



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



Notes (if any):

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



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

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

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

3	Summary of Material Changes from Initial Commitment Approval
	For any changes marked ☒ please explain the changes and the impact of such changes either in CDLAC scoring, financial risk to the Agency, or any other material impact to the underwriting of the loan
☐	Changes in Borrower/Sponsor entities including Co-developer(s), if any
☒	Changes in Other Development Team members: Construction Lender, Tax Credit Investor, General Contractor, Property Management Agent, Other lenders including subordinate lenders
☐	Changes in Project Scope (for example, addition of non-residential component)
☒	Changes in CalHFA loan amount (>10%) or changes in loan terms
☐	Changes in construction schedule and rent-up/conversion timeline
☐	Significant changes in project capital stack impacting project viability: DSCR, exit analysis, etc.
☒	Significant changes in Operating budget as well as rental assistance/operating subsidy assumptions
☐	Changes in CalHFA required reserves
☒	Changes in Affordability Restrictions including Unit distribution for regulated units
☒	Other material underwriting, project scope or financial structuring changes
Notes: - Development Team Member Changes: - Construction Lender is Bank of America (Citibank at Initial Commitment) - Tax Credit Investor is Bank of America (Boston Financial at Initial Commitment) - General Contractor is Westport Construction (TBD at Initial Commitment) - The City of Pomona is providing a development impact deferral loan. - Perm Loan amount increased by 11.07% from Initial Commitment - The Project's proposed Operating Expenses are above the TCAC minimums (at Initial Commitment they did not meet the TCAC minimums). - The City of Pomona will not have a Density Bonus Agreement but will rely on an affordable housing agreement recorded on the property that is deemed appropriate by the City Manager that restricts 158 units with rents not to exceed 80% AMI. - The Project received a supplemental bond allocation award on 10/10/2024.	

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

Notes:

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

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

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

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

5c	Construction Uses
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Construction Uses:	Amount (\$)	% of Total
Land and Improvement Value	\$3,025,000	3.72%
Other Acquisition Costs	\$477,533	0.59%
Construction/Rehab Costs	\$49,061,208	60.35%
Soft Costs (A&E, Legal, Title, and Other Soft Costs)	\$6,884,023	8.47%
Hard Cost contingency	\$3,909,972	4.81%
Soft Cost contingency	\$1,661,010	2.04%
Financing Costs (Interest Reserves, Fees, Taxes, and Insurance)	\$6,405,841	7.88%
Local Impact Fees and Permit Fees	\$6,328,620	7.78%
Cash Portion Developer Fee	2,228,947	2.74%
Other Costs (TCAC Fees, Furnishing, and Other Misc. Fees)	\$1,312,190	1.61%
Total Construction Uses	\$81,294,343	100%
Total Construction Cost per unit	\$508,090	
Total Construction Cost per CalHFA MIP Regulated Unit	\$514,521	

Notes:

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

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

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

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

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

5f	Federal and State Tax Credits			
Federal LIHTC Tax Credit Investor /Syndicator	Bank of America, N.A.			
State Housing Tax Credit Investor /Purchaser	Bank of America, N.A.			
Other Tax Credit Investor/Purchaser	N/A			
Tax Credit Type	Tax Credits Amount (\$)	Pricing (per Credit)	Tax Credit Equity (\$)	Tax Credit Equity per CTCAC Restricted Unit (\$)
Federal Tax Credits (New Const/Rehab)	\$41,110,170	\$0.93	\$38,232,458	\$260,191
State Housing Tax Credits	\$21,000,000	\$0.90	\$18,900,000	\$119,620
<Other Tax Credits: Solar, etc.>	N/A			
Total	\$62,110,170		\$57,132,458	\$379,811
Notes (if any):				
- The Project was awarded volume cap for bonds and Federal LIHTC tax credit allocation in the CDLAC/TCAC meeting on 8/7/2024 and received supplemental CDLAC allocation on 10/10/2024. - The Project has been awarded State Housing Tax Credits by TCAC.				

