

Public Meeting Agenda

California Housing Finance Agency Board of Directors  
 Tuesday, January 28, 2025  
 10:00 a.m.

Meeting Location:  
 California Department of Food and Agriculture  
 1220 N Street, Auditorium  
 Sacramento, CA 95814

This meeting is also available to view on livestream. Please note, public comments cannot be made when viewing on livestream.

<https://www.calhfa.ca.gov/about/events/board-meetings/books/2025/20250128/2025-01-28-board.htm>

- 1. Roll Call
- 2. Approval of the minutes of the November 21, 2024 meeting ..... 1
- 3. Chairperson/Executive Director comments
- 4. Discussion, recommendation, and possible action to amend Resolution No. 24-14 to allow CalHFA to apply to the California Debt Limit Allocation Committee for private activity bonds (Erwin Tam) ..... 5
- Resolution No. 25-01 ..... 6**
- 5. Discussion, recommendation, and possible action regarding a final loan commitment for the following project: (Stephanie McFadden) ..... 9

<u>NUMBER</u>	<u>DEVELOPMENT</u>	<u>LOCALITY</u>	<u>UNITS</u>
24-007	Holt & Main	Pomona/Los Angeles	160

- Resolution No. 25-02 ..... 42**
- 6. Discussion, recommendation, and possible action regarding the expansion of the National Mortgage Settlement fund usage (Claire Tauriainen)
- 7. Update on legislative session and post-2024 election results (Mehgie Tabar)
- 8. Informational written reports:
  - A. Single Family Loan Production report ..... 45

9. Other Board matters
10. Public comment: Opportunity for members of the public to address the Board on matters within the Board's authority
11. Adjournment

#### NOTES\*\*

PARKING: 1) 1517 13<sup>th</sup> Street parking garage (\$1.25 per 20 minutes, \$20 daily max); Minimal street parking available via meter.

REFRESHMENTS: Available on the premises at Kindred Seoul and The State Grind. No food or coffee is allowed in the Boardroom.

## MINUTES

### California Housing Finance Agency (CalHFA) Board of Directors Meeting November 21, 2024

Meeting noticed on November 8, 2024

#### 1. Roll Call

The California Housing Finance Agency Board of Directors Meeting was called to order at 10:06 a.m. by Chair Cervantes. A quorum of members was present.

MEMBERS PRESENT: Cervantes, Moss, Prince, Russell, Feigles (for Sin), Olmstead (for Velasquez), White, Williams, Johnson Hall

MEMBERS ARRIVING

AFTER ROLL CALL: Avila Farias, Sotelo, Wiant (for Ma),

MEMBERS ABSENT: Assefa, Cabildo, Limon, Perrault (for Stephenshaw)

STAFF PRESENT: Claire Tauriainen, Melissa Flores, Rebecca Franklin, Erwin Tam

GUEST SPEAKERS: Mandy Merchant, Principal, *CliftonLarsonAllen*

Albert Luong, Director, *RBC Capital Markets*

Aulii Taitano, Executive Director, *Morgan Stanley*

Rachel Sanchez, Vice President, Public Finance Investment Banking, *Morgan Stanley*

Robin Redford, Senior Managing Director, *Ramirez & Co.*

Early departures: Moss

#### 2. Approval of the Minutes – October 24, 2024

On a motion by Russell, the minutes were approved by unanimous consent of all members in attendance.

#### 3. Chairperson/Executive Director comments

Chairperson comments:

- Chair Cervantes reflected on the activities of the Board in 2024, highlighting the work of the newly created New Opportunities Committee.
- He congratulated member Avila Farias for her victory as Assembly Member in District 15.
- He presented Executive Director Johnson Hall and member Avila Farias with engraved clocks thanking them for their years of service at CalHFA as they depart from the Board of Directors to pursue other career opportunities.
- He then opened the floor and members joined in to thank Johnson Hall for her outstanding work for the people of California.

Executive Director comments:

- Executive Director Johnson Hall thanked everyone for their kind comments. She congratulated members Avila Farias and Cervantes on their state and local election victories.
- She highlighted several recent speaking engagements she participated in, including the Center for California Real Estate's housing summit in Los Angeles and the California Council for Affordable Housing's fall conference in San Diego.

#### **4. 2024 Board Governance training**

*Presented by guest speaker Mandy Merchant*

Merchant provided the Board with a training on board governance. She detailed the role of a Board member, duties required to effectively govern, including the fiduciary duties of care, loyalty, and obedience. She further reviewed public meeting requirements, conflict of interest policies, economic disclosure rules and the roles of advisory committees.

#### **5. Discussion, recommendation, and possible action to approve the New Opportunities Committee Charter – Resolution No. 24-21**

*Presented by Claire Tauriainen, General Counsel*

On a motion by White, the Board approved **Resolution No. 24-21**. The votes were as follows:

AYES: Avila Farias, Cervantes, Moss, Wiant (for Ma), Prince, Russell, Feigles (for Sin), Sotelo, Olmstead (for Velasquez), White, Williams

NOES: None

ABSTENTIONS: None

ABSENT: Cabildo, Limon

**6. Discussion, recommendation, and possible action to amend Resolution No. 24-12 to authorize single family bond funded down payment assistance- Resolution No. 24-22**

*Presented by Erwin Tam, Director of Financing, with guest speaker Albert Luong*

On a motion by Russell, the Board approved **Resolution No. 24-22**. The votes were as follows:

AYES: Avila Farias, Cervantes, Moss, Wiant (for Ma), Prince, Russell, Feigles (for Sin), Sotelo, Olmstead (for Velasquez), White, Williams

NOES: None

ABSTENTIONS: None

ABSENT: Cabildo, Limon

**7. Update on Fiscal Year ending June 30, 2024 and Q1 ending September 30, 2024**

*Presented by Rebecca Franklin, Director of Enterprise Risk Management and Compliance and Erwin Tam, Director of Financing*

Franklin and Tam reviewed the Agency's goals, strategic objectives and operating budget for FY ending June 30, 2024 and for the first quarter of FY 2024-25.

**8. Update on 2024 Affordable Housing Revenue Bond financing results**

*Presented by Erwin Tam and guest speakers Aulii Taitano, Robin Redford, and Rachel Sanchez*

Tam and guest speakers Taitano, Redford and Sanchez highlighted the success of CalHFA's recent sale of \$108 million in Affordable Housing Revenue bonds, which will be used to finance five multifamily projects throughout the state.

**9. Informational written reports**

Chair Cervantes asked if there were any questions about the written reports included in the meeting package and member Russell inquired about the per unit price of several projects in Los Angeles. Chair Cervantes said that staff would follow-up on that.

**10. Other Board matters**

Chair Cervantes once again congratulated member Avila Farias for her win in Assembly District 15. Executive Director Johnson Hall thanked her for her friendship and commitment to the people of California during her ten years of her service on the Board.

**11. Public comment**

Chair Cervantes asked if there were any members of the public who wanted to provide public comment and there were none.

**12. Adjournment**

As there was no further business to be conducted, Chair Cervantes adjourned the meeting at 12:56 p.m.



## MEMORANDUM

**To:** Board of Directors **Date:** January 16, 2025

**From:** Erwin Tam, Director of Financing  
California Housing Finance Agency

**Subject:** Agenda Item 4– Discussion, recommendation, and possible action to amend Resolution No. 24-14 to allow CalHFA to apply to the California Debt Limit Allocation Committee for private activity bonds

On March 21, 2024, the Board of Directors approved Resolution 24-14, which authorized the Executive Director to apply for private activity bond volume cap from the California Debt Limit Allocation Committee (CDLAC). The authorized amount of \$2.5 billion contemplated a single year of allocation from CDLAC.

The Qualified Residential Rental Program (QRRP) had two rounds in calendar year 2024 with due dates on April 23, 2024 and August 27, 2024. On January 15, 2025, CDLAC approved pools and scheduled a Qualified Residential Rental Program (QRRP) Round 1 on January 28, 2025. This means that Resolution 24-14 may be insufficient to accommodate another round of QRRP.

This resolution amends the Board's prior action, increasing the allowable volume by \$1 billion. Staff expects to present CalHFA's financing resolutions, including a new CDLAC resolution at the Board's March meeting for discussion, consideration, and possible approval.

As a reminder, this resolution authorizes the application for private activity bonds from CDLAC. Application for private activity bond volume cap is not the same as allocation of volume cap. CDLAC itself determines the ranking and award of volume cap. CalHFA is represented at CDLAC as a non-voting member by the Executive Director or the designee of the Executive Director.

BOARD OF DIRECTORS  
OF THE CALIFORNIA HOUSING FINANCE AGENCY

RESOLUTION NO. 25-01

RESOLUTION OF THE CALIFORNIA HOUSING FINANCE AGENCY AMENDING  
RESOLUTION 24-14 APPROVING APPLICATIONS TO THE CALIFORNIA DEBT LIMIT  
ALLOCATION COMMITTEE FOR PRIVATE ACTIVITY BOND ALLOCATIONS  
FOR THE AGENCY'S PROGRAMS

WHEREAS, the California Housing Finance Agency (the "Agency") has determined that there exists a need in California for the financing of mortgage loans for the acquisition, construction, rehabilitation, refinancing or development of multifamily rental housing developments (the "Developments") for the purpose of providing housing for persons and families of low or moderate income;

WHEREAS, the Agency has also determined that it is in the public interest for the Agency to assist in providing such financing by means of an ongoing program (the "Multifamily Program") to make or acquire, or to make loans to lenders to make or acquire, mortgage loans, for the purpose of financing such Developments;

WHEREAS, the Agency has also determined that there exists a need in California for providing financial assistance, directly or indirectly, to persons and families of low or moderate income to enable them to purchase or refinance moderately-priced single family residences ("Residences");

WHEREAS, the Agency has also determined that it is in the public interest for the Agency to assist in providing such financing by means of various programs, including whole loans and mortgage-backed securities programs (collectively, the "Single Family Program") to make loans to such persons and families, or to developers, for the acquisition, development, construction and/or permanent financing of Residences;

WHEREAS, pursuant to Parts 1 through 4 of Division 31 of the Health and Safety Code of the State of California (the "Act") , the Agency has the authority to issue bonds to provide sufficient funds to finance the Multifamily Program and the Single Family Program; and

WHEREAS, the Agency has by its Resolution No. 24-10 authorized the issuance of bonds for the Multifamily Program and has by its Resolution No. 24-12 authorized the issuance of bonds for the Single Family Program and the Board previously authorized, by its Resolution 24-14, the application to the California Debt Limit Allocation Committee ("CDLAC") for private activity bond allocations to be used in connection with the issuance of all or a portion of such bonds in order for interest on such bonds to be excludable from gross income for federal income tax purposes.



WHEREAS, CDLAC has scheduled an application round for private activity bond allocations on January 28, 2025, earlier than in previous years, resulting in an additional CDLAC application round, rather than two rounds as was contemplated by Resolution 24-14.

WHEREAS, due to the addition of a third CDLAC application round within the authority provided by Resolution 24-14, the amount authorized under the resolution to the Executive Director is insufficient to accommodate the 2025 Qualified Residential Rental Project (QRRP) applications for Round 1 due on January 28, 2025;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors (the “Board”) of the California Housing Finance Agency as follows:

Section 1 of Resolution No. 24-14 shall be amended and restated as follows:

Section 1. **Authorization to Apply to CDLAC**. The Executive Director of the Agency (the “Executive Director”) is hereby authorized to apply from time to time to CDLAC for private activity bond allocations in an aggregate amount of up to \$3,500,000,000 per year to be used in connection with bonds (including supplemental allocation) issued under Resolution No. 24-10, Resolution No. 24-12 and any other resolution heretofore or hereafter adopted by the Agency for the Multifamily Program and the Single Family Program.

SECRETARY'S CERTIFICATE

I, CLAIRE TAURIAINEN, the undersigned, do hereby certify that I am the duly authorized Secretary of the Board of Directors of the California Housing Finance Agency, and hereby further certify that the foregoing is a full, true, and correct copy of Resolution No. 25-01 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 28<sup>th</sup> day of January, 2025 at which meeting all said directors had due notice, a quorum was present and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

IN WITNESS WHEREOF, I have executed this certificate hereto this 28<sup>th</sup> day of January, 2025.

ATTEST:

\_\_\_\_\_  
CLAIRE TAURIAINEN  
Secretary of the Board of Directors of the  
California Housing Finance Agency



## MEMORANDUM

**To:** Board of Directors

**Date:** January 28, 2024

**From:** Stephanie McFadden, Director of Multifamily Programs  
California Housing Finance Agency

**Subject:** Agenda Item 5 – Final Loan Commitment for Holt & Main, Project No. 24-007

**Action:** CalHFA Senior Loan Committee has recommended that Chief Deputy Director, Rebecca Franklin, seek Board approval and final loan commitment for the Holt & Main Development by approving Resolution Number 25-02.

**Development Information:**

- The Executive Director has Board delegated authority to approve loans up to \$15,000,000, therefore, the Holt & Main Development is seeking Board approval for a \$20,094,000 tax-exempt permanent loan and a \$4,000,000 Mixed-Income Program subsidy loan, to construct a 160-unit new construction development. Both the permanent loan (40-year amortization) and MIP subsidy loan (residual receipts) will have terms of 17 years.
- The Holt & Main Development is proposed to be constructed in Pomona, Los Angeles County and developed by Meta Development LLC.

