



California Housing Finance Agency
Multifamily Housing Production Pilot Program
March 7, 2023



Background

The primary purpose of the Agency shall be to meet the housing needs of persons and families of low or moderate income

CA Health and Safety Code 50950

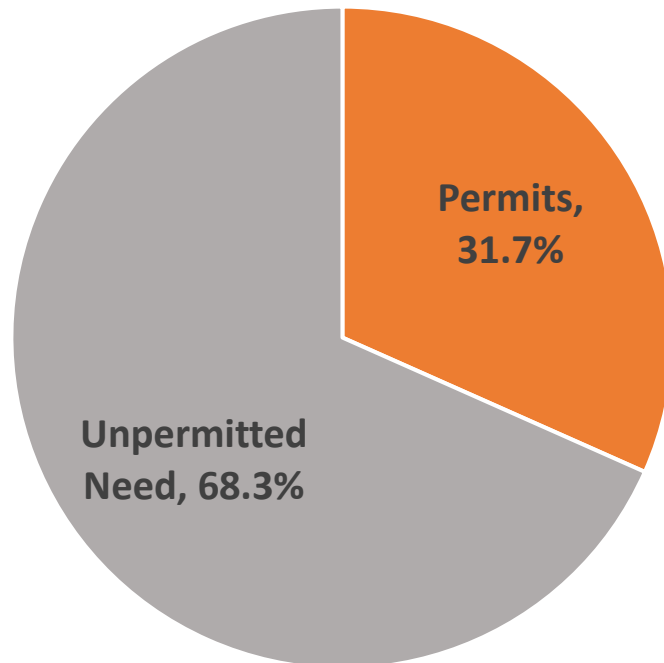
Investing in diverse communities with financing programs that help more Californians have a place to call home

CalHFA Mission Statement



Regional Housing Needs Allocation (RHNA)

5th Cycle RHNA* – Ending 3/31/24
(Very Low, Low, and Moderate Income)



- 5th Cycle RHNA has resulted in permits for 31.7% of over 660,000 units needed Statewide for very low-, low-, and moderate-income categories*
- 6th Cycle RHNA ending January 31, 2032 identifies need for 1.5 million very low-, low-, and moderate-income units
- Continued annual California Debt Limit Allocation Committee (CDLAC) volume cap allocation can finance approximately 17,500 units a year
- Based on the annual demand survey, CDLAC is projected to be 200% oversubscribed in 2023

*as of March 1, 2023, excludes ABAG for period ending 1/31/23.



Multifamily Housing Production Pilot Program

CalHFA will provide a comprehensive investment, financing, development, and property management program, in partnership with local public agencies across California to construct multifamily housing



Financing Plan Overview

CalHFA Ownership

- Ownership allows tax-exempt financing for construction loan and permanent loan
- Provides lower cost of capital through issuance of tax-exempt bonds
- Complete process managed by experienced CalHFA team

Local Partnership

- Local public agency provides a low-cost, long-term land lease
- Affordable units prioritized for employees
- Housing availability supports employee attraction and retention
- Local voice in approvals & community processes

Equity Investment

- CalHFA equity in part replaces competitive tax credit equity
- CalHFA equity earns returns over project operation period, compensating for additional risks
- Returns from equity investment would be recycled to finance future projects