50% Aggregate Basis Test Requirements	
Accountant prepared Draft Financial Projections date	9/19/2024
Accounting firm name	Novogradac
T/E Private-Activity Bond Volume Cap Allocated	\$41,250,000
Aggregate Basis of building and land costs considered	\$79,532,413
% of Aggregate basis financed by T/E Bonds	51.86%
50% Test met per IRC Sec. 42 (h) for LIHTC?	Yes
Notes (if any):	
The supplemental allocation was requested to add a cushion to meet the project's 50% aggregate basis requirement (the "50% test") which was at approximately 52% based on the original development budget and is now approximately 51.86% due to recent budget adjustments/increase. The supplemental allocation is necessary to ensure that the private activity bonds account for at least 50% of depreciable basis plus land.	

5g	Developer Fee	
Developer fee category:	TCAC Maximum Limit	Actual Amount in Project Budget
Upfront Cash Developer Fee (a)	\$4,154,227	\$4,154,227
Deferred Developer Fee (DDF) paid from project cash-flow (b)	N/A	\$5,152,584
Total Developer Fee (a) + (b)		\$9,306,811
Excess Developer Fee above TCAC Maximum Limit as General Partner (GP) contribution		\$0
Notes (if any):		
- Any outstanding Deferred Developer Fee remaining at Year 13, even if within TCAC Maximum Limit, will be paid from Borrower's 50% share surplus cash distribution. - Any outstanding Deferred Developer Fee remaining in Year 13 and above TCAC Maximum Limit will be treated as developer contribution. The Limited Partnership Agreement (LPA) and the Tax Credit Investor written approval evidencing that any outstanding deferred developer fee remaining in Year 13 will be treated as a GP contribution will be required prior to construction closing.		
Note (if any): Developer is requesting an exception to the 50/50 split. Per MIP Term Sheet, the surplus cash from project operations is shared 50/50 between the Developer and the Residual Receipt Lenders (on a pro-		

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

5h	Evidence of Cost Containment for projects seeking subsidy	
Cost Containment Certification received from Developer?		Yes
Cost Containment Certification acceptable to CalHFA?		Yes
Comments on Cost Containment Strategy: The Developer certified that below cost containment measures have been implemented to minimize construction costs:		
1. All major subcontractor and self-performing trades have been competitively bid out. 2. A Design-Build Contract is being utilized for the Project as change orders stemming from architect and engineers’ errors and omissions will be the responsibility of the GC. 3. GC will be required to provide a minimum of 3 bids (when available) for each trade, particularly for all major trades. 4. The selected general contractor will engage MEP subcontractors to provide BIM coordination and clash detection services using BlueBeam software to provide constructability feedback to the design team. 5. The selected general contractor will develop a pre-construction schedule to track project milestones and identify long-lead systems for early acquisition. 6. Meta facilitated a schematic design coordination meeting with their property and asset management teams to provide design feedback related to tenant close-out lessons learned. 7. Meta's construction manager facilitated a schematic design kick-off meeting to review Conditions of Approval and funding requirements to ensure they were addressed early. 8. The drawings will be bid competitively at major design milestones in an effort to provide real-time cost feedback and identify and resolve drawing omissions or inconsistencies. This process will aid in keeping contractual allowances to a minimum.		
Note (if any):		

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

☒	Inflation factors and vacancy rates are consistent with the Agency's underwriting standards (USRM)
☒	Developer Fee requirements consistent with CalHFA underwriting standards and/or CTCAC Regulation 10327(c)2(B)
☒	Confirmed the reasonableness of the Capitalized Reserves to be consistent with Agency's underwriting standards (USRM) and the verified with the Investor LOI.
☒	State Tax Credits (STC) maximum requested amount is consistent with CTCAC Regulations 10317
☒	Confirmed that the Acquisition Cost (if applicable) is the lesser of: i. Purchase price pursuant to a current purchase and sales agreement between unrelated parties, or ii. Purchase price of an arm's length transaction executed within the past 10 years plus reasonable carrying costs, or iii. Appraised "as-is" value based on a current appraisal acceptable to CalHFA in its sole discretion. The appraised value of the real estate may be considered if the arm's length transaction exceeds 10 years.
☐	The CalHFA Final Commitment Letter will have the requirement that Construction cost savings funds evidenced by the Final Cost Certification will be used to reduce the CalHFA subsidy (MIP) loan prior to CalHFA MIP loan closing, or if required by other subordinated lenders, funds will be split on a pro-rata basis between CalHFA and other subordinate lenders.