CalHFA has adopted a new template for the Multifamily Staff Report, which now includes an Executive Summary and a Table of Contents to make the staff report more accessible. The Executive Summary on the next page includes deal specifics and highlights for your review and approval.

Executive Summary	
<b>CalHFA Project Number</b>	24007-A/X/S
<b>Project Name</b>	Holt & Main
<b>Type of Development</b>	New Construction
<b>Type of Project</b>	Family
<b>Total Units [MIP Restricted Units]</b>	160 [158 MIP Restricted]
<b>Street Address</b>	221 + 237 W Holt Street
<b>City, County, Zip Code</b>	Pomona, Los Angeles, 91768
<b>Borrower (Legal entity name)</b>	Holt & Main, L.P.
<b>Developer(s)</b>	Meta Development LLC
<b>Co-Developer</b>	N/A
Approved Conduit Issuances	
<b>Conduit T/E Issuance</b> [CDLAC Meeting: 8/7/2024 \$37,500,000, Supplemental Allocation 10/10/2024 \$3,750,000]	\$45,750,000 (Includes 10% cushion and rounded to nearest \$1m) (assuming current need \$41,250,000)
<b>Conduit Taxable Issuance</b>	\$25,000,000 (Includes 10% cushion and rounded to nearest \$1m) (assuming current need \$22,334,838)
<b>Recycled Bond Volume Cap to be utilized, if available at conversion by CalHFA</b>	\$10,000,000 (Includes 10% cushion and rounded to nearest \$1m) (assuming current need \$9,000,000) Expected conversion: 7/2027
Requested CalHFA Financing for Approval	
<b>CalHFA Tax-Exempt Permanent Loan Amount</b>	\$20,094,000 UW Rate and Loan Term: [6.28%, fixed; 1 <sup>st</sup> lien; 40/17]
<b>CalHFA Taxable Permanent Loan Amount (if any)</b>	\$0 UW Rate and Loan Term: N/A
<b>HUD Risk Sharing Requirement (1<sup>st</sup> lien loan)</b>	Yes
<b>CalHFA Subordinate/Subsidy Financing Type</b>	Mixed-Income Program (MIP) 2024
<b>CalHFA Subordinate/Subsidy Financing Amount</b>	\$4,000,000 UW Rate and Loan Term: [3.00%, fixed; 2 <sup>nd</sup> lien; residual receipts; principal and accrued interest due in 17 years]
Key Dates and Approvals	
<b>SLC Initial Commitment Approval/ Declaration of Intent Date</b>	4/22/2024
<b>SLC Final Commitment Approval Date</b>	1/10/2025
<b>CDLAC Volume Cap Award Date (Supplemental Award 10/10/2024)</b>	8/7/2024
<b>CTCAC Tax Credit Award Date</b>	8/7/2024
<b>CDLAC Closing Deadline</b>	4/9/2025
<b>Construction Loan Closing Date [Est.]</b>	2/24/2025
<b>Est. CalHFA Loan Closing (perm conversion) Date</b>	12/1/2027
<b>Federal Tax Credits (LIHTC) Requested</b>	Federal LIHTC Amount: \$41,110,170 (\$0.93/credit) (\$260,191/restricted unit)



Notes (if any):

- Tax credit pricing based on executed LOI with Bank of America dated 10/30/2024.



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1	Project Summary																														
1a	Project Description																														
<p>Holt &amp; Main (the “Project”) is a new construction, large family, mixed-income Project. The total development site area is 1.3 acres and is located in Pomona, Los Angeles County. The Project will consist of one, 6-story residential elevator serviced building. The Project will have a total of 160 residential units, of which 158 units will be restricted between 30% and 70% of the Los Angeles County Area Median Income (AMI). There will be 76 one-bedroom units (570 sq. ft.), 44 two-bedroom units (786 sq. ft.), and 40 three-bedroom units (1,075 sq. ft.). In addition, 2 of the two-bedroom units will serve as the manager units. The Project will have 80 spaces for residential parking which complies with incentives approved by the City of Pomona to promote affordable housing. The subject project is approximately 4 blocks north of the Pomona Transit Center with access to Foothill Bus Service, Omnitrans Bus Service and Metrolink that connects Riverside through Pomona with Downtown Los Angeles with light rail commuter service.</p> <p>The subject site currently consists of 1 commercial structure with space for 3 tenants, which is currently vacant. This structure will be demolished during the course of construction.</p> <p>The Project’s financing structure includes financing from: Tax-exempt (T/E) bonds, Taxable bonds, T/E Recycled bonds, 4% Federal Low Income Housing Tax Credit (LIHTC) equity, State Housing Tax Credit Equity, CalHFA Tax-Exempt Permanent Loan, and CalHFA Subordinate financing through Mixed-Income Program (MIP) Subsidy Loan.</p> <p>The Project includes Certificated State Tax Credits, which will be contributed to the Project as a State Tax Credit Loan from WCH Affordable LXIV LLC. The Borrower will execute a promissory note in favor of WCH Affordable LXIV LLC in the estimated amount of \$18,900,000 and deed of trust that will be secured against the property and recorded in last lien position. The State Tax Credit loan will bear 0% interest and will not require payments during the 55-year term of this loan.</p>																															
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="width: 50%;">Residential Areas</th> <th colspan="2" style="width: 50%;">Commercial Areas (If Mixed-use)</th> </tr> </thead> <tbody> <tr> <td style="width: 30%;">Land Area (Acres)</td> <td style="width: 20%;">1.3</td> <td style="width: 30%;">Land Area (Acres)</td> <td style="width: 20%;">N/A</td> </tr> <tr> <td>Residential Units / Acre</td> <td>123.08</td> <td>Number of Lease spaces</td> <td>N/A</td> </tr> <tr> <td>Residential Area (Sq. Ft)</td> <td>119,536</td> <td>Commercial Area (Sq. Ft)</td> <td>N/A</td> </tr> <tr> <td>Community Area (Sq. Ft)</td> <td>3,551</td> <td>Commercial Parking Spaces</td> <td>N/A</td> </tr> <tr> <td>Supportive Services Area</td> <td>N/A</td> <td>Master Lease?</td> <td>N/A</td> </tr> <tr> <td>Residential Parking Space</td> <td>80</td> <td>Condo Structure (not part of subject financing)</td> <td>N/A</td> </tr> </tbody> </table>				Residential Areas		Commercial Areas (If Mixed-use)		Land Area (Acres)	1.3	Land Area (Acres)	N/A	Residential Units / Acre	123.08	Number of Lease spaces	N/A	Residential Area (Sq. Ft)	119,536	Commercial Area (Sq. Ft)	N/A	Community Area (Sq. Ft)	3,551	Commercial Parking Spaces	N/A	Supportive Services Area	N/A	Master Lease?	N/A	Residential Parking Space	80	Condo Structure (not part of subject financing)	N/A
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1b	Project Location Geocoder Information																														
<p>The Project is located in Pomona, Los Angeles County and the project site consists of 2 contiguous parcels located at 221 and 237 West Holt Avenue, Pomona, CA 91768 (APNs 8336-014-016 &amp; 8336-014-027).</p>																															
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CDLAC/TCAC Geographic Region	Balance of Los Angeles County
Project is located in DDA?	No
Project is located in Federally designated Qualified Census Tract (QCT) for LIHTC purposes?	Yes

2		Development and Financing Team			
<b>Developer (Sponsor):</b> Meta Development LLC			<b>Co-developer (if any):</b> N/A		
	New to CalHFA?	No		New to CalHFA?	select
	Affordable Housing/LIHTC experience?	Yes		Affordable Housing/LIHTC experience?	select
	Has Projects in California?	Yes		Has Projects in California?	select
<b>Borrower (Legal entity):</b> Holt & Main, L.P.			<b>Co-Borrower (if any):</b> N/A		
<b>Construction (Senior) Lender:</b> 1) Bank of America, N.A.			<b>Construction Subordinate Lender(s):</b> N/A		
<b>Permanent 1<sup>st</sup> lien Lender:</b> 1) CalHFA			<b>Permanent Subordinate Lender(s):</b> 1) CalHFA (2 <sup>nd</sup> lien)		
<b>Federal LIHTC Investor:</b> Bank of America, N.A.			<b>State LIHTC Investor:</b> Bank of America		
	Tax Credit Amount	\$41,110,170		Tax Credit Amount	\$21,000,000
<b>Solar Tax Credit Investor:</b> N/A					
	Tax Credit Amount	N/A			
<b>General Contractor:</b> Westport Construction Inc.			<b>Management Company (Property Manager):</b> Solari Enterprises, Inc.		
	Is an affiliate of Developer?	No		Is an affiliate of Developer?	No
	Experience with CalHFA?	Yes		Total number of properties managed	11
<b>Architect:</b> Y&M			<b>Service Provider:</b> Western Community Housing, Inc. (See Notes)		
	Has worked with GC?	Yes		Required by TCAC or other Funding sources?	Yes
	Has experience designing and managing similar projects?	Yes		Terms of service (on-site, number of years)	15 years
				Support Services Cost (per Operating budget)	\$28,200
	Has housing projects in CA?	Yes		Per unit cost of services meets USRM req.?	Yes
<b>Financial Advisor:</b> N/A			<b>Project Consultant:</b> N/A		
<p>Notes (if any):</p> <p>The Developer and Western Community Housing, Inc. have entered into a Social Services Coordination Agreement dated 4/3/2024 to provide services to all residents at no cost to the residents which may be designated to a third-party agent. Adult education of at least 84 hours per year and health and wellness services and programs of at least 168 hours per year will be offered. Adult education classes will include financial literacy, computer training, home-buyer education, GED classes, resume building classes, ESL, nutrition classes, exercise classes and smoking cessation classes. Health and wellness programs assistance with finding food, health care, transportation, and utility assistance resources. The contract amount is</p>					



\$28,200 per year with an annual increase of 3% or the % increase in median income for the area where the project is located as determined by governmental agencies reporting same (HUD) beginning January 1 of each calendar year. The contract also includes a one-time start-up fee of \$2,500.

**3 Summary of Material Changes from Initial Commitment Approval**

For any changes marked  please explain the changes and the impact of such changes either in CDLAC scoring, financial risk to the Agency, or any other material impact to the underwriting of the loan

<input type="checkbox"/>	Changes in Borrower/Sponsor entities including Co-developer(s), if any
<input checked="" type="checkbox"/>	Changes in Other Development Team members: Construction Lender, Tax Credit Investor, General Contractor, Property Management Agent, Other lenders including subordinate lenders
<input type="checkbox"/>	Changes in Project Scope (for example, addition of non-residential component)
<input checked="" type="checkbox"/>	Changes in CalHFA loan amount (>10%) or changes in loan terms
<input type="checkbox"/>	Changes in construction schedule and rent-up/conversion timeline
<input type="checkbox"/>	Significant changes in project capital stack impacting project viability: DSCR, exit analysis, etc.
<input checked="" type="checkbox"/>	Significant changes in Operating budget as well as rental assistance/operating subsidy assumptions
<input type="checkbox"/>	Changes in CalHFA required reserves
<input checked="" type="checkbox"/>	Changes in Affordability Restrictions including Unit distribution for regulated units
<input checked="" type="checkbox"/>	Other material underwriting, project scope or financial structuring changes

**Notes:**

- Development Team Member Changes:
  - Construction Lender is Bank of America (Citibank at Initial Commitment)
  - Tax Credit Investor is Bank of America (Boston Financial at Initial Commitment)
  - General Contractor is Westport Construction (TBD at Initial Commitment)
  - The City of Pomona is providing a development impact deferral loan.
- Perm Loan amount increased by 11.07% from Initial Commitment
- The Project’s proposed Operating Expenses are above the TCAC minimums (at Initial Commitment they did not meet the TCAC minimums).
- The City of Pomona will not have a Density Bonus Agreement but will rely on an affordable housing agreement recorded on the property that is deemed appropriate by the City Manager that restricts 158 units with rents not to exceed 80% AMI.
- The Project received a supplemental bond allocation award on 10/10/2024.

**4 Requested CalHFA Financing for Approval**

4a CalHFA Financing Terms			
	CalHFA 1 <sup>st</sup> Lien Perm Loan	CalHFA Subordinate Loan (MIP Subsidy Loan)	Total CalHFA Financing
<b>Loan Amount (\$)</b>	\$20,094,000	\$4,000,000	\$24,094,000
<b>Loan Term (Year)</b>	17	17	17
<b>Amort. Term (Year)</b>	40		40
<b>Amort. Type</b>	Partially Amortizing	Non-amortizing	
<b>Lien Position</b>	1 <sup>st</sup>	2 <sup>nd</sup>	
<b>UW Interest Rate %</b> (See Note 1)	6.28%	3.00%	
<b>Loan to Value (%)</b> (See Note 2)	63.58%	12.65%	
<b>Combined LTV (CLTV) (%)</b> (See Note 2)			76.24%
<b>Loan to Cost (%)</b> (See Note 3)	22.48%	4.48%	26.96%
<b>Loan Repayment Source</b>	Net Operating Income (NOI)	Residual Receipts	

**Notes:**

- The all-in rate of 6.28% is the final rate locked by CalHFA on 11/19/2024 for the perm loan and is valid until the earlier of the closing deadline indicated in the Early Rate Lock Agreement executed by the Agency and the Borrower on 11/14/2024 or the CDLAC bond issuance deadline, whichever is earlier.
- Maximum LTV limited to 90% and maximum CLTV to be limited to 120% of restricted appraised value based on an acceptable Appraisal. However, if the exit analysis requirements are not met per the Agency’s underwriting standards, the CLTV shall not exceed 100%.
- Loan to Cost shall not exceed 100% of the total project development cost (see construction sources/uses for total development cost).

