CalHFA California Housing Finance Agency

Public Meeting Agenda

California Housing Finance Agency Board of Directors
Thursday, April 16, 2026
10:00 a.m.

Meeting Location:
California Bank & Trust
520 Capitol Mall
Lower Level Conference Room
Sacramento, CA 95814

This meeting is open to the public pursuant to Government Code Sections 11120-11132.

The meeting is available in person, on Zoom, and on YouTube. Public comments may be made in person or through Zoom.

Click here to view on YouTube:
California Housing Finance Agency (CalHFA) - YouTube

Click here to register on Zoom:
https://events.zoom.us/ev/AgpbnasSrZwjT1XgDKh7jdI2Oo1iBKMOqHlZn55t4HSxIqCKzkM~Au06SY6NUZ6hJRio_rwM-GWaTRMY5S3kymq9EagT6_eDXi4NNgDLf5y5Rg

1. Roll Call

2. Approval of the March 17, 2026 meeting minutes 1

3. Chairperson/Executive Director comments

4. Report out from the New Opportunities Committee

5. Discussion, recommendation, and possible action to approve a final loan commitment for the following project: (Katherine McFadden) 7

NUMBER	DEVELOPMENT	LOCALITY	UNITS
25013	Victoria Flats	Ventura/Ventura	104

Resolution No. 26-09 22

NOTES:

Parking: Public parking is available at the 520 Capitol Mall parking structure, with the entrance located on N Street.

Parking is managed via the Metropolis Parking App:

1. Go to **metropolis.io** or download the Metropolis Parking app.
2. Create an account.
3. Add your license plate number and payment method.

Cameras will automatically read your license plate upon entry and exit — no tickets or kiosks needed. Your payment will be processed automatically.

Refreshments: Available nearby, at Panera and Old Soul Coffee

MINUTES

California Housing Finance Agency (CalHFA)
Board of Directors Meeting
March 17, 2026
Meeting noticed on March 6, 2026

1. Roll Call

The California Housing Finance Agency Board of Directors meeting was called to order at 10:01 a.m. by Chair Cervantes. A quorum of members was present.

MEMBERS PRESENT:	Cabildo, Cervantes, Fano (for Assefa), Moss, Hardeman, Limon, Muoto, Prince, Russell, Feigles (for Sin), Williams (for Velasquez), White, Williams, Sertich
MEMBERS ARRIVING AFTER ROLL CALL:	Wiant (for Ma)
MEMBERS ABSENT:	Stephenshaw
STAFF PRESENT:	Rebecca Franklin, Erwin Tam, Kathrine McFadden, Claire Tauriainen, Courtney Pond
EARLY DEPARTURES:	None
GUEST SPEAKERS:	Rachel Green, Director, USA Properties Fund, Inc.

2. Approval of the meeting minutes – February 18 and 19, 2026

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

3. Chairperson/Executive Director comments

Chairperson's comments:

Chair Cervantes welcomed Brandon Williams, General Counsel and Deputy Director of Legal Affairs at HCD, who attended on behalf of Director Velasquez.

Executive Director comments:

- Executive Director Sertich reported that the California Dream For All Program application window closed on March 16, with more than 14,000 applications submitted across all set-aside areas.

- He reported that the recent CalAssist eligibility expansion has enabled $27 million in assistance for 830 homeowners over the past five weeks.

- He provided an update on staff participation at the Housing California Conference, noting that CalHFA will host office hours to engage with stakeholder groups.

- He highlighted the grand opening of 8181 Allison Apartments and noted ongoing tribal outreach efforts supporting program development.

- Lastly, he announced that CalHFA received a national information security award and recognized the IT team for their successful audit remediation work.

4. Report out from the Audit and Risk Management Committee

Presented by Chair Williams, Audit and Risk Management Committee

Chair Williams reported that independent auditors CliftonLarsonAllen (CLA) provided the Committee with an overview of the audit results of the California Housing Finance Fund for the year ending June 30, 2025.

5. Discussion, recommendation, and possible action to approve a permanent loan increase for 8181 Allison, Project No 22-018, for 147 units in La Mesa, San Diego County – Resolution 26-02

Presented by Katherine McFadden, Director of Multifamily Programs

On a motion by Moss, the Board approved **Resolution No. 26-02.** The votes were as follows:

AYES:	Cabildo, Cervantes, Moss, Hardeman, Limon, Wiant (for Ma), Muoto, Prince, Feigles (for Sin), Williams (for Velasquez), White, Williams
NOES:	None
ABSTENTIONS:	None

RECUSALS: Russell

ABSENT: None

6. **Discussion, recommendation, and possible action to approve a permanent loan increase for Shiloh Terrace, Project No 21-020, for 134 units in Windsor, Sonoma County – Resolution 26-03**

Presented by Katherine McFadden, Director of Multifamily Programs

On a motion by White, the Board approved **Resolution No. 26-03.** The votes were as follows:

AYES:	Cabildo, Cervantes, Moss, Hardeman, Limon, Wiant (for Ma), Muoto, Prince, Feigles (for Sin), Williams (for Velasquez), White, Williams
NOES:	None
ABSTENTIONS:	None
RECUSALS:	Russell
ABSENT:	None

7. **Discussion, recommendation, and possible action authorizing the financing of the Agency's multifamily housing program, the issuance of multifamily bonds, the Agency's multifamily bond indentures, credit facilities for multifamily purposes, and related financial agreements and contracts for services – Resolution No. 26-04**

Presented by Erwin Tam, Director of Financing

On a motion by Russell, the Board approved **Resolution No. 26-04**. The votes were as follows:

AYES:	Cabildo, Cervantes, Moss, Hardeman, Limon, Wiant (for Ma), Muoto, Prince, Russell, Feigles (for Sin), Williams (for Velasquez), White, Williams
NOES:	None
ABSTENTIONS:	None

ABSENT: None

8. <u>Discussion, recommendation, and possible action authorizing the financing of the Agency's multifamily housing program from non-bond sources and related financial agreements and contracts for services – Resolution No. 26-05</u>

Presented by Erwin Tam, Director of Financing

On a motion by Williams, the Board approved **<u>Resolution No. 26-05</u>**. The votes were as follows:

AYES: Cabildo, Cervantes, Moss, Hardeman, Limon, Wiant (for Ma), Muoto, Prince, Russell, Feigles (for Sin), Williams (for Velasquez), White, Williams

NOES: None

ABSTENTIONS: None

ABSENT: None

9. <u>Discussion, recommendation, and possible action authorizing the Agency's single family bond indentures, the issuance of single family bonds, credit facilities for homeownership purposes, and related financial agreements and contracts for services – Resolution No. 26-06</u>

Presented by Erwin Tam, Director of Financing

On a motion by Cabildo, the Board approved **<u>Resolution No. 26-06</u>**. The votes were as follows:

AYES: Cabildo, Cervantes, Moss, Hardeman, Limon, Wiant (for Ma), Muoto, Prince, Russell, Feigles (for Sin), Williams (for Velasquez), White, Williams

NOES: None

ABSTENTIONS: None

ABSENT: None

10. Discussion, recommendation, and possible action authorizing the Agency's single family non-bond financing mechanisms for homeownership purposes, and related financial agreements and contracts for services – Resolution No. 26-07

Presented by Erwin Tam, Director of Financing

On a motion by Russell the Board approved **Resolution No. 26-07**. The votes were as follows:

AYES: Cabildo, Cervantes, Moss, Hardeman, Limon, Wiant (for Ma), Muoto, Prince, Russell, Feigles (for Sin), Williams (for Velasquez), White, Williams

NOES: None

ABSTENTIONS: None

ABSENT: None

11. Discussion, recommendation, and possible action authorizing approval of applications to the California Debt Limit Allocation Committee for private activity bond allocations for the Agency's programs – Resolution No. 26-08

Presented by Erwin Tam, Director of Financing

On a motion by Moss, the Board approved **Resolution No. 26-08**. The votes were as follows:

AYES: Cabildo, Cervantes, Moss, Hardeman, Limon, Wiant (for Ma), Muoto, Prince, Russell, Feigles (for Sin), Williams (for Velasquez), White, Williams

NOES: None

ABSTENTIONS: None

ABSENT: None

12. Informational written reports:

Chair Cervantes asked if there were any questions about written reports and there were none.

13. Other Board matters:

- Chair Cervantes noted that several projects have requested permanent loan increases and suggested that a future discussion may be needed to determine an appropriate approach.

- Director Prince stated that AMI-based housing costs no longer align with household incomes and stressed that financial risk should be more equitably shared between public agencies and developers.

- Director Limon recognized CalHFA's partnership with the National Association of Hispanic Real Estate Professionals and highlighted that the California Dream For All program enabled a long-waiting family to purchase a home through effective training and outreach.

- Director Hardeman highlighted the importance of public outreach and strong partnerships with financial and real estate organizations in sustaining state support and funding for the Dream for All program

14. Public comment:

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

15. Adjournment

As there was no further business to be conducted, Chair Cervantes adjourned the meeting at 11:11 a.m.

CalHFA

MEMORANDUM

To: Board of Directors **Date:** April 16, 2026

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

Subject: Agenda Item #5 – Final Loan Commitment for Victoria Flats, Project No. 25-013

Action: CalHFA Senior Loan Committee has recommended that Executive Director, Anthony Sertich, seek Board approval and final loan commitment for the Victoria Flats Development by approving Resolution Number 26-09.

Development Information:

- The Executive Director has Board delegated authority to approve loans up to $15,000,000, therefore, the Victoria Flats Development is seeking Board approval for a $20,136,450 permanent loan and a $4,000,000 Mixed-Income Program subsidy loan, to construct a 104-unit new construction development at a total development cost per unit of $511,692.
- Both the permanent loan (40-year amortization) and MIP subsidy loan (residual receipts) will have terms of 17 years.
- The Project will have 32 units restricted at 30% of Area Median Income ("AMI"), 7 units at 40% AMI, 7 units restricted at 50% AMI, 7 units restricted at 60% AMI, and 50 units restricted at 80% AMI. There will be 1 unrestricted manager unit.
- The Victoria Flats Development is proposed to be constructed in Ventura, Ventura County and developed by Red Tail Multifamily Development LLC (with AHA Affordable Housing Access, Inc as the co-sponsor).
- Energy efficient and green design features include: the use of EnergyStar appliances and installation of water efficient landscaping, other Project green design features include installation of a solar electric system.
- 1) Use of California Utility Allowance Calculator (CUAC) to calculate utility allowances based on energy savings; 2) the CalHFA regulatory agreements will not be recorded in senior position as the City of Buenaventura is requiring a Housing Declaration and Affordability Agreement to be recorded in senior

position to the CalHFA Deeds of Trust; and and 3) to ensure the deferred developer fee is repaid by year 15, the developer is requesting a larger than 50% share of surplus cash distribution to comply with tax credit investor requirements.

Project Architectural Renderings

Executive Summary	
CalHFA Project Number	25013
Project Name	Victoria Flats
Type of Development	New Construction
Type of Project	Family
Total Units (MIP Restricted Units)]	104 (103 MIP Restricted)
Street Address	Northeast intersection of Victoria Ave and Olivas Park Dr.
City, County, Zip Code	Ventura, Ventura, 93003
Borrower (Legal entity name)	FLT Olivas Partners, LP
Developer(s)	Red Tail Multifamily Land Development, LLC
Co-Developer	N/A
Approved Conduit Issuances	
Conduit T/E Bond Issuance [CDLAC Meeting: 8/5/2025]	$22,000,000 (Assuming current need is $19,152,525; includes 10% cushion and rounded up to nearest $1m)
Conduit Taxable Bond Issuance	$25,000,000 (Assuming current need is $22,292,952; includes 10% cushion and rounded up to nearest $1m)
Conduit T/E Recycled Bond Volume Cap	$1,000,000 (Assuming current need is $100,000; includes 10% cushion and rounded up to nearest $1m)
Requested CalHFA Financing for Approval	
Combined CalHFA 1st Lien Permanent Loan	$20,136,450 UW Rate and Loan Term: 6.55% blended; fixed; 40/17
CalHFA Tax-Exempt Portion of Combined Loan	$19,252,525; 6.51%; fixed; 40/17
CalHFA Taxable Portion of Combined Loan	$983,925 7.37%; fixed; 40/17
HUD Risk Sharing Requirement (1st lien loan)	Yes
CalHFA Subordinate/Subsidy Financing Type	$4,000,000 Mixed-Income Program (MIP) 2025 UW Rate and Loan Term: 3.00%, fixed-simple; 2nd lien; residual receipts; due in 17 years
Key Dates and Approvals	
CDLAC Volume Cap Award Date	8/5/2025
CTCAC Tax Credit Award Date	8/5/2025
CDLAC Closing Deadline	6/23/2026
Est. Construction Loan Closing Date	6/1/2026
Est. CalHFA Loan Closing (perm conversion) Date	8/1/2028
Federal Tax Credits (LIHTC) Requested	$24,469,170
State Tax Credits Requested	$2,724,270

1	Project Summary

Victoria Flats (the "Project") is a new construction large family, mixed-income Project. The total development site area is 1.62 acres and is located in Ventura, Ventura County. The Project will consist of one (1), 4-story residential elevator serviced building. The Project will have a total of 104 residential units, of which 103 units will be restricted between 30% and 80% of the Ventura County Area Median Income (AMI). There will be 28 one-bedroom units (554 sq. ft.), 34 two-bedroom units (890 sq. ft.), 32 three-bedroom units (1,010 sq. ft.), and 11 four-bedroom units (1,238 sq. ft.). In addition, one (1) of the two-bedroom units will serve as the manager's unit(s). The Project will have 154 residential parking spaces. All spaces will be uncovered. 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.

The Project is of wood frame construction. In addition to CDLAC minimum design standards which include some sustainable building requirements like the use of EnergyStar appliances and installation of water efficient landscaping, other Project green design features include installation of a solar electric system.

The Project will enter into a ground lease with an affiliate of the master developer. CalHFA will secure its financing against the fee and leasehold interests in the land and the improvements.

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, CalHFA Taxable Tail Permanent Loan, CalHFA Subordinate financing through Mixed-Income (MIP) Subsidy Loan, and a City of Ventura subordinate loan.

The project is part of a larger 13.75-acre mixed-use planned development consisting of 285 total residential units (181 market-rate, 104 affordable, and 12 live-work) and approximately 15,900 square feet of commercial space. The subject property's 103 units will be subject to an Affordable Housing Agreement as part of the City's Inclusionary Housing Program.

Inside Principal City?	Yes	Underserved or Distressed Tract?	No
Census Tract (CT)	06111002800	% Population Below Poverty Line	13.17%
CT Minority Population %	38%	Rural Area?	No
CT Income Level	Medium	2025 Est. CT Median Family Income	$109,491
CDLAC/TCAC Opportunity Area Category		Moderate Resource	
CDLAC/TCAC Geographic Region		Central Coast Region: Monterey, San Luis Obispo, Santa Barbara, Santa Cruz, and Ventura Counties	
Project is located in DDA?		Yes	
Project is located in federally designated Qualified Census Tract (QCT) for LIHTC purposes?		No	

Legislative Districts:

- Congress: 24, Salud Carbajal
- State Assembly: 38, Steve Bennett
- State Senate: 21, Monique Limon

Local Support: The locality's Community Development Agency responded to CalHFA's locality contribution letter on 2/13/2026 and strongly supports the project.

<table>
<tr><th>2</th><th colspan="5">Development and Financing Team</th></tr>
<tr><td colspan="3">Developer (Sponsor):
Red Tail Multifamily Land Development, LLC (affiliate) (100% of developer fee)</td><td colspan="3">Co-developer:
AHA Affordable Housing Access, Inc (affiliate) (0% of developer fee)</td></tr>
<tr><td></td><td>New to CalHFA?</td><td>Yes</td><td></td><td>New to CalHFA?</td><td>No</td></tr>
<tr><td></td><td>Affordable Housing/LIHTC experience?</td><td>No</td><td></td><td>Affordable Housing/LIHTC experience?</td><td>Yes</td></tr>
<tr><td></td><td>Affordable Projects in California?</td><td>No</td><td></td><td>Has Affordable Projects in California?</td><td>Yes</td></tr>
<tr><td colspan="3">Borrower (Legal entity):
FLT Olivas Partners, LP</td><td colspan="3">Co-Borrower (if any):</td></tr>
<tr><td colspan="3">Construction (Senior) Lender:
1) Citi Community Capital</td><td colspan="3">Construction Subordinate Lender(s):</td></tr>
<tr><td colspan="3">Permanent 1st lien Lender:
1) CalHFA</td><td colspan="3">Permanent Subordinate Lender(s):
1) CalHFA (2nd lien)
2) City of Ventura</td></tr>
<tr><td colspan="3">Federal LIHTC Investor:
R4 Capital LLC</td><td colspan="3">State LIHTC Investor:
R4 Capital LLC</td></tr>
<tr><td></td><td>Tax Credit Amount</td><td>$24,469,170</td><td></td><td>Tax Credit Amount</td><td>$2,724,270</td></tr>
<tr><td colspan="3">Solar Tax Credit Investor:
R4 Capital LLC</td><td colspan="3"></td></tr>
<tr><td></td><td>Estimated Solar Tax Credit Equity Amount</td><td>$423,300</td><td colspan="3"></td></tr>
<tr><td colspan="3">General Contractor:
Next Phase Construction, Inc</td><td colspan="3">Management Company (Property Manager):
VPM Management, Inc.</td></tr>
<tr><td></td><td>Is an affiliate of Developer?</td><td>No</td><td></td><td>Is an affiliate of Developer?</td><td>No</td></tr>
<tr><td></td><td>Experience with CalHFA?</td><td>Yes</td><td></td><td>Total number of properties managed</td><td>69</td></tr>
<tr><td colspan="3">Architect:
BSB Design</td><td colspan="3">Service Provider:
LifeSTEPS</td></tr>
<tr><td></td><td>Has worked with GC?</td><td>No</td><td></td><td>Required by TCAC or other funding sources?</td><td>Yes</td></tr>
<tr><td rowspan="2"></td><td rowspan="2">Has experience designing and managing similar projects?</td><td rowspan="2">Yes</td><td></td><td>Terms of service (on-site, number of years)</td><td>On-site, 15 years.</td></tr>
<tr><td></td><td>Support Services Cost (per Operating budget)</td><td>$24,600</td></tr>
<tr><td></td><td>Has housing projects in CA?</td><td>Yes</td><td></td><td>Per unit cost of services meets CDLAC/TCAC req.?</td><td>Yes</td></tr>
<tr><td colspan="3">Financial Advisor:</td><td colspan="3">Project Consultant:
Kingdom Development, Inc. (KDI)</td></tr>
</table>

Notes:

1. Red Tail Multifamily Land Development, LLC is an emerging developer and will receive 100% of the developer fee.
2. Affordable Housing Access, Inc. is the managing general partner affiliate and providing experience points for the project and receiving 0% of the developer fee. Affordable Housing Access, Inc., has four projects in CalHFA's portfolio that are performing as expected.
3. VPM Management, Inc. is the property manager for CalHFA portfolio project Santa Inez Apartments #2000-025, which is a School Facilities program and oversight/communication is very minimal.
4. Kingdom Development, Inc. is acting as the contracted development consultant.

3	Requested CalHFA Financing for Approval		
	CalHFA 1st Lien Perm Loan	**CalHFA Subordinate Loan (MIP Subsidy Loan)**	**Total CalHFA Financing**
Loan Amount ($)	**$20,136,450 (Combined)** $19,252,525 (T/E) $983,925 (Tax)	$4,000,000	$24,136,450
Loan Term (Year)	17	17	17
Amort. Term (Year)	40		
Amort. Type	Partially Amortizing	Non-amortizing	
Lien Position	1st	2nd	
UW Interest Rate %	**6.55% (Blended)** 6.51% (T/E) 7.37% (Tax)	3%	
Loan to Value (%)	63.65%	12.62%	
Combined LTV (CLTV) (%)			76.30%
Loan to Cost (%)	38.21%	7.59%	45.80%
Loan Repayment Source	Net Operating Income (NOI)	Residual Receipts	

3b	CalHFA Loan(s) Security
Select ONE	Description
☒	The CalHFA Perm loan(s) will be secured by a first lien deed of trust (DoT) against the above-described Project site and improvements.
☒	The CalHFA Subordinate (MIP) loan will be secured by a second lien deed of trust (DoT) against the above-described Project site and improvements.
☒	The Agency shall encumber both the fee and leasehold interests in the Development as security for its deeds of trust and regulatory agreements.
☐	CalHFA loan(s) will be secured against the fee interest in the improvements and leasehold Interest in the land.
☒	Assignment of Borrower’s interest in Project improvements, Project revenues and escrows

4	Project Budget & Total Development Cost
	Construction Financing

Construction Lender	Citi Community Capital
CDLAC/CTCAC Construction Closing Deadline	June 23, 2026

	Bond Issuance Amount		Type of Issuance
Construction Conduit Issuance Amount		$19,152,525	Tax-Exempt
Construction Conduit Issuance Amount		$22,518,352	Taxable
Construction Conduit Issuance Amount		$100,000	T/E Recycled
Total		**$41,770,877**	
	Loan Amount	UW Rate	Loan Term
Construction Loan (T/E) (Interest-only, 1st lien during construction)	$19,152,525	4.75%, Variable (See Note 1)	30 months plus two 6-month extensions.
Construction Loan (Taxable) (Interest-only, 1st lien during construction)	$22,518,352	5.40%, Variable (See Note 2)	30 months plus two 6-month extensions.
Construction Loan (Recycled T/E) (Interest-only, 1st lien during construction)	$100,000	4.75%, Variable (See Note 1)	30 months plus two 6-month extensions

Construction Sources

Construction Sources:	Amount ($)	% of Total
Citi Community Capital Conduit (conduit- T/E) (Loan)	$19,152,525	41.10%
Citi Community Capital Conduit (conduit- Recycled) (Loan)	$100,000	0.21%
Citi Community Capital Conduit (conduit- Taxable) (Loan)	$22,518,352	48.32%
R4 Capital LLC (Equity, LIHTC Investor)	$2,276,842	4.89%
Red Tail Multifamily Land Development, LLC (Cost Deferral)	$2,556,881	5.49%
Total Construction Sources	**46,604,600**	**100%**

Construction Uses

Construction Uses:	Amount ($)	% of Total
Land and Improvement Value	$0	0.00%
Other Acquisition Costs	$370,000	0.79%
Construction/Rehab Costs	$31,125,153	66.79%
Soft Costs (A&E, Legal, Title, and Other Soft Costs)	$3,347,021	7.18%
Hard Cost contingency (6.06% of Hard Cost)	$1,600,000	3.43%
Soft Cost contingency (3.21% of Soft Cost)	$529,174	1.14%
Financing Costs (Interest Reserves, Fees, Taxes, and Insurance)	$5,157,234	11.07%
Local Impact Fees and Permit Fees	$2,635,000	5.65%
Cash Portion Developer Fee	$1,215,999	2.61%
Other Costs (TCAC Fees, Furnishing, and Other Misc. Fees)	$625,020	1.34%
Total Construction Uses	**$46,604,601**	**100%**
Total Construction Cost per unit	**$448,121**	
Total Construction Cost per CalHFA MIP Regulated Unit	**$452,472**	

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.

