California Housing Finance Agency

Public Meeting Agenda

# California Housing Finance Agency Board of Directors
Thursday, May 21, 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:
CalHFA General Board Meeting - May 21, 2026

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
## April 16, 2026

Meeting noticed on April 6, 2026

**1. Roll Call**

The California Housing Finance Agency Board of Directors meeting was called to order at 10:03 a.m. by Acting Chair White. A quorum of members was present.

| | |
|---|---|
| MEMBERS PRESENT: | Cabildo, Kergan (for Moss), Henning (for Ma), Limón, Russell, Sin, White, Williams, Fano (for Assefa), Sertich, Velasquez |
| MEMBERS ARRIVING AFTER ROLL CALL: | None |
| MEMBERS ABSENT: | Cervantes, Muoto, Prince, Stephenshaw |
| STAFF PRESENT: | Ellen Martin, Kathrine McFadden, Mehgie Tabar, Kevin Brown, Rebbeca Franklin, Claire Tauriainen, Courtney Pond |
| EARLY DEPARTURES: | Velasquez |
| GUEST SPEAKERS: | Tyler White, Development Manager, Red Tail Multifamily Land Development<br><br>Jeremy Harris, Director of Development, oWOW<br><br>Taylor Rasmussen, SVP, Meta Housing Corporation |

**2. Approval of the meeting minutes** – March 17, 2026

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

**3. Chairperson/Executive Director comments**

Chairperson's comments:

- Director White stated that he would serve as acting Chair for the meeting, as Chair Cervantes was unable to attend.

- He acknowledged the resignation of Director Nick Hardeman and expressed appreciation for his contributions.

Executive Director comments:

- Executive Director Sertich updated the Board on the current status of the California Dream for All Program. The program was oversubscribed in all regions statewide and applications are under review.

- He updated that the CalAssist Mortgage Fund has approved $33 million to support 986 homeowners recovering from the Eaton Fire, Palisades Fire, and other disasters.

- He reported that the Housing Development and Finance Committee (HDFC) remains on track to launch on July 1 of this year.

- He noted that the Affordable Housing and Sustainable Communities Program is being reviewed for possible integration into the HDFC to streamline housing related funding and processes.

- Lastly, he announced upcoming travel for CalHFA staff, including attendance at NCSHA's Legislative Conference in Washington, D.C. to meet with congressional staff, as well as attending a Morgan Stanley banking conference in New York.

**4. Report out from the New Opportunities Committee**

*Presented by Chair White, New Opportunities Committee*

Chair White reported that the New Opportunities Committee met to discuss multifamily and single family lending opportunities, including engagement with the new HDFC. He added that the committee had previously taken a break so that the agency could work on building a foundation, and that the committee can be a tool to help CalHFA take advantage of new opportunities going forward.

**5. Discussion, recommendation, and possible action to approve a permanent loan increase for Victoria Flats, Project No 25-013, for 104 units in Ventura, Ventura County Resolution 26-09**

*Presented by Katherine McFadden, Director of Multifamily Programs*

On a motion by Henning, the Board approved **Resolution No. 26-09**. The votes were as follows:

AYES: Cabildo, Kergan (for Moss), Limón, Henning (for Ma), Russell, Sin, Velasquez, White, Williams

NOES: None

ABSTENTIONS: None

ABSENT: Cervantes, Muoto, Prince

6. **Discussion, recommendation, and possible action to approve a permanent loan increase for 960 Howard Street, Project No 25-010, for 202 units in San Francisco, San Francisco County – Resolution 26-10**

*Presented by Katherine McFadden, Director of Multifamily Programs*

*Public comment provided by Kelly Flynn*

On a motion by Cabildo, the Board approved **Resolution No. 26-10**. The votes were as follows:

AYES: Cabildo, Kergan (for Moss), Limón, Henning (for Ma), Sin, White, Williams

NOES: None

ABSTENTIONS: Velasquez

RECUSALS: Russell

ABSENT: Cervantes, Muoto, Prince

7. **Discussion, recommendation, and possible action to approve a permanent loan increase for Sherman Apartments, Project No 25-012, for 244 units in Los Angeles, Los Angeles County – Resolution 26-11**

*Presented by Katherine McFadden, Director of Multifamily Programs*

On a motion by Henning, the Board approved **Resolution No. 26-11**. The votes were as follows:

AYES: Cabildo, Kergan (for Moss), Limón, Henning (for Ma), Russell, Sin, Velasquez, White, Williams

| | |
|---|---|
| NOES: | None |
| ABSTENTIONS: | None |
| ABSENT: | Cervantes, Muoto, Prince |

**8. <u>Discussion, recommendation, and possible action to approve a permanent loan increase for Marinwood Plaza, Project No 25-018, for 125 units in San Rafael (Uninc.), Marin County – Resolution 26-12</u>**

*Presented by Katherine McFadden, Director of Multifamily Programs*

On a motion by Henning, the Board approved **<u>Resolution No. 26-12</u>**. The votes were as follows:

| | |
|---|---|
| AYES: | Cabildo, Kergan (for Moss), Limón, Henning (for Ma), Russell, Sin, Velasquez, White, Williams |
| NOES: | None |
| ABSTENTIONS: | None |
| ABSENT: | Cervantes, Muoto, Prince |

**9. <u>State and Federal Legislative Update</u>**

*Presented by Mehgie Tabar, Director of Legislation*

Mehgie Tabar provided a legislative and policy update, outlining the current status of the state legislative and budget processes, highlighting key bills naming CalHFA, and offering a brief federal update.

**10. <u>Informational written reports:</u>**

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

**11. <u>Other Board matters:</u>**

Chair White asked if there were any other Board matters to discuss

- Director Cabildo expressed concern that CalAssist applicants were experiencing difficulties accessing the program and inquired about technical assistance available to them.

- Director Williams asked whether state housing agencies provide incentives to affordable housing developers who pursue projects in federally designated Opportunity Zones.

- Director Russell stated that he would like to discuss production possibilities in Opportunity Zones at a future meeting.

- Director Limón requested a report summarizing outcomes and key learnings from previously approved innovative projects.

**12. <u>Public comment:</u>**

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

**13. <u>Adjournment</u>**

As there was no further business to be conducted, Chair White adjourned the meeting at 11:54 a.m.

# MEMORANDUM

**To:** Board of Directors **Date:** May 21, 2026

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

**Subject:** Agenda Item 4 – Final Loan Commitment for Sierra Vista Apartments, Project No. 25-017

**Action:** CalHFA Senior Loan Committee has recommended that Executive Director, Anthony Sertich, seek Board approval and final loan commitment for the Sierra Vista Apartments Development by approving Resolution Number 26-13.

**Development Information:**

- The Executive Director has Board-delegated authority to approve loans up to $15,000,000; therefore, the Sierra Vista Apartments Development is seeking Board approval for a $31,189,127 permanent loan and a $4,000,000 Mixed-Income Program subsidy loan, to construct a 192-unit new construction development at a total development cost per unit of $460,623.

- Both the permanent loan (40-year amortization) and MIP subsidy loan (residual receipts) will have terms of 17 years.

- The Project will have 20 units restricted at 30% of Area Median Income ("AMI"), 82 units restricted at 50% AMI, 17 units restricted at 60% AMI, and 71 units restricted at 80% AMI. There will be 2 unrestricted manager units.

- The Sierra Vista Apartments Development is proposed to be constructed in Roseville, Placer County and developed by an emerging developer entity Koroni, LLC and their related and experienced co-developer, Adarte, LLC.

- Energy efficient and green design features include: the use of EnergyStar appliances, water efficient landscaping, energy efficient HVAC systems, and energy-efficient water heaters.

- Underwriting and term sheet variations: 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** | 25017 |
| **Project Name** | Sierra Vista Apartments |
| **Type of Development** | New Construction |
| **Type of Project** | Family |
| **Total Units (MIP Restricted Units)]** | 192 (190) |
| **Street Address** | 4950 Upland Drive |
| **City, County, Zip Code** | Roseville, Placer County, 95747 |
| **Borrower (Legal entity name)** | SV Investors L.P |
| **Developer(s)** | Koroni LLC |
| **Co-Developer** | Adarte LLC |
| Approved Conduit Issuances | |
| **Conduit T/E Bond Issuance** | $36,000,000<br>(Assumes $32,640,000 need; includes 10% cushion and rounded up to nearest $1m) |
| **Conduit Taxable Bond Issuance** | $32,000,000<br>(Assumes $28,963,035 need; includes 10% cushion and rounded up to nearest $1m) |
| **Conduit T/E Recycled Bond Volume Cap** | $0 |
| Requested CalHFA Financing for Approval | |
| **CalHFA Tax-Exempt Permanent Loan Amount** | $31,189,127<br>UW Rate and Loan Term: 6.41%; fixed- simple; 1st lien; 40/17 |
| **CalHFA Taxable Permanent Loan Amount (if any)** | $0<br>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<br>$4,000,000<br>UW Rate and Loan Term: 3.00%, simple; 2nd lien; residual receipts; due in 17 years |
| Key Dates and Approvals | |
| **CDLAC Volume Cap Award Date** | 9/8/2025 |
| **CTCAC Tax Credit Award Date** | 8/5/2025 |
| **CDLAC Closing Deadline** | 6/23/2026 |
| **Construction Loan Closing Date [Est.]** | 6/11/2026 |
| **Est. CalHFA Loan Closing (perm conversion) Date** | 6/1/2029 |
| **Federal Tax Credits (LIHTC) Requested** | Federal LIHTC Amount: $31,379,660 |
| **State Tax Credits Requested** | State Tax Credit Amount: $0 |

| 1 | Project Summary |
|---|---|
| | Project Description |

Sierra Vista Apartments (the "Project") is a new construction large family, mixed-income Project. The total development site area is 7.17 acres and is located in Roseville California. The Project will consist of 8, 3-story residential walk-up buildings. The Project will have total 192 residential units, of which 190 will be restricted between 30% and 80% of the Placer County Area Median Income (AMI). There will be 48 one-bedroom units (625 sq. ft.), 94 two-bedroom units (808 sq. ft.), and 48 three-bedroom units (1,065 sq. ft.). In addition, 2 of the two-bedroom units will serve as manager's units. The Project will have 255 spaces for residential parking.

The project will be of wood frame and stucco and stone veneer construction. The building will meet the CDLAC minimum design standards which include some sustainable building requirements like the use of EnergyStar appliances and installation of water efficient landscaping and will meet all applicable California building code requirements. The project will also include energy efficient HVAC systems which will exceed the minimum efficiency required for a split heat pump system by 32%. The Project will also include energy-efficient water heaters which will exceed the minimum Uniform Energy Factor by 17%.

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 (MIP) Subsidy Loan, a loan from the City of Roseville, and Bond Fund Accrued Interest.

1. The Project is located in Roseville, Placer County. The city's Rental Covenant Agreement will be subordinate to CalHFA's permanent and MIP restrictions.

| | | | |
|---|---|---|---|
| Inside Principal City? | Yes | Underserved or Distressed Tract? | No |
| Census Tract (CT) | 0210.44 | % Population Below Poverty Line | 7.27% |
| CT Minority Population % | 45.63% | Rural Area? | No |
| CT Income Level | High | 2025 Est. CT Median Family Income | $165,289 |
| CDLAC/TCAC Opportunity Area Category | | Highest Resource | |
| CDLAC/TCAC Geographic Region | | Capital Region: El Dorado, Placer, Sacramento, Sutter, Yuba, and Yolo Counties | |
| Project is located in DDA? | | Yes | |
| Project is located in Federally-designated Qualified Census Tract (QCT) for LIHTC purposes? | | No | |

**Legislative Districts:**

- Congress: 3, Kevin Kiley
- State Assembly: 5, Joe Patterson
- State Senate: 6, Roger Niello

Local Support: City of Roseville Housing Division responded to CalHFA's locality contribution letter on 5/16/2025 and strongly support the project.

| 2 | Development and Financing Team | | |
|---|---|---|---|
| **Developer (Sponsor):**<br>Koroni LLC (75% developer fee) | | **Co-developer (if any):**<br>Adarte LLC (25% developer Fee) | |
| New to CalHFA? | Yes | New to CalHFA? | No |
| Affordable Housing/LIHTC experience? | Yes (Note 1) | Affordable Housing/LIHTC experience? | Yes (Note 3) |
| Has Projects in California? | Yes | Has Projects in California? | Yes |
| **Borrower (Legal entity):**<br>SV Investors LP | | **Co-Borrower (if any):**<br>N/A | |
| **Construction (Senior) Lender:**<br>1) Wells Fargo Bank, N.A | | **Construction Subordinate Lender(s):**<br>1) City of Roseville | |
| **Permanent 1st lien Lender:**<br>1) CalHFA | | **Permanent Subordinate Lender(s):**<br>1) CalHFA (2nd lien)<br>2) City of Roseville | |
| **Federal LIHTC Investor:**<br>Wells Fargo Bank, N.A | | **State LIHTC Investor:**<br>N/A | |
| Tax Credit Amount | $31,379,660 | Tax Credit Amount | $0 |
| **Solar Tax Credit Investor:**<br>N/A | | | |
| Tax Credit Amount | $0 | | |
| **General Contractor:**<br>Stamas Corporation | | **Management Company (Property Manager):**<br>FPI Management Inc. | |
| Is an affiliate of Developer? | Yes | Is an affiliate of Developer? | No |
| Experience with CalHFA? | Yes | Total number of properties managed | 394 properties |
| **Architect:**<br>Borges Architectural Group | | **Service Provider:**<br>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) | $31,800 |
| Has housing projects in CA? | Yes | Per unit cost of services meets CDLAC/TCAC req.? | Yes |
| **Financial Advisor:**<br>N/A | | **Project Consultant:**<br>Sabelhaus & Strain PC | |

Notes (if any):

a. Koroni LLC and Adarte LLC are co-developers and related entities. Koroni LLC ("Koroni") is an emerging and the lead developer and is expected to receive 75% of the developer fee. While Koroni does not meet the CalHFA's development team requirements and relying on Adarte LLC ("Adarte") as the co-developer to meet the developer requirements. Adarte is expected to receive 25% of the developer fee. The principals of Koroni have collectively completed 12 affordable projects in the state under previous employment.

| Ss. | |
|---|---|
| 3 | Requested CalHFA Financing for Approval |

| | CalHFA 1st Lien Perm Loan | CalHFA Subordinate Loan (MIP Subsidy Loan) | Total CalHFA Financing |
|---|---|---|---|
| **Loan Amount ($)** | $31,189,127 | $4,000,000 | $35,189,127 |
| **Loan Term (Year)** | 17 | 17 | 17 |
| **Amort. Term (Year)** | 40 | | 40 |
| **Amort. Type** | Fully Amortizing | Non-amortizing | |
| **Lien Position** | 1st | 2nd | |
| **UW Interest Rate %** | 6.41% | 3.00% | |
| **Loan to Value (%)** | 75.09% | 9.63% | |
| **Combined LTV (CLTV) (%)** | | | 84.72% |
| **Loan to Cost (%)** | 35.27% | 4.52% | 39.79% |
| **Loan Repayment Source** | Net Operating Income (NOI) | Residual Receipts | |

| 4 | Project Budget & Total Development Cost |
|---|---|
| | Construction Financing |

| | |
|---|---|
| **Construction Lender** | Wells Fargo Bank, N.A. |
| **CDLAC/CTCAC Construction Closing Deadline** | June 23rd, 2026 |

| | Bond Issuance Amount | Type of Issuance |
|---|---|---|
| **Construction Conduit Issuance Amount** | $32,640,000 | Tax-Exempt |
| **Construction Conduit Issuance Amount** | $28,963,035 | Taxable |
| **Construction Conduit Issuance Amount** | $0.00 | T/E Recycled |
| **Total** | $61,603,035 | |

| | Loan Amount | UW Rate | Loan Term |
|---|---|---|---|
| **Construction Loan (T/E)** (Interest-only, 1st lien during construction) | $32,640,000 | 5.92%, Variable | 36 months + two 6-month extensions |
| **Construction Loan (Taxable)** (Interest-only, 1st lien during construction) | $28,963,035 | 5.92%, Variable | 36 months + two 6-month extensions |
| **City of Roseville CDBG** | $571,850 | 3.00% Fixed | 55 Years (starting at perm loan closing) |