4b CalHFA Loan(s) Security	
Select ONE	Description
<input checked="" type="checkbox"/>	The CalHFA Perm loan(s) will be secured by a first lien deed of trust (DoT) against the above-described Project site and improvements.
<input checked="" type="checkbox"/>	The CalHFA Subordinate (MIP) loan will be secured by a second lien deed of trust (DoT) against the above-described Project site and improvements.
<input type="checkbox"/>	[If ground lease owned by for-profit entity, add:] The Agency shall encumber both the fee and leasehold interests in the Development as security for its deeds of trust and regulatory agreements.
<input type="checkbox"/>	[If ground lease owned by locality/non-profit and it meets USRM requirements, add:] CalHFA loan(s) will be secured against the fee interest in the improvements and leasehold Interest in the land.
<input checked="" type="checkbox"/>	Assignment of Borrower’s interest in Project improvements, Project revenues and escrows
<b>Notes (if any):</b>	

5	Project Budget & Total Development Cost		
5a	Construction Financing		
<b>Construction Lender</b>		Bank of America	
<b>CDLAC/CTCAC Construction Closing Deadline</b>		4/9/2025	
	Bond Issuance Amount	Type of Issuance	
<b>Construction Conduit Issuance Amount</b>	\$41,250,000	Tax-Exempt	
<b>Construction Conduit Issuance Amount</b>	\$22,334,838	Taxable	
<b>Construction Conduit Issuance Amount</b>	\$9,000,000	T/E Recycled	
<b>Total</b>	<b>\$72,584,838</b>		
	Loan Amount	UW Rate	Loan Term
<b>Construction Loan (T/E)</b> (Interest-only, 1 <sup>st</sup> lien during construction)	\$41,250,000	5.10%, Variable (See Note 1)	36 months + two 6-month extensions
<b>Construction Loan (T/E-Recycled Bonds)</b> (Interest-only, 2 <sup>nd</sup> lien during construction)	\$9,000,000	5.10%, Variable (See Note 1)	36 months + two 6-month extensions
<b>Construction Loan (Taxable)</b> (Interest-only, 3 <sup>rd</sup> lien during construction)	\$22,334,838	5.10%, Variable (See Note 2)	36 months + two 6-month extensions
<b>City of Pomona – Impact Fee Deferral</b> (Deferred, 4 <sup>th</sup> lien during construction)	\$2,996,260	3.00% Fixed	55 years
<b>Notes:</b>			
<p>1. Construction Loan T/E and T/E Recycled is a variable rate SOFR+210 bps, Index Daily SOFR Rate. Current Daily SOFR as of 12/18/2024 is 4.62% and the all-in rate is 6.72%. The loan term includes two 6-month extensions at 0.25% of the committed Loan amount.</p> <p>2. Construction Loan (Taxable) is a variable SOFR+210 bps, Index Daily SOFR Rate. Current Daily SOFR as of 12/18/2024 is 4.62% and the all-in rate is 6.72%. The loan term includes two 6-month extensions at 0.25% of the committed Loan amount.</p> <p>3. The Developer is anticipating a purchase of Interest Rate Cap of 3% to the SOFR for a cost of approximately \$1.332M at construction loan closing which will be paid from taxable bond proceeds. Construction interest reserve is currently sized based on underwritten rate of 5.10% and may be re-sized based on the final locked rate at construction closing. Any resulting funding gaps will be covered by the Developer until permanent loan closing.</p>			

5b	Construction Sources	
	Amount (\$)	% of Total
<b>Construction Sources:</b>		
Bank of America - Tax Exempt Loan (Loan)	\$41,250,000	50.74%
BofA - Tax Exempt Loan - Recycled Bonds (Loan)	\$9,000,000	11.07%
BofA - Taxable Tail (Loan)	\$22,334,838	27.47%
Tax Credit Equity - Federal (Equity, LIHTC Investor)	\$3,823,246	4.70%
Tax Credit Equity - State (Equity, LIHTC Investor)	\$1,890,000	2.32%
City of Pomona Impact Fee Deferral (Loan)	\$2,996,260	3.69%
<b>Total Construction Sources</b>	<b>\$81,294,343</b>	<b>100%</b>

5c	Construction Uses

<b>Construction Uses:</b>	<b>Amount (\$)</b>	<b>% of Total</b>
Land and Improvement Value	\$3,025,000	3.72%
Other Acquisition Costs	\$477,533	0.59%
Construction/Rehab Costs	\$49,061,208	60.35%
Soft Costs (A&E, Legal, Title, and Other Soft Costs)	\$6,884,023	8.47%
Hard Cost contingency	\$3,909,972	4.81%
Soft Cost contingency	\$1,661,010	2.04%
Financing Costs (Interest Reserves, Fees, Taxes, and Insurance)	\$6,405,841	7.88%
Local Impact Fees and Permit Fees	\$6,328,620	7.78%
Cash Portion Developer Fee	2,228,947	2.74%
Other Costs (TCAC Fees, Furnishing, and Other Misc. Fees)	\$1,312,190	1.61%
<b>Total Construction Uses</b>	<b>\$81,294,343</b>	<b>100%</b>
<b>Total Construction Cost per unit</b>	<b>\$508,090</b>	
<b>Total Construction Cost per CalHFA MIP Regulated Unit</b>	<b>\$514,521</b>	

**Notes:**

1. CalHFA will require review and approval of independent third-party prepared plan and cost review report for project plans and specifications (plan & specs) and cost review prior to construction loan closing.
2. The Acquisition Costs included in the budget of \$3,502,533 complies with the Agency’s underwriting (USRM) standards. The total Acquisition costs include as-is land cost (per appraisal is \$3,100,000) of \$3,025,000 and carrying costs of \$477,533.
3. The total hard cost contingency in the project is 9.27% of the Hard costs, which includes the contingency in the GC Schedule of Values (SOV) and has been reviewed by the CalHFA inspector to meet the USRM requirements and project scope for completion within the stipulated budget.
4. The total soft cost contingency in the project is 5.31% of eligible costs and has been reviewed by the Multifamily staff to meet the USRM requirements and project scope for completion within the stipulated budget.
5. There are 2 separate contracts in place. One for the mitigation of asbestos and lead-based paint and one for the removal of the two (2) underground storage tanks (UST). The costs are \$8,320 and \$40,500 and included in the Survey/Engineering line item of the development budget for a total of \$50,500.
6. The project budget includes \$650,000 in offsite improvements for installing driveway gates at the neighboring Purpose Church property to secure their parking lot. This work will be funded by the taxable construction loan.

5d	Third-party Plan & Cost Review Summary	
General Contractor (GC) Name:	Westport Construction Inc.	
GC Budget (per Schedule of Values)	\$50,448,743	
% of Builder overhead, profit, and general requirements (TCAC allowable 14%)	13.2%	
Type of Construction Contract:	Lump Sum	
GC Contract Executed? If not, provide status:	Yes, dated 12/17/2024	
GC Hard-Cost Contingency and Sufficiency:	Yes	
<b>Notes:</b>		

- The Construction Lender has engaged, CM Advisors, LLC, to perform an independent third-party review of project plans and specifications (plan & specs) and cost review.
- The final Plan and Cost Review and sign off by CalHFA Inspector is a condition to construction closing.
- Per the review by CalHFA inspector, the project can be completed within the indicated budget and the construction schedule.
- The project hard cost contingency in the General Contractor’s Schedule of Values (SOV) as well as the project hard cost contingency included in the overall budget are sufficient per the review completed by CalHFA inspector and meets the USRM requirements for minimum contingency levels.
- The project budget includes \$50,500 in environmental remediation costs which has been reviewed by the CalHFA Inspector for its scope and sufficiency.
- The project budget includes \$650,000 in offsite improvements for installing driveway gates at the neighboring Purpose Church property to secure their parking lot which are included in the construction contract.

5e	Permanent Sources and Uses	
Permanent Sources:	Amount (\$)	% of Total
CalHFA Perm Loan (Loan)	\$20,094,000	22.5%
CalHFA MIP (Loan)	\$4,000,000	4.5%
Deferred Developer Fee (Developer Fee, Deferral)	\$5,152,584	5.8%
Impact Fee Deferral (Loan)	\$2,996,260	3.4%
Tax Credit Equity (Equity, LIHTC Investor)	\$57,132,458	63.9%
<b>Total Permanent Sources</b>	<b>\$89,375,302</b>	<b>100%</b>

Permanent Uses:	Amount (\$)	% of Total
Total Loan Payoffs	\$81,294,343	91.0%
Financing costs	\$170,705	0.2%
Operating Reserves	\$832,390	0.9%
Cash Developer Fee paid at Perm Conversion	\$1,925,280	2.2%
Deferred Developer Fees paid from cashflow	\$5,152,584	5.8%
<b>Total Permanent Uses</b>	<b>\$89,375,302</b>	<b>100%</b>
<b>Total Development Cost per unit</b>	<b>\$558,596</b>	
<b>Total Development Cost per CalHFA MIP Restricted Unit</b>	<b>\$565,666</b>	
Notes (if any):		

5f Federal and State Tax Credits				
Federal LIHTC Tax Credit Investor /Syndicator		Bank of America, N.A.		
State Housing Tax Credit Investor /Purchaser		Bank of America, N.A.		
Other Tax Credit Investor/Purchaser		N/A		
Tax Credit Type	Tax Credits Amount (\$)	Pricing (per Credit)	Tax Credit Equity (\$)	Tax Credit Equity per CTCAC Restricted Unit (\$)
Federal Tax Credits (New Const/Rehab)	\$41,110,170	\$0.93	\$38,232,458	\$260,191
State Housing Tax Credits	\$21,000,000	\$0.90	\$18,900,000	\$119,620
<Other Tax Credits: Solar, etc.>	N/A			
<b>Total</b>	<b>\$62,110,170</b>		<b>\$57,132,458</b>	<b>\$379,811</b>
Notes (if any):				
<ol style="list-style-type: none"> <li>The Project was awarded volume cap for bonds and Federal LIHTC tax credit allocation in the CDLAC/TCAC meeting on 8/7/2024 and received supplemental CDLAC allocation on 10/10/2024.</li> <li>The Project has been awarded State Housing Tax Credits by TCAC.</li> </ol>				

50% Aggregate Basis Test Requirements	
Accountant prepared Draft Financial Projections date	9/19/2024
Accounting firm name	Novogradac
T/E Private-Activity Bond Volume Cap Allocated	\$41,250,000
Aggregate Basis of building and land costs considered	\$79,532,413
% of Aggregate basis financed by T/E Bonds	51.86%
50% Test met per IRC Sec. 42 (h) for LIHTC?	Yes
Notes (if any):	
<ul style="list-style-type: none"> <li>The supplemental allocation was requested to add a cushion to meet the project’s 50% aggregate basis requirement (the “50% test”) which was at approximately 52% based on the original development budget and is now approximately 51.86% due to recent budget adjustments/increase. The supplemental allocation is necessary to ensure that the private activity bonds account for at least 50% of depreciable basis plus land.</li> </ul>	

5g Developer Fee		
Developer fee category:	TCAC Maximum Limit	Actual Amount in Project Budget
Upfront Cash Developer Fee (a)	\$4,154,227	\$4,154,227
Deferred Developer Fee (DDF) paid from project cash-flow (b)	N/A	\$5,152,584
<b>Total Developer Fee (a) + (b)</b>		<b>\$9,306,811</b>
Excess Developer Fee above TCAC Maximum Limit as General Partner (GP) contribution		<b>\$0</b>
Notes (if any):		
<ol style="list-style-type: none"> <li>Any outstanding Deferred Developer Fee remaining at Year 13, even if within TCAC Maximum Limit, will be paid from Borrower’s 50% share surplus cash distribution.</li> <li>Any outstanding Deferred Developer Fee remaining in Year 13 and above TCAC Maximum Limit will be treated as developer contribution. The Limited Partnership Agreement (LPA) and the Tax Credit Investor written approval evidencing that any outstanding deferred developer fee remaining in Year 13 will be treated as a GP contribution will be required prior to construction closing.</li> </ol>		
Note (if any): Developer is requesting an exception to the 50/50 split. Per MIP Term Sheet, the surplus cash from project operations is shared 50/50 between the Developer and the Residual Receipt Lenders (on a pro-		

rata basis). However, the Investor Letter of Interest (“LOI”) requires the Developer Fee to be paid within 13 years after 100% completion of the property. This will require that 100% of surplus cash be available for payment of the deferred developer fee through year 13. Starting Year 14, the surplus cash will be split 50% to Developer and 50% to CalHFA, to be applied towards MIP loan repayment. Any unpaid DDF at the end of Year 13 will be treated as GP contribution. This will result in a delay to the repayment of the CalHFA MIP Loan as outlined in the exit test section 7g. This is an exception to CalHFA Underwriting Standards, but it is recommended to meet LIHTC Investor’s terms.