Permanent Sources and Uses		
Permanent Sources:	Amount ($)	% of Total
CalHFA- Tax Exempt (Loan)	$19,152,525	36.3%
CalHFA- Taxable (Loan)	$983,925	1.9%
CalHFA MIP (Loan)	$4,000,000	7.6%
City of Ventura (Loan)	$762,535	1.4%
R4 Capital Solar Credits (Equity, Solar or Energy Efficiency)	$415,608	0.8%
Red Tail Multifamily Land Development, LLC (Developer Fee, Deferral)	$4,621,277	8.8%
Tax Credit Equity (Equity, LIHTC Investor)	$22,768,415	43.2%
Total Permanent Sources	**$52,704,285**	**100%**

Permanent Uses:	Amount ($)	% of Total
Total Loan Payoffs	$46,604,600	89.5%
Other Acquisition Costs	$0	0.0%
GP Equity	$0	0.0%
Financing costs	$171,024	0.3%
Soft costs	$0	0.0%
Operating Reserves	$732,813	1.4%
Cash Developer Fee paid at Perm Conversion	$0	0.0%
Deferred Developer Fees paid from cashflow	$4,621,277	8.8%
Total Permanent Uses	**$52,704,285**	**100%**
Total Development Cost per unit	**$506,772**	
Total Development Cost per CalHFA MIP Restricted Unit	**$511,692**	

Developer Fee		
Developer fee category:	TCAC Maximum Limit	Actual Amount in Project Budget
Upfront Cash Developer Fee (a)	$3,000,000.00	$1,790,570.00
Deferred Developer Fee (DDF) paid from project cash-flow (b)		$4,621,277.00
Total Developer Fee (a) + (b)	$8,415,796.00	$6,411,847
Excess Developer Fee above TCAC Maximum Limit as General Partner (GP) contribution		**$0**

Notes:

1. To ensure the deferred developer fee is repaid by year 15, the surplus cash distribution is underwritten showing 100% being applied to reducing the deferred developer fee until full repayment, which is currently projected in year 12. 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.
2. Any outstanding Deferred Developer Fee remaining at Year 15, even if within TCAC Maximum Limit, will be paid from Borrower's 50% share surplus cash distribution.
3. Any outstanding Deferred Developer Fee remaining in Year 15 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 15 will be treated as a GP contribution will be required prior to construction closing.

	High-Cost Explanation (TDC exceeds $650,000 per unit)

Total Development Cost (TDC)	$52,704,285
Total Units	104
TDC/Unit	$506,772
High-Cost Explanation provided by Developer per CDLAC Regs Section 5233?	N/A
High-Cost explanation acceptable to CalHFA?	N/A

5	**Affordability Requirements**
5a	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 (32 units) at or below 60% AMI and 10% of the total units (11 units) at 50% AMI for 55 years. The CalHFA Subsidy Regulatory Agreement will restrict 104 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%	40%	50%	60%	70%	80%	120%	Regulated	Regulated
CalHFA Bond	2nd			11	32				**43**	42%
CalHFA MIP	3rd	11		21			11	60	**103**	100%
CTCAC	5th	32	7	7	7		50		**103**	100%
City of Ventura	4th	11		13			79		**103**	100%
Local Dev Agreement									**0**	0%
Inclusionary Housing Agrmt	1st	11		13			79		**103**	100%
Ground Lease									**0**	0%
Other									**0**	0%
TOTALS		32	7	7	7	0	50	0	**103**	100%

Notes:

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 (11 units at 30% AMI and 21 units at 50% AMI). An additional 10% of total units (11 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 60 restricted units will be restricted at or below 120% of AMI.
3. In addition, the Project will be restricted by the following jurisdictions described below:
   a. The City of Buenaventura will restrict 11 units at or below 30% of AMI, 13 units at or below 50% of AMI, and 79 units at or below 80% of AMI for a term of at least 55 years. The rents are based off of Ventura County income limits set by HUD or its successor agency.

5b	Unit Distribution for each AMI category

The table below outlines the distribution of units for each unit size by AMI category.

Rent Limit Summary Table

	Studio	1-bdrm	2-bdrm	3-bdrm	4-bdrm	5-bdrm	Total	% Total
30%	0	10	10	10	2	0	32	31%
40%	0	2	2	2	1	0	7	7%
50%	0	2	2	2	1	0	7	7%
60%	0	2	2	2	1	0	7	7%
70%	0	0	0	0	0	0	0	0%
80%	0	10	18	16	6	0	50	48%
120%	0	0	0	0	0	0	0	0%
Manager	0	0	1	0	0	0	1	1%
Market	0	0	0	0	0	0	0	0%
Total	0	26	35	32	11	0	104	
AMI Avg		53.8%	60.0%	58.8%	62.7%		58.35%	

Note:
- 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.
- The CalHFA regulatory agreement(s) require minimum underwriting rent levels as outlined above.

6	Financial Analysis
6a	Project Operating Budget Assumptions

Total Units	104	Construction Start Date	6/1/2026
Regulated Units	103	Construction Completion Date	3/1/2028
Manager Units (Market Rate)	1	Construction Period (months)	21
Total Residential Square Feet	90,602	Lease-up Commencement Date:	3/1/2028
Avg Sq Ft/Unit	880	Lease-up Completion Date	6/1/2028
Rental Subsidies?	No	Lease-up Period (months)	3
No. of Units with Rental Subsidies	0	Est. Stabilization /Perm Conversion Date	8/1/2028
Rental Subsidy Contract Term (Initial)	N/A	Lease-up Completion to Stabilization (months)	5

17 TOC

Operating Budget and Reserve Balances

CalHFA	Year 1	Year 5	Year 10	Year 15	Year 17
Adjusted Gross Income	2,523,428	2,785,392	3,151,415	3,565,537	3,746,043
Other Income/Subsidies	15,450	17,054	19,295	21,830	22,936
Projected Vacancy and Discount Loss	126,944	140,122	158,536	179,368	188,449
Effective Gross Income (EGI)	2,411,934	2,662,324	3,012,175	3,407,999	3,580,529
Total Operating Expenses	770,140	879,213	1,038,249	1,226,893	1,311,849
Reserve For Replacement	31,200	32,467	34,123	35,864	36,584
Net Operating Income (NOI)	1,641,794	1,783,110	1,973,926	2,181,107	2,268,680
Total Debt Service & Other Payments	1,423,299	1,423,299	1,423,299	1,423,299	1,423,299
Cash Flow After Debt Service	218,495	359,812	550,627	757,808	845,381
Debt Service Coverage Ratio	1.15	1.25	1.39	1.53	1.59
Income/Expense Ratio	3.13	3.03	2.90	2.78	2.73
Less:					
LP Management Fee*	20,000	22,510	26,095	30,252	0
GP Partnership Management Fee (See Note 2)	16,000	18,008	20,876	24,201	0
Other CalHFA approved Partnership Fee					
Total Fees	$36,000.00	$40,518.00	$46,971.00	$54,453.00	$ 0.00
Annual Cap Limit	$40,500	$45,583	$52,843	$61,260	$60,979
Cashflow for Distribution					
Developer Distribution %	100%	100%	100%	50%	50%
Cumulative Developer Distribution	182,495	1,251,559	3,395,071	5,512,662	6,335,981
Residual Receipts %	0%	0%	0%	50%	50%

Cumulative Residual Receipts Repayment	0	0	0	993,566	1,816,884
Unpaid/Accrued CalHFA loan Balance					
Perm Loan	20,028,898	19,521,022	18,667,880	17,485,202	16,892,826
MIP Loan	4,000,000	4,480,000	5,080,000	5,140,885	4,749,032
Reserves Balances					
Operating Reserve	732,813	732,813	732,813	732,813	732,813

6c	Exit Analysis Requirements		
Exit Year	Year 17	**Assumed Refi Year**	Year 16
Cap Rate Increase	2.00%	**Interest Rate Increase**	3%
UW Loan Amount	$20,136,450	**Max. Refi Loan Size**	$18,271,395
Appraised Value	$30,903,479	**Max LTV at Refi**	59%
Unpaid Principal Balance (1st Lien)	(1,072,711)	**Unpaid Principal Balance (MIP Subsidy Loan)**	$3,676,322

Notes:
The primary source of repayment for both the CalHFA 1st 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 1st lien loan but only a portion of the MIP Subsidy loan, leaving an outstanding balance of $3,676,322 (Principal and accrued interest). Hence, the refinancing is insufficient to fully repay the CalHFA debt. To mitigate the refinance risk, the Developer will be required to repay any remaining balance from a General Partner contribution as part of the final close-out of the partnership obligations to allow re-syndication.

7 Insurance Requirements

- **Seismic Review and Earthquake Insurance:** This new construction Project will be built to State and City of Ventura Building Codes so no seismic review is required and the project will not be subject to Earthquake Insurance.
- **Flood Designation and Insurance:** 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, therefore the Project will not be subject to flood insurance.
- **Other Insurance Requirements:** N/A

8 Environmental Review

- A Phase I Environmental Site Assessment identified no evidence of Recognized Environmental Conditions (RECs) and did not recommend any additional investigation.
- NEPA review is occurring presently and HUD approval is anticipated in April.

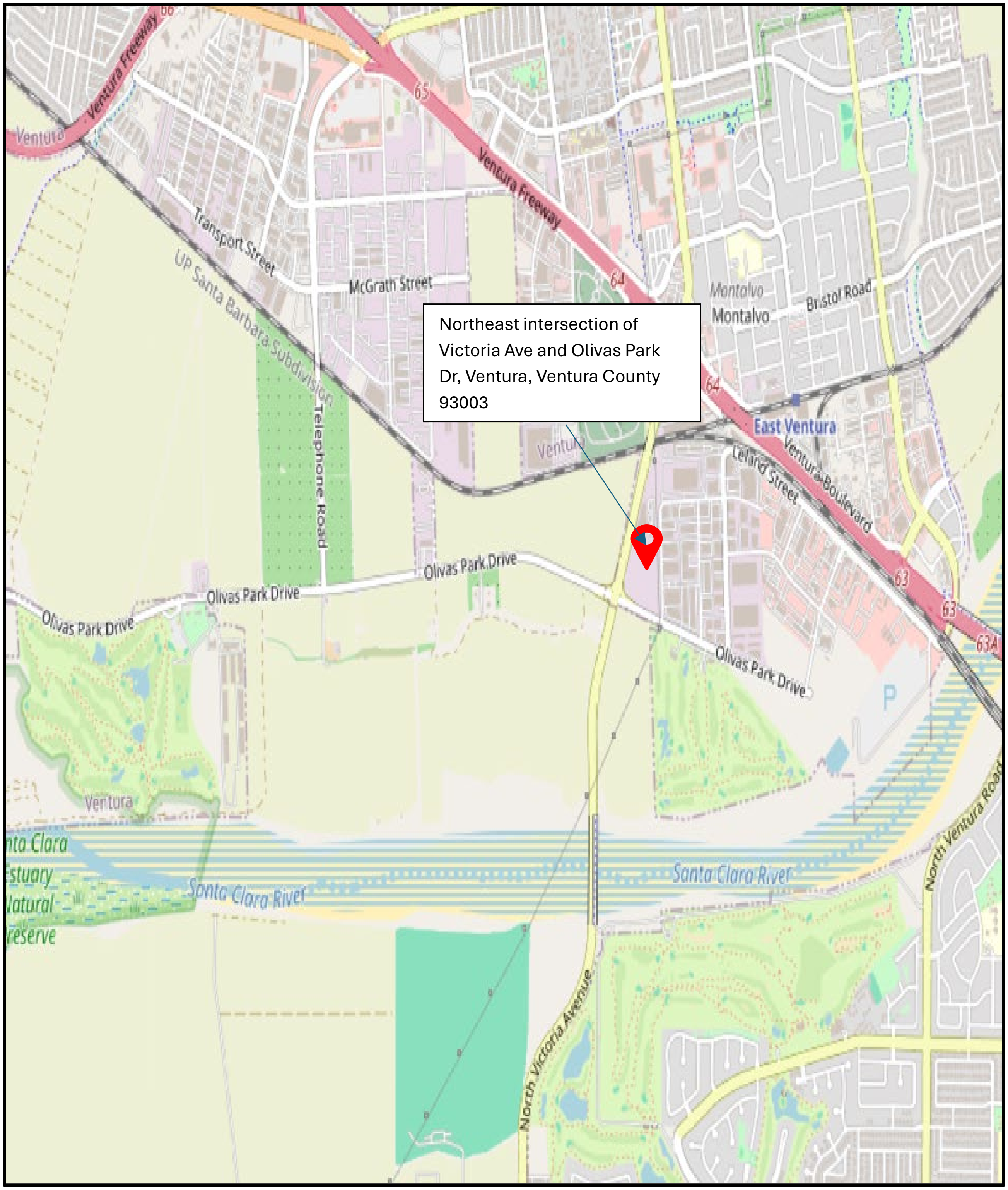
9	Underwriting and Term Sheet Variations

1. The Project is proposing to use a lower Utility Allowance ("UA") than HUD's allowance due to the anticipated implementation of a solar electric system as supported by the third-party energy report and California Utility Allowance Calculator ("CUAC"). The underwritten rent schedule assumes the utility allowance schedule calculated by the California Energy Commission, effective 8/20/2025.
2. The City of Buenaventura is requiring a Housing Declaration and Affordability Agreement to be recorded in senior position to the CalHFA Deeds of Trust. The Agreement will not have foreclosure rights and will standstill provisions that are in excess of the affordability requirements for any period that the Agency is in possession of the property following a foreclosure or deed in lieu.. CalHFA approval of the Housing Declaration and Affordability Agreement is required prior to construction loan closing.
3. To ensure the deferred developer fee is repaid by year 15, the surplus cash distribution is underwritten showing 100% being applied to reducing the deferred developer fee until the earlier of full repayment or year 15. 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. 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.

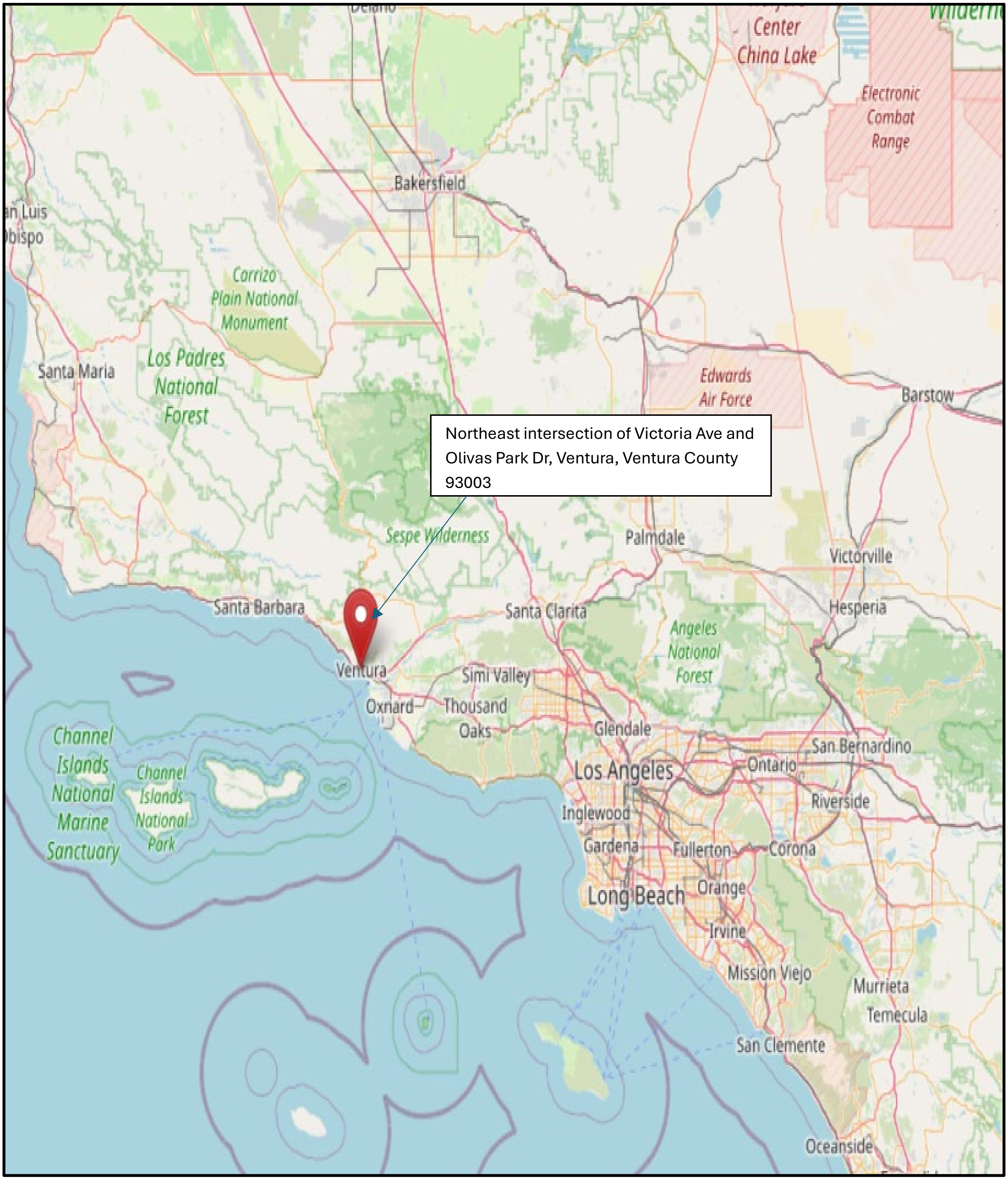
10	Approval Recommendation and Action

The Multifamily Programs Division supports approval of the described financing in the amount(s) requested, subject to the above proposed terms and conditions. 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.

Victoria Flats - Near



Victoria Flats- Far



BOARD OF DIRECTORS
OF THE CALIFORNIA HOUSING FINANCE AGENCY

RESOLUTION NO. 26-09

RESOLUTION AUTHORIZING A FINAL LOAN COMMITMENT

WHEREAS, the California Housing Finance Agency (the "***Agency***") has received a loan application on behalf of FLT Olivas Partners, L.P, a Delaware 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 Ventura, County of Ventura, California, to be known as Victoria Flats (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 25-08 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 Resolution 26-04, 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 March 10, 2025, the Executive Director exercised the authority delegated to him 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 his 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:

PROJECT NUMBER	DEVELOPMENT NAME/ LOCALITY	MORTGAGE AMOUNT	
25-013-A/X/S	VICTORIA FLATS City of Ventura, County of Ventura California	$20,136,450.00	Tax-Exempt Bond 1st Lien Loan With HUD Risk Sharing
		$ 4,000,000.00	Mixed-Income Program Residual Receipts 2nd 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 his 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. 26-09 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 16th day of April, 2026, 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 16th day of April, 2026.

ATTEST: ___________________________________

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

CalHFA

MEMORANDUM

To: Board of Directors **Date:** April 16, 2026

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

Subject: Agenda Item #6 – Final Loan Commitment for 960 Howard Street, Project No. 25-010

Action: CalHFA Senior Loan Committee has recommended that Executive Director, Anthony Sertich, seek Board approval and final loan commitment for the 960 Howard Street Development by approving Resolution Number 26-10.

Development Information:

- The Executive Director has Board-delegated authority to approve loans up to $15,000,000, therefore, the 960 Howard Street Development is seeking Board approval for a $38,530,000 tax-exempt permanent loan and a $1,000,000 Mixed-Income Program subsidy loan, to construct a 202-unit new construction development at a total development cost per unit of $506,468.
- Both the permanent loan (40-year amortization) and MIP subsidy loan (residual receipts) will have terms of 17 years.
- The Project will have 21 units restricted at 30% of Area Median Income ("AMI"), 41 units restricted at 50% AMI, 73 units restricted at 60% AMI, and 65 units restricted at 70% AMI. There will be 2 unrestricted manager units.
- The 960 Howard Street Development is proposed to be constructed in San Francisco, San Francisco County and developed by oWow (with Community Housing Works as co-sponsor).
- Energy efficient and green design features include Green Point Rating upgrades though the project will not be pursuing certifications.
- Recommended underwriting exception are: 1) the CalHFA regulatory agreements will not be recorded in senior position as the City of San Francisco is requiring a Regulatory Agreement to be recorded in senior position to the CalHFA Deeds of Trust; and 2) to ensure the deferred developer fee is repaid by year 15, the developer is requesting a larger than 50% share of surplus cash distribution to comply with tax credit investor requirements.

Project Architectural Renderings

Executive Summary	
CalHFA Project Number	25010
Project Name	960 Howard Street
Type of Development	New Construction
Type of Project	Family
Total Units (MIP Restricted Units)]	202 (200 restricted)
Street Address	960 Howard Street
City, County, Zip Code	San Francisco, San Francisco County, 94103
Borrower (Legal entity name)	Howard Street Housing Partners, LP
Developer(s)	oWow LLC
Co-Developer	Community HousingWorks (CHW)
Approved Conduit Issuances	
Conduit T/E Bond Issuance [CDLAC Meeting: August 5, 2025]	$52,000,000 (Assumes $47,265,334 need; includes 10% cushion and rounded up to nearest $1m)
Conduit Taxable Bond Issuance	$24,000,000 (Assumes $21,524,729 need; includes 10% cushion and rounded up to nearest $1m)
Conduit T/E Recycled Bond Volume Cap	$5,000,000 (Assumes $3,412,361 need; includes 10% cushion and rounded up to nearest $1m)
Requested CalHFA Financing for Approval	
CalHFA Tax-Exempt Permanent Loan Amount	$38,530,000 UW Rate and Loan Term: 6.61%; fixed; 1st lien; 40/17
CalHFA Taxable Permanent Loan Amount (if any)	$ 0 UW Rate and Loan Term: N/A
HUD Risk Sharing Requirement (1st lien loan)	Yes
CalHFA Subordinate/Subsidy Financing Type	Mixed-Income Program (MIP) 2025 $1,000,000 UW Rate and Loan Term: 3.00%, fixed-simple; 2nd lien; residual receipts; due in 17 years
Key Dates and Approvals	
CDLAC Volume Cap Award Date	8/5/2025
CTCAC Tax Credit Award Date	8/5/2025
CDLAC Closing Deadline	5/3/2026
Est. Construction Loan Closing Date	4/29/2026
Est. CalHFA Loan Closing (perm conversion) Date	6/1/2028
Federal Tax Credits (LIHTC) Requested	$33,959,910
State Tax Credits Requested	$25,393,178
Notes: The applicant made an election to sell (Certificate) all or any portion of the state credits.	