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. The City of Roseville loan is a Community Development Block Grant (CDBG) awarded to the current Owner and Managing General Partner, The Greek Orthodox Housing Corporation, and will be assumed by the Project as a part of the Purchase and Sale Agreement. As this is a direct loan from the city, it shares residual receipts payments with CalHFA MIP.

| Construction Sources | | |
|---|---|---|
| **Construction Sources:** | Amount ($) | % of Total |
| Wells Fargo Bank, N.A. (T/E) (Loan) | $32,640,000 | 37.49% |
| Wells Fargo Bank, N.A. (Tax) (Loan) | $28,963,035 | 33.27% |
| City of Roseville CDBG (Loan) | $571,850 | 0.66% |
| WFNBA (Equity, LIHTC Investor) | $7,271,927 | 8.35% |
| Koroni LLC (DDF) (Developer Fee, Deferral) | $8,098,143 | 9.30% |
| Koroni LLC (Cost Deferral) (Cost Deferral) | $1,272,759 | 1.46% |
| Bond Fund Interest Earned - WFBNA (Accrued Interest) | $8,247,656 | 9.47% |
| **Total Construction Sources** | $87,065,370 | 100% |

| Construction Uses | | |
|---|---|---|
| **Construction Uses:** | Amount ($) | % of Total |
| Land and Improvement Value | $2,000,000 | 2.30% |
| Other Acquisition Costs | $73,689 | 0.08% |
| Construction/Rehab Costs | $43,425,662 | 49.88% |
| Soft Costs (A&E, Legal, Title, and Other Soft Costs) | $10,687,784 | 12.28% |
| Hard Cost contingency (5.24% of Hard Cost) | $2,171,283 | 2.49% |
| Soft Cost contingency (2.04% of Soft Cost) | $675,000 | 0.78% |
| Financing Costs (Interest Reserves, Fees, Taxes, and Insurance) | $6,732,315 | 7.73% |
| Local Impact Fees and Permit Fees | $11,671,821 | 13.41% |
| Cash Portion Developer Fee | $550,000 | 0.63% |
| Other Costs (TCAC Fees, Furnishing, and Other Misc. Fees) | $9,052,816 | 10.40% |
| Operating Reserves | $25,000 | 0.03% |
| | | |
| **Total Construction Uses** | $87,065,370 | 100% |
| **Total Construction Cost per unit** | $453,465 | |
| **Total Construction Cost per CalHFA MIP Regulated Unit** | $458,239 | |

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. Acquisition Costs included in the budget are $2,073,689 which is in compliance with Agency's underwriting (USRM) standards. The total Acquisition costs include as-is land cost (per appraisal dated 1/9/2026 ) of $2,000,000 and carrying costs of $73,689 for off-site improvements. The $2,000,000 land value in acquisition cost is less than the appraised land value of $6,250,000 ($4.25MM discount). As the Project is being used to satisfy inclusionary zoning requirements, the discounted land cost is being used to satisfy the MIP term sheet requirement of master developer monetary match or equivalent in-kind contributions of CalHFA's subsidy sources.
3. The total hard cost contingency in the project is 5.24% 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 2.04% 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 (Loan) | $31,189,127 | 35.3% |
| CalHFA MIP Loan (Loan) | $4,000,000 | 4.5% |
| City of Roseville CDBG (Loan) | $571,850 | 0.6% |
| Koroni LLC (Developer Fee, Deferral) | $8,071,341 | 9.1% |
| Bond Fund Interest Earned -WFBNA (Accrued Interest) | $8,247,656 | 9.3% |
| Tax Credit Equity (Equity, LIHTC Investor) | $36,359,632 | 41.1% |
| | | |
| **Total Permanent Sources** | $88,439,606 | 100% |

| **Permanent Uses:** | Amount ($) | % of Total |
|---|---|---|
| Total Loan Payoffs | $77,593,050 | 87.7% |
| Other Acquisition Costs | $0 | 0.0% |
| GP Equity | $0 | 0.0% |
| Financing costs | $253,919 | 0.3% |
| Soft costs | $0 | 0.0% |
| Operating Reserves | $1,120,318 | 1.3% |
| Cash Developer Fee paid at Perm Conversion | $1,400,978 | 1.6% |
| Deferred Developer Fees paid from cashflow | $8,071,341 | 9.1% |
| | | |
| **Total Permanent Uses** | $88,439,606 | 100% |
| **Total Development Cost per unit** | $460,623 | |
| **Total Development Cost per CalHFA MIP Restricted Unit** | $465,472 | |

| Developer Fee | | |
|---|---|---|
| Developer fee category: | TCAC Maximum Limit | Actual Amount in Project Budget |
| Upfront Cash Developer Fee (a) | $4,007,439 | $1,950,978 |
| Deferred Developer Fee (DDF) paid from project cash-flow (b) | | $8,071,341 |
| Total Developer Fee (a) + (b) | $13,363,091 | $10,022,319 |
| 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 13. Thereafter, the surplus cash split shall be 50% to Borrower and 50% to Residual Receipt lender(s). 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) | $88,439,606 |
| Total Units | 192 |
| TDC/Unit | $460,623 |
| 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 (58 units) at or below 60% AMI and 10% of the total units (20 units) at 50% AMI for 55 years.

The CalHFA Subsidy Regulatory Agreement will restrict 190 units between 30% to 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 | | | 20 | 58 | | | | 78 | 41% |
| CalHFA MIP | 2nd | 20 | | 38 | 10 | | 10 | 112 | 190 | 100% |
| CTCAC | 4th | 20 | | 82 | 17 | | 71 | | 190 | 100% |
| City of Roseville | 3rd | 20 | | 79 | | | 91 | | 190 | 100% |
| TOTALS | | 20 | 0 | 82 | 17 | 0 | 71 | 0 | 190 | 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 (20 units at 30% AMI and 38 units at 50% AMI). An additional 10% of total units (20 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 112 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 Roseville CDBG loan will restrict initial rents to 20 units at or below 30% of AMI, 82 units at or below 50% of AMI, 17 units at or below 60% AMI and 71 units at or below 80% of AMI for 55 years. The rents for these units are based off of City of Roseville (MSA) as determined by the United States Department of Housing and Urban Development ("HUD").
    b. The City of Roseville will be recording a separate regulatory agreement as it relates to their inclusionary zoning requirements. This agreement is expected to have the same restrictions as the loan regulatory agreement and will share same recording priority.

| 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%** | **0** | **5** | **10** | **5** | **0** | **0** | **20** | **10%** |
| **40%** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0%** |
| **50%** | **0** | **37** | **35** | **10** | **0** | **0** | **82** | **43%** |
| **60%** | **0** | **6** | **0** | **11** | **0** | **0** | **17** | **9%** |
| **70%** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0%** |
| **80%** | **0** | **0** | **49** | **22** | **0** | **0** | **71** | **37%** |
| **Manager** | **0** | **0** | **2** | **0** | **0** | **0** | **2** | **1%** |
| **Total** | **0** | **48** | **96** | **48** | **0** | **0** | **192** | |
| **AMI Avg** | | **49.2%** | **63.5%** | **64.0%** | | | **60.00%** | |

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.

| 7 | Financial Analysis |
|---|---|

| 7a | Project Operating Budget Assumptions |
|---|---|

| | | | |
|---|---|---|---|
| Total Units | 192 | Construction Start Date | 5/1/2026 |
| Regulated Units | 190 | Construction Completion Date | 5/1/2028 |
| Manager Units (Market Rate) | 2 | Construction Period (months) | 24 |
| Total Residential Square Feet | 119,904 | Lease-up Commencement Date: | 5/1/2028 |
| Avg Sq Ft/Unit | 827 | Lease-up Completion Date | 3/1/2029 |
| Rental Subsidies? | 0 | Lease-up Period (months) | 10 |
| No. of Units with Rental Subsidies | 0 | Est. Stabilization /Perm Conversion Date | 6/1/2029 |
| Rental Subsidy Contract Term (Initial) | 0 | Lease-up Completion to Stabilization (months) | 13 |

| 7b | Project Operating Cash-flow Summary |
|---|---|

**Operating Budget and Reserve Balances**

| | **Year 1** | **Year 5** | **Year 10** | **Year 15** | **Terminal Year 17** |
|---|---|---|---|---|---|
| **Adjusted Gross Income** | 3,845,292 | 4,244,483 | 4,802,243 | 5,433,297 | 5,708,358 |
| Other Income/Subsidies | 34,560 | 38,148 | 43,161 | 48,832 | 51,305 |
| Projected Vacancy and Discount Loss | 193,993 | 214,132 | 242,270 | 274,106 | 287,983 |
| Effective Gross Income (EGI) | 3,685,859 | 4,068,499 | 4,603,133 | 5,208,023 | 5,471,679 |
| Total Operating Expenses | 1,193,720 | 1,359,182 | 1,599,932 | 1,884,887 | 2,013,037 |
| Reserve For Replacement | 48,000 | 49,949 | 52,497 | 55,175 | 56,284 |
| **Net Operating Income (NOI)** | 2,492,139 | 2,709,317 | 3,003,201 | 3,323,136 | 3,458,642 |
| Total Debt Service & Other Payments | 2,167,234 | 2,167,234 | 2,167,234 | 2,167,234 | 2,167,234 |
| Cash Flow After Debt Service | 324,905 | 542,083 | 835,967 | 1,155,902 | 1,291,408 |
| **Debt Service Coverage Ratio** | 1.15 | 1.25 | 1.39 | 1.53 | 1.60 |
| **Income/Expense Ratio** | 3.09 | 2.99 | 2.88 | 2.76 | 2.72 |
| | | | | | |
| Less: | | | | | |
| LP Management Fee* | 8,500 | 9,567 | 11,091 | 12,857 | 0 |
| GP Partnership Management Fee | 25,000 | 28,138 | 32,619 | 37,815 | 0 |
| Other CalHFA approved Partnership Fee | | | | | |
| **Total Fees** | $33,500.00 | $37,705.00 | $43,710.00 | $50,672.00 | $ 0.00 |
| **Annual Cap Limit** | $40,500 | $45,583 | $52,843 | $61,260 | |
| [*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 | 291,405 | 1,984,758 | 5,360,455 | 9,144,247 | 10,401,506 |
| Residual Receipts % | 0% | 0% | 0% | 50% | 50% |
| Cumulative Residual Receipts Repayment | 0 | 0 | 0 | 1,106,180 | 2,363,439 |
| | | | | | |
| **Unpaid/Accrued CalHFA loan Balance** | | | | | |
| Perm Loan | 31,016,091 | 30,201,919 | 28,842,887 | 26,971,986 | 26,039,304 |
| MIP Loan | 4,000,000 | 4,480,000 | 5,080,000 | 5,195,675 | 4,417,120 |
| | | | | | |
| Reserves Balances | | | | | |
| Operating Reserve | 1,120,318 | 1,120,318 | 1,120,318 | 1,120,318 | 1,120,318 |

| 7c | 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** | $31,189,127 | **Max. Refi Loan Size** | 28,198,169 |
| **Appraised Value** | $42,346,097 | **Max LTV at Refi** | 67% |
| **Unpaid Principal Balance (1st Lien)** | ($1,677,623) | **Unpaid Principal Balance (MIP Subsidy Loan)** | $2,739,497 |

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.

Mitigation: 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.

| 8 | Insurance Requirements |
|---|---|

- **Seismic Review and Earthquake Insurance:** This new construction Project will be built to State of California and City of Roseville 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

| 9 | Environmental Review |
|---|---|

- A Phase I Environmental Site Assessment identified no evidence of Recognized Environmental Conditions (RECs) and did not recommend any additional investigation.
- HUD NEPA approval has been received.

| 10 | Underwriting and Term Sheet Variations |
|---|---|

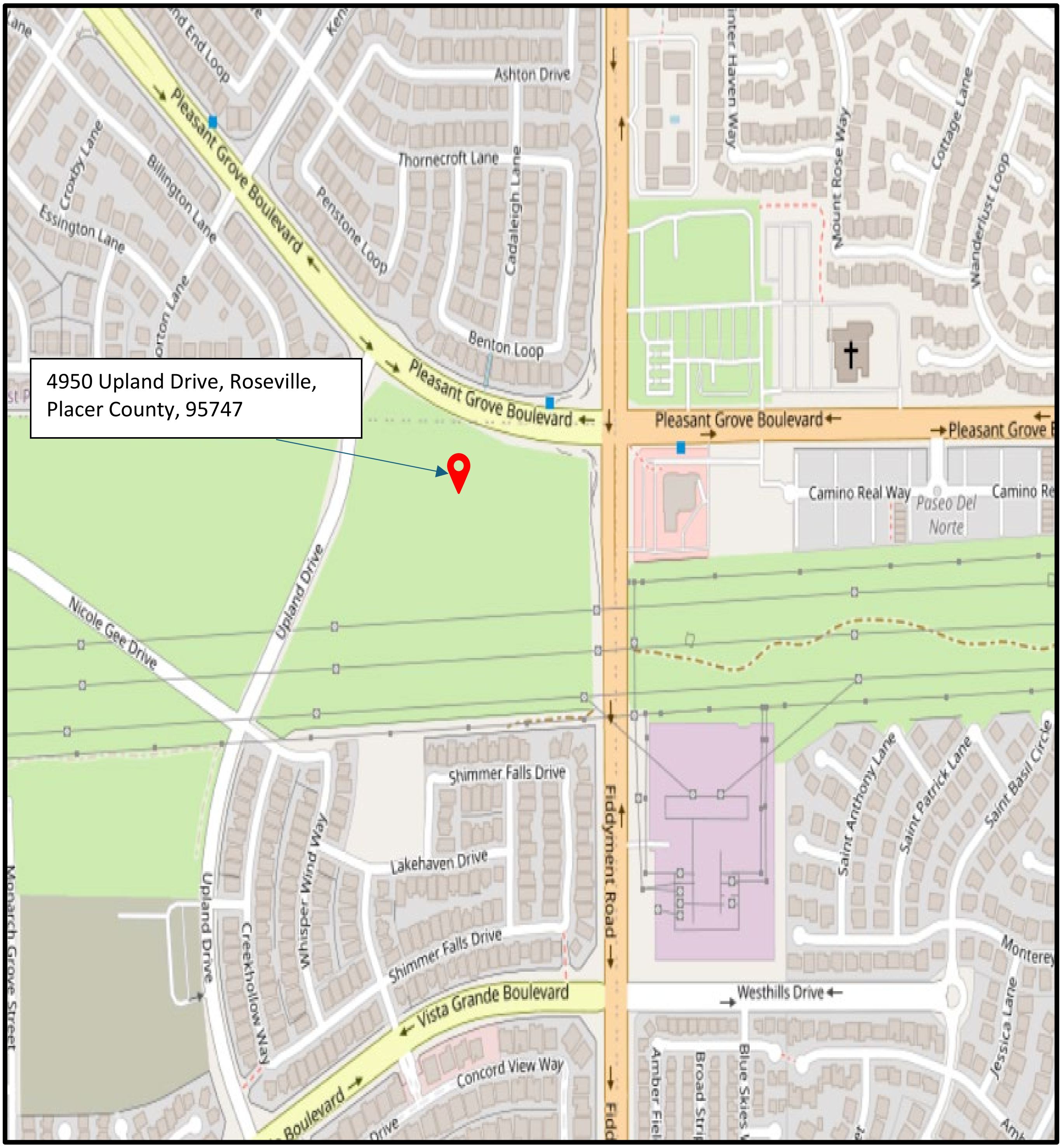
1. To ensure the deferred developer fee is repaid by year 15, the surplus cash distribution is underwritten showing 100% being applied to reducing the deferred developer fee until full repayment which is currently projected in year 13. Thereafter, the surplus cash split shall be 50% to Borrower and 50% 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.