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

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 (48 units) at or below 60% AMI and 10% of the total units (16 units) at 50% AMI for 55 years.										
The CalHFA Subsidy Regulatory Agreement will restrict 158 of units between 30% and 120% of AMI for a term of 55 years.										
Number of Regulated Units and AMI Restrictions by Each Agency										
Number of Units and Percentage of AMI Rents Restricted by each Agency										
Regulating Agency	Number of Units Restricted For Each AMI Category								Total Units	Percentage
	Lien	30%	50%	60%	70%	80%	110%	120%	Regulated	Regulated
CalHFA Bond	1 st		16	48					64	41%
CalHFA MIP	2 nd	16	32		16			94	158	100%
CTCAC	3 rd	40	12	90	16				158	100%
	TOTALS		40	12	90	16	0	0	0	158

Notes (if any):

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

6b	Unit Distribution for each AMI category						
The table below outlines the distribution of units for each unit size by AMI category.							
AMI Category	Total	Studio	1-bdrm	2-bdrm	3-bdrm	4-bdrm	% of Total
30% AMI	40		20	10	10		25%
50% AMI	12		6	3	3		8%
60% AMI	90		42	25	23		56%
70% AMI	16		8	4	4		10%
80% AMI							
120% AMI							
Manager's Unit	2			2			1%
Total	160		76	44	40		
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.							

7	Financial Analysis
7a	Market Study Summary

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

Regional Market Overview

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

Local Market Area Analysis

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

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

CLTV (Stress Test 1)	83.86%	78.03%
	OK	OK
Comments: The Borrower's estimated NOI is \$1,580,133 which is approximately \$118,678 (~6.99%) lower than the estimated NOI on the appraisal report and is due to the following reasons: - The Borrower estimated approximately \$77,663 for laundry and net Wifi income that will be provided through a third-party services provider, which is \$18,337 (~19.10%) lower than the appraisal's estimated budget of \$96,000. - The Borrower estimated approximately \$242,930 for repairs/maintenance, which is \$50,930 (~26.53%) higher than the appraisal's estimated budget of \$192,000. The Borrower's proposed estimated repairs budget is based on the current operations of a similar project in the area. - Considering these deviations, the proposed operating expenses are reasonable based on the Developer's experience with operating a similar project in the area and per the property management agreement. - The proposed operating expense is consistent with and is reasonable based on the appraisal report; the Borrower's operating budget is \$54,263 (~5.08%) higher. - The capture rate and absorption rate are between 1%-4% (depending on the AMI) and 20 units per month, respectively. The capture rates are generally consistent with the market study; however, the absorption rate differs, resulting in a lease-up period of 6 months. The appraiser develops an independent analysis regarding his opinions of current market condition. <u>Cap Rate comments:</u> The cap rate of 5% is based on the most recent information on comparable properties (report date: 12/12/2024). Assuming an increase in cap rates due to current market conditions by 50 basis-points (5.5%), the LTV would be 69.94%. Stressing the cap further and adding 100 basis-points to the cap rate would result in an LTV of 76.30 % and CLTV of 91.49%, which is still within the allowable underwriting requirements of 90% and 100% or less respectively.		

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

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

Notes:

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

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

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

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

Unpaid Principal Balance (1st Lien)	\$0	Unpaid Principal Balance (MIP Subsidy Loan)	\$4,975,692
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 \$4,975,692 (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.			

8	Insurance Requirements	
8a	Seismic Review and Earthquake Insurance	
Seismic Review Required?	Yes	
Earthquake Insurance Required?	No	
According to a third-party seismic report by Partner Engineering and Science, Inc. dated 12/12/2024, the Probable Maximum Loss (PML) scenario expected loss is 9% within a 475-year period, which meets the Agency's earthquake insurance waiver requirement threshold of 20%. Receipt of a certification by the engineer on record that Project has been built to current seismic code acceptable to the Agency, prior to permanent closing, has been added to section 13 as a condition of approval.		