1	Project Summary
	Project Description

960 Howard Street (the "Project") is an adaptive reuse, new construction, family, mixed-income, mixed-use apartment community consisting of a partially constructed three-story commercial structure that will be converted into affordable housing with 12 stories of new construction added. The total development site area is 0.29 acres and is in San Francisco, San Francisco County. The Project will consist of one, 15-story residential elevator serviced building. The non-residential or commercial area will be master leased to a Sponsor / third-party affiliate entity and is part of the subject financing. The Project will have total 202 residential units, of which, 200 units will be restricted between 30% and 70% of the San Francisco County Area Median Income (AMI). There will be 34 studio units (366 sq. ft.), 79 one-bedroom units (500 to 545 sq. ft.), and 89 two-bedroom units (500 to 650 sq. ft.). Two of the one-bedroom units will serve as the manager's units. The project will use a 50% Density Bonus and will meet Housing Sustainability District minimum requirements, housing inclusionary requirements, and State Density Bonus requirements.

The Project is an adaptive reuse 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. The Project will include ground level and second floor commercial and Personal Development and Recreation space, per San Francisco zoning code requirements. The commercial has no assigned parking. The building will be serviced by two elevators providing access to all residential floors. The commercial portion is excluded from basis. The income is also not included in the underwriting of the Project.

The project is designed as a mid-rise fifteen-story podium-style building, consisting of 12 stories of residential mass timber above an existing 3 story concrete podium building. In addition to CDLAC minimum design standards, which include some sustainable building requirements like the use of EnergyStar appliances and installation of water efficient landscaping, the Project will meet Green Point Rating but will not pursue certifications.

The Project's financing structure includes financing from: Tax-exempt (T/E) bonds, Taxable loan, T/E Recycled bonds, 4% Federal Low Income Housing Tax Credit (LIHTC) equity, CalHFA Tax-Exempt Permanent Loan, CalHFA Subordinate financing through Mixed-Income (MIP) Subsidy Loan, and Michael Chang Family Heritage Trust (deferred interest loan).

Notes:
1. The developer plans to offer on-site storage for a fee, as such the area should not be included in basis.
2. Per the San Francisco Planning Department notice of approval, the Project will include ground level and second floor commercial (Office and Retail) and Personal Development and Recreation space, in line with San Francisco zoning code requirements. The Project includes 51 Class 1 and 8 Class 2 bicycle parking spaces, one off-street loading space, and no off-street vehicular parking spaces.
3. 960 Howard originated with oWOW LLC, the joint-venture partner. oWOW constructed the concrete podium during the pandemic for commercial use, but paused due to stalling market conditions. oWow turned the project over to their lender until a time when the Project would become feasible. After many restructuring attempts, the project succeeded in 2025 MIP as an affordable housing project. The option agreement between the bank's ownership affiliate and oWow affiliate contemplates total cost of $22,493,751 for the existing improvements, which are allowed to be included in basis as the original construction was never completed.
4. Due to the commercial master lease structure, any surplus commercial income (after expenses) may be required to reduce MIP loan principal and interest.

Inside Principal City?	Yes	Underserved or Distressed Tract?	No
Census Tract (CT)	41884-06-075-0176.02	% Population Below Poverty Line	19.46%
CT Minority Population %	73.42%	Rural Area?	No
CT Income Level	Unknown	2025 Est. CT Median Family Income	$185,000
CDLAC/TCAC Opportunity Area Category		Low Resource	
CDLAC/TCAC Geographic Region		San Francisco County	
Project is located in DDA?		No	
Project is located in federally-designated Qualified Census Tract (QCT) for LIHTC purposes?		No	

Legislative Districts:

- Congress: 11, Nancy Pelosi
- State Assembly: 17, Matt Haney
- State Senate: 11, Scott D. Wiener

Local Support: The City of San Francisco sent a locality contribution email dated June 2, 2025 stating locality awareness and approval of the project.

2	Development and Financing Team		
Developer (Sponsor): **Emerging:** oWOW LLC (100% developer fee)		**Co-developer:** **Qualifying:** Community HousingWorks (0% developer fee)	
New to CalHFA?	Yes	New to CalHFA?	No
Affordable Housing/LIHTC experience?	Yes	Affordable Housing/LIHTC experience?	Yes
Has Projects in California?	Yes	Has Projects in California?	Yes
Borrower (Legal entity): Howard Street Housing Partners, L.P.		**Co-Borrower (if any):** N/A	
Construction (Senior) Lender: 1) U.S. Bank National Association		**Construction Subordinate Lender(s):**	
Permanent 1st lien Lender: 1) CalHFA		**Permanent Subordinate Lender(s):** 1) CalHFA (2nd lien)	
Federal LIHTC Investor: U.S. Bancorp Community Development Corporation		**State LIHTC Investor:** U.S. Bancorp Community Development Corporation	
Tax Credit Amount	$33,959,910	Tax Credit Amount	$25,393,178
Solar Tax Credit Investor: N/A			
Tax Credit Amount	N/A		
General Contractor: oWow Construction Inc.		**Management Company (Property Manager):** Aperto Property Management	
Is an affiliate of Developer?	Yes	Is an affiliate of Developer?	No
Experience with CalHFA?	No	Total number of properties managed	125
Architect: Inflection Platform, Inc		**Service Provider:** Community HousingWorks	
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)	$22,500/year
	Has housing projects in CA?	Yes		Per unit cost of services meets CDLAC req.?	Yes
Financial Advisor: Bernard E. REA, CPA			**Project Consultant:** Zen Development Consultants LLC		

Notes:

1. oWow LLC is an emerging developer. Community HousingWorks ("CHW") is the experienced co-developer and meets CalHFA's experience requirements. CHW has four projects in CalHFA's portfolio that are performing as expected.
2. Aperto Property Management, Inc. is the property manager for at least 23 CalHFA portfolio projects. Aperto generally performs as expected, however they can require multiple follow-ups on requests.
3. Zen Development Consultants LLC ("ZDC") has also been engaged as development consultant. ZDC is serving as the project manager and providing comprehensive development oversight. Responsibilities include seller negotiations, entitlements process, community engagement, assistance in obtaining financing, co-supervising design/construction, and other development-related tasks. ZDC is not part of the project ownership. Services will continue through financial closing and into the construction period.

3 Requested CalHFA Financing for Approval

	CalHFA 1st Lien Perm Loan	CalHFA Subordinate Loan (MIP Subsidy Loan)	Total CalHFA Financing
Loan Amount ($)	$38,530,000	$1,000,000	$39,530,000
Loan Term (Year)	17	17	
Amort. Term (Year)	40		
Amort. Type	Fully Amortizing	Non-amortizing	
Lien Position	1st	2nd	
UW Interest Rate %	6.61%	3.00%	
Loan to Value (%)	64.08%	1.66%	
Combined LTV (CLTV) (%)			65.74%
Loan to Cost (%)	38.04%	0.99%	39.03%
Loan Repayment Source	Net Operating Income (NOI)	Residual Receipts	

4	Project Budget & Total Development Cost
	Construction Financing

Construction Lender	U.S. Bank National Association
CDLAC/CTCAC Construction Closing Deadline	5/3/2026

	Bond Issuance Amount		Type of Issuance
Construction Conduit Issuance Amount		$47,265,334	Tax-Exempt
Construction Conduit Issuance Amount		$21,524,729	Taxable
Construction Conduit Issuance Amount		$3,412,361	T/E Recycled
Total		$72,202,424	
	Loan Amount	UW Rate	Loan Term
Construction Loan (T/E) (Interest-only, 1st lien during construction)	$47,265,334	6.17%, Variable (See Note 1)	28 months + two 6mo. extensions
Construction Loan (Taxable) (Interest-only, 1st lien during construction)	$21,524,729	6.67%, Variable (See Note 2)	28 months + two 6mo. extensions
Construction Loan (T/E Recycled) (Interest-only, 1st lien during construction)	$3,412,361	6.17%, Variable (See Note 3)	28 months + two 6mo. extensions

Notes:

1. Construction interest reserve 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.

Construction Sources

Construction Sources:	Amount ($)	% of Total
U.S. Bancorp Community Investment Corporation (T/E)	47,265,334	48%
U.S. Bancorp Community Investment Corporation (T/E Recycled)	3,412,361	3%
U.S. Bancorp Community Investment Corporation (Tax)	21,524,729	22%
U.S. Bancorp Community Investment Corporation (LIHTC Investor)	15,038,503	15%
Deferred Costs (Cost Deferral)	5,247,805	5%
Howard Street Housing Partners LP (Developer Fee, Deferral)	7,038,377	7%
Total Construction Sources	**$99,527,109**	**100%**

Construction Uses

Construction Uses:	Amount ($)	% of Total
Land and Improvement Value	$3,750,000	3.77%
Other Acquisition Costs	$2,495,868	2.51%
Construction/Rehab Costs	$54,074,549	54.33%
Soft Costs (A&E, Legal, Title, and Other Soft Cost)	$19,087,484	19.18%
Hard Cost contingency (5.12% of Hard Cost)	$2,300,000	2.31%
Soft Cost contingency (2.03% of Soft Cost)	$800,000	0.80%
Financing Costs (Interest Reserves, Fees, Taxes, and Insurance)	$14,122,828	14.19%
Local Impact Fees and Permit Fees	$1,786,084	1.79%
Cash Portion Developer Fee	300,000	.30%
Other Costs (TCAC Fees, Furnishing, and Other Misc. Fees)	$810,296	0.81%
Operating Reserves	$0	0.00%
Total Construction Uses	$99,527,109	100%
Total Construction Cost per unit (202)	$492,708	
Total Construction Cost per CalHFA MIP Regulated Unit (200)	$497,636	

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. Acquisition Costs included in the budget are $6,245,868 which is in compliance with Agency's underwriting (USRM) standards. The total Acquisition costs include as-is land cost, per appraisal dated February 3, 2026, of $3,750,000. The acquisition costs also include carrying costs of $440,172 and other costs of $2,055,696 which are attributed to interest and fees associated with predevelopment costs.
3. The total hard cost contingency in the project is 5.12% 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 2.03% 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.

Permanent Sources and Uses		
Permanent Sources:	Amount ($)	% of Total
CalHFA (Permanent Loan)	38,530,000	38%
CalHFA (MIP Loan)	1,000,000	1%
Howard Street Housing Partners LP (Developer Fee, Deferral)	8,804,963	9%
Tax Credit Equity	52,958,732	52%
Total Permanent Sources	$101,293,695	100%

Permanent Uses:	Amount ($)	% of Total
Total Loan Payoffs	$88,136,939	87.0%
Other Acquisition Costs	$0	0.0%
GP Equity	$0	0.0%
Financing costs	$294,725	0.3%
Soft costs	$0	0.0%
Operating Reserves	$1,471,861	1.5%
Cash Developer Fee paid at Perm Conversion	$2,585,207	2.6%
Deferred Developer Fees paid from cashflow	$8,804,963	8.7%
Total Permanent Uses	$101,293,695	100%
Total Development Cost per unit	$501,454	
Total Development Cost per CalHFA MIP Restricted Unit	$506,468	
Notes (if any):		

Developer Fee		
Developer fee category:	TCAC Maximum Limit	Actual Amount in Project Budget
Upfront Cash Developer Fee (a)	4,540,420	2,885,207
Deferred Developer Fee (DDF) paid from project cash-flow (b)		$8,804,963
Total Developer Fee (a) + (b)	$15,495,015	$11,690,170
Excess Developer Fee above TCAC Maximum Limit as General Partner (GP) contribution		**$0**
Notes (if any):		

1. For the Final Commitment underwriting, the Borrower must provide evidence that the DDF repayment structure is required pursuant to the Tax Credit Investor's requirements (LOI) and/or Limited Partnership Agreement (LPA). Any unpaid MIP principal and interest at refinance must be repaid by general partner contribution.
2. Any outstanding Deferred Developer Fee remaining at Year 15, even if within TCAC Maximum Limit, will be paid from Borrower's 50% share surplus cash distribution.
3. Any outstanding Deferred Developer Fee remaining in Year 15 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 15 will be treated as a GP contribution will be required prior to construction closing.

	High-Cost Explanation (TDC exceeds $650,000 per unit)
Total Development Cost (TDC)	$101,293,695
Total Units	202
TDC/Unit	$501,454
High-Cost Explanation provided by Developer per CDLAC Regs Section 5233?	N/A
High-Cost explanation acceptable to CalHFA?	N/A

6	**Affordability Requirements**
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 (60 units) at or below 60% AMI and 10% of the total units (21 units) at 50% AMI for 55 years.

The CalHFA Subsidy Regulatory Agreement will restrict 200 units between 30% - 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%	40%	50%	60%	70%	80%	120%		Regulated	Regulated
CalHFA Bond	2nd			21	60					**81**	41%
CalHFA MIP	3rd	21		41		21		117		**200**	100%
CTCAC	4th	21		41	73	65				**200**	100%
City SF Affd Agreement	1st						20	40		**60**	30%
TOTALS		21	0	41	73	65	0	0		**200**	100%

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 (21 units at 30% AMI and 41 units at 50% AMI). An additional 10% of total units [21 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 [117 units] restricted units will be restricted at or below 120% of AMI.
3. The City of San Francisco will record a Regulatory Agreement and Declaration of Restrictive Covenants for On-Site Affordable Housing Units will restrict 10% if the affordable units (20 units) at 80% or less of AMI and 20% of the affordable units (40 units) at 120% or less of AMI. The agreement should not have foreclosure rights and will be subject to standstill provisions that are in excess of the affordability requirements for any period that the Agency is in possession of the property following a foreclosure or deed in lieu.

6b Unit Distribution for each AMI category

The table below outlines the distribution of units for each unit size by AMI category.

Rent Limit Summary Table								
	Studio	1-bdrm	2-bdrm	3-bdrm	4-bdrm	5-bdrm	Total	% Total
30%	4	8	9	0	0	0	21	10%
40%	0	0	0	0	0	0	0	0%
50%	7	16	18	0	0	0	41	20%
60%	23	0	50	0	0	0	73	36%
70%	0	53	12	0	0	0	65	32%
80%	0	0	0	0	0	0	0	0%
120%	0	0	0	0	0	0	0	0%
Manager	1	1	0	0	0	0	2	1%
Market	0	0	0	0	0	0	0	0%
Total	35	78	89	0	0	0	202	
AMI Avg	54.4%	61.7%	56.3%				58.05%	

Note:

- 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.
- The CalHFA regulatory agreement(s) will require minimum underwriting rent levels as outlined above.

6	**Financial Analysis**
6a	Project Operating Budget Assumptions

Total Units	202	Construction Start Date	5/1/2026
Regulated Units	200	Construction Completion Date	12/1/2027
Manager Units (Market Rate)	2	Construction Period (months)	19
Total Residential Square Feet	118,213	Lease-up Commencement Date:	12/1/2027
Avg Sq Ft/Unit	561	Lease-up Completion Date	8/1/2028
Rental Subsidies?	0	Lease-up Period (months)	8
No. of Units with Rental Subsidies	0	Est. Stabilization /Perm Conversion Date	6/1/2028
Rental Subsidy Contract Term (Initial)	0	Lease-up Completion to Stabilization (months)	6

Notes:

- The overall estimated construction loan term is 27 months from const closing to perm. It *is* short for a 200-unit high-rise structure. There are a few factors below that were taken into consideration when estimating the construction schedule. The project has been underwritten considering a 36-month forward lock period to help account for unexpected delays.
    1. The project is adaptive reuse which includes an existing foundation and outer shell of lower part of building which will help save time in the construction schedule.
    2. The construction type is mass timber which has been shown to reduce construction costs and timing by up to 25% compared to traditional concrete and steel structures. oWow has recently proven this with a recent project built in neighboring Oakland.

6b	Project Operating Cash-flow Summary

Operating Budget and Reserve Balances

	Year 1	Year 5	Year 10	Year 15	Terminal Year 17
Adjusted Gross Income	4,921,608	5,432,534	6,146,414	6,954,103	7,306,155
Other Income/Subsidies	140,188	154,741	175,076	198,082	208,110
Projected Vacancy and Discount Loss	246,301	271,870	307,596	348,017	365,636
Effective Gross Income (EGI)	4,815,495	5,315,405	6,013,893	6,804,168	7,148,629
Total Operating Expenses	1,658,766	1,895,196	2,239,912	2,648,786	2,832,919
Reserve For Replacement	60,600	63,061	66,277	69,658	71,058
Net Operating Income (NOI)	3,156,729	3,420,209	3,773,982	4,155,382	4,315,710
Total Debt Service & Other Payments	2,743,232	2,743,232	2,743,232	2,743,232	2,743,232
Cash Flow After Debt Service	413,497	676,978	1,030,750	1,412,150	1,572,478
Debt Service Coverage Ratio	1.15	1.25	1.38	1.51	1.57
Income/Expense Ratio	2.90	2.80	2.68	2.57	2.52
Less:					
LP Management Fee*	10,500	11,818	13,700	15,882	0
GP Partnership Management Fee (See Note 2)	22,000	24,761	28,705	33,277	0
Other CalHFA approved Partnership Fee					
Total Fees	$32,500.00	$36,579.00	$42,405.00	$49,159.00	$ 0.00
Annual Cap Limit	$40,500	$45,583	$52,843	$61,260	$64,991
[*Note: Any Fees above the Annual Cap to be paid from Developer Distribution % below]					
Cashflow for Distribution					
Developer Distribution %	100%	100%	100%	50%	50%
Cumulative Developer Distribution	380,997	2,548,285	6,783,488	10,734,380	12,266,499
Residual Receipts %	0%	0%	0%	50%	50%
Cumulative Residual Receipts Repayment	0	0	0	2,104,065	3,636,184
Unpaid/Accrued CalHFA loan Balance					
Perm Loan	38,327,540	37,370,022	35,757,186	33,514,696	32,389,212
MIP Loan	1,000,000	1,120,000	1,270,000	18,312	16
Reserves Balances					
Operating Reserve	1,471,861	1,471,861	1,471,861	1,471,861	1,471,861

6c	Exit Analysis Requirements

Exit Year	Year 17	**Assumed Refi Year**	Year 16
Cap Rate Increase	2.00%	**Interest Rate Increase**	3.00%
UW Loan Amount	$38,530,000	**Max. Refi Loan Size**	$34,623,567
Appraised Value	$58,377,909	**Max LTV at Refi**	59%

Unpaid Principal Balance (1st Lien)	($1,653,073)	**Unpaid Principal Balance (MIP Subsidy Loan)**	$0

Notes:

- The primary source of repayment for both the CalHFA 1st 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 1st lien loan.

7	Insurance Requirements

- **Seismic Review and Earthquake Insurance:** This adaptive reuse new construction Project will be built to State and City of San Francisco Building Codes, so no seismic review is required and the project will not be subject to Earthquake Insurance. According to a third-party seismic report by Partner Engineering and Science, Inc., dated 12/15/2025, the Probable Maximum Loss ("PML") scenario expected loss is 15% within a 475-year period, which meets the Agency's earthquake insurance waiver requirement threshold of 20%.
- **Flood Designation and Insurance:** 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, therefore the Project will not be subject to flood insurance.
- **Other Insurance Requirements:** N/A

8	Environmental Review

- A Phase I Environmental Site Assessment identified evidence of Recognized Environmental Conditions (RECs) listed below. All have been addressed in the Site Mitigation Plan Implementation (SMP) and Vapor Intrusion Mitigation System Installation (VIMS) Report by Cornerstone dated 7/11/2023.
    - Impacted contaminated soils will be mitigated as part of earthwork construction activities on the eastern half of the building footprint to the Howard Street elevation.
    - A remediation mitigation cost analysis (if requested by HUD) as an addendum to the SMP for contract remedial services indicating complete removal of impacted soils as part of construction earthwork activities. The remediation contract shall require cost cap and reopener insurance coverages to be submitted as an addendum (if mandated by HUD).
- Based on the findings of this Phase I ESA:
    - Radon Gas: The subject property is in an EPA Radon Zone 2. Radon mitigation measures are required to be implemented in the project design in accordance with HUD, including a vapor mitigation system that was previously installed as part of the site work for the partially built commercial structure. Post-construction testing will be conducted by a properly certified Radon Professional. If activated mitigation systems are present on the property, a Radon Operations, Maintenance and Monitoring (OM&M) Plan will be developed.
    - Mold/Moisture Intrusion: As there is an existing structure that will be part of the adaptive reuse project, moisture damage is being monitored and mitigated. The source of water intrusion would be identified and eliminated. In addition, all water damaged building materials should be removed to prevent future mold growth. Contract a licensed Mold Remediation professional to inspect the entire property and provide a plan of action to remove and control any mold growth within the subject property structures.
- The development budget includes an estimated amount of $100,000 for the vapor mitigation system that is complete (included in site work) and $20,000 for plumbing risers to be completed (included in structure costs), which is the anticipated costs associated with addressing these environmental issues per the environmental remediation budget provided by their environmental consultant. To the extent the environmental budget is insufficient to address all the remediation or mitigation strategies, the

Developer will be required to fund the expenses from their own sources. The operating budget includes $20,000 annually for monitoring of the vapor mitigation system.

- The final environmental remediation plan will be subject to CalHFA's approval prior to construction loan closing and a certification/documentation that evidence all environmental issues have been addressed during construction will be subject to CalHFA's approval prior to permanent loan closing.
- Evidence of environmental clearance will be required as a prerequisite to closing of the CalHFA permanent and Subsidy (MIP) loans.
- Final clearance approval of the vapor mitigation system from the San Francisco Department of Public Health prior to permanent loan closing.
- HUD NEPA approval was received on 2/25/2026.