| 11 | **Approval Recommendation and Action** |
|---|---|
| 11 | Staff Recommendation and Approval Authorizing the Issuance of a Final Commitment |

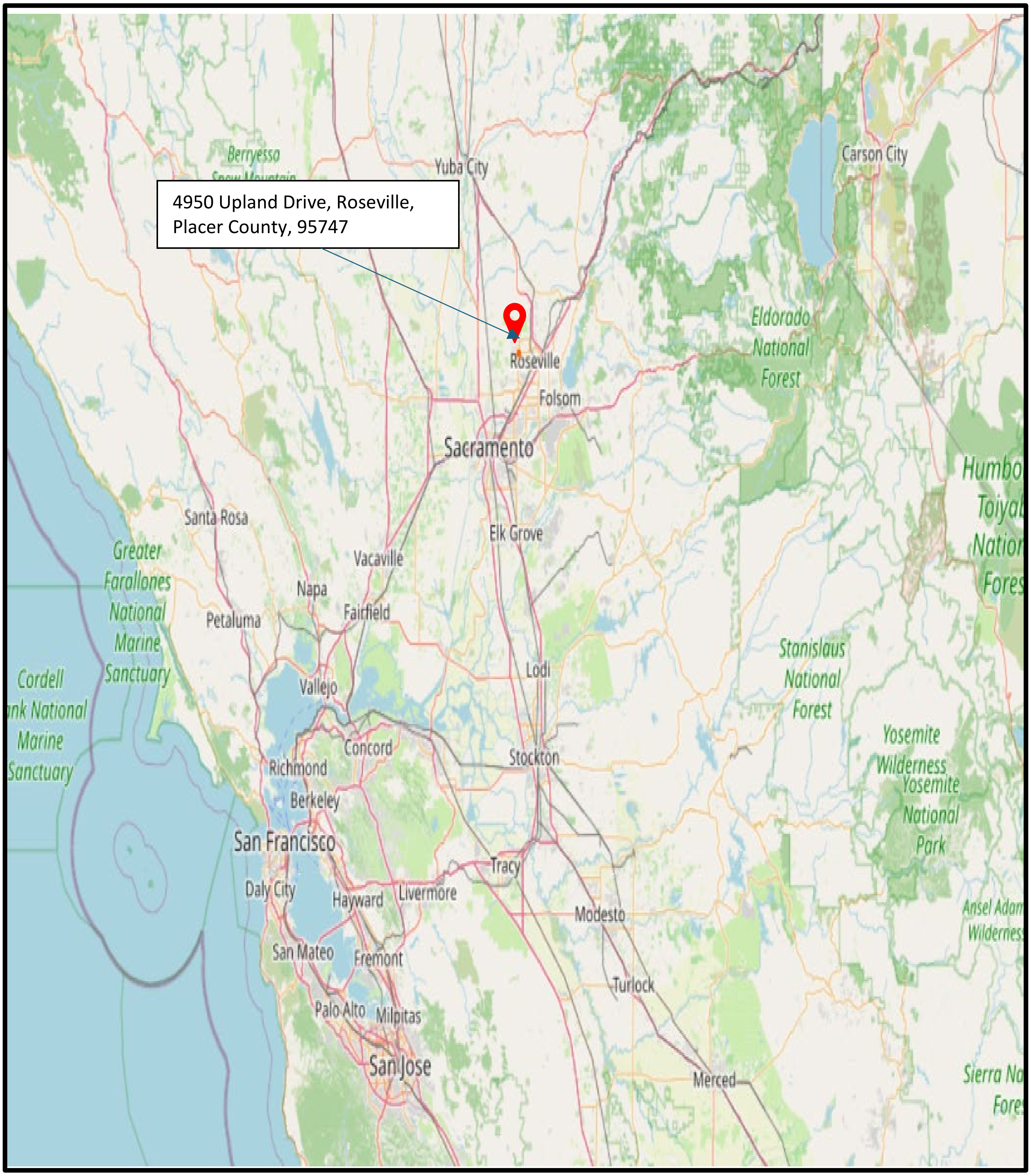
The Multifamily Programs Division supports approval of the described financing in the amount(s) requested, subject to the above proposed terms and conditions.

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.

# Sierra Vista Apartments - Near



# Sierra Vista Apartments - Far



BOARD OF DIRECTORS
OF THE CALIFORNIA HOUSING FINANCE AGENCY

RESOLUTION NO. 26-13

RESOLUTION AUTHORIZING A FINAL LOAN COMMITMENT

WHEREAS, the California Housing Finance Agency (the "***Agency***") has received a loan application on behalf of SV Investors 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 Roseville, County of Placer, California, to be known as Sierra Vista Apartments (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 interim Executive Director exercised the authority delegated to her under Resolution 15-16 to declare the official intent of the Agency to reimburse such prior expenditures for the Development; and

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

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

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

1. The Executive Director, or in 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 | |
|---|---|---|---|
| 25-017-A/X/N | SIERRA VISTA APARTMENTS<br>City of Roseville, County of Placer<br>California | $31,189,127.00 | 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. 26-13 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 21st day of May, 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 21st day of May, 2026.

ATTEST: ______________________________

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

# MEMORANDUM

**To:** Board of Directors **Date:** May 21, 2026

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

**Subject:** Agenda Item 5 – Final Loan Commitment for La Estancia, Project No. 25-014

**Action:** CalHFA Senior Loan Committee has recommended that Executive Director, Anthony Sertich, seek Board approval and final loan commitment for the La Estancia Development by approving Resolution Number 26-14.

**Development Information:**

- The Executive Director has Board-delegated authority to approve loans up to $15,000,000; therefore, the La Estancia Development is seeking Board approval for a $18,375,774 permanent loan and a $4,000,000 Mixed-Income Program subsidy loan, to construct a 190-unit new construction development at a total development cost per unit of $376,724.

- Both the permanent loan (40-year amortization) and MIP subsidy loan (residual receipts) will have terms of 17 years.

- The Project will have 56 units restricted at 30% of Area Median Income ("AMI"), 58 units restricted at 50% AMI, 55 units restricted at 60% AMI, and 19 units restricted at 70% AMI. There will be 2 unrestricted manager units.

- The La Estancia Development is proposed to be constructed in Los Angeles, Los Angeles County and developed by AMCAL Enterprises, Inc.

- Energy efficient and green design features include: the use of EnergyStar appliances, water efficient landscaping, a photovoltaic system, and the project will comply with CALGreen requirements.

- Underwriting and term sheet variations: 1) To meet the 10% below market requirement, the underwriting rents for the higher AMI studio and two-bedroom units have been reduced 1%-3% below TCAC maximum rents. 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. 3) the CalHFA regulatory agreements will not be recorded in senior position as the City of Los Angeles is requiring a Regulatory Agreement to be recorded in senior position to the CalHFA Deeds of Trust. 4) The project currently shows an outstanding Deferred Developer Fee in year 15. 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.

**Project Architectural Rendering**

| Executive Summary | |
|---|---|
| **CalHFA Project Number** | 25014 |
| **Project Name** | La Estancia |
| **Type of Development** | New Construction |
| **Type of Project** | Family |
| **Total Units (MIP Restricted Units)]** | 190 Units (188 Restricted) |
| **Street Address** | 7004, 7008, 7012, 7018 Baird Ave. |
| **City, County, Zip Code** | Reseda, Los Angeles County, 91335 |
| **Borrower (Legal entity name)** | AMCAL La Estancia Fund, L.P. |
| **Developer(s)** | AMCAL Enterprises, Inc. |
| **Co-Developer** | N/A |
| Approved Conduit Issuances | |
| **Conduit T/E Bond Issuance** | $25,000,000<br>(Assumes $22,367,653 need; Includes 10% cushion and rounded up to nearest $1m_ |
| **Conduit Taxable Bond Issuance** | $37,000,000<br>(Assumes $33,086,794 need; Includes 10% cushion and rounded up to nearest $1m) |
| **Conduit T/E Recycled Bond Volume Cap** | $5,000,000<br>(Assumes $4,000,000 need; Includes 10% cushion and rounded up to nearest $1m |
| Requested CalHFA Financing for Approval | |
| **CalHFA Tax-Exempt Permanent Loan Amount** | $18,375,774<br>UW Rate and Loan Term: 6.95%; fixed; 1st lien; 40/17 |
| **CalHFA Taxable Permanent Loan Amount (if any)** | $ 0<br>UW Rate and Loan Term: N/A |
| **HUD Risk Sharing Requirement (1st lien loan)** | Yes |
| **CalHFA Subordinate/Subsidy Financing Type** | $4,000,000<br>Mixed-Income Program (MIP) 2025<br>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** | 8/28/2025 |
| **CTCAC Tax Credit Award Date** | 8/5/2025 |
| **CDLAC Closing Deadline** | 6/2/2026 |
| **Construction Loan Closing Date [Est.]** | 6/1/2026 |
| **Est. CalHFA Loan Closing (perm conversion) Date** | 6/1/2029 |
| **Federal Tax Credits (LIHTC) Requested** | Federal LIHTC Amount: $31,320,500 |
| **State Tax Credits Requested** | State Tax Credit Amount: $17,164,551 |

| 1 | Project Summary |
|---|---|
| 1a | Project Description |

La Estancia  (the "Project") is a new construction, family, mixed-income Project. The total development site area is 0.80 acres and is located in the Reseda neighborhood of Los Angeles, Los Angeles County. The Project will consist of one 6-story residential elevator serviced building.  The Project will have total 190 residential units, of which 188 units will be restricted to between 30% and 70% of the Los Angeles County Area Median Income (AMI). There will be 55 studio units (379 sq. ft), 65 one-bedroom units (522 sq. ft.), 70 two-bedroom units (690 sq. ft.). Two of the two-bedroom units will serve as the manager's units. The Project will have 62 spaces for residential parking.

The project is of Type IIIA (steel and wood frame) construction built over a one-level Type 1A (concrete frame) parking garage. 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 a photovoltaic system, and the project will comply with CALGreen requirements.

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

Notes:
1. The Project is located in the Reseda neighborhood of Los Angeles, Los Angeles County. The City of Los Angeles is requiring the Density Bonus Agreement to be recorded in senior position to the CalHFA Deeds of Trust. The Density Bonus 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.

| | | | |
|---|---|---|---|
| Inside Principal City? | Yes | Underserved or Distressed Tract? | No |
| Census Tract (CT) | 31084-06-037-1310.24 | % Population Below Poverty Line | 13.31% |
| CT Minority Population % | 77.53% | Rural Area? | No |
| CT Income Level | High | 2025 Est. CT Median Family Income | $97,293 |
| 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: 29, 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):**<br>AMCAL Enterprises, Inc. | | **Co-developer (if any):**<br>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):**<br>AMCAL La Estancia Fund, L.P. | | **Co-Borrower (if any):**<br>N/A | |
| **Construction (Senior) Lender:**<br>1) JP Morgan Chase Bank | | **Construction Subordinate Lender(s):**<br>N/A | |
| **Permanent 1st lien Lender:**<br>1) CalHFA | | **Permanent Subordinate Lender(s):**<br>1) CalHFA MIP (2nd lien) | |
| **Federal LIHTC Investor:**<br>Hudson Housing Capital | | **State LIHTC Investor:**<br>Hudson Housing Capital | |
| Tax Credit Amount | $31,320,500 | Tax Credit Amount | $17,164,551 |
| **Solar Tax Credit Investor:**<br>N/A | | | |
| Tax Credit Amount | $0 | | |
| **General Contractor:**<br>AMCAL General Contractors, Inc. | | **Management Company (Property Manager):**<br>FPI Management, Inc. | |
| Is an affiliate of Developer? | Yes | Is an affiliate of Developer? | No |
| Experience with CalHFA? | Yes | Total number of properties managed | 394 |
| **Architect:**<br>Architects Orange, LLP, DBA AO | | **Service Provider:**<br>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/TCAC req.? | Yes |
| **Financial Advisor:**<br>N/A | | **Project Consultant:**<br>N/A | |

| 3 | Requested CalHFA Financing for Approval | | |
|---|---|---|---|
| | CalHFA Financing Terms | | |
| | **CalHFA 1st Lien Perm Loan** | **CalHFA Subordinate Loan (MIP Subsidy Loan)** | **Total CalHFA Financing** |
| **Loan Amount ($)** | $18,375,774 | $4,000,000 | $22,375,774 |
| **Loan Term (Year)** | 17 | 17 | 17 |
| **Amort. Term (Year)** | 40 | | |
| **Amort. Type** | Partially Amortizing | Non-amortizing | |
| **Lien Position** | 1st | 2nd | |
| **UW Interest Rate %** | 6.95% | 3.00% | |
| **Loan to Value (%)** | 58.10% | 11.80% | |
| **Combined LTV (CLTV) (%)** | | | 77.82% |
| **Loan to Cost (%)** | 25.67% | 5.59% | 31.26% |
| **Loan Repayment Source** | Net Operating Income (NOI) | Residual Receipts | |

| 4 | Project Budget & Total Development Cost |
|---|---|
| 4a | Construction Financing |
| **Construction Lender** | JPMorgan Chase Bank, N.A. |
| **CDLAC/CTCAC Construction Closing Deadline** | 6/2/2026 |

| | Bond Issuance Amount | Type of Issuance |
|---|---|---|
| **Construction Conduit Issuance Amount** | $22,367,653 | Tax-Exempt |
| **Construction Conduit Issuance Amount** | $33,086,794 | Taxable |
| **Construction Conduit Issuance Amount** | $4,000,000 | T/E Recycled |
| **Total** | $59,454,447 | |

| | Loan Amount | UW Rate | Loan Term |
|---|---|---|---|
| **Construction Loan (T/E)** (Interest-only, 1st lien during construction) | $22,367,653 | 6.03%, Variable | 31 months plus two 6-month extensions |
| **Construction Loan (Taxable)** (Interest-only, 1st lien during construction) | $33,086,794 | 6.38%, Variable | 31 months plus two 6-month extensions |
| **Construction Loan (Recycled T/E)** | $4,000,000 | 6.03% | 31 months plus two 6-month 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.

| 4b | Construction Sources | |
|---|---|---|
| **Construction Sources:** | Amount ($) | % of Total |
| Tax-Exempt: JP Morgan Chase (Loan) | $22,367,653 | 31.74% |
| Taxable: JP Morgan Chase (Loan) | $33,086,794 | 46.95% |
| Recycled Bonds: JP Morgan Chase (Loan) | $4,000,000 | 5.68% |
| Deferred Developer Fee/Reserves (Developer Fee, Deferral) | $5,630,059 | 7.99% |
| Deferred Reserves (Cost Deferral) | $1,172,195 | 1.66% |
| Tax Credit Equity: Hudson Housing (Equity, LIHTC Investor) | $4,220,851 | 5.99% |
| **Total Construction Sources** | $70,477,552 | 100% |

| 4c | Construction Uses | |
|---|---|---|
| **Construction Uses:** | Amount ($) | % of Total |
| Land and Improvement Value | $5,400,000 | 7.66% |
| Other Acquisition Costs | $1,325,648 | 1.88% |
| Construction/Rehab Costs | $38,199,983 | 54.20% |
| Soft Costs (A&E, Legal, Title, and Other Soft Cost) | $9,897,378 | 14.04% |
| Hard Cost contingency (5.80% of Hard Cost) | $1,901,050 | 2.70% |
| Soft Cost contingency (2.33% of Soft Costs) | $632,343 | 0.90% |
| Financing Costs (Interest Reserves, Fees, Taxes, and Insurance) | $6,986,213 | 9.91% |
| Local Impact Fees and Permit Fees | $3,629,363 | 5.15% |
| Cash Portion Developer Fee | $1,100,366 | 1.56% |
| Other Costs (TCAC Fees, Furnishing, and Other Misc. Fees) | $1,405,209 | 1.99% |
| **Total Construction Uses** | $70,477,553 | 100% |
| **Total Construction Cost per unit** | $370,934 | |
| **Total Construction Cost per CalHFA MIP Regulated Unit** | $374,881 | |