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

8c	Other Insurance Requirements
N/A	

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

NEPA Review Completed?	N	NEPA review Date of completion:	Required prior to Construction Loan Closing
- A Phase I Environmental Site Assessment identified evidence of Recognized Environmental Conditions (RECs) and a Business Environmental Risk (BER) did not recommend any additional investigation. The presence of the underground storage tanks (UST) is considered a RECs. The Developer has retained EFI to remove the USTs under permit from the Los Angeles County Department of Public Works (LACDPW). The presence of a soil stockpile is considered to be a BER. EFI recommends proper profile characterization of the soil stockpile to determine its suitability for on-site reuse or offsite disposal prior to proposed future site improvements The report included the results from the Pre-Demolition Asbestos and Lead Assessment prepared 9/10/2024 which are listed below. - A Pre-Demolition Asbestos and Lead Assessment was prepared 9/10/2024 by EFI. The report confirmed that the white mastic, gray mastic ad flashing putty in the roof contain asbestos above the threshold limit and that due to overlaying all mastics (white, gray and black) on the roof are considered to ACM (Asbestos Containing Material). The report also confirmed that LBP was present in the white wood eaves of the west exterior. EFI recommended that prior to any building renovations or demolition, the identified ACMs and lead containing materials be properly abated. - The developer confirmed demolition and mitigation costs are included in the construction period budget.			
<u>Other Environmental Reports</u>			
Asbestos-containing Material (ACM) Survey Required?		Yes	
Date of Survey:		9/10/2024	
Lead-Based Paint (LBP) Survey Required?		Yes	
Date of Survey:		9/10/2024	
Other Environmental Reports /studies completed:		Exploratory Excavation Technical Memorandum (for the UST) dated 6/6/2024	

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

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

11	Supplementary Project Information		
11a	Form of Site Control and Expiration		
Current Ownership of Entity of Record: Holt & Main, LP The Project will consist of 2 adjacent parcels at 221 and 237 West Holt Ave. - 221 West Holt Ave – The project purchased the land from Shiloh 26 Management LLC on July 1, 2024, for an amount of \$2,400,000. - 237 West Holt Ave – The project purchased the land from the Revocable Living Trust of Chang Huyun Koo and Susan Koo on June 18, 2024, for an amount of \$625,000. - The parcels will be merged prior to, or at construction loan closing. The final parcel map is subject to CalHFA review and approval prior to construction loan closing.			

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

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

11d	Net Loss of Affordable Units
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.	

11e	Project Amenities		
Project Amenities:	Present?	Unit Amenities	Present?
Community Room	☒	Central Heating	☒
Fitness Room	☐	Central A/C	☒
Computer Room	☒	Microwave	☐
Gym	☐	Washer/Dryer Hookups	☐
Picnic Area	☒	Dishwasher	☒
Playground	☒	Garbage Disposal	☒
Gated/Restricted Access	☒	Free Internet Service	☐
Surveillance Cameras	☒	Patios/Balconies	☒
Notes (if any):			

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

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

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

Notes (if any)

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

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

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

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

Notes:

