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

1	Project Summary
	Project Description

Sherman Apartments (the "Project") is a new construction, affordable senior (age restricted) apartment community. The total development site area is 2.12 acres and is in Los Angeles, Los Angeles County. The project is designed as a six-story podium-style building, consisting of five stories of residential construction over a single-story street grade podium parking garage. The Project will have total 244 residential units, of which 241 units will be restricted between 30% and 70% of the Los Angeles County Area Median Income (AMI). There will be 221 one-bedroom units (480 sq. ft.), and 20 two-bedroom units (641 sq. ft.). In addition, 3 of the two-bedroom units will serve as the manager's units. The Project will include 60 parking spaces within one level of at-grade podium parking, and 65 spaces in a surface lot, for a total of 125 parking spaces. The Project is a new construction project, with no related demolition of existing affordable housing, hence no existing affordable housing units will be lost nor will existing residential households be displaced as a result of this development.

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

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

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

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

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

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

2	Development and Financing Team		
Developer (Sponsor): Meta Development, LLC		**Co-developer:** N/A	
New to CalHFA?	No	New to CalHFA?	select
Affordable Housing/LIHTC experience?	Yes	Affordable Housing/LIHTC experience?	select
Has Projects in California?	Yes	Has Projects in California?	select
Borrower (Legal entity): Tampa Sherman, LP		**Co-Borrower (if any):** N/A	
Construction (Senior) Lender: 1) Capital One, National Association		**Construction Subordinate Lender(s):** N/A	
Permanent 1st lien Lender: 1) CalHFA		**Permanent Subordinate Lender(s):** 1) CalHFA (2nd lien)	
Federal LIHTC Investor: Red Stone Equity Partners LLC		**State LIHTC Investor:** Red Stone Equity Partners LLC	
Tax Credit Amount	$36,425,320	Tax Credit Amount	$21,000,000
Solar Tax Credit Investor: N/A			
Tax Credit Amount	N/A		
General Contractor: RAAM Construction, Inc.		**Management Company (Property Manager):** WSH Management	
Is an affiliate of Developer?	No	Is an affiliate of Developer?	No
Experience with CalHFA?	Yes	Total number of properties managed	81
Architect: Y&M		**Service Provider:** LifeSTEPS	
Has worked with GC?	Yes	Required by TCAC or other Funding sources?	Yes
Has experience designing and managing similar projects?	Yes	Terms of service (on-site, number of years)	15 years
		Support Services Cost (per Operating budget)	$27,000/year
Has housing projects in CA?	Yes	Per unit cost of services meets CDLAC req.?	Yes
Financial Advisor: Novogradac & Co, CPA		**Project Consultant:**	

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

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

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

Notes:

1. Construction interest reserve may be re-sized based on the final locked rate at construction closing. Any resulting funding gaps will be covered by the Developer until permanent loan closing.
2. If the rate on construction loan is fixed via the purchase of an interest rate derivative product prior to closing, the 100 bps underwriting cushion will be removed from the Project's development budget.

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

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

Notes (if any):

1. CalHFA will require review and approval of independent third-party prepared plan and cost review report for project plans and specifications (plan & specs) and cost review prior to construction loan closing.
2. The total hard cost contingency in the project is 8.28% of the Hard costs, which includes the contingency in the GC Schedule of Values (SOV) and has been reviewed by the CalHFA inspector to meet the USRM requirements and project scope for completion within the stipulated budget.
3. The total soft cost contingency in the project is 2.03% of eligible costs and has been reviewed by the Multifamily staff to meet the USRM requirements and project scope for completion within the stipulated budget.

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

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

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

Notes:

1. As a condition of this approval, the Borrower must provide evidence that the DDF repayment structure is required pursuant to the Limited Partnership Agreement (LPA). In addition, the owner must provide evidence of investor and all residual receipt lender(s) approvals of the total deferred developer's fee structure and residual receipt split. Residual receipt lenders must also agree to defer the payments on their loans. Any unpaid MIP principal and interest at refinance must be repaid by general partner contribution.
2. Any outstanding Deferred Developer Fee remaining at Year 15, even if within TCAC Maximum Limit, will be paid from Borrower's 50% share surplus cash distribution.
3. Any outstanding Deferred Developer Fee remaining in Year 15 and above TCAC Maximum Limit will be treated as developer contribution. The Limited Partnership Agreement (LPA) and the Tax Credit Investor written approval evidencing that any outstanding deferred developer fee remaining in Year 15 will be treated as a GP contribution will be required prior to construction closing.