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 is $6,725,648 which is in compliance with Agency's underwriting (USRM) standards. The total Acquisition costs include as-is land cost (per Broker's Price Opinion $5,930,000 ) of $5,400,000 and carrying costs of $687,185 consisting of legal and holding costs, and other costs of $638,463.
3. The total hard cost contingency in the project is 5.80% of the Hard costs, which includes the contingency in the GC Schedule of Values (SOV) and is pending review 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 2.33% % of eligible costs and has been reviewed by the Multifamily staff to meet the USRM requirements and project scope for completion within the stipulated budget.
5. There is $118,394 in the development budget for environmental remediation which includes $40,000 for soils management plan and remediation of hazardous materials in existing structures (ACM/LBP).
6. The project budget includes $520,069 in offsite improvements or infrastructure costs which includes utility trenching. A separate contract for this is in place and will be reviewed by the CalHFA inspector.

| 4d | Permanent Sources and Uses | |
|---|---|---|
| Permanent Sources: | Amount ($) | % of Total |
| CalHFA Tax-Exempt Permanent Loan (Loan) | $18,375,774 | 25.7% |
| CalHFA MIP (Loan) | $4,000,000 | 5.6% |
| Deferred Developer Fee (Developer Fee, Deferral) | $6,993,190 | 9.8% |
| Tax Credit Equity (Equity, LIHTC Investor) | $42,208,506 | 59.0% |
| Total Permanent Sources | $71,577,470 | 100% |

| Permanent Uses: | Amount ($) | % of Total |
|---|---|---|
| Total Loan Payoffs | $63,484,362 | 88.7% |
| Other Acquisition Costs | $0 | 0.0% |
| GP Equity | $0 | 0.0% |
| Financing costs | $156,784 | 0.2% |
| Soft costs | $0 | 0.0% |
| Operating Reserves | $943,134 | 1.3% |
| Cash Developer Fee paid at Perm Conversion | $0 | 0.0% |
| Deferred Developer Fees paid from cashflow | $6,993,190 | 9.8% |
| **Total Permanent Uses** | $71,577,470 | 100% |
| **Total Development Cost per unit** | $376,724 | |
| **Total Development Cost per CalHFA MIP Restricted Unit** | $380,731 | |
| Notes (if any): | | |

| 4e | Developer Fee | |
|---|---|---|
| Developer fee category: | TCAC Maximum Limit | Actual Amount in Project Budget |
| Upfront Cash Developer Fee (a) | $3,325,053 | $1,100,366 |
| Deferred Developer Fee (DDF) paid from project cash-flow (b) | | $6,993,190 |
| Total Developer Fee (a) + (b) | $10,633,548 | $8,093,556 |
| Excess Developer Fee above TCAC Maximum Limit as General Partner (GP) contribution | | **$0** |

Notes:
1. To ensure the deferred developer fee is paid down by year 15, the surplus cash distribution is underwritten showing 100% being applied to reducing the deferred developer fee until year 15. Thereafter, the surplus cash split shall be 50% to Borrower and 50% to Residual Receipt lender(s). 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. The project currently shows an outstanding Deferred Developer Fee of $1,491,644 in year 15. 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.

| 4f | High-Cost Explanation (TDC exceeds $650,000 per unit) |
|---|---|
| Total Development Cost (TDC) | $71,577,470 |
| Total Units | 190 |
| TDC/Unit | $376,724 |
| 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 (57 units) at or below 60% AMI and 10% of the total units (19 units) at 50% AMI for 55 years.

The CalHFA Subsidy Regulatory Agreement will restrict 188 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 | | | 19 | 57 | | | | 76 | 40% |
| CalHFA MIP | 3rd | 19 | | 38 | | 19 | | 112 | 188 | 100% |
| CTCAC | 4th | 56 | | 58 | 55 | 19 | | | 188 | 100% |
| Density Bonus or CUP | 1st | 1 | | 2 | | | 150 | 35 | 188 | 100% |
| TOTALS | | 56 | 0 | 58 | 55 | 19 | 0 | 0 | 188 | 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 (19 units at 30% AMI and 38 units at 50% AMI). An additional 10% of total units [19 units] must be restricted to 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 112 units will be restricted to or below 120% of AMI.
3. In addition, the Project will be restricted by the following jurisdictions described below:
    a. The City of Los Angeles will restrict 1 unit at or below 30% of AMI, 2 units at or below 50% AMI 150 units at 80% AMI, and 35 units at or below120% of AMI for a term of at least 99 years. The rents for these units are based off 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% | 18 | 18 | 20 | 0 | 0 | 0 | 56 | 29% |
| 40% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| 50% | 18 | 20 | 20 | 0 | 0 | 0 | 58 | 31% |
| 60% | 19 | 17 | 19 | 0 | 0 | 0 | 55 | 29% |
| 70% | 0 | 10 | 9 | 0 | 0 | 0 | 19 | 10% |
| 80% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| 120% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Manager | 0 | 0 | 2 | 0 | 0 | 0 | 2 | 1% |
| Market | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total | 55 | 65 | 70 | 0 | 0 | 0 | 190 | |
| AMI Avg | 46.9% | 50.2% | 49.6% | | | | 48.99% | |

Note (if any):

1. 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.
2. The CalHFA regulatory agreement(s) will require minimum underwriting rent levels as outlined above.
3. However, according to an appraisal dated 3/23/2026 the Project can only support rents at a maximum of 68% 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.

| 6 | Financial Analysis | | |
|---|---|---|---|
| 6a | Project Operating Budget Assumptions | | |
| Total Units | 188 | Construction Start Date | 6/1/2026 |
| Regulated Units | 188 | Construction Completion Date | 10/1/2028 |
| Manager Units (Market Rate) | 2 | Construction Period (months) | 28 |
| Total Residential Square Feet | 93,179 | Lease-up Commencement Date: | 10/1/2028 |
| Avg Sq Ft/Unit | 514 | Lease-up Completion Date | 3/1/2029 |
| Rental Subsidies? | 0 | Lease-up Period (months) | 5 |
| No. of Units with Rental Subsidies | 0 | Est. Stabilization /Perm Conversion Date | 6/1/2029 |
| Rental Subsidy Contract Term (Initial) | 0 | 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 | 3,171,216 | 3,500,430 | 3,960,415 | 4,480,846 | 4,707,689 |
| Other Income/Subsidies | 45,600 | 50,334 | 56,948 | 64,432 | 67,693 |
| Projected Vacancy and Discount Loss | 160,841 | 177,538 | 200,868 | 227,264 | 238,769 |
| Effective Gross Income (EGI) | 3,055,976 | 3,373,225 | 3,816,495 | 4,318,014 | 4,536,613 |
| Total Operating Expenses | 1,474,589 | 1,682,255 | 1,984,767 | 2,343,256 | 2,504,602 |
| Reserve For Replacement | 57,000 | 59,314 | 62,340 | 65,520 | 66,837 |
| **Net Operating Income (NOI)** | 1,581,387 | 1,690,970 | 1,831,728 | 1,974,758 | 2,032,011 |
| Total Debt Service & Other Payments | 1,362,313 | 1,362,313 | 1,362,313 | 1,362,313 | 1,362,313 |
| Cash Flow After Debt Service | 219,074 | 328,657 | 469,416 | 612,445 | 669,698 |
| **Debt Service Coverage Ratio** | 1.16 | 1.24 | 1.34 | 1.45 | 1.49 |
| Income/Expense Ratio | 2.07 | 2.01 | 1.92 | 1.84 | 1.81 |
| | | | | | |
| Less: | | | | | |
| **LP Management Fee*** | 9,500 | 10,692 | 12,395 | 14,370 | 0 |
| **GP Partnership Management Fee** | 28,500 | 32,077 | 37,186 | 43,109 | 0 |
| Other CalHFA approved Partnership Fee | | | | | |
| **Total Fees** | $38,000.00 | $42,769.00 | $49,581.00 | $57,479.00 | $ 0.00 |
| **Annual Cap Limit** | $40,500 | $45,583 | $52,843 | $61,260 | |
| [*Note: Any Fees above the Annual Cap to be paid from Developer Distribution % below] | | | | | |
| **Cashflow for Distribution** | | | | | |
| Developer Distribution % | 100% | 100% | 100% | 100% | 50% |
| Cumulative Developer Distribution | 181,074 | 1,166,586 | 2,996,902 | 5,501,526 | 6,156,921 |
| Residual Receipts % | 0% | 0% | 0% | 0% | 50% |
| Cumulative Residual Receipts Repayment | 0 | 0 | 0 | 0 | 655,396 |
| | | | | | |
| **Unpaid/Accrued CalHFA loan Balance** | | | | | |
| Perm Loan | 18,287,811 | 17,868,143 | 17,150,300 | 16,135,193 | 15,619,863 |
| MIP Loan | 4,000,000 | 4,480,000 | 5,080,000 | 5,680,000 | 5,599,453 |
| | | | | | |
| Reserves Balances | | | | | |
| Operating Reserve | 943,134 | 943,134 | 943,134 | 943,134 | 943,134 |

| 6c | Exit Analysis Requirements | | |
|---|---|---|---|
| **Exit Year** | 17 | **Assumed Refi Year** | Year 16 |
| **Cap Rate Increase** | 2% | **Interest Rate Increase** | 3% |
| **UW Loan Amount** | $18,375,774 | **Max. Refi Loan Size** | 15,899,834 |
| **Appraised Value** | $28,583,035 | **Max LTV at Refi** | 56% |
| **Unpaid Principal Balance (1st Lien)** | ($13,381) | **Unpaid Principal Balance (MIP Subsidy Loan)** | $5,586,072 |

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 $5,586,072 (Principal and accrued interest). Hence, the refinancing is insufficient to fully repay the CalHFA debt.

Mitigation:
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.

## 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

1. A Phase I Environmental Site Assessment identified evidence of Recognized Environmental Conditions (RECs) related to the demolition of the existing structures, proper removal of soil, burned debris and other materials which require a Soil Management Plan which will be approved prior to construction loan closing. Evidence all environmental issues have been addressed during construction will be subject to CalHFA's approval prior to permanent loan closing.
2. HUD NEPA approval is in process and will be required before construction loan closing.

## 9 Underwriting and Term Sheet Variations

1- Per an appraisal dated 3/23/2026 the Project can only support rents at a maximum of 68% 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.

2- The City of Los Angeles is requiring the Density Bonus Agreement to be recorded in senior position to the CalHFA Deeds of Trust. The Density Bonus 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 deadline.

3- To ensure the deferred developer fee is paid down by year 15, the surplus cash distribution is underwritten showing 100% being applied to reducing the deferred developer fee until year 15. Thereafter, the surplus cash split shall be 50% to Borrower and 50% to Residual Receipt lender(s). 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.

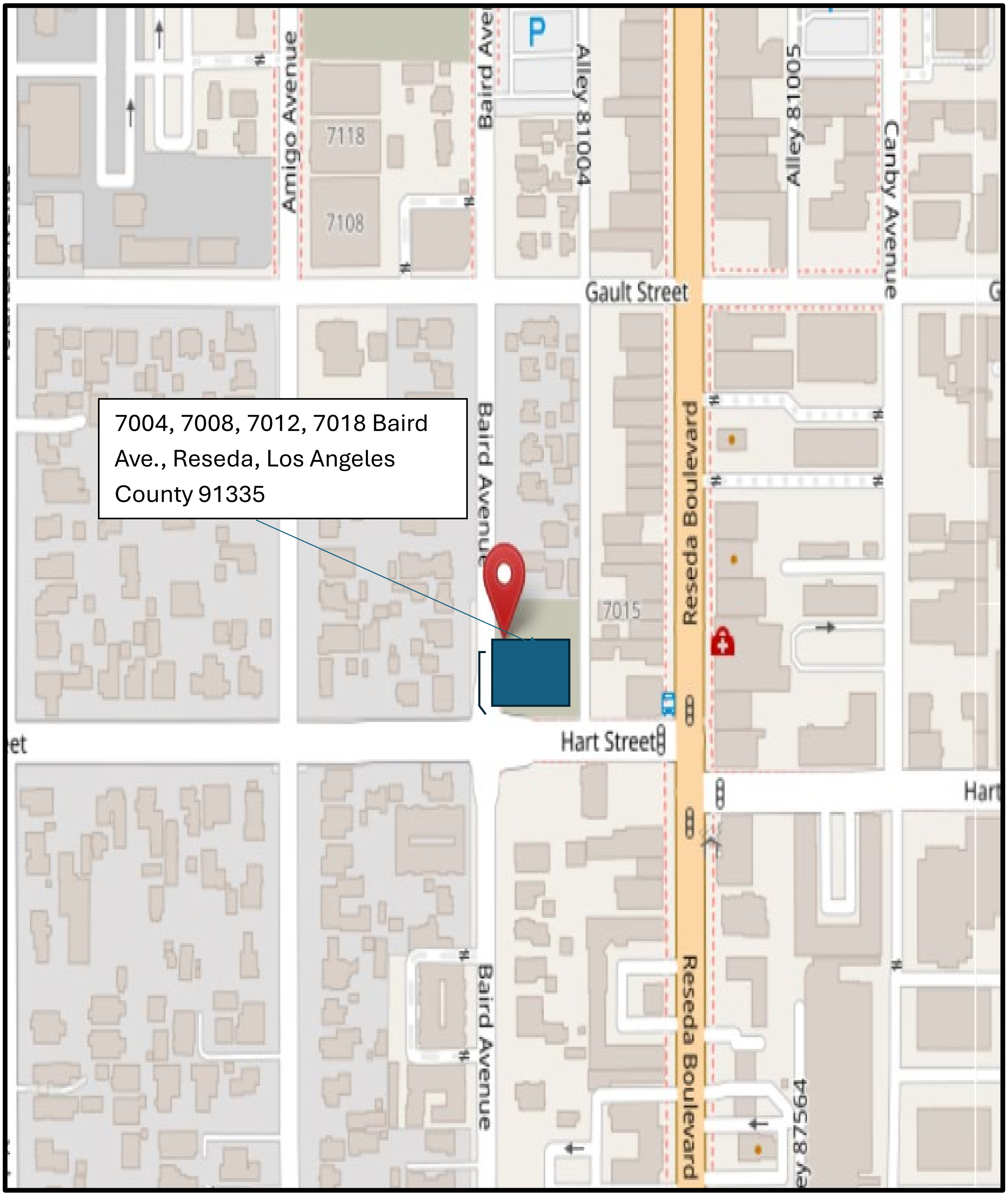
4- The project currently shows an outstanding Deferred Developer Fee of $1,491,644 in year 15. Any outstanding Deferred Developer Fee remaining at Year 15, even if within TCAC Maximum Limit, will be paid from Borrower's 50% share surplus cash distribution.