5h	Evidence of Cost Containment for projects seeking subsidy	
Cost Containment Certification received from Developer?		Yes
Cost Containment Certification acceptable to CalHFA?		Yes
<p>Comments on Cost Containment Strategy: The Developer certified that below cost containment measures have been implemented to minimize construction costs:</p> <ol style="list-style-type: none"> <li>1. All major subcontractor and self-performing trades have been competitively bid out.</li> <li>2. A Design-Build Contract is being utilized for the Project as change orders stemming from architect and engineers’ errors and omissions will be the responsibility of the GC.</li> <li>3. GC will be required to provide a minimum of 3 bids (when available) for each trade, particularly for all major trades.</li> <li>4. The selected general contractor will engage MEP subcontractors to provide BIM coordination and clash detection services using BlueBeam software to provide constructability feedback to the design team.</li> <li>5. The selected general contractor will develop a pre-construction schedule to track project milestones and identify long-lead systems for early acquisition.</li> <li>6. Meta facilitated a schematic design coordination meeting with their property and asset management teams to provide design feedback related to tenant close-out lessons learned.</li> <li>7. Meta's construction manager facilitated a schematic design kick-off meeting to review Conditions of Approval and funding requirements to ensure they were addressed early.</li> <li>8. The drawings will be bid competitively at major design milestones in an effort to provide real-time cost feedback and identify and resolve drawing omissions or inconsistencies. This process will aid in keeping contractual allowances to a minimum.</li> </ol>		
Note (if any):		

5i	Evidence of Subsidy Efficiency	
<p>Per the CalHFA Term Sheet requirement, a subsidy efficiency analysis completed at Initial Commitment, Final Commitment, prior to construction loan closing, and at closing of the CalHFA subordinate financing (perm conversion). Based on the final subsidy efficiency analysis, the CalHFA subsidy loan may be reduced prior to construction closing or perm conversion.</p>		
Parameters of Subsidy Efficiency Analysis [Verify with the FA and check all that apply]		
<input checked="" type="checkbox"/>	Year 1 DSCR does not exceed 1.20x	
<input checked="" type="checkbox"/>	Confirmed that the on-going minimum DSCR of 1.15x through the term of the CalHFA 1 <sup>st</sup> lien permanent loan based on the Financial Analysis completed at final commitment per Agency’s underwriting standards (USRM). A final check will be completed at construction closing and at perm conversion.	
<input checked="" type="checkbox"/>	Cash-flow after debt service is limited to (i) Higher of 25% of the anticipated annual must pay debt service payment, or (ii) 8% of gross income, during each of the first 3 years project operation.	

<input checked="" type="checkbox"/>	Inflation factors and vacancy rates are consistent with the Agency’s underwriting standards (USRM)
<input checked="" type="checkbox"/>	Developer Fee requirements consistent with CalHFA underwriting standards and/or CTCAC Regulation 10327(c)2(B)
<input checked="" type="checkbox"/>	Confirmed the reasonableness of the Capitalized Reserves to be consistent with Agency’s underwriting standards (USRM) and the verified with the Investor LOI.
<input checked="" type="checkbox"/>	State Tax Credits (STC) maximum requested amount is consistent with CTCAC Regulations 10317
<input checked="" type="checkbox"/>	Confirmed that the Acquisition Cost (if applicable) is the lesser of: <ul style="list-style-type: none"> <li>i. Purchase price pursuant to a current purchase and sales agreement between unrelated parties, or</li> <li>ii. Purchase price of an arm’s length transaction executed within the past 10 years plus reasonable carrying costs, or</li> <li>iii. Appraised “as-is” value based on a current appraisal acceptable to CalHFA in its sole discretion. The appraised value of the real estate may be considered if the arm’s length transaction exceeds 10 years.</li> </ul>
<input type="checkbox"/>	The CalHFA Final Commitment Letter will have the requirement that Construction cost savings funds evidenced by the Final Cost Certification will be used to reduce the CalHFA subsidy (MIP) loan prior to CalHFA MIP loan closing, or if required by other subordinated lenders, funds will be split on a pro-rata basis between CalHFA and other subordinate lenders.

5j	High-Cost Explanation	
Total Development Cost (TDC)		\$89,375,302
Total Units		160
TDC/Unit		\$558,596
High-Cost Explanation provided by Developer per CDLAC Regs Section 5233?		N/A
High-Cost explanation acceptable to CalHFA?		N/A
Summary of Project-specific factors contributing to high cost:		
i.	Project located in HUD high-cost designated area?	<input type="checkbox"/>
ii.	State Prevailing Wage (PW) applicable to the project?	<input type="checkbox"/>
iii.	Increase in development cost due to demolition of existing building or structures?	<input type="checkbox"/>
iv.	Increase in development cost due to high environmental remediation costs?	<input type="checkbox"/>
v.	Increase in development cost due to significant off-site improvements due to site specific conditions?	<input type="checkbox"/>
vi.	Increase in development cost due to additional parking spaces or Type 1 podium garage or other commercial space requirements by City, community feedback or other?	<input type="checkbox"/>
vii.	Other atypical costs included in the development cost budget?	<input type="checkbox"/>
viii.	<Additional critical factors noted in the Certification from Developer>	<input type="checkbox"/>
Comments (for any <input checked="" type="checkbox"/> response, please indicate the costs per the Development Budget line-items)		



<b>6</b>	<b>Affordability Requirements</b>
6a	CalHFA Regulatory Agreement Requirements

The CalHFA Permanent Financing Bond Regulatory Agreement will restrict a minimum of 40% of the total units at or below 60% AMI; with 30% of the total units (48 units) at or below 60% AMI and 10% of the total units (16 units) at 50% AMI for 55 years.

The CalHFA Subsidy Regulatory Agreement will restrict 158 of units between 30% and 120% of AMI for a term of 55 years.

Number of Regulated Units and AMI Restrictions by Each Agency

Number of Units and Percentage of AMI Rents Restricted by each Agency										
Regulating Agency	Number of Units Restricted For Each AMI Category								Total Units	Percentage
	Lien	30%	50%	60%	70%	80%	110%	120%	Regulated	Regulated
<b>CalHFA Bond</b>	1 <sup>st</sup>		16	48					64	41%
<b>CalHFA MIP</b>	2 <sup>nd</sup>	16	32		16			94	158	100%
<b>CTCAC</b>	3 <sup>rd</sup>	40	12	90	16				158	100%
	<b>TOTALS</b>		<b>40</b>	<b>12</b>	<b>90</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>158</b>	

Notes (if any):

1. The CalHFA MIP Subsidy Regulatory Agreement requires 30% of total units at or below 50% of AMI. Of these, a minimum of 10% of total units must be at or below 30% of AMI (16 units at 30% AMI and 32 units at 50% AMI). An additional 10% of total units (16 units) must be restricted between 60% and 80% of AMI with a minimum average of 70% of AMI for a term of 55 years.
2. The rents for the 60% to 80% tranche will be determined by the minimum income limit of 70% of AMI, not to exceed 80% of AMI. The remaining 94 restricted units will be restricted at or below 120% of AMI.
3. The Project is benefitting from a density bonus and receiving relief, incentives/concessions, and waivers/reductions. The City will not be recording a regulatory agreement but will require that an Affordable Housing Agreement in a form approved by the City be recorded against Inclusionary Units or the Residential Development in its entirety, as deemed appropriate by the City Manager. The Project will consist of 158 units that shall be reserved for low-income households with rents not to exceed 80% of Area Median Income, as those rents are determined by the California Tax Credit Allocation Commission as well as two (2) units that will be set aside as manager's units and will not be rent restricted.

6b	Unit Distribution for each AMI category						
The table below outlines the distribution of units for each unit size by AMI category.							
AMI Category	Total	Studio	1-bdrm	2-bdrm	3-bdrm	4-bdrm	% of Total
30% AMI	40		20	10	10		25%
50% AMI	12		6	3	3		8%
60% AMI	90		42	25	23		56%
70% AMI	16		8	4	4		10%
80% AMI							
120% AMI							
Manager's Unit	2			2			1%
<b>Total</b>	<b>160</b>		<b>76</b>	<b>44</b>	<b>40</b>		
<p>Note (if any):</p> <ul style="list-style-type: none"> <li>The initial rents at permanent loan closing and in subsequent years must not be less than the underwritten rent levels outlined in the "Rent Summary Table" of the Financial Analysis enclosed as part of this Staff Report.</li> <li>The CalHFA regulatory agreement(s) will require minimum underwriting rent levels as outlined above.</li> </ul>							

7	Financial Analysis
7a	Market Study Summary

Market Study firm: Novogradac	Market Study Date: April 11, 2024
Market Study date within 180 days?	No
Proposed Market Rents for subject property	1BR - \$1,959, 2BR - \$2,425, 3BR - \$3,052 (CalHFA MIP Term Sheet requires maximum allowable rents for all CalHFA restricted units to be lesser of (i) applicable TCAC max rents, or (ii) 10% below market rate for the term of the CalHFA loan. The underwritten rents will be confirmed independently by the appraisal from a third-party appraiser firm engaged by CalHFA and for the term of the CalHFA loan) For underwriting purposes, the average market rents from the appraisal are being utilized: 1BR – \$2,150, 2BR – \$2,450, 3BR- \$3,100.
Targeted population income range	30% - 70% of AMI.
Absorption Period	4 months
Absorption rate	40 units/month
Project Amenities appropriate and sufficient for market and intended tenants?	Yes
Special Needs Housing – demand/need for Special Needs population, availability of area service providers and sufficiency of on-site services at subject property	N/A
Utility allowance schedule included in market study report?	Yes

**Regional Market Overview**

- The Primary Market Area generally consists of the City of Pomona and the southern portions of the cities of Claremont and La Verne (population of 218,841) and the Secondary Market Area (“SMA”) is the Los Angeles-Long Beach-Anaheim, CA Metropolitan Statistical Area (population of 13,179,586)
- The general population in the PMA is anticipated to remain relatively stable (increase by 0.1% per year) through the projected market entry date.
- Unemployment in the SMA is 4.7%, which is above the national rate of 3.5%.
- Median home value in the subject neighborhood is \$546,862.

**Local Market Area Analysis**

- **Supply:**
  - There are currently 18 multifamily affordable projects in the PMA, and they are 100% occupied, and all property managers who could be reached reported having waiting lists.
  - There is 1 affordable project under construction in the PMA with 82 competitive units.
  - The market study concludes that the subject and the existing/under construction affordable properties will not hinder each other’s ability to maintain full occupancy.
- **Demand/Absorption:**
  - The project will need to capture 4.2% of the total demand for family units in the PMA. The affordable units are anticipated to lease up at a rate of 40 units per month and reach full occupancy within 4 months of opening.
- **Summary:**
  - The Market Study absorption and lease-up timelines are in alignment with the Developer’s lease-up plan and operating proforma assumptions. The Market Study did not identify any weaknesses of the Subject’s concept.

