

**CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Qualified Private Activity Tax-Exempt Bond Project
August 6, 2024**

Holt & Main, located at 221 West Holt Avenue and 237 West Holt Avenue in Pomona on a 1.3 acre site, requested and is being recommended for a reservation of \$3,710,315 in annual federal tax credits and \$21,000,000 in total state tax credits and \$37,500,000 of tax-exempt bond cap to finance the new construction of 160 units of housing, consisting of 158 restricted rental units, and 2 unrestricted manager's units. The project will have 76 one-bedroom units, 44 two-bedroom units, and 40 three-bedroom units, serving families with rents affordable to households earning 30%-70% of area median income (AMI). The proposed project will consist of two parcels located in the Lincoln Park neighborhood of Pomona, California. The building will be five levels of wood-framed Type III-A construction at grade. The building will be serviced by two elevators. Common amenities will include property management and resident service offices, two (2) community rooms, a flex space, a computer/study lounge, and an outdoor courtyard. The project will provide 80 parking spaces, including 75 standard stalls and 5 ADA-compliant stalls. Of the parking spaces provided, 24 will be EV ready. All parking is located in the ground level garage. Additionally, long-term bicycle parking spaces (in the building) will be provided on site. Each unit will have a fully furnished kitchen with a refrigerator, oven, cooking range, cabinetry and hard surface counters; central heating and air conditioning; and ample storage space. Mobility accessible units will provide larger door clearances, grab bars, wheelchair turnaround spaces within the units, removable cabinets at bath vanity and kitchen sink/work surface for wheelchair knee and toe clearance, and hand-held shower heads. Units serving tenants who are visually and /or hearing impaired are built with all lighting and HVAC controls within allowable reach ranges. Hearing and visually impaired units are also equipped with visual fire alarm and doorbell warning systems, and strobe lights. The construction is expected to begin in February 2025 and be completed in February 2027. The project will be developed by Meta Development LLC and will be located in Senate District 22 and Assembly District 53.

The project financing includes state funding from the Mixed-Income Program (MIP) through CalHFA.

Project Number	CA-24-483
Project Name	Holt & Main
Site Address:	221 West Holt Avenue and 237 West Holt Avenue Pomona, CA 91768
County:	Los Angeles
Census Tract:	4023.03

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$3,710,315	\$21,000,000
Recommended:	\$3,710,315	\$21,000,000

* The applicant made an election to sell (Certificate) all or any portion of the state credits.

Tax-Exempt Bond Allocation	
Recommended:	\$37,500,000

CTCAC Applicant Information

CTCAC Applicant/CDLAC Sponsor: Holt & Main, L.P.
Applicant for State Credits: Western Community Housing, Inc.
Contact: Chris Maffris
Address: 11150 West Olympic Boulevard, Suite 620
Los Angeles, CA 90064
Phone: 310-575-3543
Email: cmaffris@metahousing.com

Bond Financing Information

CDLAC Applicant/Bond Issuer: California Housing Finance Agency
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: Citibank, N.A.

Development Team

General Partner(s) or Principal Owner(s): Holt & Main LLC
WCH Affordable LXIV, LLC
General Partner Type: Joint Venture
Parent Company(ies): Meta Development LLC
Western Community Housing, Inc
Developer: Meta Development LLC
Investor/Consultant: Boston Financial Investment Management, LP
Management Agent: Solari Enterprises, Inc

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 160
No. / % of Low Income Units: 158 100.00%
Average Targeted Affordability: 52.67%
Federal Set-Aside Elected: 40%/60% Average Income
Federal Subsidy: Tax-Exempt

Information

Housing Type: Large Family
Geographic Area: Balance of Los Angeles County
State Ceiling Pool: New Construction
Set Aside: Mixed Income Set Aside
CDLAC Project Analyst: Sarah Lester
CTCAC Project Analyst: Chris Saenz

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	40	25%
50% AMI:	12	8%
60% AMI:	90	57%
70% AMI*:	16	10%

*CTCAC restricted only

Unit Mix

76	1-Bedroom Units
44	2-Bedroom Units
40	3-Bedroom Units
<u>160</u>	<u>Total Units</u>