| 10 | Approval Recommendation and Action |
|---|---|

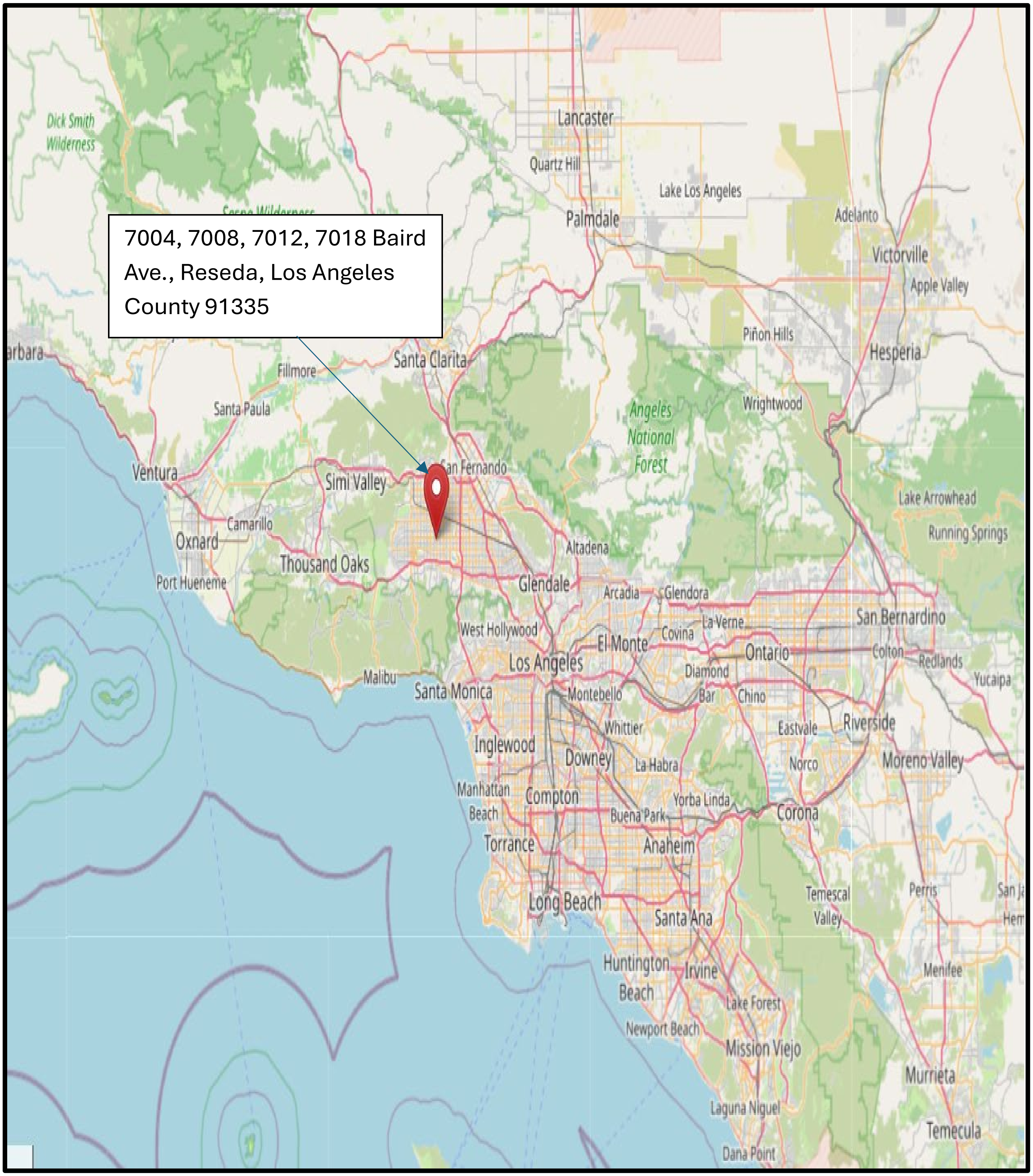
The Multifamily Lending Division supports approval of the described financing in the amount(s) requested, subject to the above proposed terms and conditions.

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.

# La Estancia- Near



# La Estancia- Far



BOARD OF DIRECTORS
OF THE CALIFORNIA HOUSING FINANCE AGENCY

RESOLUTION NO. 26-14

RESOLUTION AUTHORIZING A FINAL LOAN COMMITMENT

WHEREAS, the California Housing Finance Agency (the "***Agency***") has received a loan application on behalf of AMCAL La Estancia Fund, 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 Reseda, County of Los Angeles, California, to be known as La Estancia Apartments (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 interim Executive Director exercised the authority delegated to her under Resolution 15-16 to declare the official intent of the Agency to reimburse such prior expenditures for the Development; and

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

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

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

1. The Executive Director, or in 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 | |
|---|---|---|---|
| 25-014-A/X/S | LA ESTANCIA APARTMENTS<br>City of Reseda, County of Los Angeles<br>California | $18,375,774.00 | 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. 26-14 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 21st day of May, 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 21st day of May, 2026.

ATTEST: ______________________________

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

CalHFA

# MEMORANDUM

**To:** Board of Directors **Date:** May 21, 2026

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

**Subject:** Agenda Item 6 – Final Loan Commitment for Francis Avenue Apartments, Project No. 25-011

**Action:** CalHFA Senior Loan Committee has recommended that Executive Director, Anthony Sertich, seek Board approval and final loan commitment for the Francis Avenue Apartments Development by approving Resolution Number 26-15.

**Development Information:**

- The Executive Director has Board-delegated authority to approve loans up to $15,000,000; therefore, the Francis Avenue Apartments Development is seeking Board approval for a $38,900,000 permanent loan and a $4,000,000 Mixed-Income Program subsidy loan, to construct a 232-unit new construction development at a total development cost per unit of $359,739.

- Both the permanent loan (40-year amortization) and MIP subsidy loan (residual receipts) will have terms of 17 years.

- The Project will have 24 units restricted at 30% of Area Median Income ("AMI"), 46 units restricted at 50% AMI, 46 units restricted at 60% AMI, and 114 units restricted at 70% AMI. There will be 2 unrestricted manager units.

- The Francis Avenue Apartments Development is proposed to be constructed in Los Angeles, Los Angeles County and developed by co-developers MRK Partners, Inc. and Six Peak Capital LP.

- Energy efficient and green design features include: the use of EnergyStar appliances, central electric water heating system, passive bathroom ventilation, low-flow plumbing, and zero onsite parking which reduces embodied carbon.

- Underwriting and term sheet variations: 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** | 25011 |
| **Project Name** | Francis Avenue Apartments |
| **Type of Development** | New Construction |
| **Type of Project** | Family |
| **Total Units (MIP Restricted Units)]** | 232 (230 MIP Restricted Units) |
| **Street Address** | 2859 Francis Avenue |
| **City, County, Zip Code** | Los Angeles, Los Angeles County, 90005 |
| **Borrower (Legal entity name)** | Francis Venture LP |
| **Developer(s)** | MRK PARTNERS INC. |
| **Co-Developer** | Six Peak Capital, LP ("SPC") |
| Approved Conduit Issuances | |
| **Conduit T/E Bond Issuance** | \$25,000,000 (assuming current need is \$22,400,000)<br>Includes 10% cushion and rounded up to nearest \$1m |
| **Conduit Taxable Bond Issuance** | \$38,000,000 (assuming current need is \$34,313,153)<br>Includes 10% cushion and rounded up to nearest \$1m |
| **Conduit T/E Recycled Bond Volume Cap** | \$4,000,000 (assuming current need is \$2,739,968)<br>Includes 10% cushion and rounded up to nearest \$1m |
| Requested CalHFA Financing for Approval | |
| **CalHFA Tax-Exempt Permanent Loan Amount** | \$22,400,000<br>UW Rate and Loan Term: 6.71%; fixed- compounding; 1st lien; 40-year amortization due in 17 years |
| **CalHFA Taxable Permanent Loan Amount (if any)** | \$16,500,000<br>UW Rate and Loan Term: 6.71%; fixed- simple; 1st lien; 40-year amortization due in 17 years |
| **HUD Risk Sharing Requirement (1st lien loan)** | Yes |
| **CalHFA Subordinate/Subsidy Financing Type** | \$4,000,000<br>Mixed-Income Program (MIP) 2025<br>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** | 6/11/2026 |
| **Est. CalHFA Loan Closing (perm conversion) Date** | 10/1/2029 |
| **Federal Tax Credits (LIHTC) Requested** | Federal LIHTC Amount: \$36,226,370 |
| **State Tax Credits Requested** | State Tax Credit Amount: \$0 |

| 1 | **Project Summary** |
|---|---|
| | Project Description |

Francis Avenue Apartments (the "Project") is a new construction, family, mixed-income Project. The total development site area is 0.62 acres and is located in Los Angeles, Los Angeles County. The Project will consist of 1, 8-story elevator serviced building. The Project will have total 232 residential units, of which 230 units will be restricted between 30% and 70% of the Los Angeles County Area Median Income (AMI). There will be 101 SRO/studio units (340 sq. ft.), 36 one-bedroom units (453 sq. ft.), 95 two-bedroom units (574 sq. ft.). In addition, 2 of the two-bedroom units will serve as the manager's unit(s). The Project will have 0 spaces for residential parking. Per the City of Los Angeles Letter of Compliance Ministerial on-menu and off-menu Standard Density Bonus dated November 8, 2024, no parking requirements apply for 100% affordable projects with public transit located within one-half mile of the Project. There is public transit located within 0.1 mile of the project.

The project is hybrid podium construction consisting of 5 floors type IA (fire-resistive) that will be concrete/steel podium over 3 floors type IIIA (protected combustible) wood-frame over podium construction. In addition, the project includes CDLAC minimum design standards which include some sustainable building requirements like the use of EnergyStar appliances, central electric water heating system, passive bathroom ventilation, low-flow plumbing, and no onsite parking which reduces embodied carbon.

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, Lease Up Income, CalHFA Tax-Exempt Permanent Loan, CalHFA Taxable Permanent Loan, CalHFA Subordinate financing through Mixed-Income (MIP) Subsidy Loan, a General Partner Loan, and an Equity Bridge Loan.

Notes:
1. The Project is located in Los Angeles, Los Angeles County. The city's Rental Covenant Agreement running with the land will be subordinate to CalHFA's permanent and MIP restrictions.

| | | | |
|---|---|---|---|
| Inside Principal City? | Yes | Underserved or Distressed Tract? | No |
| Census Tract (CT) | 06-037-2122.02 | % Population Below Poverty Line | 32.31% |
| CT Minority Population % | 95.07% | Rural Area? | No |
| CT Income Level | Low | 2025 Est. CT Median Family Income | $42,907 |
| CDLAC/TCAC Opportunity Area Category | | Low Resource | |
| CDLAC/TCAC Geographic Region | | City of Los Angeles | |
| Project is located in DDA? | | No | |
| Project is located in Federally-designated Qualified Census Tract (QCT) for LIHTC purposes? | | Yes | |

**Legislative Districts:**
- Congress: 34, Jimmy Gomez
- State Assembly: 54, Mark Gonzalez
- State Senate: 26, Maria Elena Durazo

**Local Support:** The City of Los Angeles provided their conditional approval on 03/25/2025 and supports the project. Final approval is met by the recording of the Cities Accessibility Covenants.

| 2 | Development and Financing Team | | |
|---|---|---|---|
| **Developer (Sponsor):** MRK Partners, Inc. | | **Co-developer (if any):** Six Peak Capital LP ("SPC") | |
| New to CalHFA? | No | New to CalHFA? | Yes |
| Affordable Housing/LIHTC experience? | Yes | Affordable Housing/LIHTC experience? | No |
| Has Projects in California? | Yes | Has Projects in California? | Yes |
| **Borrower (Legal entity):** Francis Venture LP | | **Co-Borrower (if any):** N/A | |
| **Construction (Senior) Lender:** 1) Citibank, N.A. | | **Construction Subordinate Lender(s):** 1) Sterling Bank | |
| **Permanent 1st lien Lender:** 1) CalHFA | | **Permanent Subordinate Lender(s):** 1) CalHFA MIP (2nd lien) | |
| **Federal LIHTC Investor:** R4 Capital LLC | | **State LIHTC Investor:** N/A | |
| Tax Credit Amount | $36,226,370 | Tax Credit Amount | $0 |
| **Solar Tax Credit Investor:** N/A | | | |
| Tax Credit Amount | $0 | | |
| **General Contractor:** LV Affordable Construction LP | | **Management Company (Property Manager):** WinnResidential California L.P. | |
| Is an affiliate of Developer? | Yes | Is an affiliate of Developer? | No |
| Experience with CalHFA? | No | Total number of properties managed | 80 |
| **Architect:** Albert Group Architects | | **Service Provider:** All Things Are Possible After School & Family Resource Centers (ATAP) | |
| 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) | On-site, 15 Years |
| | | Support Services Cost (per Operating budget) | $16,948/year |
| Has housing projects in CA? | Yes | Per unit cost of services meets CDLAC/CTCAC req.? | Yes |
| **Financial Advisor:** N/A | | **Project Consultant:** N/A | |
| Notes: Six Peak Capital LP ("SPC") serves as co-developer on the project. SPC has provided the land and is a 50/50 partner in the joint venture with MRK Partners. | | | |

| 3 | Requested CalHFA Financing for Approval | | |
|---|---|---|---|
| | CalHFA Financing Terms | | |
| | **CalHFA 1st Lien Perm Loan** | **CalHFA Subordinate Loan (MIP Subsidy Loan)** | **Total CalHFA Financing** |
| **Loan Amount ($)** | **$38,900,000 Combined**<br>$22,400,000 (T/E)<br>$16,500,000 (Tax) | $4,000,000 | $42,900,000 |
| **Loan Term (Year)** | 17 | 17 | |
| **Amort. Term (Year)** | 40 | | |
| **Amort. Type** | Partially Amortizing | Non-amortizing | |
| **Lien Position** | 1st | 2nd | |
| **UW Interest Rate %** | 6.71% (Blended)<br>6.39% (T/E)<br>7.25% (Tax) | 3.00% | |
| **Loan to Value (%)** | 60.21% | 6.81% | |
| **Combined LTV (CLTV) (%)** | | | 66.40% |
| **Loan to Cost (%)** | 46.61% | 4.79% | 51.4% |
| **Loan Repayment Source** | Net Operating Income (NOI) | Residual Receipts | |

| 4 | Project Budget & Total Development Cost |
|---|---|
| 4a | Construction Financing |

| | |
|---|---|
| **Construction Lender** | Citibank, N.A. ("CITI") |
| **CDLAC/CTCAC Construction Closing Deadline** | June 23, 2026 |

| | Bond Issuance Amount | Type of Issuance |
|---|---|---|
| **Construction Conduit Issuance Amount** | $22,400,000 | Tax-Exempt |
| **Construction Conduit Issuance Amount** | $34,313,153 | Taxable |
| **Construction Conduit Issuance Amount** | $2,739,968 | T/E Recycled |
| **Total** | $59,453,121 | |

| | Loan Amount | UW Rate | Loan Term |
|---|---|---|---|
| **Construction Loan (T/E)**<br>(Interest-only, 1st lien during construction) | $22,400,000 | 3.00%, Variable | 36 Months |
| **Construction Loan (Taxable)**<br>(Interest-only, 1st lien during construction) | $34,313,153 | 3.50%, Variable | 36 Months |
| **Construction Loan (Recycled T/E)**<br>(Interest-only, 1st lien during construction) | $2,739,968 | 3.00%, Variable | 36 Months |

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.

| 4b | Construction Sources |
|---|---|

| **Construction Sources:** | Amount ($) | % of Total |
|---|---|---|
| Tax-Exempt: Citibank, N.A. (Loan) | $22,400,000 | 27.42% |
| Recycled Bonds: Citibank, N.A. (Loan) | $2,739,968 | 3.35% |
| Taxable: Citibank, N.A. (Loan) | $34,313,153 | 42.01% |
| Tax Credit Equity: R4 Capital (Equity, LIHTC Investor) | $3,016,026 | 3.69% |
| Deferred Developer Fee (Developer Fee, Deferral) | $7,618,229 | 9.33% |
| Lease Up Income (Net Operating Income) | $1,206,896 | 1.48% |
| Costs Deferred to Conversion (Cost Deferral) | $1,663,330 | 2.04% |
| General Partner Loan (Loan) | $1,000,000 | 1.22% |
| Sterling Bank (Equity Bridge Loan) (Loan) | $7,726,185 | 9.46% |
| **Total Construction Sources** | $81,683,787 | 100% |

| 4c | Construction Uses |
|---|---|

| **Construction Uses:** | Amount ($) | % of Total |
|---|---|---|
| Land and Improvement Value | $7,750,000 | 9.49% |
| Other Acquisition Costs | $100,000 | 0.12% |
| Construction/Rehab Costs | $43,402,202 | 53.13% |
| Soft Costs (A&E, Legal, Title, and Other Soft Cost) | $13,028,544 | 15.95% |
| Hard Cost contingency 5.70% | $2,086,644 | 2.55% |
| Soft Cost contingency 2.40% | $800,000 | 0.98% |
| Financing Costs (Interest Reserves, Fees, Taxes, and Insurance) | $10,567,882 | 12.94% |
| Local Impact Fees and Permit Fees | $1,263,000 | 1.55% |
| Cash Portion Developer Fee | 1,496,569 | 1.83% |
| Other Costs (TCAC Fees, Furnishing, and Other Misc. Fees) | $1,188,946 | 1.46% |
| **Total Construction Uses** | $81,683,787 | 100% |
| **Total Construction Cost per unit** | $352,085 | |
| **Total Construction Cost per CalHFA MIP Regulated Unit** | $355,147 | |