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

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

5	**Affordability Requirements**
5a	CalHFA Regulatory Agreement Requirements

The CalHFA Permanent Financing Bond Regulatory Agreement will restrict a minimum of 40% of the total units at or below 60% AMI; with 30% of the total units (73 units) at or below 60% AMI and 10% of the total units (25 units) at 50% AMI for 55 years.

The CalHFA Subsidy Regulatory Agreement will restrict 241 units between 30% and 120% of AMI for a term of 55 years.

Number of Regulated Units and AMI Restrictions by Each Agency

Number of Units and Percentage of AMI Rents Restricted by each Agency										
Regulating Agency	Number of Units Restricted For Each AMI Category								Total Units	Percentage
	Lien	30%	40%	50%	60%	70%	80%	120%	Regulated	Regulated
CalHFA Bond	2nd			25	73				98	41%
CalHFA MIP	3rd	25		49		25		142	241	100%
CTCAC	4th	53		147	16	25			241	100%
Density Bonus or CUP	1st						192	49	241	100%
Other									0	0%
TOTALS		53	0	147	16	25	0	0	241	100%

Notes (if any):

1. The CalHFA MIP Subsidy Regulatory Agreement requires 30% of total units at or below 50% of AMI. Of these, a minimum of 10% of total units must be at or below 30% of AMI (25 units at 30% AMI and 49 units at 50% AMI). An additional 10% of total units [25 units] must be restricted between 60% and 80% of AMI with a minimum average of 70% of AMI for a term of 55 years.
2. The rents for the 60% to 80% tranche will be determined by the minimum income limit of 70% of AMI, not to exceed 80% of AMI. The remaining [142 units] restricted units will be restricted at or below 120% of AMI.
3. In addition, the Project will be restricted by the following jurisdictions described below:
   a. The City will restrict 192 units at or below 80% of AMI and 49 units at or below 120% of AMI for a term of at least 99 years. The rents for these units are subject to and the rents are based off of County of Los Angeles published rents.

5b	Unit Distribution for each AMI category

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

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

Note:

- The initial rents at permanent loan closing and in subsequent years must not be less than the underwritten rent levels outlined in the “Rent Summary Table” of the Financial Analysis enclosed as part of this Staff Report.
- The CalHFA regulatory agreement(s) will require minimum underwriting rent levels as outlined above.

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

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

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

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

Notes:

- The primary source of repayment for both the CalHFA 1st lien loan and MIP subsidy loan is refinance of the Project's first mortgage. The Exit analysis test for refinancing indicates that the Project will have the ability to fully repay the balance of the Agency's 1st lien loan and a portion of the unpaid MIP principal and interest. To mitigate the refinance risk, the Developer will be required to repay any remaining balance from a General Partner contribution as part of the final close-out of the partnership obligations to allow re-syndication.

7	Insurance Requirements

- **Seismic Review and Earthquake Insurance:** This new construction Project will be built to State and City of Los Angeles Building Codes so no seismic review is required and the project will not be subject to Earthquake Insurance.
- **Flood Designation and Insurance:** The subject is located in Flood Zone X (area of minimum flood hazard). Zone X is the area determined to be outside the 500-year floodplain, therefore the Project will not be subject to flood insurance.
- **Other Insurance Requirements:** N/A