9 Underwriting and Term Sheet Variations

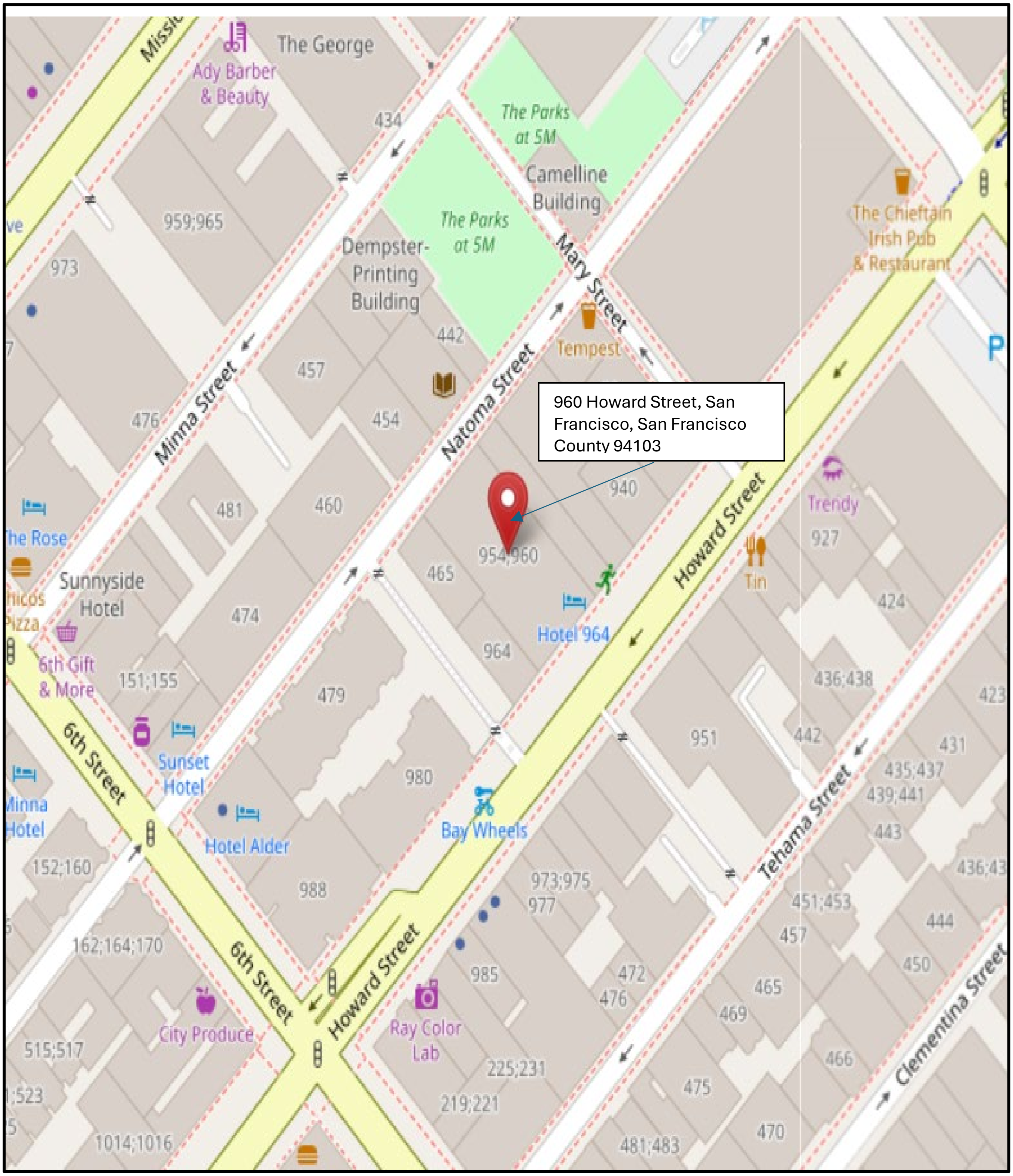
1. The City of San Francisco is requiring a Locality Regulatory Agreement to be recorded in senior position to the CalHFA Deeds of Trust. The Locality Regulatory Agreement should not have foreclosure rights and will be subject to standstill provisions that are in excess of the affordability requirements for any period that the Agency is in possession of the property following a foreclosure or deed in lieu.
2. To ensure the deferred developer fee is repaid by year 15, the surplus cash distribution is underwritten showing 100% being applied to reducing the deferred developer fee until full repayment which is currently projected in year 12. 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.

10 Approval Recommendation and Action

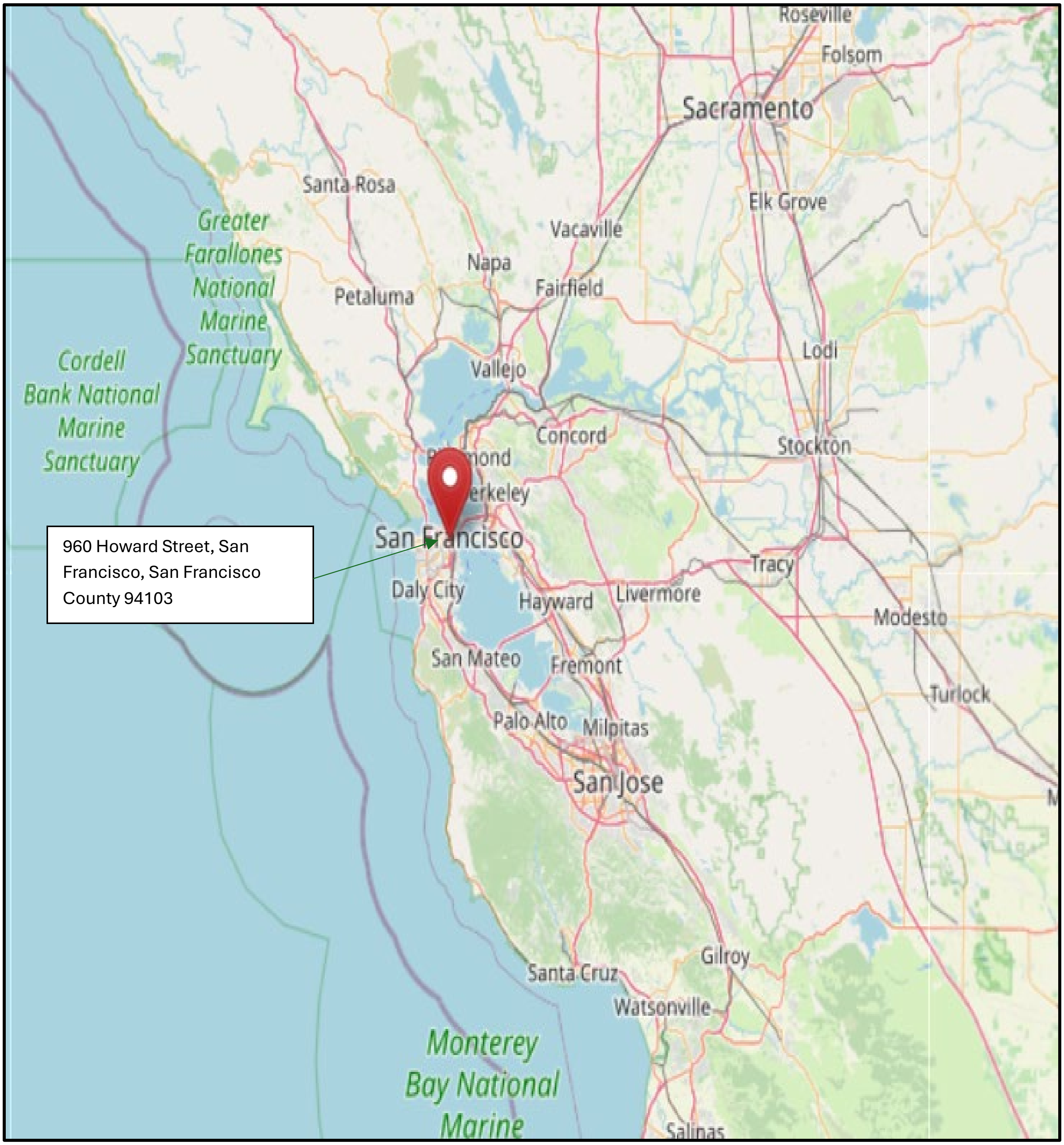
The Multifamily Programs Division supports approval of the described financing in the amount(s) requested, subject to the above proposed terms and conditions.

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.

960 Howard Street- Near



960 Howard Street- Far



BOARD OF DIRECTORS
OF THE CALIFORNIA HOUSING FINANCE AGENCY

RESOLUTION NO. 26-10

RESOLUTION AUTHORIZING A FINAL LOAN COMMITMENT

WHEREAS, the California Housing Finance Agency (the "***Agency***") has received a loan application on behalf of Howard Street Housing Partners, L.P., 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 San Francsico, County of San Francisco, California, to be known as 960 Howard Street (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 25-08 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 Resolution 26-04, 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 March 10, 2025, the Executive Director exercised the authority delegated to him 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 his 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:

PROJECT NUMBER	DEVELOPMENT NAME/ LOCALITY	MORTGAGE AMOUNT	
25-010-A/X/N	960 HOWARD STREET City of San Francisco, County of San Francisco, California	$38,530,000.00	Tax-Exempt Bond 1st Lien Loan With HUD Risk Sharing
		$ 1,000,000.00	Mixed-Income Program Residual Receipts 2nd 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 his 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. 26-10 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 16^{th} day of April, 2026, 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 16^{th} day of April, 2026.

ATTEST: ____________________________________

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

CalHFA

MEMORANDUM

To: Board of Directors **Date:** April 16, 2026

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

Subject: Agenda Item #7 – Final Loan Commitment for Sherman Apartments, Project No. 25-012

Action: CalHFA Senior Loan Committee has recommended that Executive Director, Anthony Sertich, seek Board approval and final loan commitment for the Sherman Apartments Development by approving Resolution Number 26-11.

Development Information:

- The Executive Director has Board-delegated authority to approve loans up to $15,000,000, therefore, the Sherman Apartments Development is seeking Board approval for a $29,808,000 tax-exempt permanent loan and a $4,000,000 Mixed-Income Program subsidy loan, to construct a 244-unit new construction development at a total development cost per unit of $419,932.
- Both the permanent loan (40-year amortization) and MIP subsidy loan (residual receipts) will have terms of 17 years.
- The Project will have 53 units restricted at 30% of Area Median Income ("AMI"), 147 units restricted at 50% AMI, 20 units restricted at 60% AMI, and 21 units restricted at 70% AMI. There will be 3 unrestricted manager units.
- The Sherman Apartments Development is proposed to be constructed in Los Angeles, Los Angeles County and developed by Meta Development LLC.
- Energy efficient and green design features include: the use of EnergyStar appliances and installation of water efficient landscaping, the Project will incorporate drought tolerant landscaping, solar PV, high efficiency heating and cooling systems. The project will also be all electric.
- 1) the CalHFA regulatory agreements will not be recorded in senior position as the City of San Francisco is requiring a Regulatory Agreement to be recorded in senior position to the CalHFA Deeds of Trust; and 2) to ensure the deferred

developer fee is repaid by year 15, the developer is requesting a larger than 50% share of surplus cash distribution to comply with tax credit investor requirements.

Project Architectural Rendering

Executive Summary	
CalHFA Project Number	25012
Project Name	Sherman Apartments
Type of Development	New Construction
Type of Project	Senior
Total Units (MIP Restricted Units)	244 (241 restricted)
Street Address	7143 Tampa Avenue
City, County, Zip Code	Los Angeles, Los Angeles County, 91335
Borrower (Legal entity name)	Tampa Sherman, LP
Developer	Meta Development, LLC
Co-Developer	Foundation for Affordable Housing V, Inc.
Approved Conduit Issuances	
Conduit T/E Bond Issuance [CDLAC Meeting: August 5, 2025]	\$46,000,000 (assuming current need is \$41,250,000) Includes 10% cushion and rounded up to nearest \$1m
Conduit Taxable Bond Issuance	\$27,000,000 (assuming current need is \$24,430,000) Includes 10% cushion and rounded up to nearest \$1m
Conduit T/E Recycled Bond Volume Cap	\$12,000,000 (assuming current need is \$10,500,000) Includes 10% cushion and rounded up to nearest \$1m
Requested CalHFA Financing for Approval	
CalHFA Tax-Exempt Permanent Loan Amount	\$29,808,000 UW Rate and Loan Term: 6.43%; fixed- simple; 1st lien; 40/17
CalHFA Taxable Permanent Loan Amount (if any)	N/A
HUD Risk Sharing Requirement (1st lien loan)	Yes
CalHFA Subordinate/Subsidy Financing Type	Mixed-Income Program (MIP) 2025 \$4,000,000 UW Rate and Loan Term: 3.00%, fixed-simple; 2nd lien; residual receipts; due in 17 years
Key Dates and Approvals	
CDLAC Volume Cap Award Date	8/5/2025
CTCAC Tax Credit Award Date	8/5/2025
CDLAC Closing Deadline	5/15/2026
Est. Construction Loan Closing Date	5/13/2026
Est. CalHFA Loan Closing (perm conversion) Date	1/1/2029
Federal Tax Credits (LIHTC) Requested	\$36,425,320
State Tax Credits Requested	\$21,000,000
Note: The applicant made an election to sell (Certificate) all or any portion of the state credits.	

1	Project Summary
	Project Description

Sherman Apartments (the “Project”) is a new construction, affordable senior (age restricted) apartment community. The total development site area is 2.12 acres and is in Los Angeles, Los Angeles County. The project is designed as a six-story podium-style building, consisting of five stories of residential construction over a single-story street grade podium parking garage. The Project will have total 244 residential units, of which 241 units will be restricted between 30% and 70% of the Los Angeles County Area Median Income (AMI). There will be 221 one-bedroom units (480 sq. ft.), and 20 two-bedroom units (641 sq. ft.). In addition, 3 of the two-bedroom units will serve as the manager’s units. The Project will include 60 parking spaces within one level of at-grade podium parking, and 65 spaces in a surface lot, for a total of 125 parking spaces. 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.

The Project will be constructed with concrete slab on piles (podium at grade), with reinforced concrete flooring and stucco exterior walls. In addition to CDLAC minimum design standards, which include some sustainable building requirements like the use of EnergyStar appliances and installation of water efficient landscaping, the Project will incorporate drought tolerant landscaping, solar PV, high efficiency heating and cooling systems. The project will also be all electric.

The Project’s financing structure includes financing from: Tax-exempt (T/E) bonds, Taxable loan, T/E Recycled bonds, 4% Federal and State Low Income Housing Tax Credit (LIHTC) equity, CalHFA Tax-Exempt Permanent Loan, and a CalHFA Subordinate financing through Mixed-Income (MIP) Subsidy Loan.

Notes:
1. The deed has a restriction, which includes the senior housing restriction applicable to the property. Under California law, a senior citizen is defined as a person 55 years of age or older. The law also permits occupancy by a qualified permanent resident, defined as a person 45 years of age or older, or a spouse, cohabitant, or individual providing primary physical or economic support to the senior citizen.

Inside Principal City?	Yes	Underserved or Distressed Tract?	No
Census Tract (CT)	31084-06-037-1330.00 06037133000	% Population Below Poverty Line	19.08%
CT Minority Population %	75.18	Rural Area?	No
CT Income Level	Medium	2025 Est. CT Median Family Income	$113,497
CDLAC/TCAC Opportunity Area Category		Low Resource	
CDLAC/TCAC Geographic Region		City of Los Angeles	
Project is located in DDA?		Yes	
Project is located in Federally-designated Qualified Census Tract (QCT) for LIHTC purposes?		No	

Legislative Districts:

- Congress: 32, Brad Sherman
- State Assembly: 46, Jesse Gabriel
- State Senate: 20, Caroline Menjivar

Local Support: The City of Los Angeles sent a locality contribution email dated June 25, 2025 stating support for the project.

2	Development and Financing Team		
Developer (Sponsor): Meta Development, LLC		**Co-developer:** 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
Borrower (Legal entity): Tampa Sherman, LP		**Co-Borrower (if any):** N/A	
Construction (Senior) Lender: 1) Capital One, National Association		**Construction Subordinate Lender(s):** N/A	
Permanent 1st lien Lender: 1) CalHFA		**Permanent Subordinate Lender(s):** 1) CalHFA (2nd lien)	
Federal LIHTC Investor: Red Stone Equity Partners LLC		**State LIHTC Investor:** Red Stone Equity Partners LLC	
Tax Credit Amount	$36,425,320	Tax Credit Amount	$21,000,000
Solar Tax Credit Investor: N/A			
Tax Credit Amount	N/A		
General Contractor: RAAM Construction, Inc.		**Management Company (Property Manager):** WSH Management	
Is an affiliate of Developer?	No	Is an affiliate of Developer?	No
Experience with CalHFA?	Yes	Total number of properties managed	81
Architect: Y&M		**Service Provider:** LifeSTEPS	
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)	$27,000/year
Has housing projects in CA?	Yes	Per unit cost of services meets CDLAC req.?	Yes
Financial Advisor: Novogradac & Co, CPA		**Project Consultant:**	

3	Requested CalHFA Financing for Approval		
	CalHFA 1st Lien Perm Loan	CalHFA Subordinate Loan (MIP Subsidy Loan)	Total CalHFA Financing
Loan Amount ($)	$29,808,000	$4,000,000	$33,808,000
Loan Term (Year)	17	17	
Amort. Term (Year)	40		
Amort. Type	Fully Amortizing	Non-amortizing	
Lien Position	1st	2nd	
UW Interest Rate %	6.43%	3.00%	
Loan to Value (%)	65.37%	8.77%	
Combined LTV (CLTV) (%)			74.14%
Loan to Cost (%)	29.09%	3.90%	33.00%
Loan Repayment Source	Net Operating Income (NOI)	Residual Receipts	

4	Project Budget & Total Development Cost
	Construction Financing
Construction Lender	Capital One, National Association
CDLAC/CTCAC Construction Closing Deadline	May 15, 2026

	Bond Issuance Amount		Type of Issuance
Construction Conduit Issuance Amount	$41,250,000		Tax-Exempt
Construction Conduit Issuance Amount	$24,430,000		Taxable
Construction Conduit Issuance Amount	$10,500,000		T/E Recycled
Total	$76,180,000		
	Loan Amount	UW Rate	Loan Term
Construction Loan (T/E) (Interest-only, 1st lien during construction)	$41,250,000	4.35%, Variable (See Note 1)	34 months + one 6-month extension
Construction Loan (Taxable) (Interest-only, 1st lien during construction)	$24,430,000	4.35%, Variable (See Note 2)	34 months + one 6-month extension
Construction Loan (T/E Recycled) (Interest-only, 1st lien during construction)	$10,500,000	4.35%, Variable (See Note 3)	34 months + one 6-month extension

Notes:
1. Construction interest reserve 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.
2. If the rate on construction loan is fixed via the purchase of an interest rate derivative product prior to closing, the 100 bps underwriting cushion will be removed from the Project's development budget.

Construction Sources		
Construction Sources:	Amount ($)	% of Total
Tax-Exempt: Capital One N.A. (Loan)	$41,250,000	40.81%
Recycled Bonds: Capital One N.A. (Loan)	$10,500,000	10.39%
Taxable: Capital One N.A. (Loan)	$24,430,000	24.17%
Cash Backed Forward: Lument (Accrued Interest)	$4,528,125	4.48%
Tax Credit Equity - Federal (Equity, LIHTC Investor)	$7,697,691	7.62%
Tax Credit Equity - State (Equity, LIHTC Investor)	$3,738,000	3.70%
Deferred Operating Reserve (Developer Fee, Deferral)	$1,144,398	1.13%
Deferred Developer Fee (Developer Fee, Deferral)	$7,782,258	7.70%
Total Construction Sources	$101,070,472	100%

Construction Uses		
Construction Uses:	Amount ($)	% of Total
Land and Improvement Value	$9,450,000	9.35%
Other Acquisition Costs	$779,344	0.77%
Construction/Rehab Costs	$52,667,347	52.11%
Soft Costs (A&E, Legal, Title, and Other Soft Costs)	$21,316,848	21.09%
Hard Cost contingency (8.28% of Hard Cost)	$3,864,636	3.82%
Soft Cost contingency (2.03% of Soft Cost)	$775,000	0.77%
Financing Costs (Interest Reserves, Fees, Taxes, and Insurance)	$6,313,682	6.25%
Local Impact Fees and Permit Fees	$2,418,495	2.39%
Cash Portion Developer Fee	$2,174,297	2.15%
Other Costs (TCAC Fees, Furnishing, and Other Misc. Fees)	$1,310,823	1.30%
Operating Reserves	$0	0.00%
Total Construction Uses	$101,070,472	100%
Total Construction Cost per unit	$414,223	
Total Construction Cost per CalHFA MIP Regulated Unit	$419,380	

Notes (if any):

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 total hard cost contingency in the project is 8.28% 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.
3. The total soft cost contingency in the project is 2.03% 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.

Permanent Sources and Uses

Permanent Sources:	Amount ($)	% of Total
CalHFA Perm Loan (Loan)	$29,808,000	29.1%
CalHFA MIP (Loan)	$4,000,000	3.9%
Cash Backed Forward: Lument (Other Source)	$4,528,125	4.4%
Deferred Developer Fee (Developer Fee, Deferral)	$6,948,847	6.8%
Tax Credit Equity (Equity, LIHTC Investor)	$57,178,458	55.8%
Total Permanent Sources	$102,463,430	100%

Permanent Uses:	Amount ($)	% of Total
Total Loan Payoffs	$92,018,846	89.8%
Equity	$0	0%
Financing costs	$248,560	0.2%
Soft costs	$0	0%
Operating Reserves	$1,144,398	1.1%
Cash Developer Fee paid at Perm Conversion	$2,102,780	2.1%
Deferred Developer Fees paid from cashflow	$6,948,847	6.8%
Total Permanent Uses	$102,463,430	100%
Total Development Cost per unit	$419,932	
Total Development Cost per CalHFA MIP Restricted Unit	$425,159	

Developer Fee

Developer fee category:	TCAC Maximum Limit	Actual Amount in Project Budget
Upfront Cash Developer Fee (a)	$4,408,641	$4,277,077
Deferred Developer Fee (DDF) paid from project cash-flow (b)		$6,948,847
Total Developer Fee (a) + (b)	$14,967,898	$11,225,924
Excess Developer Fee above TCAC Maximum Limit as General Partner (GP) contribution		**$0**

Notes:

1. 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. Any unpaid MIP principal and interest at refinance must be repaid by general partner contribution.
2. Any outstanding Deferred Developer Fee remaining at Year 15, even if within TCAC Maximum Limit, will be paid from Borrower's 50% share surplus cash distribution.
3. Any outstanding Deferred Developer Fee remaining in Year 15 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 15 will be treated as a GP contribution will be required prior to construction closing.

	High-Cost Explanation (TDC exceeds $650,000 per unit)
Total Development Cost (TDC)	$102,463,430
Total Units	244
TDC/Unit	$419,932
High-Cost Explanation provided by Developer per CDLAC Regs Section 5233?	N/A
High-Cost explanation acceptable to CalHFA?	N/A

5	**Affordability Requirements**
5a	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 (73 units) at or below 60% AMI and 10% of the total units (25 units) at 50% AMI for 55 years.

The CalHFA Subsidy Regulatory Agreement will restrict 241 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%	40%	50%	60%	70%	80%	120%	Regulated	Regulated
CalHFA Bond	2nd			25	73				98	41%
CalHFA MIP	3rd	25		49		25		142	241	100%
CTCAC	4th	53		147	16	25			241	100%
Density Bonus or CUP	1st						192	49	241	100%
Other									0	0%
TOTALS		53	0	147	16	25	0	0	241	100%

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 (25 units at 30% AMI and 49 units at 50% AMI). An additional 10% of total units [25 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 [142 units] restricted units will be restricted at or below 120% of AMI.
3. In addition, the Project will be restricted by the following jurisdictions described below:
    a. The City will restrict 192 units at or below 80% of AMI and 49 units at or below 120% of AMI for a term of at least 99 years. The rents for these units are subject to and the rents are based off of County of Los Angeles published rents.

5b	Unit Distribution for each AMI category

The table below outlines the distribution of units for each unit size by AMI category.