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. Construction Sources include 11 months of Construction Period NOI assuming an average of 39 units absorption per month for the first six months following completion and 95% occupancy after that. This has been confirmed by the lease-up schedule in the Appraisal and/or Market study. The Borrower will be required to cover any shortfalls by contributing a portion of the cash Developer Fee in the event this source of funds does not materialize or if there is a funding gap.
3. CalHFA underwriting policy requires any Sponsor or General Partner (GP) loan to be repaid from the Borrower's 50% share of surplus cash. Accordingly, any repayment of the sponsor loan is not considered separately in the Financial Analysis and Underwriting as it is expected to be repaid from the Borrower's share of the 50% surplus cash.
4. Acquisition Costs included in the budget is $7,850,000 which is in compliance with Agency's underwriting (USRM) standards. The total Acquisition costs include as-is land cost (per appraisal dated April 9, 2026 ) of $7,750,000 and $100,000 in predevelopment legal costs.
5. The total hard cost contingency in the project is 5.70% 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.
6. The total soft cost contingency in the project is 2.40% 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.

| 4d | Permanent Sources and Uses | |
|---|---|---|
| **Permanent Sources:** | Amount ($) | % of Total |
| CalHFA Tax-Exempt Permanent Loan (Loan) | $22,400,000 | 26.8% |
| CalHFA Taxable Permanent Loan (Loan) | $16,500,000 | 19.8% |
| CalHFA Mixed-Income Program Loan (Loan) | $4,000,000 | 4.8% |
| Lease Up Income (Net Operating Income) | $1,206,896 | 1.4% |
| Deferred Developer Fee (Developer Fee, Deferral) | $7,618,229 | 9.1% |
| GP Loan (Loan) | $1,574,000 | 1.9% |
| **Total Permanent Sources** | $83,459,382 | 1% |

| **Permanent Uses:** | Amount ($) | % of Total |
|---|---|---|
| Total Loan Payoffs | $74,065,558 | 88.7% |
| Other Acquisition Costs | $0 | 0.0% |
| GP Equity | $0 | 0.0% |
| Financing costs | $311,750 | 0.4% |
| Soft costs | $0 | 0.0% |
| Operating Reserves | $1,463,845 | 1.8% |
| Cash Developer Fee paid at Perm Conversion | $0 | 0.0% |
| Deferred Developer Fees paid from cashflow | $7,618,229 | 9.1% |
| **Total Permanent Uses** | $83,459,382 | 100% |
| **Total Development Cost per unit** | $359,739 | |
| **Total Development Cost per CalHFA MIP Restricted Unit** | $362,867 | |

| 4e | Developer Fee | |
|---|---|---|
| Developer fee category: | TCAC Maximum Limit | Actual Amount in Project Budget |
| Upfront Cash Developer Fee (a) | $3,726,534 | $1,496,569 |
| Deferred Developer Fee (DDF) paid from project cash-flow (b) | | $7,618,229 |
| Total Developer Fee (a) + (b) | $9,179,604 | $9,114,798 |
| Excess Developer Fee above TCAC Maximum Limit as General Partner (GP) contribution | | **$0** |

Notes (if any):

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 11. 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.

| 4f | High-Cost Explanation (TDC exceeds $650,000 per unit) |
|---|---|

| | |
|---|---|
| Total Development Cost (TDC) | $81,683,787 |
| Total Units | 232 |
| TDC/Unit | $359,739 |
| 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 (70 units) at or below 60% AMI and 10% of the total units (24 units) at 50% AMI for 55 years.

The CalHFA Subsidy Regulatory Agreement will restrict 230 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 | | | 24 | 70 | | | | **94** | 40% |
| **CalHFA MIP** | 2nd | 24 | | 46 | | 24 | | 136 | **230** | 100% |
| **CTCAC** | 3rd | 24 | | 46 | 46 | 114 | | | **230** | 100% |
| **LAHD** | 4th | | | 5 | 2 | | 183 | 40 | **230** | 100% |
| **TOTALS** | | 24 | 0 | 46 | 46 | 114 | 0 | 0 | **230** | 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 (24 units at 30% AMI and 46 units at 50% AMI). An additional 10% of total units (24 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 136 restricted units will be at or below 120% of AMI.
3. In addition, the Project will be restricted by the following jurisdictions described below:
    a. The City of Los Angeles will restrict 5 units at or below 50% of AMI, 2 units at or below 60% AMI, 183 units at or below 80% AMI, and 40 units at or below 120% of AMI for a term of at least 55 years.

| 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% | 10 | 4 | 10 | 0 | 0 | 0 | 24 | 10% |
| 40% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| 50% | 20 | 7 | 19 | 0 | 0 | 0 | 46 | 20% |
| 60% | 20 | 7 | 19 | 0 | 0 | 0 | 46 | 20% |
| 70% | 51 | 18 | 45 | 0 | 0 | 0 | 114 | 49% |
| 80% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| 120% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Manager | 0 | 0 | 2 | 0 | 0 | 0 | 2 | 1% |
| Market | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total | 101 | 36 | 95 | 0 | 0 | 0 | 232 | |
| AMI Avg | 60.1% | 59.7% | 59.6% | | | | 59.83% | |

Note (if any):

- 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 | 232 | Construction Start Date | 06/12/2026 |
| Regulated Units | 230 | Construction Completion Date | 10/1/2028 |
| Manager Units (Market Rate) | 2 | Construction Period (months) | 30 |
| Total Residential Square Feet | 103,994 | Lease-up Commencement Date: | 11/1/2028 |
| Avg Sq Ft/Unit | 453 | Lease-up Completion Date | 04/1/2029 |
| Rental Subsidies? | 0 | Lease-up Period (months) | 6 |
| No. of Units with Rental Subsidies | 0 | Est. Stabilization /Perm Conversion Date | 10/1/2029 |
| Rental Subsidy Contract Term (Initial) | 0 | Lease-up Completion to Stabilization (months) | 6 |

| 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** | 4,976,892 | 5,493,558 | 6,215,456 | 7,032,218 | 7,388,224 |
| Other Income/Subsidies | 48,859 | 53,931 | 61,018 | 69,036 | 72,531 |
| Projected Vacancy and Discount Loss | 248,835 | 274,667 | 310,761 | 351,597 | 369,397 |
| Effective Gross Income (EGI) | 4,776,916 | 5,272,822 | 5,965,714 | 6,749,658 | 7,091,359 |
| Total Operating Expenses | 1,546,513 | 1,766,051 | 2,086,125 | 2,465,759 | 2,636,720 |
| Reserve For Replacement | 69,600 | 72,426 | 76,120 | 80,003 | 81,611 |
| **Net Operating Income (NOI)** | 3,230,403 | 3,506,770 | 3,879,589 | 4,283,899 | 4,454,639 |
| Total Debt Service & Other Payments | 2,803,045 | 2,803,045 | 2,803,045 | 2,803,045 | 2,803,045 |
| Cash Flow After Debt Service | 427,358 | 703,726 | 1,076,544 | 1,480,854 | 1,651,594 |
| **Debt Service Coverage Ratio** | 1.15 | 1.25 | 1.38 | 1.53 | 1.59 |
| **Income/Expense Ratio** | 3.09 | 2.99 | 2.86 | 2.74 | 2.69 |
| | | | | | |
| Less: | | | | | |
| LP Management Fee* | 20,000 | 22,510 | 26,095 | 30,252 | 0 |
| GP Partnership Management Fee (See Note 2) | 15,000 | 16,883 | 19,572 | 22,689 | 0 |
| Other CalHFA approved Partnership Fee | | | | | |
| **Total Fees** | $35,000.00 | $39,393.00 | $45,667.00 | $52,941.00 | $ 0.00 |
| **Annual Cap Limit** | $40,500 | $45,583 | $52,843 | $61,260 | Choose an item. |
| [*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 | 392,358 | 2,635,936 | 7,045,221 | 10,230,887 | 11,839,471 |
| Residual Receipts % | 0% | 0% | 0% | 50% | 50% |
| Cumulative Residual Receipts Repayment | 0 | 0 | 0 | 3,147,467 | 4,756,051 |
| | | | | | |
| **Unpaid/Accrued CalHFA loan Balance** | | | | | |
| Perm Loan | 22,285,468 | 21,742,401 | 20,823,516 | 19,539,528 | 18,892,934 |
| MIP Loan | 4,000,000 | 4,480,000 | 5,080,000 | 3,240,475 | 1,919,657 |
| | | | | | |
| Reserves Balances | | | | | |
| Operating Reserve | 1,463,845 | 1,463,845 | 1,463,845 | 1,463,845 | 1,463,845 |

| 6c | Exit Analysis Requirements | | |
|---|---|---|---|
| **Exit Year** | 17 | **Assumed Refi Year** | 16 |
| **Cap Rate Increase** | 2.00% | **Interest Rate Increase** | 3.00% |
| **UW Loan Amount** | $22,400,000 | **Max. Refi Loan Size** | $35,411,085 |
| **Appraised Value** | $62,371,796 | **Max LTV at Refi** | 57% |
| **Unpaid Principal Balance (1st Lien)** | $(16,184,042) | **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 and MIP Subsidy loan.

## 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.
- The site is exposed to a Future Noise Environment of up to 66 dB, which is considered "Normally Unacceptable" by HUD standards. The common outdoor space is exposed to 65 dB or less, which is considered "Acceptable" by HUD Standards. Design mitigation is required to bring interiors to 45 dBA DNL or less.
- HUD NEPA approval has been received.

## 9 Underwriting and Term Sheet Variations

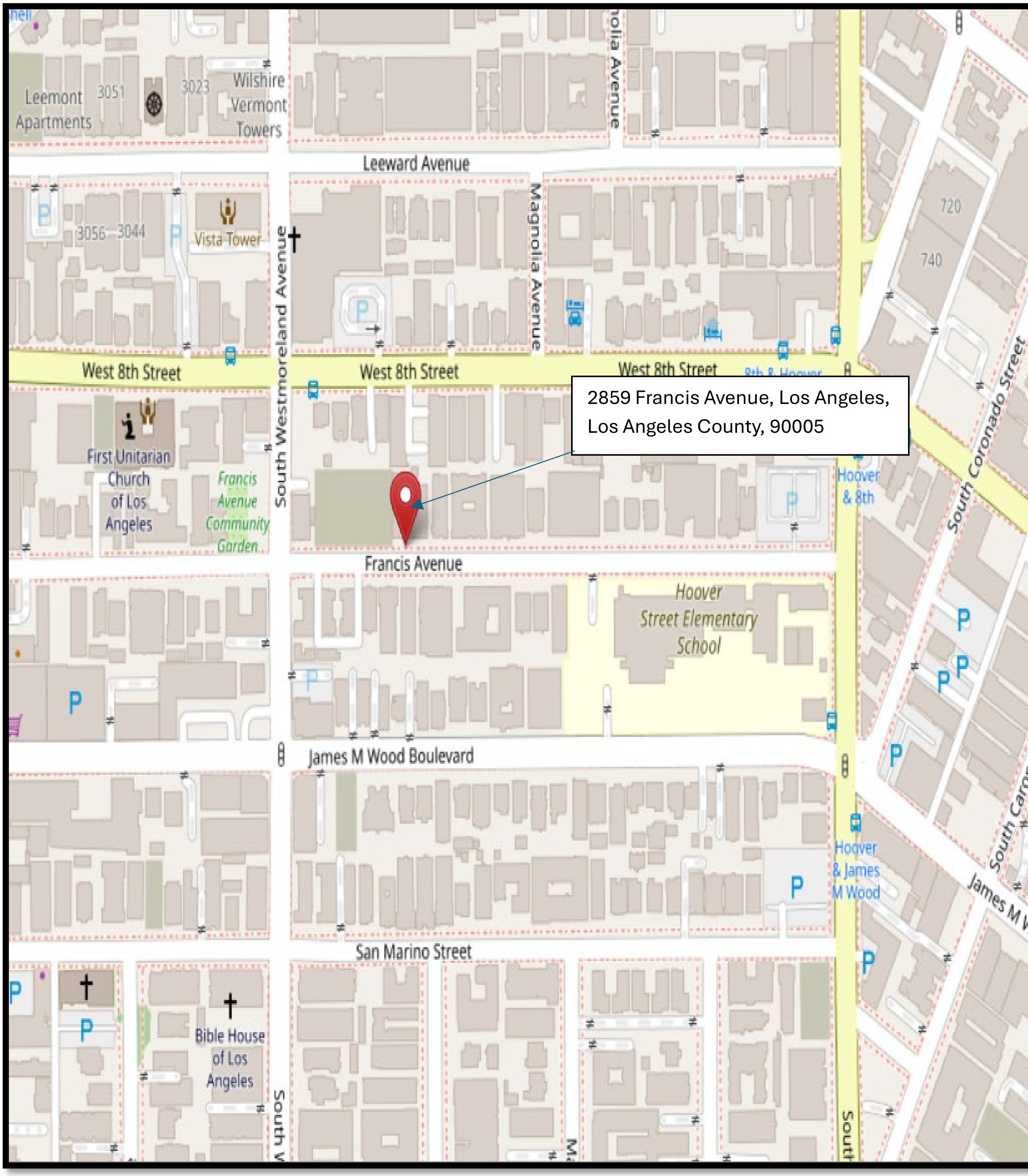
1. To ensure the deferred developer fee is repaid by year 15, the surplus cash distribution is underwritten showing 100% being applied to reducing the deferred developer fee until full repayment which is currently projected in year 11. Thereafter, the surplus cash split shall be 50% to Borrower and 50% 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 |
|---|---|