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

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

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

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

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

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

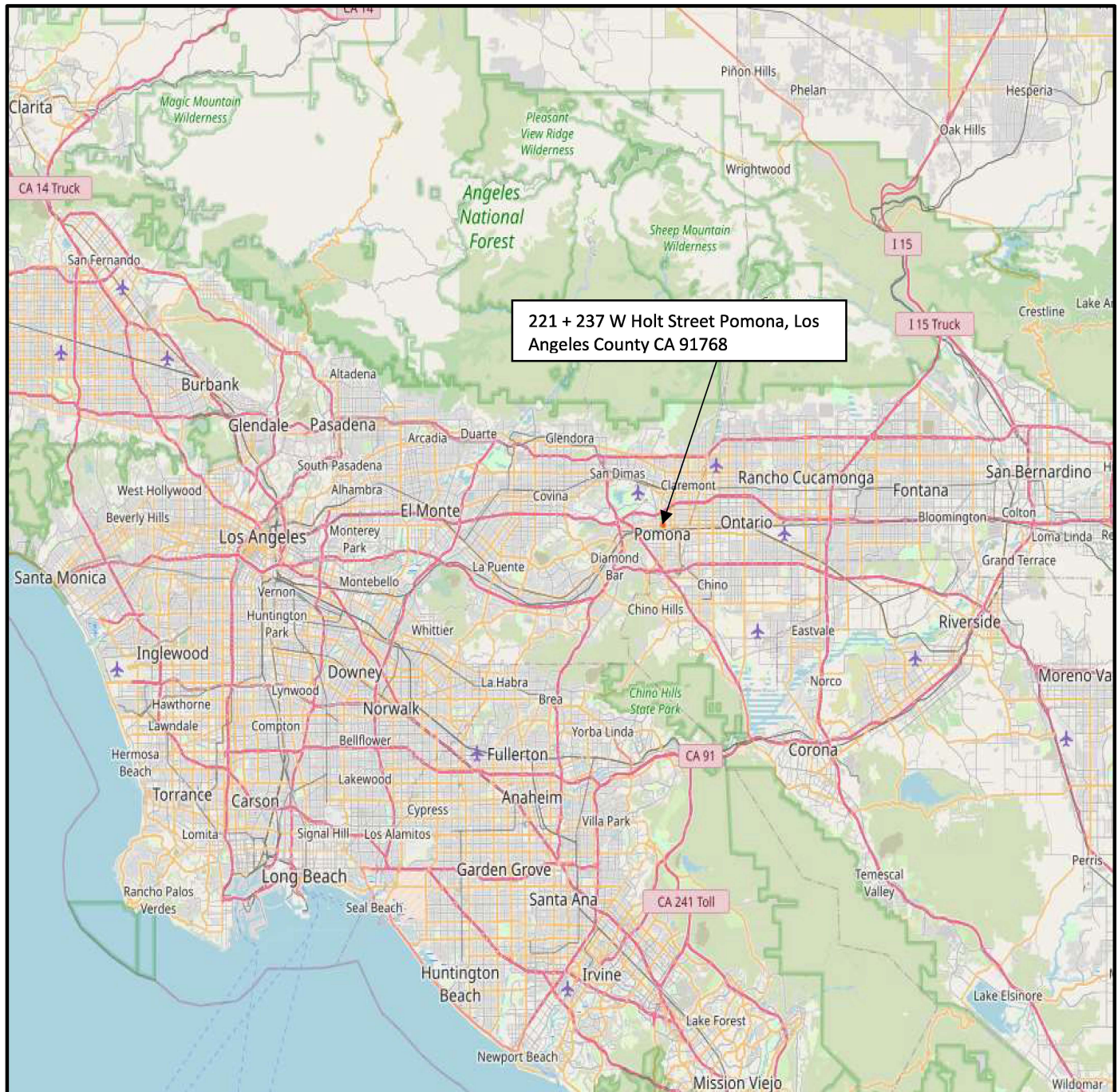
13	Conditions for Approval
Approval is conditioned upon: 1. Subject to all MIP program requirements pursuant to applicable term sheets. 2. The CalHFA MIP loan subsidy will be, in the Agency's sole discretion, the lesser of 1) the principal amount as stated on hereto or 2) an amount as determined by the Agency in the event the financial assumptions change prior to construction loan closing and/or permanent loan closing. 3. All MIP Loan principal and interest will be due and payable at maturity. 4. No site work or construction commenced prior to the issuance of a HUD Firm Approval Letter, per the HUD Risk Sharing program requirements. 5. CalHFA requires that MIP affordability covenants be recorded in senior position to all foreclosable debt. 6. Funds from the CalHFA permanent loan and/or the subsidy loan shall not be used to fund or offset any portion of the parking spaces or offsite improvement construction costs, except to the extent such costs are attributable to improvements for the exclusive use by the tenants of the Project. 7. The Borrower has requested that higher than 50% of surplus cash be available for the repayment of the deferred developer's fee (DDF) until the earlier of year 13 of operations is complete or full repayment of the DDF. Thereafter, the surplus cash split shall be 50% to Borrower and 50% to Residual Receipt lender(s). As a condition of this approval, the Borrower must provide evidence that the DDF repayment structure is required pursuant to the Limited Partnership Agreement (LPA). In addition, the owner must provide evidence of investor and all residual receipt lender(s) approvals of the total deferred developer's fee structure and residual receipt split. Residual receipt lenders must also agree to defer the payments on their loans. 8. Any default as to any loans by the Agency for the Development shall constitute a default under any other loans by the Agency for the Development. 9. Final environmental remediation and plan must be provided and approved by CalHFA prior to construction loan closing. In addition, evidence of environmental clearance must be provided and approved by CalHFA prior to permanent loan closing.	

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

14	Approval Recommendation and Action
14a	Staff Recommendation and Approval Authorizing the Issuance of a Final Commitment
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.	

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

Holt and Main Far



Holt and Main

Near