Rent Limit Summary Table								
	Studio	1-bdrm	2-bdrm	3-bdrm	4-bdrm	5-bdrm	Total	% Total
30%	0	50	3	0	0	0	53	22%
40%	0	0	0	0	0	0	0	0%
50%	0	142	5	0	0	0	147	60%
60%	0	14	6	0	0	0	20	8%
70%	0	15	6	0	0	0	21	9%
80%	0	0	0	0	0	0	0	0%
120%	0	0	0	0	0	0	0	0%
Manager	0	0	3	0	0	0	3	1%
Market	0	0	0	0	0	0	0	0%
Total	0	221	23	0	0	0	244	
AMI Avg		47.5%	56.0%				48.17%	

Note:
- 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.
- The CalHFA regulatory agreement(s) will require minimum underwriting rent levels as outlined above.

6	**Financial Analysis**
6a	Project Operating Budget Assumptions

Total Units	244	Construction Start Date	5/1/2026
Regulated Units	241	Construction Completion Date	5/1/2028
Manager Units (Market Rate)	3	Construction Period (months)	24
Total Residential Square Feet	115,458	Lease-up Commencement Date:	5/1/2028
Avg Sq Ft/Unit	500	Lease-up Completion Date	12/1/2028
Rental Subsidies?	None	Lease-up Period (months)	7
No. of Units with Rental Subsidies	N/A	Est. Stabilization /Perm Conversion Date	1/1/2029
Rental Subsidy Contract Term (Initial)	N/A	Lease-up Completion to Stabilization (months)	8

6b	Project Operating Cash-flow Summary				
Operating Budget and Reserve Balances					
	Year 1	Year 5	Year 10	Year 15	Terminal Year 17
Adjusted Gross Income	3,814,939	4,210,979	4,764,336	5,390,409	5,663,299
Other Income/Subsidies	128,950	142,336	161,041	182,203	191,427
Projected Vacancy and Discount Loss	194,998	215,242	243,526	275,528	289,476
Effective Gross Income (EGI)	3,748,891	4,138,074	4,681,851	5,297,084	5,565,249
Total Operating Expenses	1,354,804	1,546,389	1,825,637	2,156,758	2,305,848
Reserve For Replacement	61,000	63,477	66,715	70,118	71,527
Net Operating Income (NOI)	2,394,087	2,591,685	2,856,214	3,140,326	3,259,401
Total Debt Service & Other Payments	2,076,344	2,076,344	2,076,344	2,076,344	2,076,344
Cash Flow After Debt Service	317,743	515,341	779,870	1,063,982	1,183,057
Debt Service Coverage Ratio	1.15	1.25	1.38	1.51	1.57
Income/Expense Ratio	2.77	2.68	2.56	2.46	2.41
Less:					
LP Management Fee*	15,000	16,883	19,572	22,689	0
GP Partnership Management Fee	23,000	25,887	30,010	34,790	0
Other CalHFA approved Partnership Fee	0	0	0	0	0
Total Fees	$38,000.00	$42,770.00	$49,582.00	$57,479.00	$ 0.00
Annual Cap Limit	$40,500	$45,583	$52,843	$61,260	$60,979
[*Note: Any Fees above the Annual Cap to be paid from Developer Distribution % below]					
Cashflow for Distribution					
Developer Distribution %	100%	100%	100%	50%	50%
Cumulative Developer Distribution	279,743	1,877,098	5,005,675	8,053,364	9,206,461
Residual Receipts %	0%	0%	0%	50%	50%
Cumulative Residual Receipts Repayment	0	0	0	1,425,059	2,578,155
Unpaid/Accrued CalHFA loan Balance					
Perm Loan	29,643,519	28,869,206	27,575,537	25,792,847	24,903,539
MIP Loan	4,000,000	4,480,000	5,080,000	4,758,193	3,933,373
Reserves Balances					
Operating Reserve	1,144,398	1,144,398	1,144,398	1,144,398	1,144,398

6c	Exit Analysis Requirements		
Exit Year	Year 17	**Assumed Refi Year**	Year 16
Cap Rate Increase	2.00%	**Interest Rate Increase**	3.00%
UW Loan Amount	$29,808,000	**Max. Refi Loan Size**	$26,563,624
Appraised Value	$44,094,974	**Max LTV at Refi**	60%
Unpaid Principal Balance (1st Lien)	($1,201,179)	**Unpaid Principal Balance (MIP Subsidy Loan)**	$2,732,195

Notes:

- The primary source of repayment for both the CalHFA 1st 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 1st lien loan and a portion of the unpaid MIP principal and interest. To mitigate the refinance risk, the Developer will be required to repay any remaining balance from a General Partner contribution as part of the final close-out of the partnership obligations to allow re-syndication.

7 Insurance Requirements

- **Seismic Review and Earthquake Insurance:** This new construction Project will be built to State and City of Los Angeles Building Codes so no seismic review is required and the project will not be subject to Earthquake Insurance.
- **Flood Designation and Insurance:** 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, therefore the Project will not be subject to flood insurance.
- **Other Insurance Requirements:** N/A

8 Environmental Review

- A Phase I Environmental Site Assessment identified no evidence of Recognized Environmental Conditions (RECs) and did not recommend any additional investigation.
- NEPA review is occurring presently and HUD approval is required prior to construction closing.

9 Underwriting and Term Sheet Variations

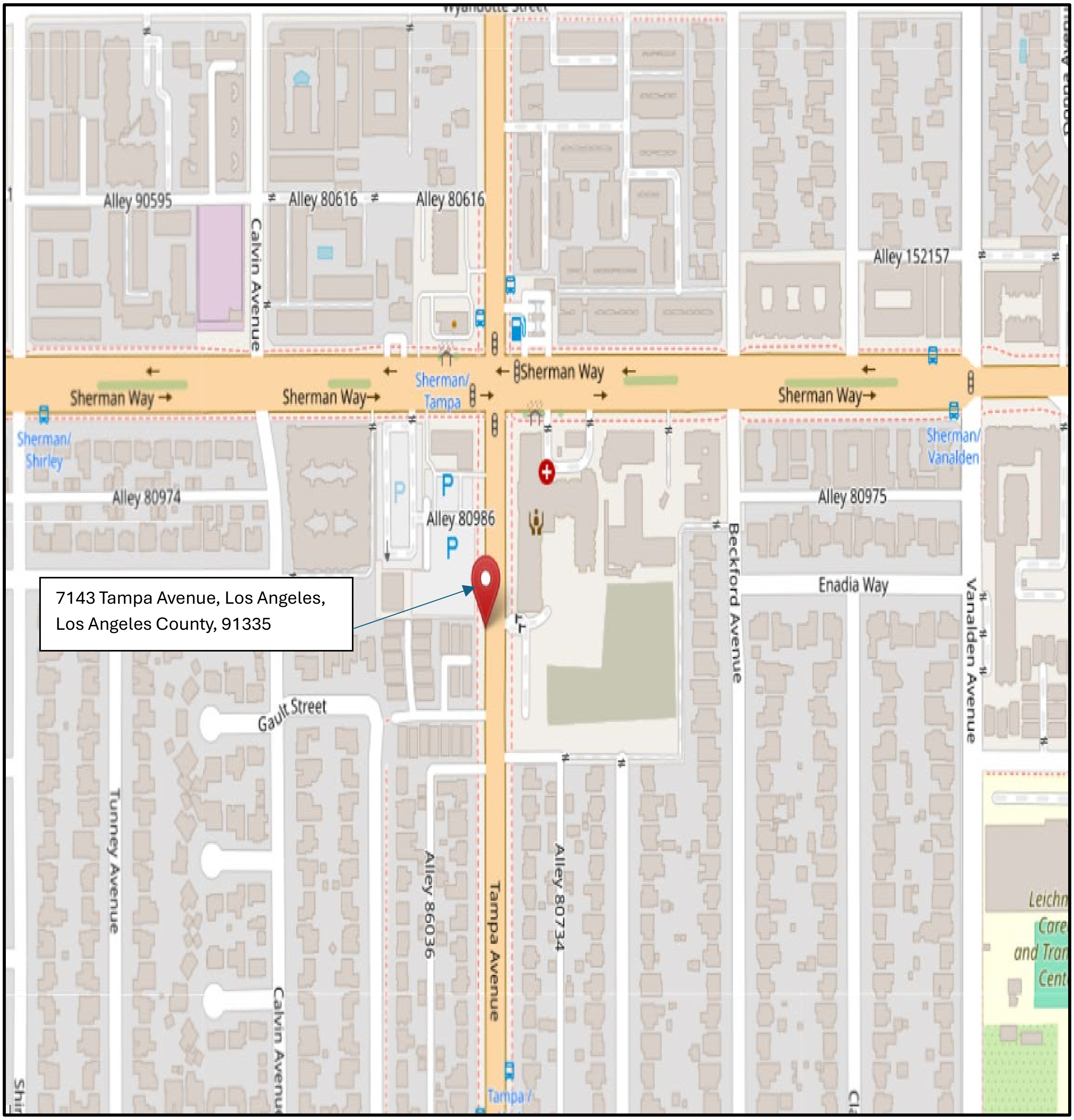
1. The City of Los Angeles is requiring a Density Bonus Agreement to be recorded in senior position to the CalHFA Deed of Trust. The Agreement should not have foreclosure rights and will require standstill provisions that are in excess of the affordability requirements for any period that the Agency is in possession of the property following a foreclosure or deed in lieu.
2. To ensure the deferred developer fee is repaid by year 15, the surplus cash distribution is underwritten showing 100% being applied to reducing the deferred developer fee until full repayment which is currently projected in year 13. 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. Any unpaid MIP principal and interest at refinance must be repaid by general partner contribution.

10	Approval Recommendation and Action

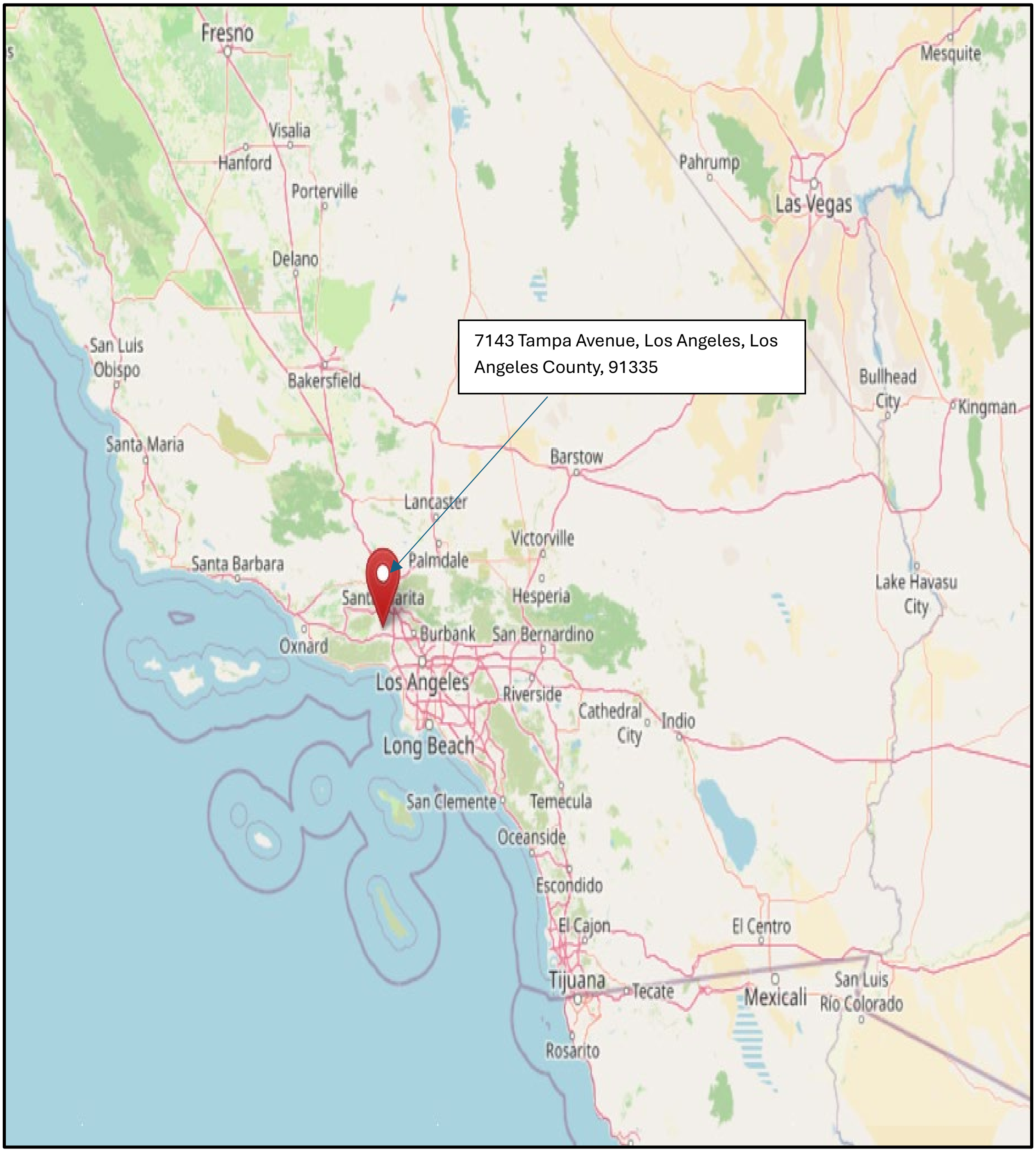
The Multifamily Programs Division supports approval of the described financing in the amount(s) requested, subject to the above proposed terms and conditions.

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.

Sheman Apartments - Near



Sherman Apartments- Far



BOARD OF DIRECTORS
OF THE CALIFORNIA HOUSING FINANCE AGENCY

RESOLUTION NO. 26-11

RESOLUTION AUTHORIZING A FINAL LOAN COMMITMENT

WHEREAS, the California Housing Finance Agency (the "***Agency***") has received a loan application on behalf of Tampa Sherman, 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 Los Angeles, County of Los Angeles, California, to be known as Sherman Apartments Plaza (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 25-08 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 Resolution 26-04, 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 March 10, 2025, the Executive Director exercised the authority delegated to him 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 his 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:

PROJECT NUMBER	DEVELOPMENT NAME/ LOCALITY	MORTGAGE AMOUNT	
25-012-A/X/S	SHERMAN APARTMENTS City of Los Angeles, County of Los Angeles California	$29,808,000.00	Tax-Exempt Bond 1st Lien Loan With HUD Risk Sharing
		$ 4,000,000.00	Mixed-Income Program Residual Receipts 2nd 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 his 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. 26-11 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 16th day of April, 2026, 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 16th day of April, 2026.

ATTEST: ________________________________

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

CalHFA

MEMORANDUM

To: Board of Directors **Date:** April 16, 2026

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

Subject: Agenda Item #8 – Final Loan Commitment for Marinwood Plaza, Project No. 25-018

Action: CalHFA Senior Loan Committee has recommended that Executive Director, Anthony Sertich, seek Board approval and final loan commitment for the Marinwood Plaza Development by approving Resolution Number 26-12.

Development Information:

- The Executive Director has Board delegated authority to approve loans up to $15,000,000, therefore, the Marinwood Plaza Development is seeking Board approval for a $28,766,000 tax-exempt permanent loan and a $4,000,000 Mixed-Income Program subsidy loan, to construct a 125-unit new construction development at a total development cost per unit of $570,052.
- Both the permanent loan (40-year amortization) and MIP subsidy loan (residual receipts) will have terms of 17 years.
- The Project will have 14 units restricted at 30% of Area Median Income ("AMI"), 49 units restricted at 50% AMI, and 61 units restricted at 70% AMI. There will be 1 unrestricted manager units.
- The Marinwood Plaza Development is proposed to be constructed in San Rafael, which is in an unincorporated portion of Marin County and developed by Impact Residential Development, LLC (with Pacific Housing, Inc. as co-sponsor).
- Energy efficient and green design features include: use of EnergyStar appliances, low flow plumbing fixtures, low VOC finishes (flooring, painting, and caulking), and installation of water-efficient landscaping. Other Project green design features include solar-powered electricity equipment.
- Recommended underwriting exception are: 1) Use of California Utility Allowance Calculator (CUAC) to calculate utility allowances based on energy savings; 2) Underwriting rents for the 70% AMI units are underwritten below 70% AMI rents to

meet the 10% below market requirement; and 3) to ensure the deferred developer repays by year 15, the developer is requesting a larger than 50% share of surplus cash distribution to comply with tax credit investor requirements.

Project Architectural Renderings

Executive Summary	
CalHFA Project Number	25018
Project Name	Marinwood Plaza
Type of Development	New Construction
Type of Project	Family
Total Units (MIP Restricted Units)	125 (124 restricted)
Street Address	121, 155, 175, and 197 Marinwood Avenue
City, County, Zip Code	Unincorporated San Rafael, Marin County, 94903
Borrower (Legal entity name)	Marinwood Propco, LP
Developer	Impact Residential Development LLC (affiliate)
Co-Developer	Pacific Housing, Inc. (affiliate)
Approved Conduit Issuances	
Conduit T/E Bond Issuance [CDLAC Meeting: 12/10/2025]	$20,000,000 (Assumes $18,141,000 need; includes 10% cushion and rounded up to nearest $1m)
Conduit Taxable Bond Issuance	$37,000,000 (Assumes $33,522,713 need; includes 10% cushion and rounded up to nearest $1m)
Conduit T/E Recycled Bond Volume Cap	N/A
Requested CalHFA Financing for Approval	
Combined CalHFA 1st Lien Permanent Loan	$28,766,000 UW Rate and Loan Term: 6.78% blended rate; fixed; 40/17
CalHFA Tax-Exempt Portion of Combined Loan	$18,141,000; 6.44% rate; fixed; 40/17
CalHFA Taxable Portion of Combined Loan	$10,625,000; 7.30% rate; fixed; 40/17
HUD Risk Sharing Requirement (1st lien loan)	Yes
CalHFA Subordinate/Subsidy Financing Type	$4,000,000 Mixed-Income Program (MIP) 2025 UW Rate and Loan Term: 3.00%, fixed-simple; 2nd lien; residual receipts; due in 17 years
Key Dates and Approvals	
CDLAC Volume Cap Award Date	12/10/2025
CTCAC Tax Credit Award Date	12/10/2025
CDLAC Closing Deadline	6/29/2026
Est. Construction Loan Closing Date	5/1/2026
Est. CalHFA Loan Closing (perm conversion) Date	12/1/2028
Federal Tax Credits (LIHTC) Requested	$30,255,200
State Tax Credits Requested	N/A

1	Project Summary

Marinwood Plaza (the "Project") is a new construction large family, mixed-income and mixed-use Project. The total development site area is 3.67 acres of an existing 5.06-acre site and is located in unincorporated San Rafael, Marin. The Project will consist of five, 3-story elevator serviced buildings and 1,040 sq. ft of ground-floor commercial area. The commercial area will be master-leased; its construction is part of the subject financing. The Project will have 125 total residential units, of which 124 units will be restricted between 30% and 70% of the Marin County Area Median Income (AMI). There will be 45 one-bedroom units (675 sq. ft.), 48 two-bedroom units (881 sq. ft.), and 32 three-bedroom units (1,125 sq. ft.). In addition, one of the two-bedroom units will serve as the manager's unit(s). The Project will have 126 residential parking spaces including 2 car share spaces. The residents will also have access to at least 18 additional parking spaces on the abutting supermarket parcel. 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.

The project is of wood frame with stucco and stone veneer construction. In addition to CDLAC minimum design standards, which include some sustainable building requirements like the use of EnergyStar appliances, low flow plumbing fixtures, low VOC finishes (flooring, painting, and caulking), and installation of water-efficient landscaping, other Project green design features include solar-powered electricity equipment.

The Project's financing structure includes financing from: Tax-exempt (T/E) bonds, Taxable bonds, 4% Federal Low Income Housing Tax Credit (LIHTC) equity, CalHFA Tax-Exempt Permanent Loan, CalHFA Subordinate financing through Mixed-Income Program (MIP) Subsidy Loan, and a County of Marin HTF residual receipts loan.

The subject property is part of a larger 5.06-acre site consisting of four contiguous parcels that will be merged and subsequently subdivided into two parcels. The subject property has received approval from the Marin County Planning Division for the lot line adjustment associated with the subdivision. The lot line adjustment will occur prior to construction closing.

The subject parcel will comprise approximately 3.67 acres. The remaining 1.39-acre parcel will continue to be occupied by a single-tenant supermarket, which is expected to remain in operation throughout construction and into stabilization. The supermarket site includes 63 commercial parking spaces, of which 18 will be available to the residents through a shared parking agreement with the supermarket parcel owner, a developer-affiliated entity. Four parking spaces located on the abutting supermarket parcel and adjacent to the commercial space will be designated for use by the commercial tenant (anticipated to be a café).

Inside Principal City?	No	Underserved or Distressed Tract?	No
Census Tract (CT)	06-041-1070.00	% Population Below Poverty Line	3.89%
CT Minority Population %	25.82%	Rural Area?	No
CT Income Level	Medium	2025 Est. CT Median Family Income	$171,920
CDLAC/TCAC Opportunity Area Category		Highest Resource	
CDLAC/TCAC Geographic Region		Northern Region: Butte, Marin, Napa, Shasta, Solano, and Sonoma Counties	
Project is located in DDA?		Yes	
Project is located in federally-designated Qualified Census Tract (QCT) for LIHTC purposes?		No	

Legislative Districts:

- Congress: 2, Jared Huffman
- State Assembly: 12, Damon Connolly
- State Senate: 2, Mike McGuire

Local Support: The locality's Community Development Agency responded to CalHFA's locality contribution letter on 5/5/2025 and strongly supports the project.