7b	Appraisal Summary	
Appraiser firm: Cressner & Associates, Inc.	Appraisal Date: 12/12/2024	
Engaged by: Bank of America, N.A.	Reliance by CalHFA (if co-engaged): Y	
Appraisal within 90 days of Final Commitment?	<b>Yes</b>	
Appraisal premise	Interest appraised	Valuation
Market Value as-is	Fee Simple	\$3,100,000
Market Value upon completion/stabilization as if unencumbered by restricted rents	Leased Fee	\$54,610,000
Market Value upon completion/stabilization as encumbered by restricted rents	Leased Fee	\$33,980,000
Land Value – net of demolition costs	Leased Fee	\$3,100,000
	<b>Underwritten NOI</b>	<b>Appraisal NOI</b>
Appraiser Firm	N/A	Cressner & Associates, Inc.
Appraisal Date	N/A	12/12/2024
Appraised As-is Value	N/A	\$3,100,000
Appraised Land Value	N/A	\$3,100,000
Appraised As-Completed Value (Restricted)	N/A	\$33,080,000
Appraisal Investment Value	N/A	\$91,410,000
Appraisal Cap rate	N/A	5.00%
NOI (Stabilized Year)	\$1,580,133	\$1,698,811
Appraisal Cap rate	N/A	5.00%
As-completed Restricted Value Calculated for UW NOI	\$31,602,660	\$33,976,220
1st Lien Loan	\$20,094,000	\$20,094,000
Does the Perm loan include Cash equity payment?	NO	NO
LTV	63.58%	59.14%
Max LTV allowed	90.00%	90.00%
LTV Check	OK	OK
Total CalHFA loans	\$24,094,000	\$24,094,000
CLTV calculated	76.24%	70.91%
Max CLTV allowed	100%	100.00%
CLTV Check	<b>OK</b>	<b>OK</b>
<b>LTV Stress Test for HUD Risk Share Underwriting Requirements</b>		
Cap Rate Stress %	0.50%	0.50%
Cap Rate for Stress Test 1	5.50%	5.50%
1st Lien Loan	\$20,094,000	\$20,094,000
Restricted Value	\$ 28,729,690	\$30,877,472
LTV (Stress Test 1)	69.94%	65.07%
Total CalHFA loans	\$24,094,000	\$24,094,000

CLTV (Stress Test 1)	83.86%	78.03%
	OK	OK
<p>Comments:</p> <p>The Borrower’s estimated NOI is \$1,580,133 which is approximately \$118,678 (~6.99%) lower than the estimated NOI on the appraisal report and is due to the following reasons:</p> <ul style="list-style-type: none"> <li>The Borrower estimated approximately \$77,663 for laundry and net Wifi income that will be provided through a third-party services provider, which is \$18,337 (~19.10%) lower than the appraisal’s estimated budget of \$96,000.</li> <li>The Borrower estimated approximately \$242,930 for repairs/maintenance, which is \$50,930 (~26.53%) higher than the appraisal’s estimated budget of \$192,000. The Borrower’s proposed estimated repairs budget is based on the current operations of a similar project in the area.</li> <li>Considering these deviations, the proposed operating expenses are reasonable based on the Developer’s experience with operating a similar project in the area and per the property management agreement.</li> <li>The proposed operating expense is consistent with and is reasonable based on the appraisal report; the Borrower’s operating budget is \$54,263 (~5.08%) higher.</li> <li>The capture rate and absorption rate are between 1%-4% (depending on the AMI) and 20 units per month, respectively. The capture rates are generally consistent with the market study; however, the absorption rate differs, resulting in a lease-up period of 6 months. The appraiser develops an independent analysis regarding his opinions of current market condition.</li> <li><u>Cap Rate comments:</u> The cap rate of 5% is based on the most recent information on comparable properties (report date: 12/12/2024). Assuming an increase in cap rates due to current market conditions by 50 basis-points (5.5%), the LTV would be 69.94%. Stressing the cap further and adding 100 basis-points to the cap rate would result in an LTV of 76.30 % and CLTV of 91.49%, which is still within the allowable underwriting requirements of 90% and 100% or less respectively.</li> </ul>		

7c	Project Operating Budget Assumptions		
Total Units	160	Construction Start Date	3/1/2025
Regulated Units	158	Construction Completion Date	3/1/2027
Manager Units (Market Rate)	2	Construction Period (months)	24
Total Residential Square Feet	119,536	Lease-up Commencement Date:	3/1/2027
Avg Sq Ft/Unit	756	Lease-up Completion Date	9/1/2027
Rental Subsidies?	0	Lease-up Period (months)	6
No. of Units with Rental Subsidies	0	Est. Stabilization /Perm Conversion Date	12/1/2027
Rental Subsidy Contract Term (Initial)	0	Lease-up Completion to Stabilization (months)	3

7d	Project Operating Cash-flow Summary				
<b>Operating Budget and Reserve Balances</b>					
	Year 1	Year 5	Year 10	Year 15	Terminal Year
<b>Adjusted Gross Income</b>	<b>2,767,831</b>	<b>3,055,168</b>	<b>3,456,642</b>	<b>3,910,873</b>	<b>4,108,861</b>
Other Income/Subsidies	77,663	85,726	96,991	109,736	115,291
Projected Vacancy and Discount Loss	142,275	157,045	177,682	201,030	211,208
Effective Gross Income (EGI)	2,703,220	2,983,849	3,375,951	3,819,579	4,012,945
Total Operating Expenses	1,123,087	1,282,681	1,515,347	1,791,289	1,915,549
Reserve For Replacement	40,000	41,624	43,747	45,979	46,903
<b>Net Operating Income (NOI)</b>	<b>1,580,133</b>	<b>1,701,168</b>	<b>1,860,604</b>	<b>2,028,289</b>	<b>2,097,396</b>
Total Debt Service & Other Payments	1,374,082	1,374,082	1,374,082	1,374,082	1,374,082
Cash Flow After Debt Service	206,051	327,086	486,522	654,208	723,314
<b>Debt Service Coverage Ratio</b>	<b>1.15</b>	<b>1.24</b>	<b>1.35</b>	<b>1.48</b>	<b>1.53</b>
<b>Income/Expense Ratio</b>	<b>2.41</b>	<b>2.33</b>	<b>2.23</b>	<b>2.13</b>	<b>2.09</b>
<u>Less:</u>					
LP Management Fee*	30,000	33,765	39,143	45,378	0
GP Partnership Management Fee (See Note 2)	7,500	8,441	9,786	11,344	0
Other CalHFA approved Partnership Fee					
<b>Total Fees</b>	<b>\$37,500.00</b>	<b>\$42,206.00</b>	<b>\$48,929.00</b>	<b>\$56,722.00</b>	<b>\$ 0.00</b>
<b>Annual Cap Limit</b>	<b>\$38,000</b>	<b>\$42,769</b>	<b>\$49,581</b>	<b>\$57,478</b>	<b>\$60,979</b>
[*Note: Any Fees above the Annual Cap to be paid from Developer Distribution % below]					
<b>Cashflow for Distribution</b>					
Developer Distribution %	100%	100%	100%	50%	50%
Cumulative Developer Distribution	168,551	1,131,885	3,011,324	5,095,112	5,801,083
Residual Receipts %	0%	0%	0%	50%	50%
Cumulative Residual Receipts Repayment	0	0	0	581,241	1,287,212
<b>Unpaid/Accrued CalHFA loan Balance</b>					
Perm Loan	19,978,536	19,437,060	18,538,518	17,309,520	16,699,519
MIP Loan	4,000,000	4,480,000	5,080,000	5,397,502	4,994,445
<b>Reserves Balances</b>					
Operating Reserve	832,390	832,390	832,390	832,390	832,390
Rent Reserve					
Transition Operating Reserve					
Replacement Reserve					
Other Reserve					

Notes:  
1. Developer is requesting an exception to the 50/50 split of surplus cash. See section 5g for details.

7e	Rental Assistance and Other Subsidy			
Type of Rental Subsidy	Subsidy Administrator	Initial Term of Rental Subsidy Contract	Eligible Units	Renewal/Additional Term for Subsidy Contract
Project-based Vouchers	HUD/County/Other	N/A	N/A	N/A
Section 8	HUD/County/Other	N/A	N/A	N/A
Other rental assistance	HUD/County/Other	N/A	N/A	N/A
Other Operating Subsidy	HUD/County/Other	N/A	N/A	N/A
Notes (if any):				
<u>Other State and Local Subsidies:</u> N/A				

7f	Reserve Requirements	
Name of Reserve	Amount	Comments
Operating Expense Reserve (OER)	\$832,390	Four (4) months of operating expense will be funded at perm closing and will be held and maintained at that level for the term of the CalHFA permanent loan.  The reserve will be held by CalHFA for the term of the CalHFA permanent loan and in the event the OER is drawn down during the term of the loan, the OER must be replenished over a 12-month period to the original level.
Replacement Reserves (RR)	\$0 (capitalized)  \$40,000 (annually)	A capitalized RR is not required for new construction projects.  The annual RR amount is sized based on \$250 per unit per year. It is expected that CalHFA will hold this reserve for the term of the CalHFA loan.
Transitional Operating Reserve (TOR)	N/A	

7g	Exit Analysis Requirements		
<b>Exit Year</b>	16	<b>Assumed Refi Year</b>	16
<b>Cap Rate Increase</b>	2%	<b>Interest Rate Increase</b>	3%
<b>UW Loan Amount</b>	\$20,094,000	<b>Max. Refi Loan Size</b>	\$17,032,822
<b>Appraised Value</b>	\$28,901,877	<b>Max LTV at Refi</b>	59%

<b>Unpaid Principal Balance (1<sup>st</sup> Lien)</b>	\$0	<b>Unpaid Principal Balance (MIP Subsidy Loan)</b>	\$4,975,692
<p>Notes:</p> <ul style="list-style-type: none"> <li>The primary source of repayment for both the CalHFA 1<sup>st</sup> lien loan and MIP subsidy loan is refinance of the Project’s first mortgage. The Exit analysis test for refinancing indicates that the Project will have the ability to fully repay the balance of the Agency’s 1<sup>st</sup> lien loan but only a portion of the MIP Subsidy loan, leaving an outstanding balance of \$4,975,692 (Principal and accrued interest). Hence, the refinancing is insufficient to fully repay the CalHFA debt.</li> </ul> <p>Mitigation:</p> <ul style="list-style-type: none"> <li>To mitigate the refinance risk, the Developer will be required to repay any remaining balance from General Partner contribution as part of the final close-out of the partnership obligations to allow re-syndication.</li> </ul>			

<b>8</b>	<b>Insurance Requirements</b>		
8a	Seismic Review and Earthquake Insurance		
Seismic Review Required?	Yes		
Earthquake Insurance Required?	No		
<ul style="list-style-type: none"> <li>According to a third-party seismic report by Partner Engineering and Science, Inc. dated 12/12/2024, the Probable Maximum Loss (PML) scenario expected loss is 9% within a 475-year period, which meets the Agency’s earthquake insurance waiver requirement threshold of 20%. Receipt of a certification by the engineer on record that Project has been built to current seismic code acceptable to the Agency, prior to permanent closing, has been added to section 13 as a condition of approval.</li> </ul>			

8b	<b>Flood Designation and Insurance</b>		
Flood Zone Designation:	X	Flood Insurance Required?	N
<p>The subject is located in Flood Zone X (area of minimum flood hazard). Zone X is the area determined to be outside the 500-year floodplain and protected by levee from 100-year floodplain, therefore, the Project will not be subject to flood insurance.</p>			

8c	<b>Other Insurance Requirements</b>		
N/A			

<b>9</b>	<b>Third-party reports and diligence</b>		
9a	Environmental Review Summary		
Environmental Phase I Site Assessment Firm:	EFI Global (EFI)		
Phase I ESA Report Date:	12/19/2024	Reliance Letter with CalHFA as relying party?	Pending – required prior to construction loan closing
Phase II ESA Report Date:	N/A		



NEPA Review Completed?	N	NEPA review Date of completion:	Required prior to Construction Loan Closing
<ul style="list-style-type: none"> <li>A Phase I Environmental Site Assessment identified evidence of Recognized Environmental Conditions (RECs) and a Business Environmental Risk (BER) did not recommend any additional investigation. The presence of the underground storage tanks (UST) is considered a RECs. The Developer has retained EFI to remove the USTs under permit from the Los Angeles County Department of Public Works (LACDPW). The presence of a soil stockpile is considered to be a BER. EFI recommends proper profile characterization of the soil stockpile to determine its suitability for on-site reuse or offsite disposal prior to proposed future site improvements. The report included the results from the Pre-Demolition Asbestos and Lead Assessment prepared 9/10/2024 which are listed below.</li> <li>A Pre-Demolition Asbestos and Lead Assessment was prepared 9/10/2024 by EFI. The report confirmed that the white mastic, gray mastic and flashing putty in the roof contain asbestos above the threshold limit and that due to overlaying all mastics (white, gray and black) on the roof are considered to ACM (Asbestos Containing Material). The report also confirmed that LBP was present in the white wood eaves of the west exterior. EFI recommended that prior to any building renovations or demolition, the identified ACMs and lead containing materials be properly abated.</li> <li>The developer confirmed demolition and mitigation costs are included in the construction period budget.</li> </ul>			
<u>Other Environmental Reports</u>			
Asbestos-containing Material (ACM) Survey Required?		Yes	
Date of Survey:		9/10/2024	
Lead-Based Paint (LBP) Survey Required?		Yes	
Date of Survey:		9/10/2024	
Other Environmental Reports /studies completed:		Exploratory Excavation Technical Memorandum (for the UST) dated 6/6/2024	

<b>10</b>	<b>Risk Identification and Mitigations</b>
10a	<a href="#">Underwriting and Term Sheet Variations</a>
Select all that applies <u>AND</u> add any other applicable deviations from USRM or Term Sheet that are not listed	
<input type="checkbox"/>	i. Initial DSCR greater than 1.20x?
<input type="checkbox"/>	ii. Deviation from LTV and CLTV requirements per Agency's underwriting standards
<input type="checkbox"/>	iii. The Project's proposed operating expenses are below CTCAC minimum
<input type="checkbox"/>	iv. Utility Allowance less than HUD's allowance?
<input type="checkbox"/>	v. Affordability restrictions (rent and income limits) are NOT in compliance with CalHFA Term Sheets and CalHFA Regulatory Agreement
<input type="checkbox"/>	vi. Deviation in Agency's underwriting standards (USRM) requirements for CalHFA regulated unit sizes (by bedroom count) to be distributed substantially on a pro rata basis across income ranges proportionately to their availability in the development?
<input type="checkbox"/>	vii. Maximum allowable rents for all restricted units is NOT in compliance with CalHFA Term Sheets
<input type="checkbox"/>	viii. Variation in CalHFA Loan(s) requirements for lien position recordation per Program Term Sheets
<input type="checkbox"/>	ix. Variation in CalHFA Loan(s) requirement for loan security and repayment per Agency's underwriting standards (USRM) and Program Term Sheets
<input type="checkbox"/>	x. CalHFA Regulatory Agreements (MIP affordability covenants) are not recorded in senior position to all foreclosable debt.