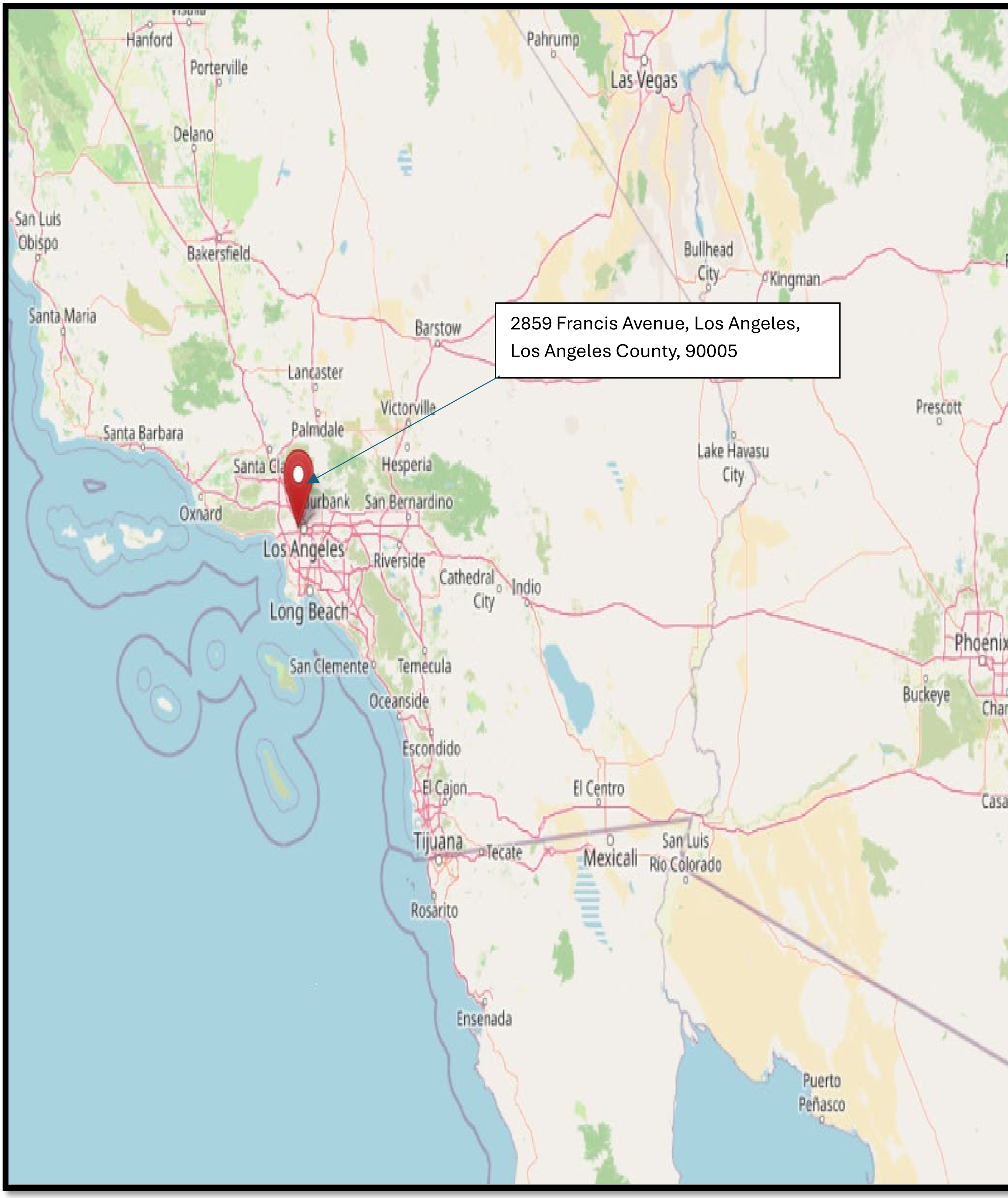
The Multifamily Lending Division supports approval of the described financing in the amount(s) requested, subject to the above proposed terms and conditions.

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.

# Francis Avenue Apartments - Near



# Francis Avenue Apartments - Far



# BOARD OF DIRECTORS
# OF THE CALIFORNIA HOUSING FINANCE AGENCY

## RESOLUTION NO. 26-15

## RESOLUTION AUTHORIZING A FINAL LOAN COMMITMENT

WHEREAS, the California Housing Finance Agency (the "***Agency***") has received a loan application on behalf of Francis Venture 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 Francis Avenue Apartments (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 interim Executive Director exercised the authority delegated to her under Resolution 15-16 to declare the official intent of the Agency to reimburse such prior expenditures for the Development; and

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

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

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

1. The Executive Director, or in 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 | |
|---|---|---|---|
| 25-011-A/X/S | FRANCIS AVENUE APARTMENTS<br>City of Los Angeles, County of Los Angeles<br>California | $38,900,000.00 | 1st Lien Bond Loan With Hud Risk Sharing |
| | | [$22,400,000.00 | Tax-Exempt |
| | | $16,500,000.00 | Taxable] |
| | | $ 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. 26-15 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 21st day of May, 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 21st day of May, 2026.

ATTEST: __________________________________

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

# MEMORANDUM

**To:** Board of Directors **Date:** May 21, 2026

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

**Subject:** Agenda Item 7 - Updated Draft Strategic Plan FY 2026-29

## Background

This item provides the CalHFA Board of Directors with the updated Draft Strategic Plan for the Fiscal Years 2026-2029 ("Plan"). At the February 2026 Strategic Plan Workshop, we heard clear guidance to highlight the human impact of our work, strengthen the connection between the mission/vision and goals, and tie together goals, metrics, and initiatives more clearly.

**Our updated Plan reflects the board's guidance in key areas.**

First, we adjusted the language of our goals to better align with our mission and vision with a focus on highlighting the impact of our work. Each goal now speaks to the Californians and communities we serve, not just units, volume, or financing tools.

Second, we strengthened alignment across the elements of the Plan by introducing capabilities that create clearer connections between our goals, metrics, and priority initiatives. These capabilities represent the internal strengths, skills, and systems we must develop or maintain to deliver on our goals and ensure consistent alignment between what we aim to accomplish, how we measure success, and where we focus our efforts. They include:

1. Financial Expertise

- Skill in evaluating financial risks, analyzing capital needs, modeling scenarios, and making informed decisions about bond use, pricing, and portfolio health, as well as conducting loan underwriting and risk assessment for both single-family and multifamily lending.

- Ability to design, price, manage, and optimize capital across cycles and with a long-term strategic view while maintaining AA rating and generating sustainable net revenue.

2. Product Design & Optimization

- Skill in analyzing housing needs, gathering insight from partners, evaluating performance data, and using disciplined testing and judgment to design, improve, or retire products.

- Ability to continuously design, evaluate, adjust, and sunset financing products aligned with housing gaps, state priorities, and future-focused financial health.

3. Collaboration

- Skill in building trust, communicating clearly, and facilitating shared problem-solving with internal teams and external partners, drawing on cultural competency, community-specific engagement strategies, process analysis, and policy interpretation to create simple workflows and practices.

- Ability to collaborate across teams, divisions, and agencies to simplify processes, strengthen alignment and support a more connected housing finance ecosystem.

4. Operational Effectiveness

- Skill in designing clear workflows, using data to monitor performance, and applying continuous improvement methods to run efficient, accurate, dependable processes.

- Ability to modernize systems, automate workflows, integrate data, and use real-time metrics to drive decisions, supported by strong data practices that produce clear, reliable analysis and reporting.

5. Team Development

- Skill in collaborating effectively, giving and receiving feedback, modeling expected behaviors, supporting shared learning, adapting with a growth mindset, and contributing to a culture of ownership, follow-through, and continuous improvement.

- Ability to build empowered teams, encourage cross-functional ownership, support transparent decision-making, and drive disciplined execution aligned rooted in growth-mindset principles

Finally, we translated our goals, metrics, and capabilities into a focused set of annual initiatives that clarify the actions we will take to deliver on this Plan. **For Fiscal Year 2026-27, CalHFA's initiatives collectively emphasize:**

- Building new, flexible, market-filling financing products
- Driving toward more reliable, coordinated, and innovative financing solutions to create and preserve more housing
- Strengthening partnerships across all levels of government and industry
- Modernizing systems and operations for faster, more transparent delivery
- Developing an empowered workforce equipped for continuous improvement
- Ensuring long-term financial strength to sustain CalHFA's mission

Together, these initiatives represent our commitment to translating strategy into action that makes a real difference for the people and communities we serve. As we advance this work, we look forward to partnering with the Board to ensure CalHFA continues to expand access to stable, affordable homes across the state.

# Fiscal Years 2026-29 Strategic Plan

## MISSION

**Delivering reliable financing solutions to advance housing opportunities for Californians.**

## VISION

**Every Californian can build a thriving life in a stable home.**

### Goal 1: Advance Housing Opportunities

**Help more Californians access safe, stable homes by expanding programs and funding innovation.**

*We're working to build more homes for Californians by using a mix of funding sources, exploring new approaches, and expanding programs that serve families and communities. Through initiatives that boost supply, provide construction financing, and protect existing housing, we'll open doors to homeownership and affordable housing for more people. These actions will help in addressing the broad housing needs of Californians.*

**Multifamily Programs Metric**
Develop and deploy lending products that support multifamily housing production and account for 50% of state private activity bonds allocated.

**Single Family Programs Metric**
Expand single family lending products and programs to incentivize new entry-level single-family housing production such that 5% of single-family lending portfolio supports new supply.

## CAPABILITIES

- **Financial Expertise**
- **Product Design & Optimization**
- **Collaboration**
- **Operational Effectiveness**
- **Team Development**

### Fiscal Year 2026-27 Initiatives

1. Scale Employer Based Down Payment Assistance Program to include participation of additional partners.
2. Develop new homeownership supply program(s) to incentivize the production of new entry level homeownership products.
3. Develop and deploy a construction loan product that fills critical financing gaps and delivers mission-aligned capital to accelerate and increase multifamily housing production.
4. Develop and implement Preservation Financing Tools to support acquisition, rehabilitation and recapitalization that extends affordability and stabilizes aging multifamily properties.

### Success Looks Like

- **Comprehensive, Market-Filling Products:** Offering competitive lending solutions that address gaps, improve affordability, and support construction and preservation for a variety of housing types.
- **Coordinated, Reliable Execution:** Coordinating construction and permanent financing with clear terms and efficient processes, making CalHFA a trusted partner.
- **Support for Affordability and Longevity:** Providing financing tools for recapitalization, rehabilitation, and preservation to protect existing homes and for enabling new entry-level housing.

## Goal 2: Expanded Partnerships for Thriving Communities

**Build thriving communities by working with our government partners to make housing easier to create and access.**

*CalHFA is building stronger partnerships with tribal, local, state, and federal governments to better coordinate on housing solutions. By sharing tools, standardizing processes, and offering more technical support, we can make program delivery simpler and faster, creating more opportunities for Californians to live in stable homes where they can thrive.*

### State Metric

In partnership with Housing Development and Finance Committee, accelerate multi-family lending application reviews involving multiple state entities by 50% and reduce duplicative asset management efforts by at least 50%.

### Tribal Metric

Increase coordination and program delivery with tribal governments through development of at least 1 new product.

**Local Metric**
Increase partnerships with local governments and housing authorities to support production through joint investments of at least $500M.

## CAPABILITIES

- **Product Design & Optimization**
- **Collaboration**
- **Operational Effectiveness**
- **Team Development**

### Fiscal Year 2026-27 Initiatives

1. Support the establishment of the Housing Development Finance Committee Executive Committee—developing governance structures, operational processes, public-meeting compliance mechanisms, and cross-agency coordination frameworks to fully operationalize the Committee.
2. Establish a coordination model that brings tribes, lenders, loan officers, developers, other state partners and localities together early in program and project development to build trust, reduce barriers, and strengthen tribal capacity to advance housing priorities.
3. Support Housing Authorities to more easily advance housing production through funding efforts with CalHFA.

### Success Looks Like

- **Unified Government Action:** Stronger collaboration to streamline housing finance and program delivery.
- **Accelerated, Efficient Processes:** Simplified, standardized approaches remove barriers, speed reviews, and improve resource use to remove barriers and accelerate housing statewide.
- **Expanded Partnerships for Impact:** Supporting housing production that builds thriving communities aligned with local and regional needs and goals.

## Goal 3: Efficiently Deliver Reliable Financing Solutions

**Create simpler paths to reliable financing solutions by modernizing processes and building an empowered, high-performing workforce.**

*Our daily work is what turns CalHFA's mission into real impact. We will invest in our employees by expanding training, strengthening leadership skills, and fostering a workplace that supports teamwork and new ideas. We will also improve our systems, use data more effectively, and adopt technology that makes our work faster, easier, and more transparent. By aligning our people, tools, and goals, we will build an organization that can adapt and confidently meet future challenges. At the same time, we will manage risk and strengthen our financial position to ensure long-term stability and sustainability. Maintaining a strong financial position allows us to invest more deeply in the homes, communities, and partnerships that help people find stability and opportunity.*

### Financial Sustainability & Portfolio Resilience Metric

Maintain AA rating while increasing the value of the Agency's assets by at least 50%.

### Training Metric

Achieve at least 80% staff participation in new training opportunities focused on building and strengthening our capabilities, with at least 75% learner satisfaction.

### Systems Metric

Implement new processes and technology systems to reduce review and approval time for Multifamily lending operations by 25%.

## CAPABILITIES

- **Financial Expertise**
- **Collaboration**
- **Operational Effectiveness**
- **Team Development**

### Fiscal Year 2026-27 Initiatives

1. Launch a cross-divisional Multifamily Operations and Workflow Optimization program to drive efficiency by streamlining core processes, strengthening coordination among contributing divisions, integrating modern technology, and improving transparency through data-driven tools.

2. Procure and implement a unified end-to-end lending platform establishing a single, trusted source for all multifamily lending data and compliance.
3. Develop and provide a CalHFA specific training program that builds strong leaders and equips all employees with modern, practical tools to identify inefficiencies and improve how work gets done.
4. Modernize IT service delivery by standardizing processes and implementing reliable, transparent, and user-focused operations that equip staff with dependable tools to support CalHFA's mission.
5. Implement new online and on demand Lender Training System.

### Success Looks Like

- **Risk and Capital Alignment:** Managing risk across housing and capital market cycles and positioning capital for long-term housing goals, accepting increased value with ratings no lower than AA.
- **Engaged Experts Driving Impact:** A skilled, motivated workforce bringing creativity and leadership to solve housing challenges and deliver meaningful results for California communities.
- **Agile, Future-Ready Organization:** Modern systems and data-driven tools enable faster decisions, continuous improvement and adaptability, positioning CalHFA to meet evolving housing challenges with confidence.
- **Aligned People and Technology:** Empowered employees and streamlined processes work together to deliver greater efficiency, clarity, and impact in housing finance.

## Appendix – Glossary

**Mission**

- Our core purpose. Why CalHFA exists.

**Vision**

- What CalHFA aspires to achieve in the long term.

**Values**

- The principles that guide our behavior and decision-making process.

**Goals**

- Long-term desired outcome.

**Metric**

- An indicator to assess the success of our goals.

**Capabilities**

- The internal strengths, skills, systems, and partnerships we must develop or maintain to deliver on our Goals.

**Financial Expertise**

- Skill in evaluating financial risks, analyzing capital needs, modeling scenarios, and making informed decisions about bond use, pricing, and portfolio health, as well as conducting loan underwriting and risk assessment for both single-family and multifamily lending.
- Ability to design, price, manage, and optimize capital across cycles and with a long-term strategic view while maintaining AA rating and generating sustainable net revenue.

**Product Design & Optimization**

- Skill in analyzing housing needs, gathering insight from partners, evaluating performance data, and using disciplined testing and judgment to design, improve, or retire products.
- Ability to continuously design, evaluate, adjust, and sunset financing products aligned with housing gaps, state priorities, and future-focused financial health.

**Collaboration**

- Skill in building trust, communicating clearly, and facilitating shared problem-solving with internal teams and external partners, drawing on cultural competency, community-specific engagement strategies, process analysis, and policy interpretation to create simple workflows and practices.
- Ability to collaborate across teams, divisions, and agencies to simplify processes, strengthen alignment and support a more connected housing finance ecosystem.

**Operational Effectiveness**

- Skill in designing clear workflows, using data to monitor performance, and applying continuous improvement methods to run efficient, accurate, dependable processes.

- Ability to modernize systems, automate workflows, integrate data, and use real-time metrics to drive decisions, supported by strong data practices that produce clear, reliable analysis and reporting.

**Team Development**

- Skill in collaborating effectively, giving and receiving feedback, modeling expected behaviors, supporting shared learning, adapting with a growth mindset, and contributing to a culture of ownership, follow-through, and continuous improvement.
- Ability to build empowered teams, encourage cross-functional ownership, support transparent decision-making, and drive disciplined execution aligned rooted in growth-mindset principles.

Cal HFA

# MEMORANDUM

**To:** Board of Directors **Date:** May 21, 2026

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

**Subject:** Agenda Item 8A - Update on FY 2025-26 Q3 Strategic Plan ending March 31, 2026

## Background

In May 2023, the Board of Directors adopted a three-year CalHFA Strategic Plan for fiscal years 2023-24 through 2025-26. The plan defines CalHFA's goals, measures, and objectives. Annually, the CalHFA executive team develops key initiatives to help achieve the Strategic Goals set by the Board. The plan was formed in alignment with CalHFA's mission and vision and serves to amplify the Agency's commitment and continuous efforts to serve the diverse communities of California.