2	Development and Financing Team		
Developer (Sponsor): Impact Residential Development, LLC (affiliate) (100% of developer fee)		**Co-developer:** Pacific Housing, Inc. (affiliate) (0% of developer fee)	
New to CalHFA?	Yes	New to CalHFA?	No
Affordable Housing/LIHTC experience?	No	Affordable Housing/LIHTC experience?	Yes
Has Projects in California?	No	Has Projects in California?	Yes
Borrower (Legal entity): Marinwood Propco, LP		**Co-Borrower (if any):** N/A	
Construction (Senior) Lender: 1) First Citizens Bank		**Construction Subordinate Lender(s):** 1) County of Marin HTF Loan	
Permanent 1st lien Lender: 1) CalHFA		**Permanent Subordinate Lender(s):** 1) CalHFA (2nd lien) 2) County of Marin HTF Loan	
Federal LIHTC Investor: Hudson Housing Capital		**State LIHTC Investor:** N/A	
Tax Credit Amount	$30,420,960	Tax Credit Amount	$
Solar Tax Credit Investor: N/A			
Tax Credit Amount	$		
General Contractor: Milestone Construction Group		**Management Company (Property Manager):** Aperto Property Management, Inc	
Is an affiliate of Developer?	No	Is an affiliate of Developer?	No
Experience with CalHFA?	No	Total number of properties managed	125
Architect: LPAS Architects		**Service Provider:** Pacific Housing, Inc.	
Has worked with GC?	No	Required by TCAC or other Funding sources?	Yes
Has experience designing and managing similar projects?	Yes	Terms of service (on-site, number of years)	On-site or within ½ mile, 15 years minimum
		Support Services Cost (per Operating budget)	$30,000
Has housing projects in CA?	Yes	Per unit cost of services meets CDLAC/TCAC req.?	Yes
Financial Advisor: N/A		**Project Consultant:** Tableau Development Company	

Notes:
1. Impact Residential Development, LLC is an emerging developer. Pacific Housing, Inc. is the co-developer and meets CalHFA's experience requirements. Pacific Housing, Inc. has four projects in CalHFA's portfolio that are performing as expected and one other project in the CalHFA development pipeline.
2. Aperto Property Management, Inc. is the property manager for at least 23 CalHFA portfolio projects. Aperto generally performs as expected, however they can require multiple follow-ups on requests.
3. Tableau is serving as the project manager and providing comprehensive development oversight. Responsibilities include seller negotiations, entitlements process, community engagement, assistance in obtaining financing, co-supervising design/construction, and other development-related tasks. Tableau is not part of the project ownership. Services will continue through financial closing and into the construction period.

3	Requested CalHFA Financing for Approval		
	CalHFA 1st Lien Perm Loan	**CalHFA Subordinate Loan (MIP Subsidy Loan)**	**Total CalHFA Financing**
Loan Amount ($)	**$28,766,000 Combined** $18,141,000 (T/E) $10,625,000 (Tax)	$4,000,000	$32,766,000
Loan Term (Year)	17	17	17
Amort. Term (Year)	40		40
Amort. Type	Partially Amortizing	Non-amortizing	
Lien Position	1st	2nd	
UW Interest Rate %	**6.78% (Blended)** 6.44% (T/E) 7.30% (Tax)	3.00%	
Loan to Value (%)	77.76%	9.15%	
Combined LTV (CLTV) (%)			88.58%
Loan to Cost (%)	40.70%	5.65%	46.35%
Loan Repayment Source	Net Operating Income (NOI)	Residual Receipts	

4	Project Budget & Total Development Cost
	Construction Financing

Construction Lender	First Citizens Bank
CDLAC/CTCAC Construction Closing Deadline	6/29/2026

	Bond Issuance Amount	Type of Issuance
Construction Conduit Issuance Amount	$18,141,000	Tax-Exempt
Construction Conduit Issuance Amount	$33,522,713	Taxable
Construction Conduit Issuance Amount	$0	T/E Recycled
Total	$51,663,713	

	Loan Amount	UW Rate	Loan Term
Construction Loan (T/E) (Interest-only, 1st lien during construction)	$18,141,000	5.15%, Fixed (See Note 1)	26 months plus two 90-day extension options
Construction Loan (Taxable) (Interest-only, 1st lien during construction)	$33,522,713	5.25%, Fixed (See Note 2)	26 months plus two 90-day extension options
<Other Construction loan>			

Notes:

1. Construction interest reserve 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.

Construction Sources

Construction Sources:	**Amount ($)**	**% of Total**
First Citizens Bank- TE (Conduit) (Loan)	$18,141,000	28.53%
First Citizens Bank- Taxable (Conduit) (Loan)	$33,522,713	52.71%
County of Marin HTF Loan (Loan)	$7,500,000	11.79%
Deferred Reserves & Costs (Cost Deferral)	$689,192	1.08%
Hudson Housing Capital (Equity, LIHTC Investor)	$3,742,436	5.88%
Total Construction Sources	$63,595,341	100%

Construction Uses		
Construction Uses:	**Amount ($)**	**% of Total**
Land and Improvement Value	$8,800,000	13.84%
Other Acquisition Costs	$50,000	0.08%
Construction/Rehab Costs	$37,983,920	59.73%
Soft Costs (A&E, Legal, Title, and Other Soft Cost)	$4,774,052	7.51%
Hard Cost contingency (5.65% of Hard Cost)	$1,852,093	2.91%
Soft Cost contingency* (1.65% of Soft Cost)	$432,361	0.68%
Financing Costs (Interest Reserves, Fees, Taxes, and Insurance)	$4,283,578	6.74%
Local Impact Fees and Permit Fees	$2,134,915	3.36%
Cash Portion Developer Fee	$1,265,895	1.99%
Other Costs (TCAC Fees, Furnishing, and Other Misc. Fees)	$1,409,336	2.22%
Operating Reserves	$609,192	0.96%
Total Construction Uses	$63,595,341	100%
Total Construction Cost per unit	$508,763	
Total Construction Cost per CalHFA MIP Regulated Unit	$512,866	

**Soft Continency of $432,361 (1.65%) is lower than CalHFA's underwriting standard of 2%. The developer is requesting to remove the land acquisition cost of $8,850,000 which includes $50,000 in legal expenses, monthly extension payments and prior deposits. Per the purchase and sale agreement and subsequent amendments, these amounts will be credited toward the purchase price, resulting in no increase to the total land acquisition cost. Based on this adjustment, the proposed Soft Cost Contingency is equal to 2.00%.*

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. Acquisition Costs included in the budget total $8,850,000, which is in compliance with Agency's underwriting (USRM) standards. The total Acquisition costs include as-is land cost (per appraisal dated 2/27/2025) of $8,800,000 and carrying costs of $50,000 (legal).
3. The total hard cost contingency in the project is 5.65% 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. As shown above, the total soft cost contingency in the project is 2.00% of adjusted eligible costs and has been reviewed by Multifamily staff to meet the USRM requirements and project scope for completion within the stipulated budget.
5. Remediation costs of approximately $216,000 in the form of a vapor intrusion mitigation system (VIMS) are included in the construction budget. Ongoing annual monitoring cost of $30,000 for VIMS is included in the operating budget.
6. The project budget includes $390,000 in offsite streetscape improvements, which includes rebuilding the existing sidewalks, curbs, and gutters, as well as the addition of streetlights. The County will contribute additional funds to expand the current scope with more extensive streetscape upgrades. A separate developer affiliate will manage this work under separate contracts with the County and Milestone. The contract(s) will be reviewed by the CalHFA inspector to confirm if offsite improvements are allowable by CalHFA Bond Regs or are outside the subject financing.

Permanent Sources and Uses		
Permanent Sources:	**Amount ($)**	**% of Total**
CalHFA Tax-Exempt (Loan)	$18,141,000	25.7%
CalHFA Taxable (Loan)	$10,625,000	15.0%
CalHFA MIP Loan (Loan)	$4,000,000	5.7%
County of Marin HTF Loan (Loan)	$7,500,000	10.6%
Deferred Developer Fee (Developer Fee, Deferral)	$5,475,200	7.7%
Cash flow from operations (Loan)	$0	0%
Tax Credit Equity (Equity, LIHTC Investor)	$24,945,187	35.3%
Total Permanent Sources	**$70,686,387**	**100%**

Permanent Uses:	**Amount ($)**	**% of Total**
Total Loan Payoffs	$63,595,341	90.0%
Other Acquisition Costs	$0	0.0%
GP Equity	$0	0.0%
Financing costs	$215,745	0.3%
Soft costs	$0	0.0%
Operating Reserves	$509,192	0.7%
Cash Developer Fee paid at Perm Conversion	$890,910	1.3%
Deferred Developer Fees (paid from cashflow)	$5,475,200	7.7%
Total Permanent Uses	**$70,686,388**	**100%**
Total Development Cost per unit	**$565,491**	
Total Development Cost per CalHFA MIP Restricted Unit	**$570,052**	

Developer Fee		
Developer fee category:	TCAC Maximum Limit	Actual Amount in Project Budget
Upfront Cash Developer Fee (a)	$3,210,668	$2,156,804
Deferred Developer Fee (DDF) paid from project cash-flow (b)		$5,475,200
Total Developer Fee (a) + (b)	$10,176,006	$7,632,004
Excess Developer Fee above TCAC Maximum Limit as General Partner (GP) contribution		**$0**

Notes:

1. For the Final Commitment underwriting, the Borrower must provide evidence that the DDF repayment structure is required pursuant to the Tax Credit Investor's requirements (LOI) and/or Limited Partnership Agreement (LPA).
2. Any outstanding Deferred Developer Fee remaining at Year 15, even if within TCAC Maximum Limit, will be paid from Borrower's 50% share surplus cash distribution.
3. Any outstanding Deferred Developer Fee remaining in Year 15 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 15 will be treated as a GP contribution will be required prior to construction closing.

	High-Cost Explanation (TDC exceeds $650,000 per unit)
Total Development Cost (TDC)	$70,686,387
Total Units	125
TDC/Unit	$565,491
High-Cost Explanation provided by Developer per CDLAC Regs Section 5233?	N/A
High-Cost explanation acceptable to CalHFA?	N/A

5 Affordability Requirements

5a 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 (38 units) at or below 60% AMI and 10% of the total units (13 units) at 50% AMI for 55 years.

The CalHFA Subsidy Regulatory Agreement will restrict 124 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%	40%	50%	60%	70%	80%	120%	Regulated	Regulated
CalHFA Bond	1st			13	38				**51**	41%
CalHFA MIP	2nd	13		25		13		73	**124**	100%
CTCAC	4th	14		49		61			**124**	100%
County	3rd	14		49		61			**124**	100%

Notes:

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 (13 units at 30% AMI and 25 units at 50% AMI). An additional 10% of total units (13 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 (73 units) restricted units will be restricted at or below 120% of AMI.
3. In addition, the Project will be restricted by the following jurisdictions described below:
    a. The County of Marin will restrict 14 units at or below 30% of AMI, 49 units at or below 50% of AMI, and 61 units at or below 70% of AMI in perpetuity. The rents for these units are based off median incomes in the County of Marin as published annually by the United States Department of Housing and Urban Development ("HUD").

5b	Unit Distribution for each AMI category

The table below outlines the distribution of units for each unit size by AMI category.

Rent Limit Summary Table								
	Studio	1-bdrm	2-bdrm	3-bdrm	4-bdrm	5-bdrm	Total	% Total
30%	0	5	6	3	0	0	14	11%
40%	0	0	0	0	0	0	0	0%
50%	0	19	19	11	0	0	49	39%
60%	0	0	0	0	0	0	0	0%
70%	0	21	22	18	0	0	61	49%
80%	0	0	0	0	0	0	0	0%
120%	0	0	0	0	0	0	0	0%
Manager	0	0	1	0	0	0	1	1%
Market	0	0	0	0	0	0	0	0%
Total	0	45	48	32	0	0	125	
AMI Avg		57.1%	56.8%	59.4%			57.58%	

Notes:

- 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.
- The CalHFA regulatory agreement(s) will require minimum underwriting rent levels as outlined above.
- Per an appraisal dated 1/13/2026 the Project can only support rents at a maximum of 70% AMI and still comply with the requirement that rents be 10% below market. Therefore, this project will comply with affordability requirement of 60% to 80% of AMI with an average of 70% of AMI. The rents on the 70% AMI units are underwritten at less than TCAC maximums to comply with the 10% below market requirement.

6	**Financial Analysis**
6a	Project Operating Budget Assumptions

Total Units	125	Construction Start Date	5/1/2026
Regulated Units	124	Construction Completion Date	1/1/2028
Manager Units (Market Rate)	1	Construction Period (months)	20
Total Residential Square Feet	107,759	Lease-up Commencement Date:	1/1/2028
Avg Sq Ft/Unit	869	Lease-up Completion Date	6/1/2028
Rental Subsidies?	No	Lease-up Period (months)	5
No. of Units with Rental Subsidies	0	Est. Stabilization /Perm Conversion Date	12/1/2028
Rental Subsidy Contract Term (Initial)	N/A	Lease-up Completion to Stabilization (months)	11

6b	Project Operating Cash-flow Summary				
Operating Budget and Reserve Balances					
	Year 1	Year 5	Year 10	Year 15	Terminal Year 17
Adjusted Gross Income	3,495,888	3,858,806	4,365,885	4,939,598	5,189,665
Other Income/Subsidies	18,000	19,869	22,480	25,434	26,721
Projected Vacancy and Discount Loss	175,694	193,934	219,418	248,252	260,819
Effective Gross Income (EGI)	3,338,194	3,684,741	4,168,946	4,716,780	4,955,567
Total Operating Expenses	933,701	1,065,416	1,257,330	1,484,810	1,587,207
Reserve For Replacement	31,250	32,519	34,178	35,921	36,643
Net Operating Income (NOI)	2,404,493	2,619,326	2,911,616	3,231,971	3,368,360
Total Debt Service & Other Payments	2,090,195	2,090,195	2,090,195	2,090,195	2,090,195
Cash Flow After Debt Service	314,297	529,130	821,421	1,141,775	1,278,165
Debt Service Coverage Ratio	1.15	1.25	1.39	1.55	1.61
Income/Expense Ratio	3.58	3.46	3.32	3.18	3.12
Less:					
LP Management Fee*	7,500	8,441	9,786	11,344	0
GP Partnership Management Fee	15,000	16,883	19,572	22,689	0
Other CalHFA approved Partnership Fee					
Total Fees	$22,500.00	$25,324.00	$29,358.00	$34,033.00	$ 0.00
Annual Cap Limit	$40,500	$45,583	$52,843	$61,260	$60,979
[*Note: Any Fees above the Annual Cap to be paid from Developer Distribution % below]					
Cashflow for Distribution					
Developer Distribution %	100%	100%	100%	50%	50%
Cumulative Developer Distribution	291,797	1,984,006	5,357,177	7,805,202	9,048,968
Residual Receipts %	0%	0%	0%	50%	50%
Cumulative Residual Receipts Repayment	0	0	0	2,448,026	3,691,792
Unpaid/Accrued CalHFA loan Balance					
Perm Loan	28,621,710	27,936,316	26,772,929	25,141,622	24,318,189
MIP Loan	4,000,000	4,480,000	5,080,000	5,021,164	4,858,188
Reserves Balances					
Operating Reserve	1,018,383	1,018,383	1,018,383	1,018,383	1,018,383

6c	Exit Analysis Requirements		
Exit Year	Year 17	**Assumed Refi Year**	Year 16
Cap Rate Increase	2.00%	**Interest Rate Increase**	3.00%
UW Loan Amount	$18,141,000	**Max. Refi Loan Size**	$26,580,825
Appraised Value	$47,099,553	**Max LTV at Refi**	56%
Unpaid Principal Balance (1st Lien)	($1,837,007)	**Unpaid Principal Balance (MIP Subsidy Loan)**	$3,021,181

Notes:

- The primary source of repayment for both the CalHFA 1st 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 1st lien loan and a portion of the unpaid principal and interest of the MIP subsidy loan.

7	Insurance Requirements

- **Seismic Review and Earthquake Insurance:** This new construction Project will be built to State and County of Marin building codes so no seismic review is required and the project will not be subject to Earthquake Insurance.
- **Flood Designation and Insurance:** 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, therefore the Project will not be subject to flood insurance.
- **Other Insurance Requirements:** N/A

8	Environmental Review

- A Phase I Environmental Site Assessment identified evidence of Recognized Environmental Conditions (RECs) listed below, which will need to be addressed during construction:
  - Soil gas sampling has revealed decreasing or stable concentrations of VOCs with seasonal variation despite post remedial actions to address releases from the former gasoline service station and former dry cleaner; a vapor intrusion mitigation system (VIMS) has been recommended for the site.
- The San Francisco Bay Regional Water Quality Control Board (RWB) currently oversees investigation and remediation of the site
  - Under RWB guidance, a VIMS evaluation was developed based on a Conceptual Site Model (CSM) framework prepared for Site
  - The Revised Basis of Design Report Vapor Intrusion Mitigation System prepared by WEST dated 2/10/2026 (the BOD Report) provides a VIMS implementation plan that includes verification monitoring prior to and following building occupancy, as well as annual sampling, inspections, and Annual Report to the RWB until the Board approves a cessation of the assessment.
- The development budget includes an estimated amount of $216,000, which are the anticipated costs associated with addressing these environmental issues per the environmental remediation budget provided by WEST. To the extent the environmental budget is insufficient to address all the remediation or mitigation strategies, the Developer will be required to fund the expenses from their own sources.
- The final environmental remediation plan will be subject to CalHFA's approval prior to construction loan closing and a certification/documentation that evidence all environmental issues have been addressed during construction will be subject to CalHFA's approval prior to permanent loan closing.
- Evidence of environmental clearance will be required as a prerequisite to closing of the CalHFA permanent and Subsidy (MIP) loans.
- Ongoing annual VIMS monitoring costs of $30,000 are included in the operating budget and WEST will be performing the work.
- NEPA review is occurring presently and HUD approval is required prior to construction closing.

9	Underwriting and Term Sheet Variations

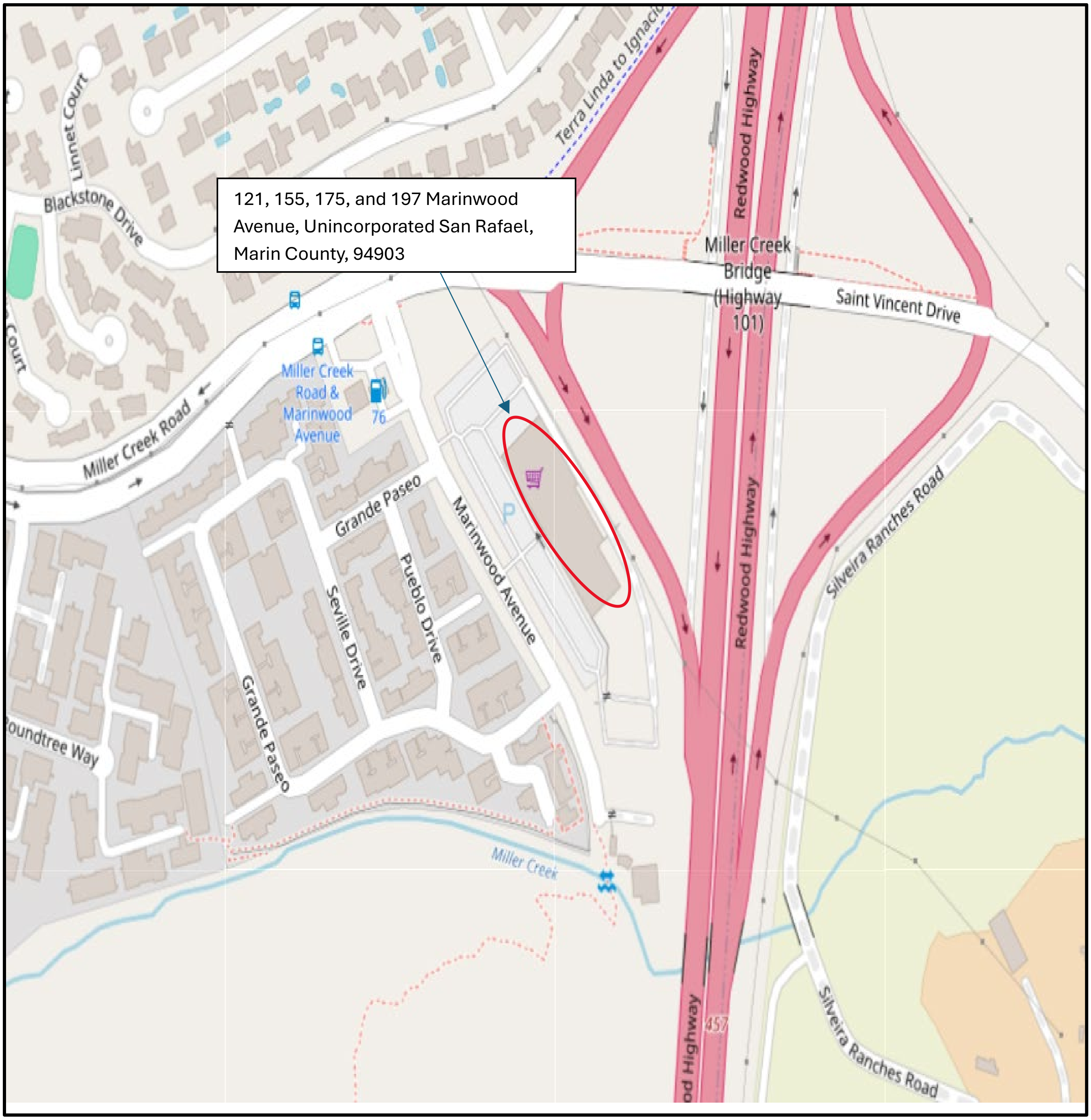
1. The Project is proposing to use a lower Utility Allowance (“UA”) than HUD’s allowance due to the anticipated implementation of a more energy efficient system as supported by the third-party energy report and California Utility Allowance Calculator (“CUAC”). The underwritten rent schedule assumes the utility allowance schedule calculated by the California Energy Commission, effective 1/25/2025.
2. All 70% AMI unit rents are below TCAC max rents in order to meet the 10% test based on Appraisal market rents dated 1/9/2026.
3. To ensure the deferred developer fee is repaid by year 15, the surplus cash distribution is underwritten showing 100% being applied to reducing the deferred developer fee until full repayment which is currently projected in year 13. 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.