<input type="checkbox"/>	xi. Exceptions related to the Development Team experience or qualifications including deficiency in diligence obtained or lack of supporting evidence, per the requirements in the Agency’s underwriting standards
<input type="checkbox"/>	xii. Exceptions related to Ground Lease structure requirements not meeting the minimum: the ground lease structure is acceptable to Legal, and satisfies the requirement that the first lien perm loan is secured against both fee and leasehold interests in the subject property. The ground lease term exceed any CalHFA subsidy or perm loan term(s) by 10 years or more. The term of the ground lease is equal to or longer than the term of the CalHFA Regulatory Agreement.
<input checked="" type="checkbox"/>	xiii. Failure to meet CalHFA Exit Analysis test requirements. See section 7g for details.
<input checked="" type="checkbox"/>	xiv. Deviation from the CalHFA Program Term Sheet requirement for surplus cash distribution allowing higher than 50% distribution to the Developer. See section 5g for details.
<input type="checkbox"/>	xv. Project-based rental subsidy contract term is less than Agency’s 1 <sup>st</sup> lien perm loan and/or the proposed rental subsidy contract does not contain an automatic renewal provision.
<input type="checkbox"/>	xvi. Deviation from the Agency’s underwriting standards and/or CDLAC/TCAC regulations related to maximum Developer Fee including cash/upfront fee and Deferred Developer fee requirements
<input type="checkbox"/>	xvii. Deviations from the Agency’s underwriting standards related to Construction Cost budget concerns, contingency requirements below minimum, sources/uses imbalance, sources for environmental remediation and/or off-site improvements not identified or finalized, etc.
<input type="checkbox"/>	xviii. <Other>
<p>For any response that is <input checked="" type="checkbox"/> checked, please explain below and discuss potential mitigation strategies:</p> <p>i.</p>	

<b>11</b>	<b>Supplementary Project Information</b>		
11a	Form of Site Control and Expiration		
Current Ownership of Entity of Record:		Holt & Main, LP	
<p>The Project will consist of 2 adjacent parcels at 221 and 237 West Holt Ave.</p> <ul style="list-style-type: none"> <li>- 221 West Holt Ave – The project purchased the land from Shiloh 26 Management LLC on July 1, 2024, for an amount of \$2,400,000.</li> <li>- 237 West Holt Ave – The project purchased the land from the Revocable Living Trust of Chang Huyun Koo and Susan Koo on June 18, 2024, for an amount of \$625,000.</li> <li>- The parcels will be merged prior to, or at construction loan closing. The final parcel map is subject to CalHFA review and approval prior to construction loan closing.</li> </ul>			

11b	Ground Lease (if applicable)		
Ground Lessor	N/A	Capitalized Ground Lease Payment and Source	N/A
Ground Lease Term	N/A	On-going Ground Lease Payment and Source	N/A

11c	<b>Displacement and Relocation of existing tenants</b>
<p>The subject site currently consists of 1 vacant commercial structure formerly occupied by 3 tenants. This structure will be demolished during the course of construction. Relocation of the commercial tenants was completed by the property seller.</p>	

11d	<b>Net Loss of Affordable Units</b>
<p>The Project is a new construction project, with no related demolition of existing affordable housing, hence no existing affordable housing units will be lost nor will existing residential households be displaced as a result of this development.</p>	

11e	<b>Project Amenities</b>		
<u>Project Amenities:</u>	<u>Present?</u>	<u>Unit Amenities</u>	<u>Present?</u>
Community Room	<input checked="" type="checkbox"/>	Central Heating	<input checked="" type="checkbox"/>
Fitness Room	<input type="checkbox"/>	Central A/C	<input checked="" type="checkbox"/>
Computer Room	<input checked="" type="checkbox"/>	Microwave	<input type="checkbox"/>
Gym	<input type="checkbox"/>	Washer/Dryer Hookups	<input type="checkbox"/>
Picnic Area	<input checked="" type="checkbox"/>	Dishwasher	<input checked="" type="checkbox"/>
Playground	<input checked="" type="checkbox"/>	Garbage Disposal	<input checked="" type="checkbox"/>
Gated/Restricted Access	<input checked="" type="checkbox"/>	Free Internet Service	<input type="checkbox"/>
Surveillance Cameras	<input checked="" type="checkbox"/>	Patios/Balconies	<input checked="" type="checkbox"/>
Notes (if any):			

11f	<b>Legislative Districts &amp; Local Support</b>	
Congress:	#35, Norma Torres	
Assembly:	#53, Michelle Rodriguez	
State Senate	#22, Susan Rubio	
<p>Local Support: City of Pomona strongly supports as project aligns with the Pro Housing Pomona, the City's sixth cycle housing element per locality contribution letter response dated 5/16/2024.</p>		

12	<b>Development Team Experience</b>	
12a	<b>Developer / Project Sponsor</b>	
Name	Experience with CalHFA	If new, describe if minimum development experience requirements are met per USRM
Meta Development, LLC (an Affiliate of Meta Housing Corporation)	3 projects in pipeline and 20 projects completed.	N/A

<b>Developer Relationship Summary</b>					
<b>[Pipeline]</b>					
Project Name	Project Status	Construction Loan Closing	Est. conversion	Perm Loan Amount	CalHFA Subsidy Amount
1400 Long Beach	Under Construction	2/15/2024	9/15/2026	\$21,170,000	\$4,000,000
Alves Lane	Under Construction	3/8/2023	10/1/2025	\$19,496,000	\$7,360,403
The Tellus on Carson	Under Construction	12/22/2022	7/1/2025	\$0	\$0
			<b>Grand Total</b>	\$52,026,403	

**Notes (if any)**

Comment on any project that is facing cost-over run, construction delays, other issues:

Alves Lane has experienced cost overruns and delays of approximately 130 days. These are due to coordination challenges with Golden State Water (GSW) to establish water service for the project. This process was further complicated by the need to route water service over a canal via a bridge crossing. Unforeseen scope was added to our initial design, which was not captured at the time of bid due to delays in GSW’s review of our plans. Contra Costa County required water service to be in place before framing activities could begin, and the delayed approval from GSW caused a delay in framing. Temporary Certificate of Occupancy is expected in June 2025. The Developer stated that the hard cost contingency should sufficiently cover the cost overruns and Meta is committed to fund any unforeseen cost overruns.

Developer Relationship Summary								
[Portfolio]								
Project Name	Project Status	Loan Origination Date	Loan Maturity Date	Loan Amount	UPB as of [date]	Most Recent DSCR	Most Recent Occ. (%)	
127th Street Apartments	Active	6/25/2019	6/1/2074	\$3,000,000	\$3,000,000	N/A	93%	
Artists Colony	Active	12/27/2005	1/1/2046	\$16,015,000	\$12,227,449	1.47	99%	
Beacon Villa	Active	4/29/2024	5/1/2041	\$12,939,000 \$6,350,000	\$12,868,425 \$6,350,000.	First AFS will be for 2024		
Cottons Point Senior Apartments	Active	8/1/2012	8/1/2067	\$1,622,400	\$1,622,400	N/A	99%	
Courson Arts Colony West	Active	7/15/2020	7/1/2075	\$855,000	\$855,000	N/A	96%	
Downtown Hayward	Active	CDLAC Only			\$0	N/A	N/A	
Long Beach & 21st Apartments MHSA	Active	3/20/2014	3/1/2069	\$1,897,450	\$1,897,450	N/A	100%	
Lugo Senior MHSA	Active	2/4/2013	2/1/2068	\$1,124,486	\$1,124,486	N/A	99%	
One Lake Family Apartments	Active	2/6/2024	3/1/2054	\$27,431,301 \$14,255,000	\$27,237,740 \$14,255,000	First AFS will be for 2024		
Santa Ana Arts Collective	Active	8/17/2021	8/1/2076	\$232,215	\$2,362,215	N/A	97%	
SNHP 433 Vermont Apts	Active	3/27/2019	3/1/2076	\$2,520,000	\$2,520,000	First AFS will be for 2024		
SNHP Westminster Crossing	Active	12/17/2019	12/1/2074	\$2,912,000	\$2,912,000	N/A	97%	
SNHP Whittier & Downey Nw	Active	11/22/2019	11/1/2074	\$1,995,000	\$1,995,000	N/A	85%	

Sylmar Court	Active	3/29/2016	3/1/2071	\$1,250,000	\$1,250,000	N/A	98%	
Tavarua Senior Apartments	Active	12/13/2011	12/1/2066	\$1,081,600	\$1,081,600	N/A	100%	
Whittier Downey SE	Active	10/15/2020	12/1/2060	\$6,500,000	\$6,292,573	1.12	96%	
		3/27/2018	3/1/2073	\$3,325,000	\$3,325,000			
Winnetka Senior MHSA	Active	2/26/2018	2/1/2073	\$750,000	\$750,000	N/A	95%	
El Segundo Blvd Apartments	Active	9/5/2019	9/1/2074	\$1,500,000	\$1,500,000	N/A	91%	
Mission Gateway	Active	10/4/2024	11/01/2044	\$14,383,390	\$14,383,390	N/A	98%	
Mosaic on Mission	Active	10/17/2023	10/1/2053	\$5,000,000	\$5,000,000		99%	
			Total	\$126,938,842	\$119,809,738			

**Notes:**

All portfolio projects were developed by Meta Housing Corporation, an affiliate of Meta Development, LLC.

<b>12b</b>	<b>General Contractor</b>
General Contractor name:	Westport Construction, Inc.
Affiliated entity of the Developer/Borrower?	No
Experience with CalHFA?	Yes
<p>The general contractor (GC) is Westport Construction, which has extensive experience in constructing similar affordable housing projects in California and is familiar with CalHFA. The GC and the developer have worked on 9 projects that have been completed and are working on 3 projects that are in development stage.</p>	

<b>12c</b>	<b>Architect and Engineering (A&amp;E) firm</b>
Architect name:	Y&M
Affiliated entity of the GC?	No
Affiliated entity of the Developer/Borrower?	No
Experience with CalHFA?	Yes
<p>The architect is Y&amp;M, which has extensive experience in designing and managing similar affordable housing projects in California through the locality's building permit process and is familiar with CalHFA.</p> <p>The architect and the developer have worked on 18 projects that have been completed and is working on 6 projects that are in the development stage.</p>	

12d	Management Agent (Property Manager)	
Name of the Firm	Solari Enterprises, Inc.	
Third-party or Borrower Affiliate?	Third-Party	
Management Fee (Annual fee %)	4.25% of Gross Collections	
Management Fee (Other incentives)	\$36,000 for pre-occupancy/lease-up services	
Total number of properties managed by the Property Manager (PM)	120 LIHTC properties	
Total number of properties managed for the Developer	25	
Total number of properties the PM has in CalHFA portfolio	12	
Any property management issues for CalHFA portfolio projects under the management of the Property Manager?	None	
Notes (if any):		

12e	Borrower Affiliated Entities		
<b>Borrower Legal Entity</b>	<b>Holt &amp; Main, LP</b>		
Borrower Entity Type	A California limited partnership		
<u>Member</u>	<u>% interest</u>	<u>Legal Entity Name:</u>	
Managing General Partner	0.0049%	WCH Affordable LXIV, LLC	
Administrative General Partner	0.0051%	Holt & Main, LLC	
Investor Limited Partner	99.99%	Bank of America, N.A.	
	100.00%		
<b><u>Managing General Partner</u></b>	WCH Affordable LXIV, LLC		
Type of Legal Entity	A California limited liability Company		
	Ownership	% interest	
Western Community Housing, Inc.		100%	
<b><u>Administrative General Partner</u></b>	Holt & Main, LLC		
Type of Legal Entity	A California limited liability Company		
	Ownership	% interest	
Member: Meta Development, LLC, a California limited liability company		100%	
<b><u>Investor Limited Partner</u></b>	Bank of America, N.A.		
Comments on Tax Credit Investor:			
Comments on LPA nuances/concerns: The LPA is not available at this time.			
Notes (if any):			

12f	Support Service Provider(s)
Name of Service Provider	Western Community Housing, Inc.
Required by TCAC or other funding sources?	Yes
Term of Services (on-site, number of years)	15
Support Services Budget included in the Operating Budget	\$28,200
Per unit cost of support services meets USRM thresholds?	Yes
<p>The Borrower has elected to provide supportive services to the residents through Western Community Housing, Inc. Services will include 5 hours/week of Adult Educational, health and wellness, or skill-building classes. Includes but is not limited to financial literacy, computer training, vocational skills, health and nutrition, green living, job-seeking skills and resume building. Adult Education instruction shall be no less than eighty-four (84) hours per year.</p> <p>Health and Wellness Services and Programs must include, but are not limited to: Crisis intervention, practical counseling and emotional support, cleanliness &amp; hygiene Assessment, eviction prevention, Government and insurance entitlements, and physical and mental health assessments. Health and Wellness Services and Programs shall be no less than one hundred sixty-eight (168) hours per year.</p>	