<u>Unit Type & Number</u>	<u>2023 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>	
20	1 Bedroom	30%	\$709
6	1 Bedroom	50%	\$1,182
42	1 Bedroom	60%	\$1,419
8	1 Bedroom	70%	\$1,655
10	2 Bedrooms	30%	\$851
3	2 Bedrooms	50%	\$1,418
25	2 Bedrooms	60%	\$1,702
4	2 Bedrooms	70%	\$1,986
10	3 Bedrooms	30%	\$983
3	3 Bedrooms	50%	\$1,639
23	3 Bedrooms	60%	\$1,967
4	3 Bedrooms	70%	\$2,295
2	2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$3,597,934
Construction Costs	\$44,630,241
Construction Hard Cost Contingency	\$2,241,395
Soft Cost Contingency	\$750,000
Architectural/Engineering	\$2,006,652
Const. Interest, Perm. Financing	\$8,814,428
Legal Fees	\$360,000
Reserves	\$565,486
Other Costs	\$6,471,648
Developer Fee	\$9,306,811
Total	\$78,744,594

Residential

Construction Cost Per Square Foot:	\$243
Per Unit Cost:	\$492,154
Estimated Hard Per Unit Cost:	\$246,624
True Cash Per Unit Cost*:	\$456,623
Bond Allocation Per Unit:	\$234,375
Bond Allocation Per Restricted Rental Unit:	\$264,085

Construction Financing

<u>Source</u>	<u>Amount</u>
Citibank: Tax-Exempt	\$37,500,000
Citibank: Tax-Exempt Recycled	\$8,000,000
Citibank: Taxable	\$17,000,000
Deferred Operating Reserves	\$565,486
Deferred Developer Fee	\$8,033,648
Tax Credit Equity	\$7,645,461

Permanent Financing

<u>Source</u>	<u>Amount</u>
CalHFA: Tax-Exempt	\$18,090,000
CalHFA: MIP	\$4,000,000
Deferred Developer Fee	\$5,684,854
Tax Credit Equity	\$50,969,741
TOTAL	\$78,744,594

*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

Determination of Credit Amount(s)

Requested Eligible Basis:	\$71,352,218
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$92,757,883
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$3,710,315
Total State Credit:	\$21,000,000
Approved Developer Fee (in Project Cost & Eligible Basis):	\$9,306,811
Investor/Consultant:	Boston Financial Investment Management, LP
Federal Tax Credit Factor:	\$0.87000
State Tax Credit Factor:	\$0.89000

Except as allowed for projects basing cost on assumed third party debt, the “as if vacant” land value and the existing improvement value established at application for all projects, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

CTCAC Significant Information / Additional Conditions: None.

CDLAC Analyst Comments

None

Resyndication and Resyndication Transfer Event: None.

Standard Conditions

If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee’s next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and, shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 50% of the project aggregate basis with tax-exempt bond proceeds as calculated by the project tax professional. Therefore, the federal credit reserved for this project will not count against the annual ceiling.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a reservation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, CTCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from CTCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by CTCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

CDLAC Additional Conditions

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the CTCAC placed in service review, CTCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

If points were awarded by CDLAC for housing type, the project shall comply with the housing type requirements at the time of CTCAC's Placed In Service review. The housing type requirement shall be conditioned in the CTCAC Regulatory Agreement and CTCAC Compliance staff shall verify the project is meeting those housing type requirements, consistent with California Code of Regulations, title 4, section 10322(i).

Point Criteria	New Const. Max. Points	Rehabilitation Max. Points	Points Scored
Preservation and Other Rehabilitation Project Priorities	0	20	0
New Construction Density and Local Incentives	10	0	10
Exceeding Minimum Income Restrictions	20	20	20
Exceeding Minimum Rent Restrictions	10	10	10
General Partner Experience	7	7	7
Management Company Experience	3	3	3
Housing Needs	10	0	10
Leveraged Soft Resources	8	8	8
Readiness to Proceed	10	10	10
Affirmatively Furthering Fair Housing	10	0	9
Site Amenities	10	10	10
Service Amenities	10	10	10
Cost Containment	12	12	12
Negative Points	No Maximum		0
Total Points	120	110	119

The criteria for which points are awarded will also be incorporated into the Resolution transferring Allocation to the Applicant as well as the appropriate bond documents and loan and finance agreements.

Tie Breaker: 93.899%