10	Approval Recommendation and Action

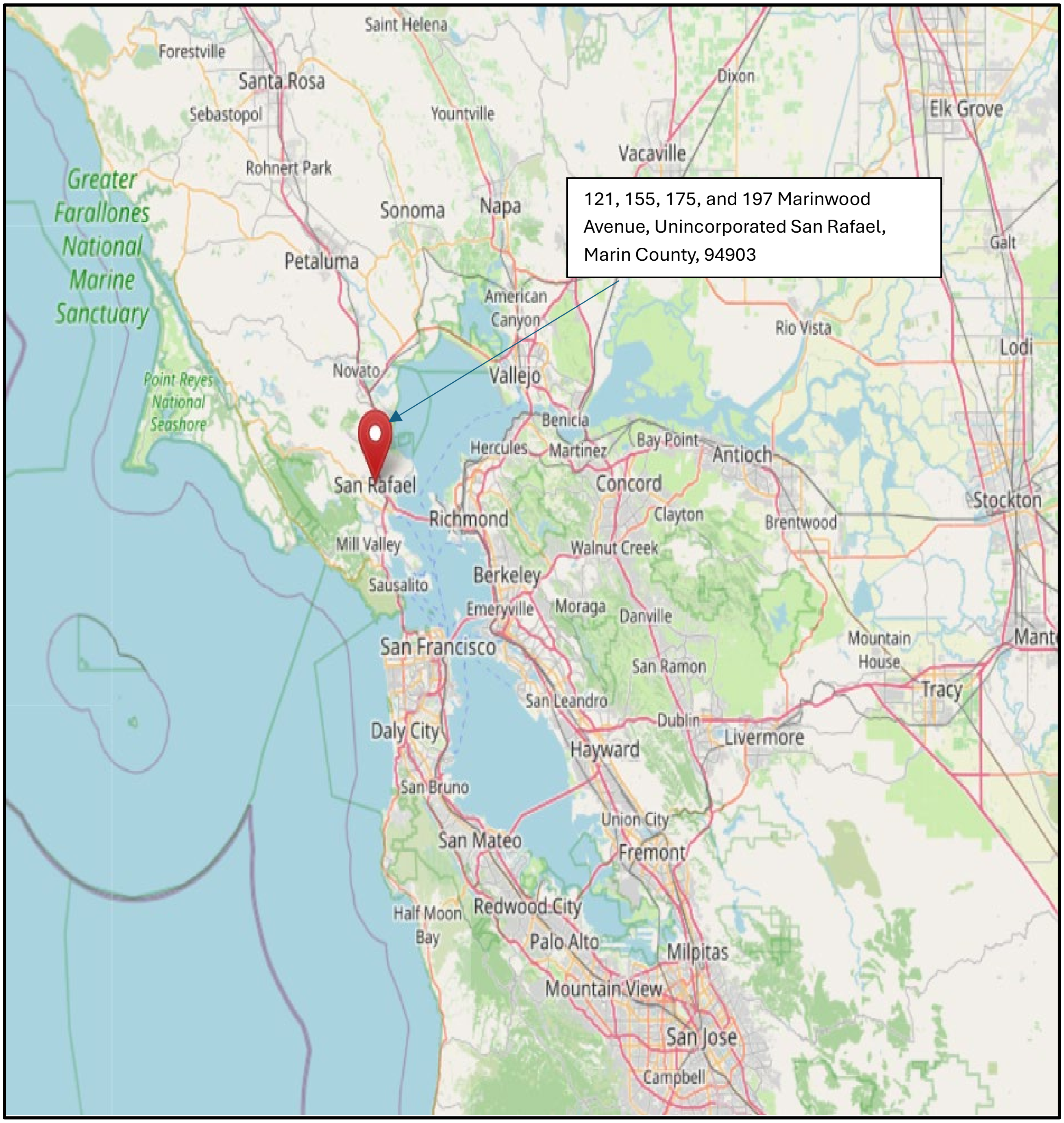
The Multifamily Programs Division supports approval of the described financing in the amount(s) requested, subject to the above proposed terms and conditions.

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.

Marinwood Plaza- Near



Marinwood Plaza- Far



BOARD OF DIRECTORS
OF THE CALIFORNIA HOUSING FINANCE AGENCY

RESOLUTION NO. 26-12

RESOLUTION AUTHORIZING A FINAL LOAN COMMITMENT

WHEREAS, the California Housing Finance Agency (the "***Agency***") has received a loan application on behalf of Marinwood Propco, L.P., a Delaware 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 San Rafael, County of Marin, California, to be known as Marinwood Plaza (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 25-08 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 Resolution 26-04, 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 March 10, 2025, the Executive Director exercised the authority delegated to him 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 his 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:

PROJECT NUMBER	DEVELOPMENT NAME/ LOCALITY	MORTGAGE AMOUNT	
25-018-A/X/N	MARINWOOD PLAZA City of San Rafael, County of Marin California	$28,766,000.00	Tax-Exempt Bond 1st Lien Loan With HUD Risk Sharing
		$ 4,000,000.00	Mixed-Income Program Residual Receipts 2nd 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 his 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. 26-12 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 16th day of April, 2026, 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 16th day of April, 2026.

ATTEST: ______________________________

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

M E M O R A N D U M

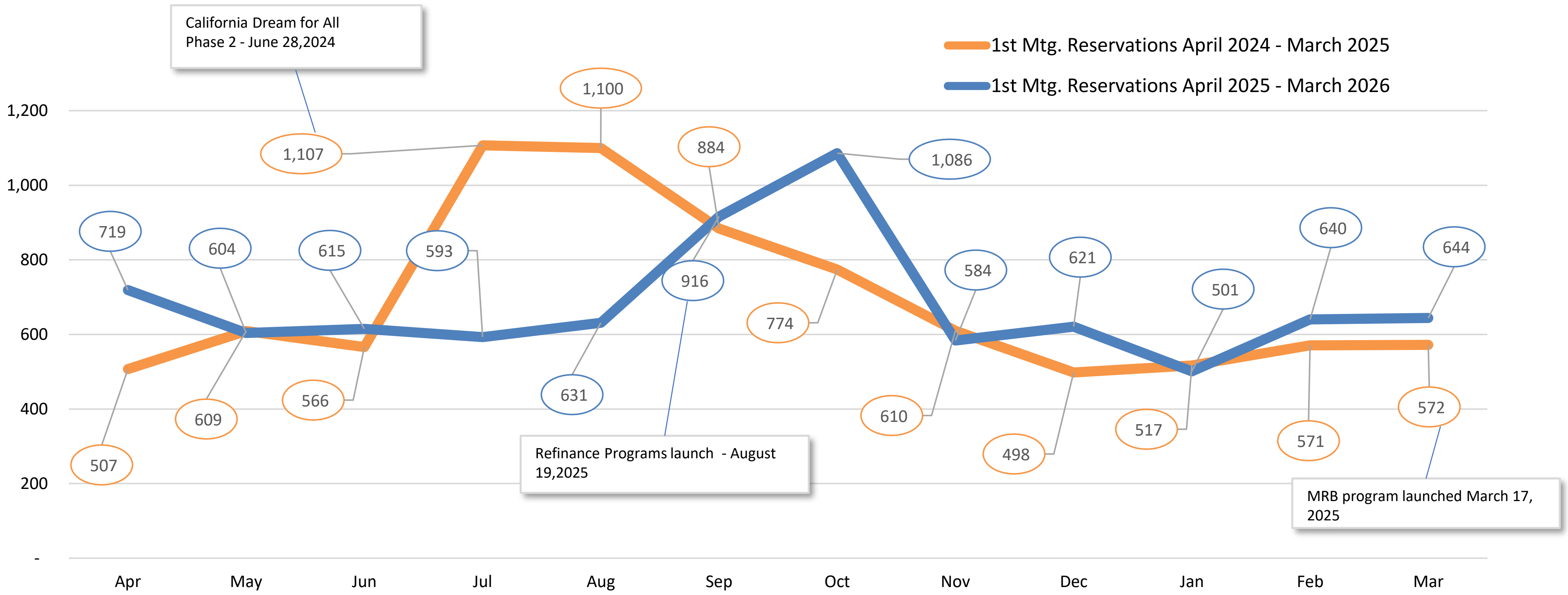
To: Board of Directors **Date:** April 16, 2026

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

Subject: Agenda Item 10A – Single Family Loan Production Report

Attached please find the Single Family Loan Production report for the period March 2026.

Total Reservations Apr 2025 – Mar 2026



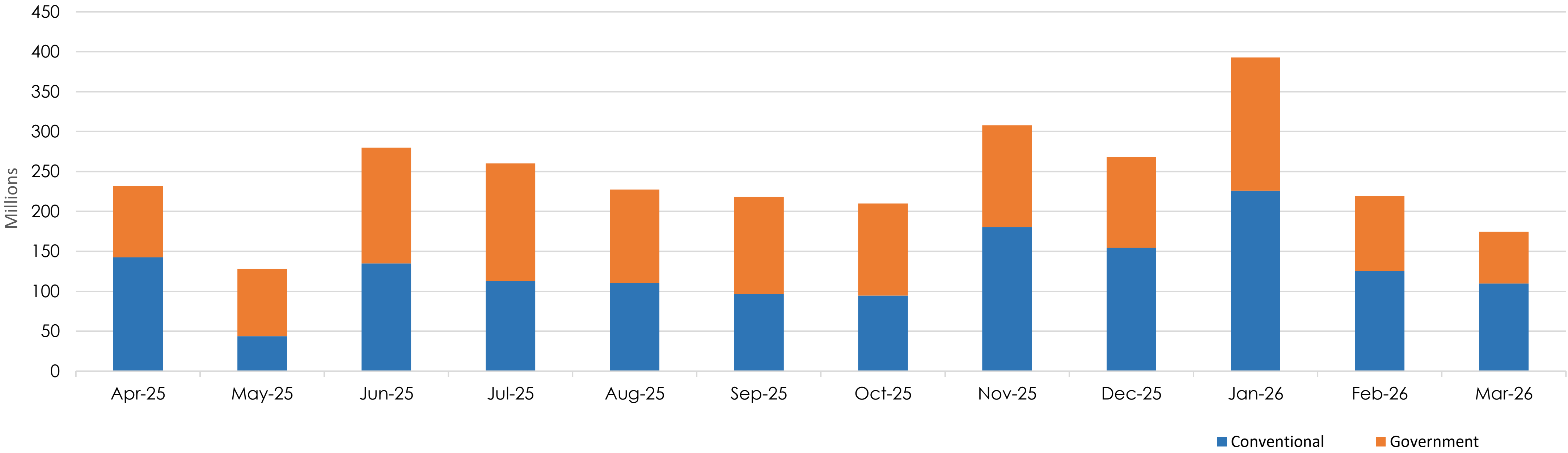
Rolling 12 Month Totals:

April 2024 - March 2025 = 8,315
April 2025 - March 2026 = 8,154

FY 2025/26 Year to Date Totals:		
Conventional	3,098	50%
FHA	3,082	50%
	6,180	

Note - Total Reservations include cancellations

Apr 2025 – Mar 2026 Securitized



FY 2025/26 Year to Date Totals

Government (50%)			
FHA with ZIP	193	$	82,162,668
FHA no ZIP	2,104	$	900,999,156
VA	17	$	7,682,726
USDA	7	$	1,885,930
FHA CalReady	4	$	1,843,070
FHA CalPLUS Access	176	$	74,179,596
CalHFA FHA Refinance	1	$	598,188
	2,501	$	1,068,753,146

Conventional (50%)			
Conventional with ZIP	92	$	43,641,768
Conventional no ZIP	1,002	$	503,710,649
LI/VLI Conventional with ZIP	21	$	6,498,053
LI/VLI Conventional no ZIP	304	$	105,085,198
DFA Conventional	1,060	$	530,265,812
Conventional CalReady	1	$	1,105,000
Conventional CalPLUS Access	47	$	19,026,071
CalHFA Conventional Refinance	15	$	8,744,447
	2,542	$	1,218,076,998

Total	**5,043**	**$**	**2,286,830,144**

Total Reservations April 2025 – March 2026

Lending by Region

By count for past 12 mos. securitized or funded

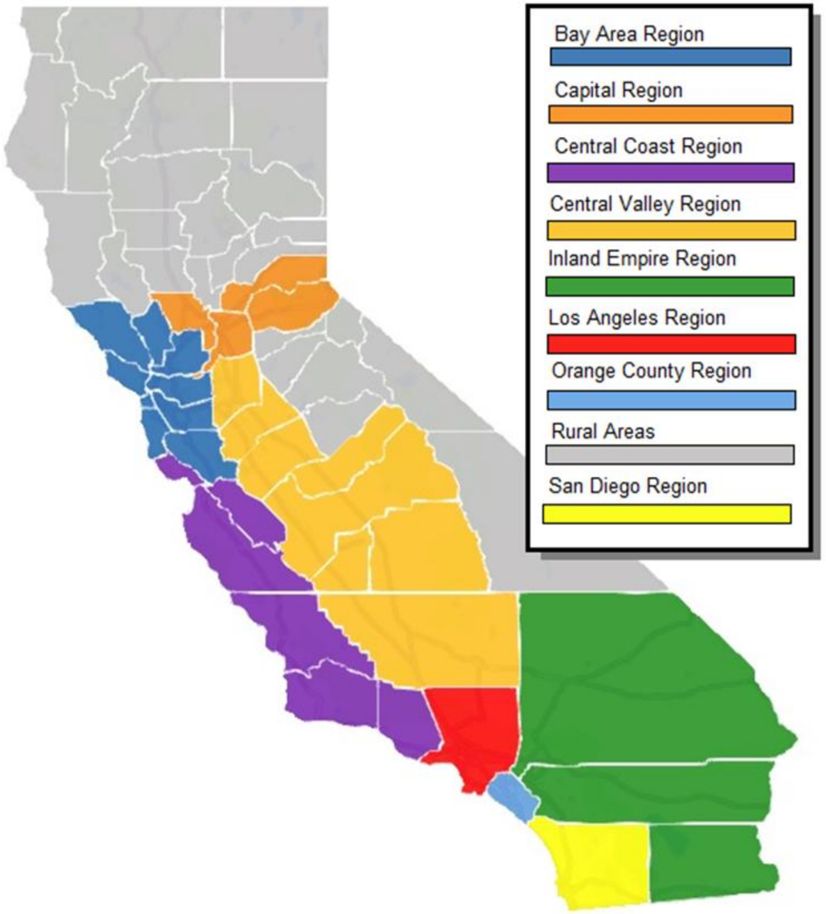
Apr 2025 - Mar 2026

MyHome - 5,119 Homeowners (includes loans with ZIP and MyAccess third liens)

Bay Area Region	11%
Capital Region	11%
Central Coast Region	3%
Central Valley Region	35%
Inland Empire Region	18%
Los Angeles Region	7%
Orange County Region	1%
Rural Areas	10%
San Diego Region	3%

Dream For All - 1,356 Homeowners

Bay Area Region	15%
Capital Region	8%
Central Coast Region	7%
Central Valley Region	15%
Inland Empire Region	20%
Los Angeles Region	18%
Orange County Region	6%
Rural Areas	4%
San Diego Region	7%



MEMORANDUM

To: Board of Directors **Date:** April 16, 2026

From: Kelly Madsen, Director of Enterprise Risk Management and Special Initiatives
California Housing Finance Agency

Subject: Agenda Item 10B – 2025 State Leadership Accountability Act (SLAA) Report

Pursuant to the State Leadership Accountability Act (SLAA), CalHFA conducted a comprehensive, agency-wide risk assessment to identify the organization's top risks and evaluate the effectiveness of internal controls and monitoring practices. A subsequent report was prepared summarizing the assessment's findings and the strategies developed to mitigate the Agency's top risks.

The top risks identified in the 2025 cycle are:

1) Economic Volatility
2) Workforce Development and Talent Acquisition
3) Complex or Dynamic Nature of Laws or Regulations

In December 2025, the full SLAA Report was finalized, approved by the Business, Consumer Services and Housing Agency (BCSH), and submitted to the Department of Finance (DOF). DOF accepted the report in January, and in accordance with statutory requirements, CalHFA published the 2025 SLAA report on its public website.

2025

SLAA

State Leadership Accountability Act

CalHFA
California Housing Finance Agency

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GOVERNANCE

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GOVERNANCE

MISSION & STRATEGIC PLAN

MISSION & VISION

Mission

Investing in diverse communities with financing programs that help more Californians have a place to call home.

Vision

All Californians living in homes they can afford.

STRATEGIC PLAN

CalHFA was established in 1975 with the purpose of using public-private partnerships to provide affordable housing homeownership opportunities for Californians. CalHFA provides access to mortgages for low- and moderate-income homebuyers and financing to developers of affordable rental units. The Agency sets loan interest rates and fees at levels which are in line with market competition.

CalHFA presents its Strategic Plan to the CalHFA Board of Directors annually. The adopted Strategic Plan for the fiscal years 2023-26 outlined four measurable strategic goals (shown below) and the three-year supporting objectives.

GOAL 1: LENDING IMPACT

Focus lending activities on broadening access to affordable housing opportunities for California's diverse population.

- Maintain and expand culturally competent outreach to Californians ensuring broad access across racial, ethnic, gender, geographic, and affordability demographics.
- Expand Single Family program opportunities.
- Build the Multifamily portfolio through preservation of existing projects and expansion of new lending and subsidy opportunities.

GOAL 2: FINANCIAL SUSTAINABILITY

Leverage opportunities and create innovative products that ensure CalHFA's financial sustainability and continued ability to serve the affordable housing market.

- Evaluate and establish new revenue generating business lines with targeted rates of return.
- Grow the Agency's balance sheet, preserve liquidity, and fund operating and financial risk reserves.
- Achieve and maintain CalHFA Issuer Ratings of "Aa2" rating from Moody's Investors Service and "AA+" rating from S&P Global Ratings.

GOAL 3: TRUSTED ADVISOR

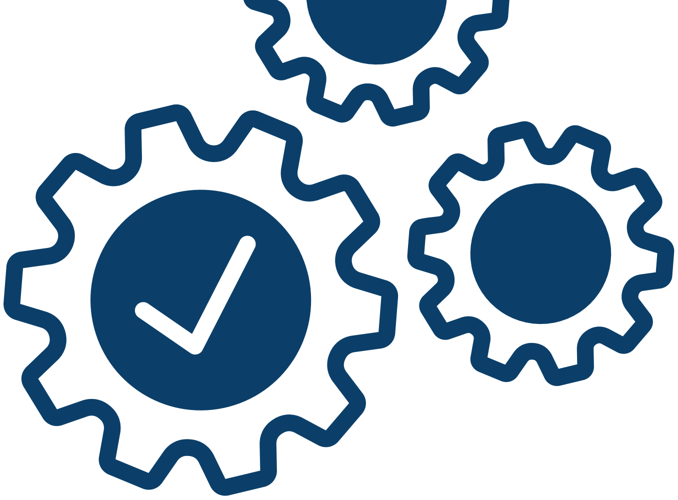
Affirm CalHFA as a trusted housing finance advisor that understands the needs of California's diverse communities.

- Increase our understanding of community needs and systemic biases within our housing finance ecosystems and have findings inform program implementation.
- Increase activities and partnerships to strengthen trust with external partners and general public.

GOAL 4: OPERATIONAL EXCELLENCE

Invest in continuous improvement and cultivate an inclusive and highly qualified workforce.

- Embed diversity, equity, accessibility, and inclusion practices.
- Attract highly qualified talent.
- Retain highly qualified talent.
- Innovate and streamline business processes to increase operational efficiency and service delivery.



CONTROL ENVIRONMENT

CALHFA IS FOUNDED ON THESE CORE VALUES:

ACCOUNTABLE - We are each responsible for actions, decisions, and quality of work.

IMPACT - We are committed to achieving equitable outcomes and opportunities.

INTEGRITY - We behave with honest and ethical purpose in all decisions we make, and the work we do.

RESPECT - We treat all people with dignity and accept them for who they are.

TEAMWORK - We value the collective and individual contributions of our team and collaboration with our partners.

CalHFA continues to establish, maintain, monitor, and document organizational controls that adhere to State and Federal rules and regulations as well as its own core values and ethical standards. The Agency prevents fraud in a variety of ways through overall information security, and operating standards.

CalHFA has established and continues to ensure adherence to its core values, ethics, codes of conduct and demonstration of integrity. The Agency strives to build a trusting, respectful, and positive workplace culture by promoting transparent communication and reporting ethical concerns.

BOARD OVERSIGHT

CalHFA is governed by a Board of Directors consisting of 13 voting members and three non-voting members, including a chairperson selected by the Governor. Of the 13 voting members, seven are appointed by the Governor, four are ex-officio and two are appointed by the California State Legislature. The term of the appointed members of the Board is six years. The CalHFA Board of Directors oversees an Executive Director, who is an appointee of the Governor and directs the staff and operational decisions of the Agency. The CalHFA Board of Directors meets at least every other month and provides general oversight on all compliance and information security controls, risk assessment and mitigation. Additionally, the Board of Directors monitors the performance of the Executive Director in the execution of the Strategic Plan. Board members are also responsible for approval of multifamily project loans which exceed the Executive Director's delegated approval authority;

review of the Annual Comprehensive Financial Report; authorization of annual financing authority; and approval of the Strategic Plan and Operating Budget.

Additionally, the Board of Directors has established an ongoing Audit and Risk Management Committee to assist in fulfilling its oversight responsibilities in the areas of financial reporting, accounting integrity and enterprise-wide risk management. The Audit and Risk Management Committee meet at least twice per year to conduct meetings with an independent auditor, management and staff that serve as a resource to ensure the committee has a clear understanding of the Agency's financial reporting responsibilities and any significant issues related to financial reporting, accounting policies, and enterprise risks.

OVERSIGHT

The Executive Director of CalHFA is responsible for the operations of the Agency, including the establishment of the mission and vision of the organization, maintaining a positive image and reputation, protection and appropriate use of assets held by CalHFA, and management support.

CalHFA's Division Directors are responsible for establishing and monitoring the internal controls in their respective areas. Internal controls include protecting assets, ensuring that records are accurate, promoting operational efficiency to achieve the organizational mission and goals, and ensuring compliance with policies, rules, regulations, and laws. The Division Directors and staff develop detailed policies, procedures, and practices pertaining to their individual operations; create a structure of segregating essential duties and responsibilities among the team to enhance efficiency while reducing error, misuse, or fraud; establish and communicate the management philosophy and operating style; assign authority; and ensure an ongoing process to monitor activities and report deficiencies.

CalHFA contracts with an independent audit firm, currently CliftonLarsonAllen LLP, to assist in preparing the annual audit report. The annual audit process ensures that the Agency's internal controls, processes, guidelines, and policies are adequate, effective, and compliant with governmental requirements and industry standards. This type of audit also provides reporting mechanisms that can help prevent errors in financial statements. The firm also provides the Board of Directors with periodic training sessions on any new or recurring risks that may significantly impact the risk profile of the Agency.

OPERATIONS

CalHFA is not subject to the State budget appropriation process. However, for sound financial management and oversight purposes, an annual budget is presented to, and approved by, the Board of Directors. Updates to the budget and the business plan are provided to the Board of Directors every quarter.

CalHFA's preliminary budget is initially reviewed by the Executive Director on or before December 1 of each year for the ensuing fiscal year, then transmitted to the Secretary of the Business, Consumer Services and Housing Agency, the Director of the Department of Finance, and the Joint Legislative Budget Committee. This preliminary budget is included in the Governor's January Budget Proposal for informational purposes. The Agency's final budget is reviewed and approved by the CalHFA Board of Directors in May of each year. According to Health and Safety Code §51005 – Housing and Home Finance Section, CalHFA shall submit an annual report of its activities under this division for the preceding year to the Governor, the Secretary of the Business, Consumer Services and Housing Agency, the Director of Housing and Community Development, the Treasurer, the Joint Legislative Budget Committee, the Legislative Analyst, and the Legislature, by December 31 of each year. The report shall include specific information evaluating the extent to which the programs administered by the Agency have attained the statutory objectives of the Agency.

The organizational structure of the Agency clearly defines key areas of authority and responsibility and establishes appropriate lines of reporting. The Agency's Administration Division produces monthly organizational charts to provide a clear picture of the functional sub-units of each division and the relationships between them. The organizational charts are published on the internal website Insider to allow all employees access to view how the Agency is structured. Pursuant to Title 25, California code of regulation sections §10002 and §13302 (c), the Executive Director of the Agency has established Delegation of Authority to sign contracts, debt obligations, or other documents and instruments on their behalf when the Director is unavailable. The Office of General Counsel maintains an updated list of signature delegations.