13	Conditions for Approval
<p>Approval is conditioned upon:</p> <ol style="list-style-type: none"> <li>1. Subject to all MIP program requirements pursuant to applicable term sheets.</li> <li>2. The CalHFA MIP loan subsidy will be, in the Agency’s sole discretion, the lesser of 1) the principal amount as stated on hereto or 2) an amount as determined by the Agency in the event the financial assumptions change prior to construction loan closing and/or permanent loan closing.</li> <li>3. All MIP Loan principal and interest will be due and payable at maturity.</li> <li>4. No site work or construction commenced prior to the issuance of a HUD Firm Approval Letter, per the HUD Risk Sharing program requirements.</li> <li>5. CalHFA requires that MIP affordability covenants be recorded in senior position to all foreclosable debt.</li> <li>6. Funds from the CalHFA permanent loan and/or the subsidy loan shall not be used to fund or offset any portion of the parking spaces or offsite improvement construction costs, except to the extent such costs are attributable to improvements for the exclusive use by the tenants of the Project.</li> <li>7. The Borrower has requested that higher than 50% of surplus cash be available for the repayment of the deferred developer’s fee (DDF) until the earlier of year 13 of operations is complete or full repayment of the DDF. Thereafter, the surplus cash split shall be 50% to Borrower and 50% to Residual Receipt lender(s). As a condition of this approval, the Borrower must provide evidence that the DDF repayment structure is required pursuant to the Limited Partnership Agreement (LPA). In addition, the owner must provide evidence of investor and all residual receipt lender(s) approvals of the total deferred developer’s fee structure and residual receipt split. Residual receipt lenders must also agree to defer the payments on their loans.</li> <li>8. Any default as to any loans by the Agency for the Development shall constitute a default under any other loans by the Agency for the Development.</li> <li>9. Final environmental remediation and plan must be provided and approved by CalHFA prior to construction loan closing. In addition, evidence of environmental clearance must be provided and approved by CalHFA prior to permanent loan closing.</li> </ol>	

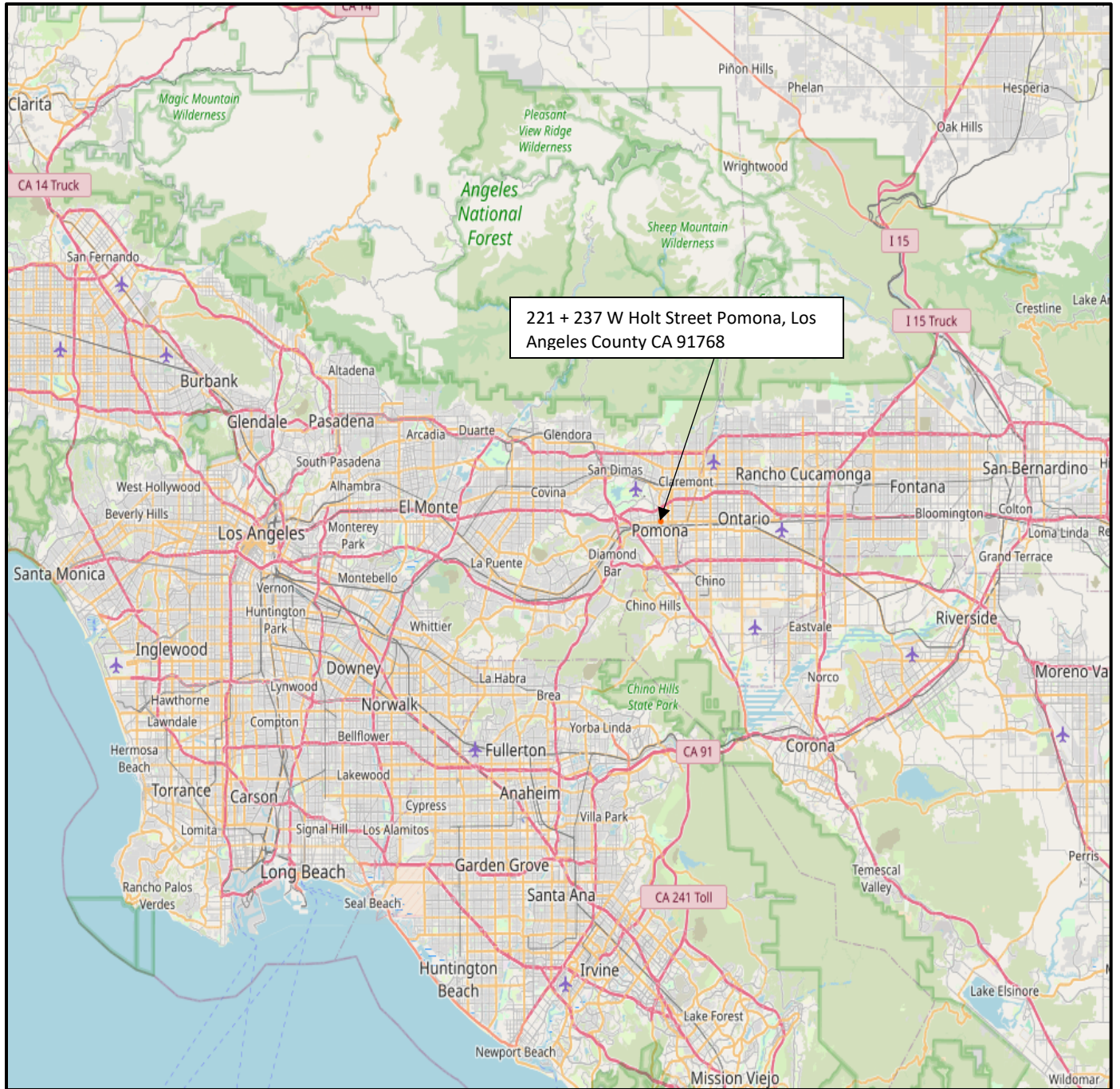


10. Receipt of a certification by the engineer on record that Project has been built to current seismic code acceptable to the Agency prior to permanent closing.
11. Receipt of Final Plan and Cost Review and acceptance by CalHFA prior to construction closing.
12. Closing on construction financing will be subject to final Limited Partnership Agreement (LPA) being substantially consistent to the assumptions made at time of final commitment and as reflected in the attached Financial Analysis Summary attached to this Final Commitment Staff Report, and acceptable to CalHFA, in its sole discretion.
13. Receipt of acceptable reliance letter for the Phase I report by EFI Global date 12/19/2024.

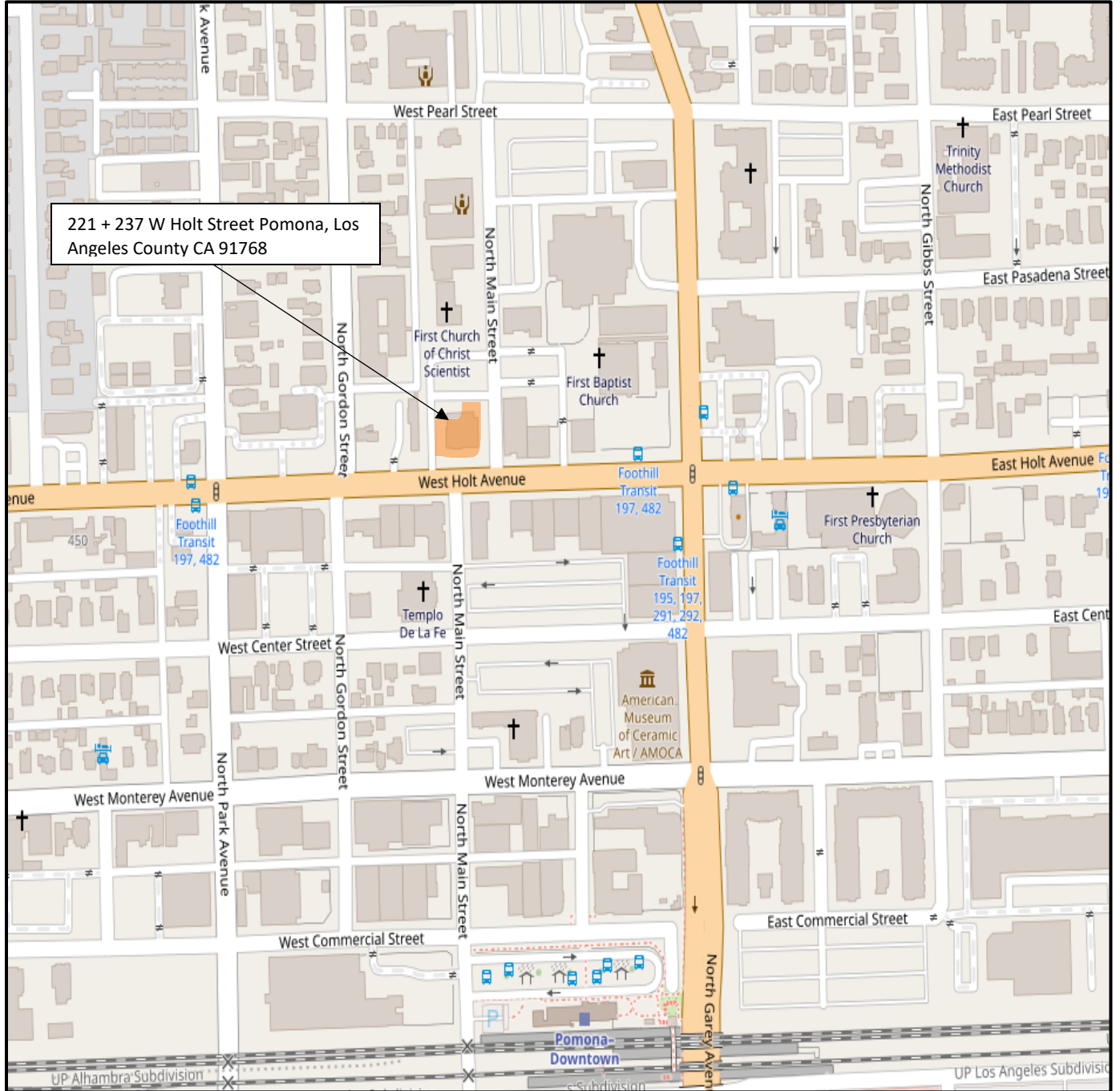
<b>14</b>	<b>Approval Recommendation and Action</b>
14a	Staff Recommendation and Approval Authorizing the Issuance of a Final Commitment
<p>The Multifamily Lending Division supports approval of the described financing in the amount(s) requested, subject to the above proposed terms and conditions.</p> <p>The Final Commitment of the Agency is subject to all CalHFA underwriting standards, applicable Term Sheet and CalHFA regulatory requirements, and any other applicable requirements. Any material deviation from the original financing structure, project changes, underwriting assumptions, or the failure of a condition of the Final Commitment Letter, if issued, can result in the Agency's decision to not proceed with the financing of the Project at any stage during underwriting and prior to the closing of the Agency's financing.</p>	

14b	Senior Loan Committee Action
<p>Senior Loan Committee recommends approval of the Final Commitment of the described financing in the amount(s) requested, subject to the above proposed terms and conditions.</p>	
 <p><b>Erwin Tam</b> 2025.01.13 15:59:37-08'00'     Date: _____</p>	
<p>Erwin Tam Director of Financing &amp; Senior Loan Committee Chairperson</p>	
<p>Approved by:</p>	
 <p>Digitally signed by Rebecca Franklin DN: O=California Housing Finance Agency, CN=Rebecca Franklin, E=rfranklin@calhfa.ca.gov Location: Foxit PDF Editor Version: 13.1.4     Date: <u>1/15/2025</u></p>	
<p>Rebecca Franklin Chief Deputy Director CalHFA</p>	

# Holt and Main Far



# Holt and Main Near



BOARD OF DIRECTORS  
OF THE CALIFORNIA HOUSING FINANCE AGENCY

RESOLUTION NO. 25-02

RESOLUTION AUTHORIZING A FINAL LOAN COMMITMENT

WHEREAS, the California Housing Finance Agency (the "Agency") has received a loan application on behalf of Holt & Main, LP, a California limited partnership (the "Borrower"), seeking a loan commitment, the proceeds of which are to be used to provide financing for a multifamily housing development located in the City of Pomona, County of Los Angeles, California, to be known as Holt & Main (the "Development"); and

WHEREAS, the loan application has been reviewed by Agency staff which prepared a report presented to the Board on the meeting date recited below (the "Staff Report"), recommending Board approval subject to certain recommended terms and conditions; and

WHEREAS, Agency staff has determined or expects to determine prior to making a binding commitment to fund the loan for which the application has been made, that (i) the Agency can effectively and prudently raise capital to fund the loan for which the application has been made, by direct access to the capital markets, by private placement, or other means and (ii) any financial mechanisms needed to insure prudent and reasonable financing of loans can be achieved; and

WHEREAS, pursuant to the Executive Director's authority to issue Conduit Bonds, under Resolution 24-10 the Agency has filed an application with the California Debt Limit Allocation Committee ("CDLAC") for an allocation of California Qualified Private Activity Bonds for the Development; and