CalHFA focused its strategies and business decisions on these four goals:

1. **Lending Impact** - Focus lending activities on broadening access to affordable housing opportunities for a diverse population.

2. **Financial Sustainability** - Leverage opportunities and create innovative products that ensure financial sustainability and continue to serve the affordable housing market.

3. **Trusted Advisor** - Affirm CalHFA as a trusted housing finance advisor that understands the needs of California's diverse communities.

4. **Operational Excellence** - Invest in continuous improvement and cultivate an inclusive and highly qualified workforce.

**Third Quarter Update**

This item provides the Board of Directors with an update on the strategic progress in the third quarter of Fiscal Year 2025-26. Overall, all measures and objectives are currently on track, reflecting steady progress toward the Agency's strategic goals. A dashboard is included to provide an overview of the performance, an update on the Single Family and Multifamily production, a high-level budget update, and a few notable highlights.

# STRATEGIC MEASURES – Q3

## Goal 1: Lending Impact

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

| STRATEGIC MEASURES | TOLERANCES | Q1 | Q2 | Q3 | Q4 | Comments |
|---|---|---|---|---|---|---|
| Increase Single Family first mortgage dollar lending volume and number of loans 5% by 2026. | Volume<br>≥ $1.575B<br>$1.54B -1.574B<br>≤ $1.53B | | | | | |
| | Loan Counts<br>≥ 4,035 loan<br>3,954 – 4,034 loans<br>≤ 3,953 loans | | | | | |
| Increase Multifamily dollar lending volume, unit production, and conduit issuer volume 5% by 2026. | Conduit Issuer Volume<br>≥ $1.213B<br>$1.190B - $1.212B<br>≤ $1.189B | | | | | |
| | Volume<br>≥ $535M<br>$524M – $534M<br>≤ $523M | | | | | |
| | Units<br>≥ 4,887 units<br>4,790 – 4,886 units<br>≤ 4,789 units | | | | | |

## 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.

| STRATEGIC MEASURES | TOLERANCES | Q1 | Q2 | Q3 | Q4 | Comments |
|---|---|---|---|---|---|---|
| Maintain risk-adjusted rate of return on restricted assets. | ≥ 5.3%<br>4.5% – 5.2%<br>≤ 4.4% | | | | | |
| Identify and implement new revenue generating strategies. | Yes<br>No<br>None Planned | | | | | |
| Grow the Agency's balance sheet, increasing total assets by 5% by 2026. | ≥ $2.835B<br>$2.834B - $2.79B<br>≤ $2.78B | | | | | |
| Maintain financial liquidity with a minimum of 20% of net assets as short-term investments | Yes<br>No | | | | | |

# STRATEGIC MEASURES – Q3

## Goal 3: Trusted Advisor

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

| STRATEGIC MEASURES | TOLERANCES | Q1 | Q2 | Q3 | Q4 | Comments |
|---|---|---|---|---|---|---|
| Increase public presence and publications 10% by 2026. | ■ ≥ 70 appearances<br>■ 61 – 69 appearances<br>■ ≤ 60 appearances | | | | | |
| Partner, fund, and/or participate in housing finance data analytics reports. | ■ Yes<br>■ No<br>■ None Planned | | | | | |
| Receive industry recognition and/or awards for CalHFA specific programs. | ■ 3 awards<br>■ 2 award<br>■ 1 award | | | | | |

## Goal 4: Operational Excellence

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

| STRATEGIC MEASURES | TOLERANCES | Q1 | Q2 | Q3 | Q4 | Comments |
|---|---|---|---|---|---|---|
| Implement informed decision-making tools and processes. | ■ Tools being used for >50%<br>■ Tools being used for 25-50%<br>■ Tools being used <25% | | | | | |
| Increase Great Place to Work certification score 5% by 2026. | ■ ≥ 73%<br>■ 72%<br>■ ≤ 71% | | | | | |
| Fill 80% of all key positions. | ■ ≥ 80%<br>■ 75% – 79%<br>■ ≤ 74% | | | | | |

# FY 2025–26 STRATEGIC PLAN STATUS UPDATE - Q3

## OVERALL OBJECTIVES PERFORMANCE STATUS

### 12 Strategic Objectives

| | | |
|---|---|---|
| 100% | **12** On-Target | |
| 0% | **0** At-Risk | |
| 0% | **0** Off-Target | |

## SINGLE FAMILY PRODUCTION UPDATE

**5,037** Homebuyers Assisted

**$43.66M** Revenue Generated

**$2.47B** Lending Volume Activity

## MULTIFAMILY PRODUCTION UPDATE

**4,356** Affordable Housing Units Financed

**$8.84M** Revenue Generated

**$2.18B** Lending Volume Activity

## Operating Expenditures

OPERATING REVENUE

**$76.2M**

Single Family & Multifamily revenues

OPERATING EXPENSES

**$34.5M**

Net Operating Revenue

**$41.7M**

**12 Months Projections**

| | |
|---|---|
| Revenues | $96.6M |
| Expenses | ($44.9M) |
| **Net** | **$51.6M** |

## Highlights

CalHFA Executive Director Tony Sertich (in January) and Director of Multifamily Programs Katherine McFadden (in March) each spoke at Grand Opening events for Mixed-Income Program developments that are providing a combined 298 units of affordable housing in Santa Clara and San Diego counties.

CalHFA hosted or participated in six housing roundtable/listening session events for Tribal partners throughout the state during Q3 and hosted a listening session for affordable housing developers.

At the Housing California Annual Conference in March, the Agency hosted **CalHFA Connect: Office Hours** which provided attendees with the opportunity to engage with CalHFA leadership and program experts.

# MEMORANDUM

**To:** Board of Directors **Date:** May 13, 2026

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

**Subject:** Agenda Item 8B - FY 2025/26 Q3 Operating Budget Update

## Background

In June 2025, the CalHFA Board of Directors approved the operating budget for fiscal year 2025-26. The purpose of this memorandum is to provide quarterly budget performance, full fiscal year projections, and multi-year trend analysis. Under the California Health and Safety Code, CalHFA's policy is to conduct its operations to be fiscally self-sufficient.

## Changes to Quarterly Budget Presentation

As a reminder, starting this fiscal year, changes were made to the categorization of operating revenues to improve transparency and quality of financial metrics presented to the Board of Directors. Two new categories have been added to the existing four categories, which will now be as follows:

**Securitization** – Revenues derived from the sale of securities for single family programs and the issuance of conduit bonds for multifamily programs.

**Lending Fees** – Generally, fees paid by a borrower to the Agency

**Loan Servicing** – Generally, fees earned from servicing of single-family whole loans, plus fees earned from serving Multifamily Mental Health Services Act and Special Needs Housing loans of local partners.

**Administration Fees** – Generally, fees paid by a third party to the Agency for a mandated program.

**Interest** – Earnings derived from the spread received between the Agency's loan rate and cost of capital. Typically, these earnings are from lending activities in prior fiscal years.

**Other and One-Time** – Extraordinary revenue that will not be relied upon in future years. For example, in prior presentations yield maintenance resulting from payoff of existing multifamily loans was reflected in interest.

## Quarterly Budget Performance

The following table provides a summary of the Agency's operations including unaudited actuals from January 1, 2026 through March 31, 2026.

| | FYTD Ending March 31, 2026 | | | |
|---|---|---|---|---|
| | Actual | Rev. Budget | Variance ($) | Variance (%) |
| Single Family Lending Revenue | | | | |
| Securitization | $ 33,384,578 | $ 17,550,000 | $ 15,834,578 | 90.2% |
| Lending Fees | - | - | - | |
| Loan Servicing | 603,763 | 292,500 | 311,263 | 106.4% |
| Administration Fees | 10,273,204 | 10,687,500 | (414,296) | -3.9% |
| Interest | 4,419,965 | 5,073,000 | (653,035) | -12.9% |
| Other | - | - | - | |
| *Sub-Total Single Family Revenue* | $ 48,681,511 | $ 33,603,000 | $ 15,078,511 | 44.9% |
| | | | | |
| Multifamily Lending Revenue | | | | |
| Securitization | $ 4,359,631 | $ 2,605,500 | $ 1,754,131 | 67.3% |
| Lending Fees | 9,303,590 | 8,494,500 | 809,090 | 9.5% |
| Loan Servicing | 1,045,443 | 787,500 | 257,943 | 32.8% |
| Administration Fees | 1,622,183 | 750,000 | 872,183 | 116.3% |
| Interest | 10,928,933 | 11,025,000 | (96,067) | -0.9% |
| Other | 205,123 | - | 205,123 | |
| *Sub-Total Multifamily Revenue* | $ 27,464,903 | $ 23,662,500 | $ 3,802,403 | 16.1% |
| | | | | |
| **Total Operating Revenue** | $ 76,146,414 | $ 57,265,500 | $ 18,880,914 | 33.0% |
| | | | | |
| Operating Expenses | | | | |
| Personnel Services | $ 23,048,750 | 25,351,656 | $ (2,302,906) | -9.1% |
| General Expenses | 490,931 | 651,188 | (160,256) | -24.6% |
| Communications | 266,474 | 318,563 | (52,089) | -16.4% |
| Consulting | 3,045,843 | 4,500,281 | (1,454,438) | -32.3% |
| Information Technology | 1,597,577 | 2,111,757 | (514,180) | -24.3% |
| Facilities Operations | 2,102,098 | 2,105,883 | (3,785) | -0.2% |
| Training | 100,697 | 243,375 | (142,678) | -58.6% |
| Travel | 335,789 | 330,188 | 5,601 | 1.7% |
| Central Admin. Services | 2,752,502 | 2,064,377 | 688,126 | 33.3% |
| Equipment | 733,909 | 202,500 | 531,409 | 262.4% |
| | | | | |
| **Total Operating Expenses** | $ 34,474,570 | $ 37,879,766 | $ (3,405,196) | -9.0% |
| | | | | |
| **Net Operating Income** | $ 41,671,844 | $ 19,385,734 | $ 22,286,110 | 115.0% |

## Budget Discussion

As stated in the previous memorandums, revenue budget numbers have been revised to include expected Dream for All revenues for Single Family programs and delays in closing for certain Multifamily commitments.

Third quarter revenues for Single Family programs exceeded budget by $15.1 million, or 44.9%. The positive variance is due to the higher than projected specified pool pay-up amounts through the sale of mortgage-backed securities and higher volume of loans in the flagship MyHome program. The pay-up amounts are higher due to securitizations of first mortgages with Dream For All loans.

Third quarter revenues for Multifamily programs exceeded budget by $3.8 million, or 16.1%. The primary factor contributing to this significant positive variance is the delay of certain conduit bond closings from the prior fiscal year.

Total operating expenses are $3.4 million under budget, or 9%. Consulting, training, information technology, and general expenses are significantly below budgeted amounts for the third quarter.

## Budget Projections

Financial projections are presented for the full fiscal year ending June 30, 2026. Projections are based on 1st quarter, 2nd quarter, and 3rd quarter unaudited actuals with historical trends.

| | Fiscal Year Ending June 30, 2026 | | | |
|---|---|---|---|---|
| | Projection | Rev. Budget | Variance ($) | Variance (%) |
| Single Family Lending Revenue | | | | |
| Securitization | $ 41,076,052 | $ 23,400,000 | $ 17,676,052 | 75.5% |
| Lending Fees | - | - | - | |
| Loan Servicing | 729,454 | 390,000 | 339,454 | 87.0% |
| Administration Fees | 13,247,006 | 14,250,000 | (1,002,994) | -7.0% |
| Interest | 5,616,500 | 6,764,000 | (1,147,500) | -17.0% |
| Other | - | - | - | |
| *Sub-Total Single Family Revenue* | $ 60,669,011 | $ 44,804,000 | $ 15,865,011 | 35.4% |
| Multifamily Lending Revenue | | | | |
| Securitization | $ 5,543,448 | $ 3,474,000 | $ 2,069,448 | 59.6% |
| Lending Fees | 12,201,921 | 11,326,000 | 875,921 | 7.7% |
| Loan Servicing | 1,307,943 | 1,050,000 | 257,943 | 24.6% |
| Administration Fees | 2,054,765 | 1,000,000 | 1,054,765 | 105.5% |
| Interest | 14,571,910 | 14,700,000 | (128,090) | -0.9% |
| Other | 205,123 | - | 205,123 | |
| *Sub-Total Multifamily Revenue* | $ 35,885,111 | $ 31,550,000 | $ 4,335,111 | 13.7% |
| **Total Operating Revenue** | $ 96,554,122 | $ 76,354,000 | $ 20,200,122 | 26.5% |
| Operating Expenses | | | | |
| Personnel Services | $ 30,941,541 | $ 33,802,208 | $ (2,860,667) | -8.5% |
| General Expenses | 648,306 | 868,250 | (219,944) | -25.3% |
| Communications | 328,657 | 424,750 | (96,093) | -22.6% |
| Consulting | 3,948,995 | 6,000,375 | (2,051,380) | -34.2% |
| Information Technology | 2,111,096 | 2,815,676 | (704,580) | -25.0% |
| Facilities Operations | 2,786,261 | 2,807,844 | (21,583) | -0.8% |
| Training | 121,476 | 324,500 | (203,024) | -62.6% |
| Travel | 431,845 | 440,250 | (8,405) | -1.9% |
| Central Admin. Services | 2,752,502 | 2,752,502 | - | 0.0% |
| Equipment | 834,780 | 270,000 | 564,780 | 209.2% |
| **Total Operating Expenses** | $ 44,905,459 | $ 50,506,355 | $ (5,600,896) | -11.1% |
| **Net Operating Income** | $ 51,648,662 | $ 25,847,645 | $ 25,801,017 | 99.8% |

## Multi-year Trends

| | 2022-23 | 2023-24 | 2024-25 | 2025-26E | YoY Change | 3-Year CAGR |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Single Family Lending | $54,684,065 | $42,498,278 | $63,352,619 | $60,669,011 | -4.2% | 3.5% |
| Multifamily Lending | 30,200,893 | 29,772,157 | 27,787,378 | 35,885,111 | 29.1% | 5.9% |
| **Total Revenue** | **$84,884,958** | **$72,270,435** | **$91,139,997** | **$96,554,122** | **5.9%** | **4.4%** |
| | | | | | | |
| **Expenses** | | | | | | |
| Personnel Services | $25,231,804 | $27,613,920 | $28,140,530 | $30,941,541 | 10.0% | 7.0% |
| Consulting | 1,787,462 | 2,604,942 | 3,334,008 | 3,948,995 | 18.4% | 30.2% |
| Facility Operations | 2,850,182 | 2,530,126 | 2,736,652 | 2,786,261 | 1.8% | -0.8% |
| Information Technology | 1,364,068 | 1,765,996 | 2,052,502 | 2,111,096 | 2.9% | 15.7% |
| Central Admin. Services | 1,988,979 | 1,977,484 | 2,295,321 | 2,752,502 | 19.9% | 11.4% |
| Other | 1,168,832 | 1,314,218 | 1,742,581 | 2,365,065 | 35.7% | 26.5% |
| **Total Expenses** | **$34,391,327** | **$37,806,685** | **$40,301,595** | **$44,905,459** | **11.4%** | **9.3%** |
| | | | | | | |
| **Net Operating Revenue** | **$50,493,631** | **$34,463,750** | **$50,838,402** | **$51,648,662** | **1.6%** | **0.8%** |

Projected full year revenues are $5.4 million or 5.9% higher than the prior fiscal year, while expenses are $4.6 million or 11.4% higher. This results in a year-over-year increase in net operating revenue of $0.8 million or 1.6%.

The three-year trend mirrors the change, with a compounded annual increase in revenue of 4.4% and a compounded annual growth rate of 9.3% in operating expenses, resulting in CAGR of 0.8%.