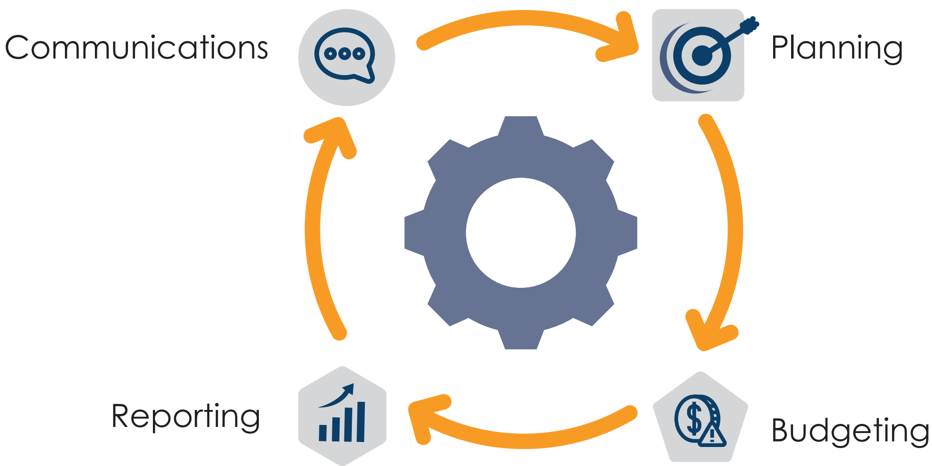
The Agency's Workforce Plan was developed to align with CalHFA's Strategic Plan and is intended to help ensure that there are systems in place to recruit, develop, and retain staff to support CalHFA business goals and operational needs. To create this Workforce Plan, CalHFA identified workforce challenges (gaps) and prioritized workforce planning initiatives (goals) to address those gaps over the next three to five years. The Workforce Plan outlines the current state of CalHFA's workforce, identifies workforce challenges and environmental factors affecting business needs, and discusses the plan for mitigating these concerns.

CalHFA's Administration Division uses an onboarding process for all new hires which includes a structured guide to assist managers/supervisors in welcoming, integrating, and acclimating new employees to CalHFA. The process maps out the key onboarding phases to help orient and engage new employees with the CalHFA environment. It was also designed to ensure that managers/supervisors give each new employee consistent and comprehensive onboarding experience.

Performance appraisals, goals, and objectives are a routine annual process throughout the Agency. To facilitate this annual process, CalHFA uses Inspire, an online software that helps build stronger relationships between leaders and their staff through transparency and accountability. The software blends leadership methods with goal management, continuous performance assessments, and proven engagement tactics. The supervisory and management staff are responsible for meeting with their respective employees and evaluating their work performance. In addition, the meetings are used to communicate an expectation of competence in the relevant knowledge, skills, and abilities required for each position. Management has a responsibility to hold personnel accountable through performance appraisals and disciplinary actions. Moreover, the Administration Division provides oversight and ensures compliance through verifying the qualifications of job candidates and hiring or promoting only those with required knowledge and skills. CalHFA demonstrates its commitment to competence by ensuring that staff receive training and supervision to perform job duties. All employees are required to complete regularly scheduled training on the ethics and anti-fraud policies of the organization. Each Division Director is responsible for planning and preparing for succession by developing contingency plans and cross-training to re-assign duties when employees change positions or leave the Agency.

In the event of a disaster, the Agency's Business Continuity Program provides guidance to managers and employees on how to carry out the critical business processes during and after a disruption. The Business Continuity Plan outlines the Agency's policies, disaster readiness training and awareness for CalHFA staff, and procedures for managing a disaster while ensuring the safety of staff and CalHFA assets. This plan also includes a Business Impact Analysis that identifies what products and services are most critical to the Agency and must be recovered in a disaster. The Business Continuity Program and the Agency's other written policies and procedures are published on the internal website Insider to allow all employees to understand their roles and responsibilities.

INFORMATION & COMMUNICATION



The Strategic Plan outlines the strategies the Agency takes to achieve the mission and vision of CalHFA. Annually, the Agency's Leadership team attends a series of business planning sessions to review the organization's performance against the current year's business plan and uses that discussion to develop the proposed business plan for the upcoming fiscal year. Directly following the business planning sessions, each Division Director is tasked with creating a budget that supports the achievement of the goals and strategic initiatives outlined in the Agency's proposed business plan. In March, CalHFA presents a detailed report to the Board of Directors featuring a mid-year business plan update and a policy workshop that demonstrates the actual Agency activities through mid-year (December 31), shows projections for the remainder of the current fiscal year and provides the CalHFA Board of Directors with information regarding possible initiatives. Each May, the Agency presents the final proposed Strategic Plan and Operating Budget to CalHFA's Board of Directors for the upcoming fiscal year.

The Leadership Team consisting of the Division Directors and upper-level managers was created to carry out the vision of CalHFA through a culture of effective communication and collaboration. The main goal of the Leadership Team is to facilitate and enforce the same standards and values that are evident throughout the Agency. The team is responsible for communicating the core values and codes of conduct to the front-line staff, including updates related to current programs' status, implementation of new initiatives, legislative changes, and updates and policy discussions. The Agency's new initiatives and special announcements are also communicated to the Agency's staff by the internal website Insider and various all-staff communications such as emails, videos and townhall meetings throughout the year.

CalHFA communicates externally via multiple platforms, and the communications are reviewed prior to release. Our public website at www.calhfa.ca.gov, audience-specific email announcements, and various social media services are each leveraged to give CalHFA the broadest reach for getting messages out. The Agency also issues periodic press releases through Business Wire, does interviews and places op-ed pieces to reach traditional news media. Additionally, face-to-face and in-person communications with business partners and potential homebuyers are critical, including a dedicated Single Family Lending outreach team for in-person training seminars. The Executive Director, other Division Directors and Single Family and Multifamily staff attend and speak at multiple housing fairs, conferences, expositions, and other events throughout the year.

CalHFA supports the California State Auditor's Office efforts to protect employees who report the improper activities of state agencies and employees under the California Whistleblower Protection Act. Annually, the Director of Administration communicates to all staff their responsibility as a government employee to report any fraud, waste, or abuse – which ultimately protects scarce state resources – and the protections that ensure freedom from retaliation when doing so.

The Agency uses data from its accounting/financial system to make informed decisions and evaluate program performance. Internal reports of agency activities are logged and assessed against the Agency's goals and strategies. If a risk is detected that would hinder the accomplishment of the Agency's goals, the Enterprise Risk Management and Special Initiatives (ERMSI) Division along with the Leadership Team will meet to develop a plan for mitigation.

Management looks to the Information Technology Division for critical operating data and supports efforts to improve the systems as technology advances. The information systems used by the Agency are a combination of in-house built programs and third-party software.

MONITORING

The information included here discusses the entity-wide, continuous process to ensure internal control systems are working as intended. The role of the executive monitoring sponsor includes facilitating and verifying that the California Housing Finance Agency monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to: Rebecca Franklin, Chief Deputy Director; Anthony Sertich, Executive Director.

MONITORING ACTIVITIES

Management plays a crucial role in assuring that a high standard of business and ethical practices permeates the activities surrounding the custody and use of the Agency's resources.

Established internal control policies and procedures guide employees in their stewardship role of achieving the Agency's goals and objectives. The Director of each division is responsible for ensuring that internal controls are established, properly documented, maintained and adhered to in each unit within their division and monitoring employee compliance with internal controls. Control activities include approvals, authorizations, verifications, reconciliations, reviews of performance, security of assets, segregation of duties, and controls over information systems. Staff are empowered to identify risks and develop mitigation efforts to control the various risks. The ERMSI group is tasked with independent evaluations of program controls to identify and mitigate risk across the Agency. The ERMSI Division meets with all divisions and program areas annually to conduct its risk assessment. ERMSI routinely reviews and monitors

The Agency undertakes activities to raise organizational awareness and foster a culture that enhances risk assessment and communication throughout its divisions.

the Agency's activities to ensure compliance with policies and identify any possible risks. These discussions assist in establishing ERMSI's priorities for the year, particularly its focus on the highest and most critical risks in the Agency.

The Agency undertakes activities to raise organizational awareness and foster a culture that enhances risk assessment and communication throughout its divisions. Division Directors meet regularly to share current activities, and these meetings include discussions of previously identified potential risks and the development of plans to mitigate them. Reconciliation of the Agency's financial statements is conducted daily, monthly, and quarterly. Operating payments are regularly verified for accuracy and compliance with contract terms or agreements. The Loan Administration Unit reviews monthly reports from outside loan servicers and compares them to internal reports for accuracy. Additionally, the Single Family Division established a Quality Control group that monitors the compliance and accuracy of the Agency's single family loan documentation.

CalHFA's Senior Loan Committee (SLC) provides advice and recommendations to the Executive Director and Chief Deputy Director on the approval of lending activities related to Multifamily Programs. The SLC is also entrusted with the task of reviewing and monitoring both the Financing and Multifamily Programs divisions' policies and procedures related to pricing and underwriting, asset management guidelines and standards, loan modifications and workouts, and credit risk guidelines to ensure that they are in alignment with CalHFA's Strategic Plan, California Health and Safety Code §50952, and CalHFA's mission.

CalHFA's Information Technology Division continuously monitors activity and takes security measures in technical support, application support, and information security. The Information Technology Division completely revised the Information Security Policy Manual, which promotes effective management and oversight of information security programs by formulating and documenting the security level of the Agency's information system. The manual is used as a foundation for appropriate security measures and controls to provide for the confidentiality, integrity, and availability of information, regardless of its form (electronic, optical, oral, print, or other media). These measures and controls are critical for ensuring business continuity and protection of informational assets against unauthorized access, use, disclosure, disruption, modification, or destruction.

The Agency established the Information Security Governance Council, which is comprised of the Chief Deputy Director, General Counsel, Director of Enterprise Risk Management and Compliance, Director of Financing, Comptroller, Chief Information Officer, Deputy Chief Information Officer, Director of Administration, Multifamily Programs Chief, Single Family Programs Chief, and Chief Information Security Officer. The Council is responsible for the oversight and delivery of all information technology decisions, including the overall strategic direction of the division. The purpose of the Information Security Governance Council is to ensure that CalHFA Information Security Program is effective in meeting the requirements of the appropriate state and federal laws, regulations and directives while ensuring the Agency can conduct its business in support of its core mission and goals. The Information Security Governance Council serves as a decision-making body for Agency-wide information security initiatives.

The independently contracted accounting firm CliftonLarsonAllen, LLP, assists the Fiscal Services Division with fiscal risk management and oversight and provides the certification that the Agency's financial statement is accurate and prepared according to the Generally Accepted Accounting Principles. The Board of Directors oversees the Agency's risk management process, while the executive team determines the risk strategies and oversees the implementation of various loan programs and products, new initiatives, investments, hedging activities, counterparty relationships, and services. During the Board meetings, the Agency's staff presents quarterly reports on production, delinquency, and progress toward attaining strategic milestones.

If any inadequacies are discovered, the Agency takes the appropriate measures to remedy the issues.

RISK ASSESSMENT PROCESS

The following **personnel** were involved in the California Housing Finance Agency risk assessment process: executive management, middle management, and front line management.

The following **methods** were used to identify risks: brainstorming meetings, ongoing monitoring activities, audit/review results, external stakeholders, questionnaires, and consideration of potential fraud.

The following **criteria** were used to rank risks: likelihood of occurrence, potential impact to mission/goals/objectives, timing of potential event, and tolerance level for the type of risk.

The ERMSI team plays a leading role in managing the Agency's risks and identifying potential vulnerabilities. ERMSI instills risk awareness throughout the Agency, enhances its transparency, and assists with collecting, mitigation, monitoring, and reporting the various enterprise risks. The ERMSI team’s goal is to focus management's attention on the organization's most significant risks and improve its ability to meet its mission, goals, and objectives. The Agency strives to identify the number of risks it is willing to accept and use a consistent approach to assess risks. Division Directors set internal expectations and requirements regarding risk within their own divisions through the established standards of conduct, oversight structure, organizational structure, and expectation memos as part of the control environment.

At its annual meetings with each division, the ERMSI Division works to identify new risks, reassess the top risks identified in the prior year, and develop an action plan on how to mitigate these risks. Bi-annually, the senior leaders respond to the enterprise risk survey to identify the current and emerging internal and external risks. Cross-functional groups identify the controls and mitigations across the Agency on an ongoing basis.

The identified risks are evaluated and ranked on the likelihood that the risk will occur and the impact of the risk if it occurs. Important factors included in the ranking process are operational risk, systematic risk, financial risk, environmental risk, risk to the sustainability of the Agency, and conformity to regulatory compliance requirements.

RISKS AND CONTROLS

RISK: ECONOMIC VOLATILITY

FUNCTIONAL OBJECTIVE: Sustain CalHFA's competitive position while advancing solutions that meet the housing needs of Californians.

RISK STATEMENT: Changing market conditions could reduce program participation and CalHFA's impact on housing needs.

CalHFA provides access to low-interest and deferred payment down payment and closing cost assistance loans paired with first mortgage financing for low- and moderate-income homebuyers as well as financing for the acquisition, rehabilitation, and preservation or new construction of affordable rental housing.

In recent years, California's housing market has faced continued challenges driven by rising costs, limited supply, and shifting economic conditions. To remain effective and responsive to the housing needs of Californians, the Agency continues to evaluate its practices and pursue innovative strategies that expand access, promote affordability, and advance its mission to create stable and equitable housing opportunities across the state.

Control: Product Diversification to Meet Current Market Demands

CalHFA continuously performs internal evaluations of our programs and policies to ensure it remains relevant in addressing Californians' most current needs.

CalHFA continues to adapt its programs to changing housing and economic conditions through flexible product design and responsive governance. Recent initiatives, including MyAccess and new refinance products, demonstrate the

Agency's ability to adjust offerings based on market signals. Despite persistent challenges — such as rising home prices and insurance costs, limited housing supply, escalating development expenses, and labor shortages — CalHFA remains focused on expanding access to affordable housing and supporting first-time homebuyers within its program limits.

Control: Financial Impact Analysis

As part of its fiduciary responsibility, CalHFA's Financing Division collaborates across the Agency to analyze market demand and determine the key program features needed to ensure financial viability before launching any new financing products. These evaluations assess the potential impact of external economic forces on CalHFA's financial stability and ensure that new offerings are sustainable.

Control: Establishing and Maintaining Key Partnerships

CalHFA recognizes that collaboration and strong strategic partnerships are essential to its business success, and its ability to stay informed of current market factors. The Agency regularly communicates and engages with our key partners such as the private lenders, housing advocacy groups, federal, state, and local government partners, nonprofit and for-profit housing developers, and other housing stakeholders. These collaborations are beneficial as financial partnerships and as vehicles for gathering knowledge and insight, which is why it is so important to seek out new partners and enhance existing collaborations. With the goal of continuing to strengthen and understand the common and shared affordable housing initiatives with HFAs across the country, CalHFA sends its executive team and mid-level management to attend seminars and conferences annually.

Control: Enhanced and Focused Outreach

CalHFA continuously evaluates the effectiveness of its programs in relation to the dynamic housing market, with a particular focus on underserved communities.

The Agency recognizes that historical housing discrimination continues to impact access to housing and homeownership opportunities, and Fair Housing priorities remain central to its work. CalHFA's Underserved Communities Committee, established as a result of a strategic initiative in the FY 2023–2026 Strategic Business Plan, plays a key role in advising and monitoring outreach strategies. The committee's focus on approaching and building relationships with underserved communities ensures that CalHFA's program options are known and accessible to those who need them most.

Control: Disciplined Underwriting and Lending Requirements

CalHFA applies well-defined underwriting standards across both Single Family and Multifamily programs to ensure long-term financial sustainability. For homeowners, lending criteria are designed to account for potential increases in costs like insurance, helping borrowers remain secure even in uncertain economic conditions. Multifamily projects undergo thorough reviews to ensure they can withstand interest rate shifts and cost escalations without jeopardizing project viability.

These practices help maintain the integrity of CalHFA's portfolio and ensure that borrowers and developments are positioned to succeed despite market fluctuations. By prioritizing financial resilience at the front end, CalHFA supports continued program participation and minimizes exposure to economic disruptions.

RISK: WORKFORCE DEVELOPMENT AND TALENT ACQUISITION

FUNCTIONAL OBJECTIVE: To attract, develop, and retain highly skilled knowledgeable and qualified workforce.

RISK STATEMENT: Challenges in attracting, developing, and retaining key personnel to meet the Agency's goals and objectives effectively.

CalHFA is a relatively small organization with fewer than 250 employees. Like other departments throughout the State, CalHFA has identified succession planning as a critical organizational risk. CalHFA faces potential challenges in achieving its operational goals due to difficulties in recruitment and erosion of institutional knowledge stemming from employee turnover. For continuous improvement and to address the organization's sustainability, CalHFA aims to align skilled personnel in key roles and equip them with the necessary training to support the Agency's goals and fulfill its mission.

To mitigate this risk, CalHFA developed strategies for hiring and retaining employees, providing ongoing job shadowing, structure mentoring, and ensuring that procedure manuals are in place and updated regularly. The CalHFA Workforce Plan and Strategic Plan support business continuity and processes to identify and supply a qualified and motivated workforce.

Control: Onboarding, Training and Development

CalHFA's buddy system, which onboards new employees has continuously provided new hires with an immediate personal connection allowing for quicker acclimatation to the organization.

To maintain and enhance a knowledgeable workforce, CalHFA continues to promote knowledge transfer and job shadowing for all employees. These knowledge transfer efforts also provide an opportunity for staff to cross-train and obtain new knowledge.

Additionally, each division has continued to develop and maintain desk procedures to ensure consistent compliance with laws and regulations while establishing consistent standards and practices throughout the Agency.

CalHFA has consistently conducted annual Employee Engagement Surveys as part of its ongoing commitment to fostering a supportive and inclusive workplace. These surveys provide valuable insights into what motivates employees and how engaged they feel in their roles. Beyond a data collection tool, the surveys offer a platform for staff to share their perspectives, voice concerns, and feel heard and valued. Over time, the feedback gathered has helped the Agency identify key performance indicators and implement targeted improvements to strengthen employee satisfaction and organizational effectiveness. CalHFA further invested in employee satisfaction by working with two Executive Coaching Experts to help with developing growth strategies for positive and sustainable outcomes. Members of the CalHFA leadership team have routine meetings with the Executive Coaching Experts to develop effective communication and explore how to leverage employee passion, experience and expertise to achieve CalHFA's mission and vision. This activity has also helped the Agency accomplish the important goal of ensuring that CalHFA's executives and senior leadership are aligned and communicate with a single voice.

Control: Recruitment and Selection

To strengthen its recruitment strategy and build a diversified, knowledgeable, and qualified workforce, CalHFA has expanded outreach efforts through participation in both virtual and in-person job fairs, as well as partnerships with universities and industry associations. Additionally, CalHFA leverages networking opportunities and social media platforms to connect with a broad and diverse pool of talented candidates.

CalHFA has consistently been recognized as an exceptional workplace, maintaining the Great Place to Work Certification for four consecutive years (2022-2025). This prestigious designation celebrates organizations worldwide that foster outstanding work environments, as validated directly by their employees.

CalHFA continues to prioritize filling key vacancies within divisions and establishing entry-level training that led to potential promotions within the Agency.

RISK: COMPLEX AND DYNAMIC NATURE OF LAWS AND REGULATIONS

FUNCTIONAL OBJECTIVE: Ensure early identification, interpretation, and response to legislative and policy changes impacting CalHFA's operations and strategic objectives.

RISK STATEMENT: Frequent and evolving legislative actions and policy shifts at the state and federal level may create uncertainty that impact CalHFA's operations and strategic objectives.

Due to the nature of CalHFA's mission and business, CalHFA operates in an environment where state and federal legislative actions and policy shifts can directly influence program priorities, funding availability, and operational decisions. Frequent changes in the state legislature and misalignment between different levels of government create uncertainty affect CalHFA's ability to execute its mission efficiently.

In recent years, state-level attention towards California's housing market has intensified, with a growing focus on streamlining development, increasing housing supply, and addressing affordability. This heightened legislative and public interest has introduced a more complex policy landscape requiring CalHFA to remain agile and responsive to ensure alignment with evolving priorities.

Control: Tenured and Resilient Legal Function

The Office of the General Counsel (OGC) provides a critical foundation for navigating complex legal and regulatory challenges. The team's long-standing institutional knowledge, combined with low turnover and deep subject matter expertise, enables the agency to interpret legislative and regulatory changes with speed and accuracy. OGC's extensive familiarity with CalHFA's operational landscape allows for efficient legal reviews, minimizes risk of misinterpretation, and ensures that compliance decisions are grounded in historical context and precedent. Their ability to respond quickly to emerging legal questions helps maintain continuity in program delivery despite external uncertainty.

Control: Proactive Legislative Liaison and Stakeholder Engagement

CalHFA's Director of Legislation plays a key role in maintaining open lines of communication with policymakers and industry partners. These relationships allow CalHFA to receive early insights into proposed legislation, enabling the agency to assess potential impacts before bills advance. This proactive engagement has created opportunities to escalate concerns when proposed policies pose operational risks. The Director of Legislation's presence in policy discussions helps ensure that CalHFA's perspective is considered in the development of housing-related legislation, reducing the likelihood of unintended consequences.

As part of this engagement strategy, the Director of Legislation leads ongoing outreach efforts to build trust with policymakers. Regularly briefing stakeholders and partners on CalHFA's mission, capabilities, and constraints ensures that the Agency's operational realities are understood and considered in legislative discussions.

In addition, the Director of Legislation uses a systematic approach to monitoring legislative activity, tracking bill portfolios to identify proposals with potential operational or compliance impacts. This process allows CalHFA to assess risks early, coordinate internal responses, and avoid last minute surprises, ensuring that subject matter experts are engaged at the right time.

Control: Collaboration with Partner Entities and Alignment with Regulations

While CalHFA is not subject to extensive direct regulation, many of its partners in government and private sectors operate within complex and evolving regulatory frameworks. CalHFA has maintained structured collaboration with these partners to ensure alignment where appropriate. This coordination supports CalHFA's ability to stay informed about relevant regulatory developments, understand partner constraints, and maintain consistency in program implementation.

Through regular communication and shared planning, CalHFA can anticipate compliance considerations and adapt its operations to remain aligned with broader housing policy objectives.

CONCLUSION

The California Housing Finance Agency strives to reduce the risks inherent in our work and accepts the responsibility to continuously improve by addressing newly recognized risks and revising risk mitigation strategies as appropriate. I certify our internal control and monitoring systems are adequate to identify and address current and potential risks facing the organization.

ANTHONY SERTICH
Executive Director

CC: California Legislature [Senate, Assembly]
California State Auditor
California State Library
California State Controller
Director of California Department of Finance
Secretary of California Government Operations Agency