WHEREAS, pursuant to the Executive Director's authority to issue Conduit Bonds, under Resolution 24-10, the Agency may additionally issue refunding bonds utilizing "Recycled" private activity bond volume cap pursuant to 26 U.S.C. 146(i)(6); and

WHEREAS, the Development has received a TEFRA Resolution as required by the Tax Equity and Fiscal Responsibility Act of 1983, and under 26 U.S.C. section 147(f); and

WHEREAS, Section 1.150-2 of the Treasury Regulations requires the Agency, as the issuer of tax-exempt bonds, to declare its reasonable official intent to reimburse prior expenditures for the Development with proceeds of a subsequent borrowing; and

WHEREAS, on February 21, 2024, the Executive Director exercised the authority delegated to her under Resolution 15-16 to declare the official intent of the Agency to reimburse such prior expenditures for the Development; and

WHEREAS, the Agency has conditionally approved a subsidy loan pursuant to CalHFA’s Mixed-Income Program (“MIP”) pursuant to its authority under Resolutions 19-02 and 19-14; and

WHEREAS, the Board wishes to grant the staff the authority to enter into a loan commitment to provide permanent financing for the development and taking out the Conduit Bonds upon Agency staff determining in its judgment that reasonable and prudent financing mechanisms can be achieved;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors (the “Board”) of the California Housing Finance Agency as follows:

1. The Executive Director, or in her absence, the Chief Deputy Director, is hereby authorized to execute and deliver a final commitment letter, in a form acceptable to the Agency, and subject to recommended terms and conditions set forth in the Staff Report and any terms and conditions as the Board has designated in the Minutes of the Board Meeting, in relation to the Development described above and as follows:

<u>PROJECT NUMBER</u>	<u>DEVELOPMENT NAME/ LOCALITY</u>	<u>MORTGAGE AMOUNT</u>
24-007-A/X/X	HOLT & MAIN City of Pomona, County of Los Angeles	\$20,094,000.00 Tax-Exempt Bond 1 <sup>st</sup> Lien Loan with HUD Risk Share
		\$4,000,000.00 Mixed-Income Program Residual Receipt 2 <sup>nd</sup> Lien Loan

The Board recognizes that in the event that staff cannot determine that reasonable and prudent financing mechanisms can be achieved, the staff will not enter into loan commitments to finance the Development. In addition, access to capital markets may require significant changes to the terms of loans submitted to the Board. Notwithstanding paragraph 2 below, the staff is authorized to make any needed modifications to the loan which in staff’s judgment are directly or indirectly the result of the disruptions to the capital markets referred to above.

2. The Executive Director may modify the terms and conditions of the loan or loans as described in the Staff Report, provided that major modifications, as defined below, must be submitted to this Board for approval. "Major modifications" as used herein means modifications which either (i) increase the total aggregate amount of any loans made pursuant to the Resolution by more than 7%; or (ii) modifications which in the judgment of the Executive Director, or in her absence, the Chief Deputy Director of the Agency, adversely change the financial or public purpose aspects of the final commitment in a substantial way.

## SECRETARY'S CERTIFICATE

I, Claire Tauriainen, the undersigned, do hereby certify that I am the duly authorized Secretary of the Board of Directors of the California Housing Finance Agency, and hereby further certify that the foregoing is a full, true, and correct copy of Resolution No. 25-02 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 28<sup>th</sup> day of January, 2025, at which meeting all said directors had due notice, a quorum was present and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

IN WITNESS WHEREOF, I have executed this certificate hereto this 28<sup>th</sup> day of January, 2025.

ATTEST:

\_\_\_\_\_  
CLAIRE TAURIAINEN  
Secretary of the Board of Directors of the  
California Housing Finance Agency



## MEMORANDUM

**To:** Board of Directors **Date:** January 28, 2025

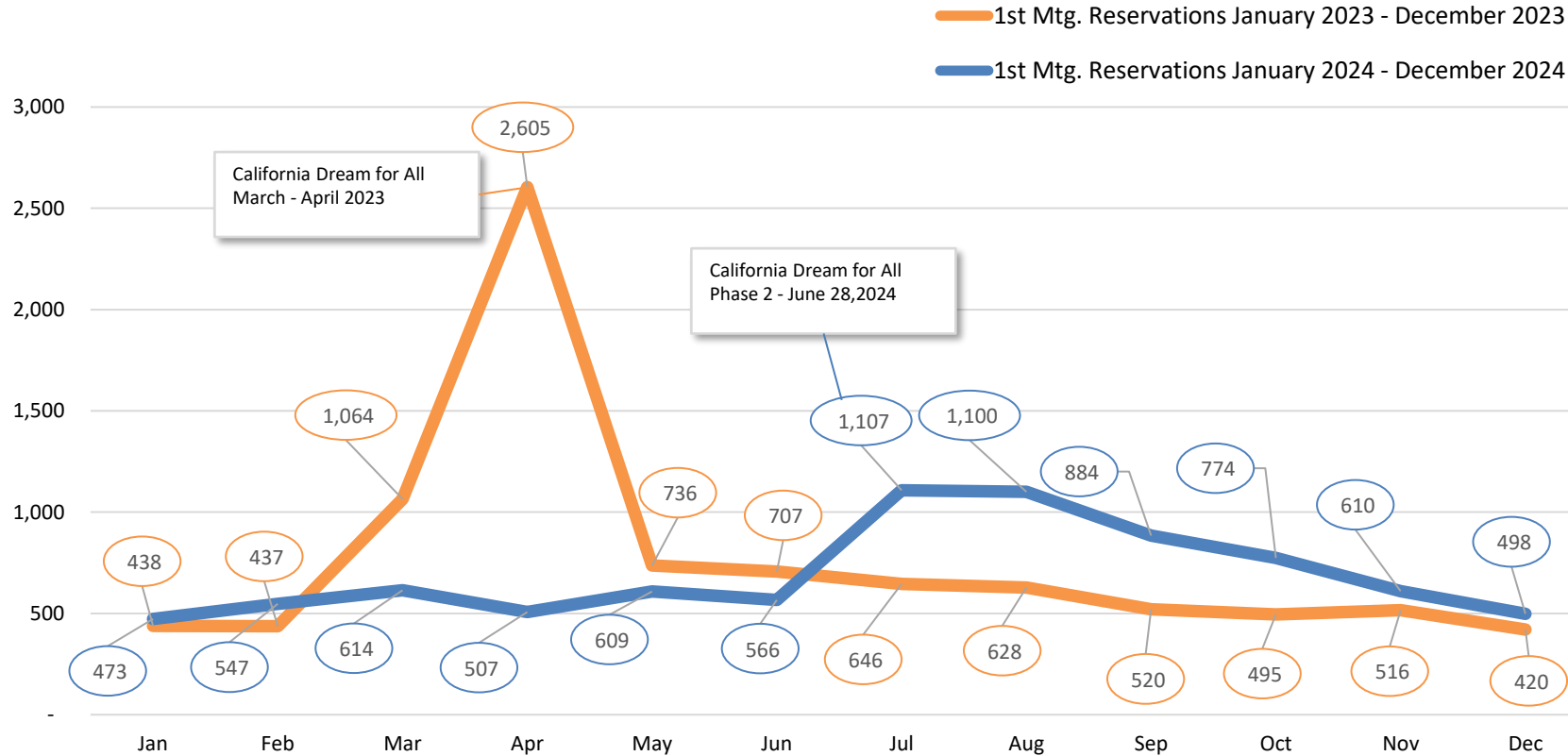
**From:** Ellen Martin, Director of Homeownership Programs  
California Housing Finance Agency

**Subject:** Agenda Item 8 – Single Family Loan Production Report

Attached please find the Single Family Loan Production Report for the period December 2024.



## Total Reservations January 2024 – December 2024



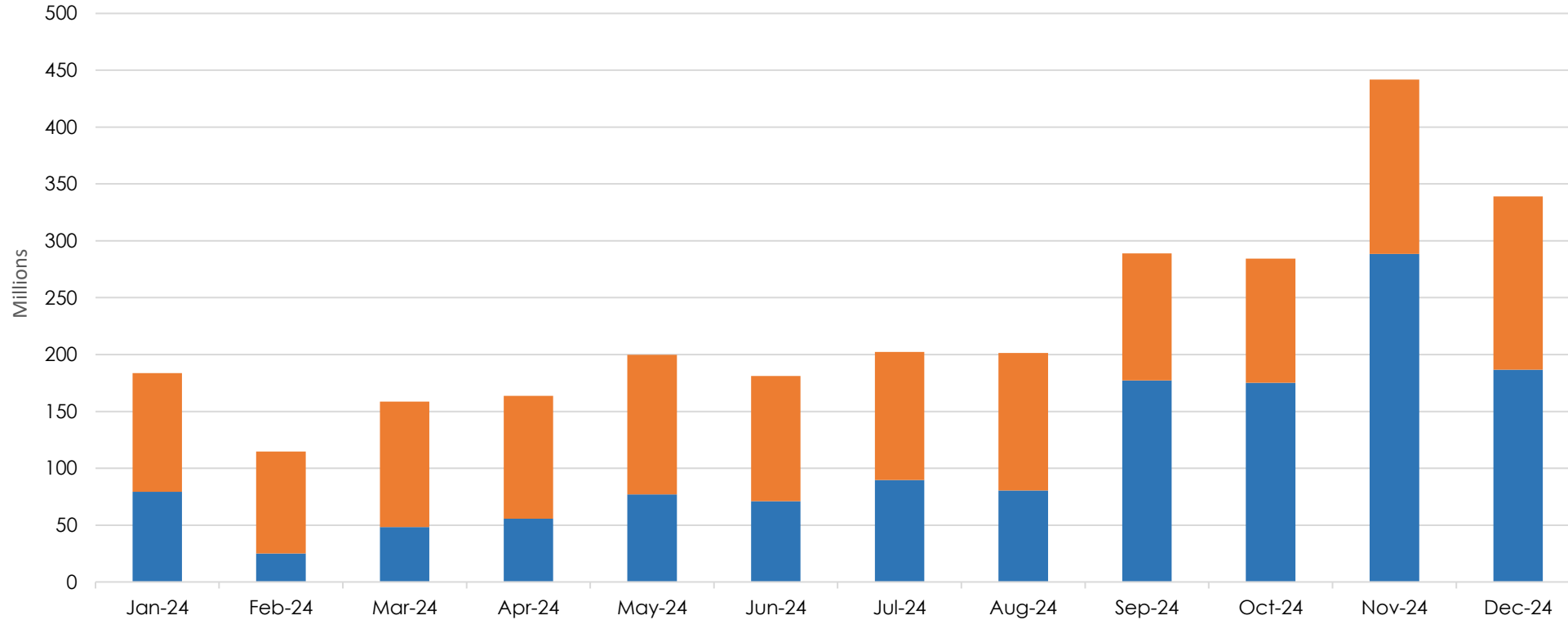
<b>FY 2024/25 Year to Date Totals:</b>		
<b>Conventional</b>	<b>2,912</b>	<b>59%</b>
<b>FHA</b>	<b>2,027</b>	<b>41%</b>
	<b>4,939</b>	

<b>Rolling 12 Month Totals:</b>
January 2023 - December 2023 = 9,212
January 2024 - December 2024 = 8,289





## January 2024 – December 2024 Securitized



### FY 2024/25 Year to Date Totals

#### Government (46%)

FHA with ZIP	32	\$	12,295,046
FHA no ZIP	1,737	\$	739,435,171
VA	19	\$	8,528,266
USDA	8	\$	2,262,169
	<b>1,796</b>	<b>\$</b>	<b>762,520,652</b>

#### Conventional (54%)

Conventional with ZIP	54	\$	24,833,572
Conventional no ZIP	745	\$	380,195,567
LI/VLI Conventional with ZIP	12	\$	3,633,650
LI/VLI Conventional no ZIP	178	\$	59,072,335
<b>DFA Conventional</b>	<b>1,102</b>	<b>\$</b>	<b>529,993,041</b>

**Total**

**3,887 \$ 1,760,248,817**

**2,091 \$ 997,728,165**



## Total Reservations January 2024 – December 2024

### Lending by Region

By count for past 12 mos. securitized or funded  
Jan 2024 - Dec 2024

#### MyHome – 5,312 Homeowners

Bay Area Region	12%
Capital Region	11%
Central Coast Region	3%
Central Valley Region	35%
Inland Empire Region	19%
Los Angeles Region	6%
Orange County Region	1%
Rural Areas	10%
San Diego Region	3%

#### ADU - 386 Grants

Bay Area Region	14%
Capital Region	3%
Central Coast Region	5%
Central Valley Region	3%
Inland Empire Region	6%
Los Angeles Region	56%
Orange County Region	7%
Rural Areas	0%
San Diego Region	7%

#### Dream For All – 1,103 Homeowners

Bay Area Region	17%
Capital Region	10%
Central Coast Region	5%
Central Valley Region	14%
Inland Empire Region	18%
Los Angeles Region	16%
Orange County Region	7%
Rural Areas	5%
San Diego Region	7%