8	Environmental Review

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

9	Underwriting and Term Sheet Variations

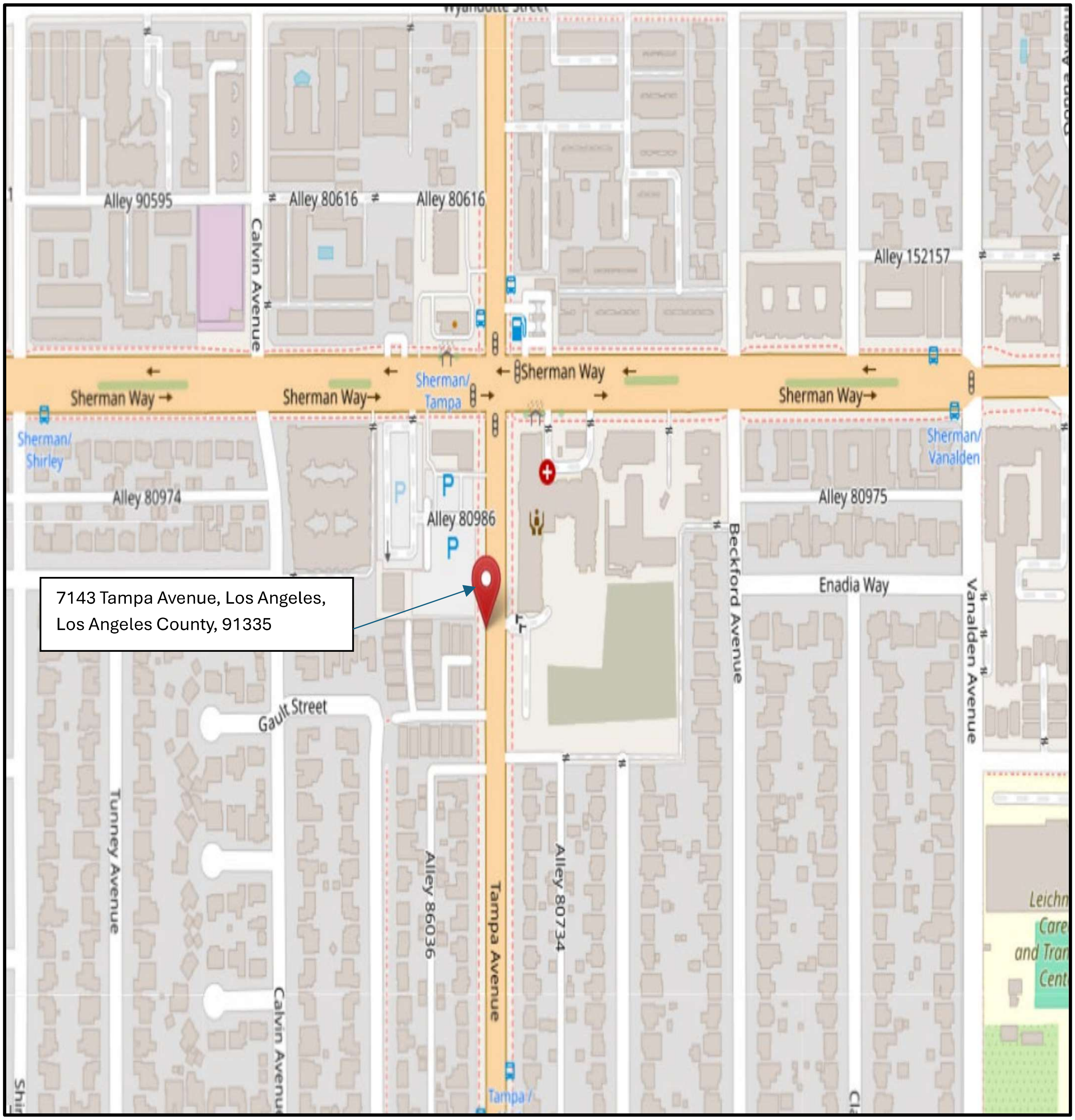
1. The City of Los Angeles is requiring a Density Bonus Agreement to be recorded in senior position to the CalHFA Deed of Trust. The Agreement should not have foreclosure rights and will require standstill provisions that are in excess of the affordability requirements for any period that the Agency is in possession of the property following a foreclosure or deed in lieu.
2. To ensure the deferred developer fee is repaid by year 15, the surplus cash distribution is underwritten showing 100% being applied to reducing the deferred developer fee until full repayment which is currently projected in year 13. Thereafter, the surplus cash split shall be 50% to Borrower and 50% to Residual Receipt lender(s). As a condition of this approval, the Borrower must provide evidence that the DDF repayment structure is required pursuant to the Limited Partnership Agreement (LPA). In addition, the owner must provide evidence of investor and all residual receipt lender(s) approvals of the total deferred developer's fee structure and residual receipt split. Residual receipt lenders must also agree to defer the payments on their loans. Any unpaid MIP principal and interest at refinance must be repaid by general partner contribution.

10	Approval Recommendation and Action

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

The Final Commitment of the Agency is subject to all CalHFA underwriting standards, applicable Term Sheet and CalHFA regulatory requirements, and any other applicable requirements. Any material deviation from the original financing structure, project changes, underwriting assumptions, or the failure of a condition of the Final Commitment Letter, if issued, can result in the Agency's decision to not proceed with the financing of the project at any stage during underwriting and prior to the closing of the Agency's financing.

Sheman Apartments - Near



Sherman Apartments- Far