised.

For projects like Culver Palms UMC with a 4% LIHTC financing structure, Developer Fee can have two components: a cash payment component and a non-cash equity-raising component. The relevant Developer Fee limit that is established by the California Tax Credit Allocation Committee (CTCAC) in the California Code of Regulations, Title 4, Division 17, Chapter 1, Section 10327(c)(2)(B), is "15% of the project's unadjusted eligible basis. All developer fees in excess of two million five hundred thousand ($2,500,000) dollars plus $20,000 per unit for each Tax Credit unit in excess of 100 shall be deferred or contributed as equity to the project," i.e. a General Partner Equity Contribution.

The GP Equity Contribution portion of the Developer Fee is similar to the DDF in that the Developer Fee is earned by the GP and recorded on the Partnerships books so that it is included in the Cost Certification as an expense. This inclusion in the Cost Cert is in turn what allows the GP Equity Contribution to generate more LIHTC for the project than would be allowed under a Developer Fee limit of $2.2 MM.

"We appreciate your continued support and look forward to working with you on this project."

Mario

Mario Washington

Project Manager

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Please consider the environment before printing this e-mail.

On Fri, May 27, 2022 at 2:20 PM Todd C. Mooney <tmooney@kbblaw.com> wrote:

> Mario, as you may know, our law firm serves as special counsel to the Housing Authority on this matter.
>
> As Sol explained yesterday, Housing Authority staff won't be issuing anything until after the June 13 Housing Authority board meeting.
>
> We have prepared an updated revised draft of the construction commitment containing the changes requested by you and Tara over the past couple days. Please see the attached redline. Could you please confirm that this revised draft is correct and contains all of the changes that you folks are requesting? Such confirmation will help expedite Housing Authority staff's issuance of the letter, if the Housing Authority board agrees to your requested changes.