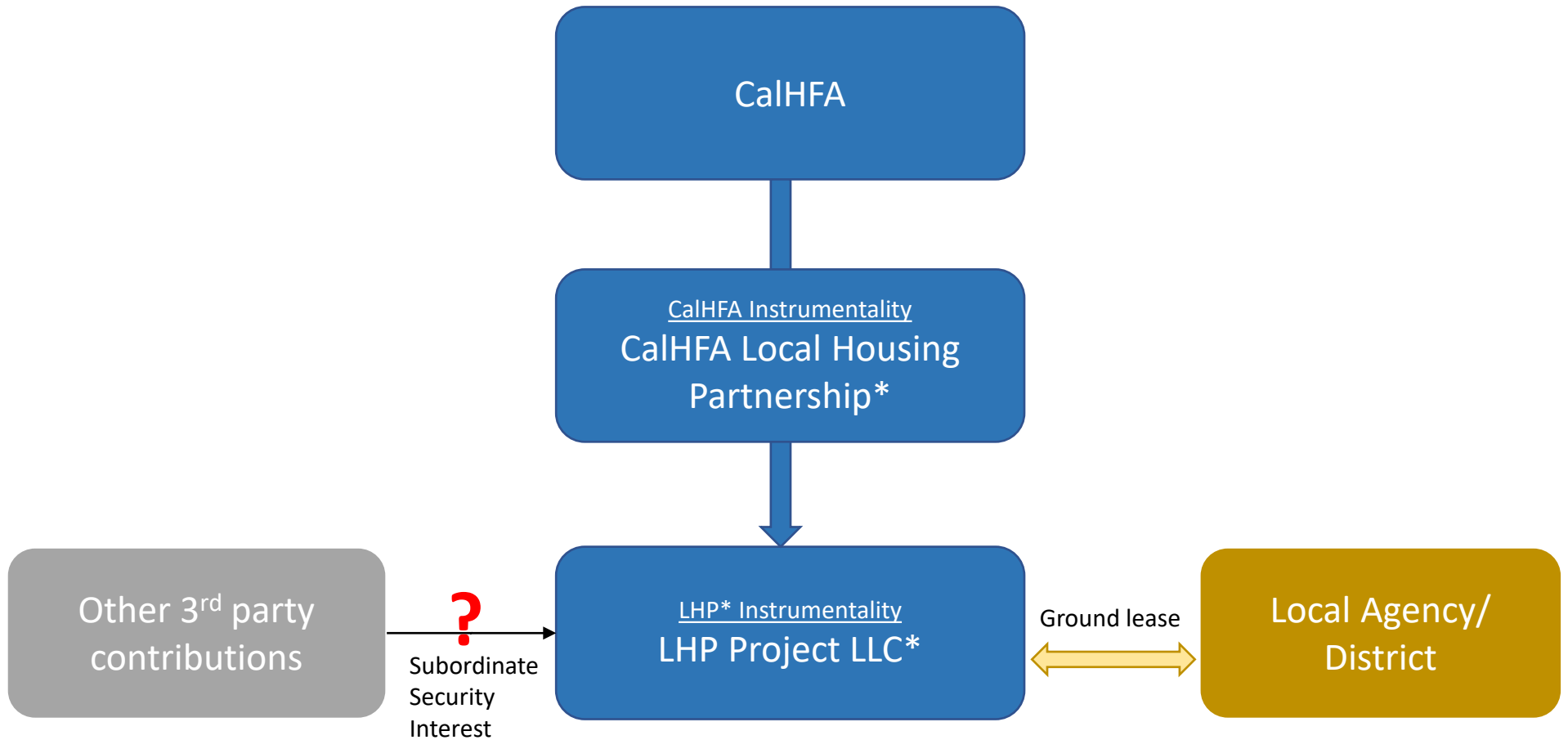
Mixed-Income Program & Multifamily Housing Production Pilot Program

	CalHFA Mixed Income Program (MIP)	Pilot Program
Project Type	New Construction Multifamily Rental Housing	New Construction Multifamily Rental Housing
Affordability	30-70% (with CDLAC/TCAC rent and income limits)	50-120%* (as agreed by CalHFA/Local Public Agency)
CDLAC (Volume Cap Use)	Yes	N/A
TCAC (Tax Credits Use)	Yes	N/A
Financing Sources	Tax-Exempt Permanent Loan Subsidy Loan from SB2	Tax-Exempt Permanent Loan CalHFA Equity Investment

**Estimated, subject to change.*



Proposed Pilot Program Legal Structure



**Names subject to change.*



Next Steps and Indicative Timeline*

Date	Event
March 7, 2023	Informational Board Item
April 2023	Release Request for Indications of Interest for local public agencies
May 2023	Board Approval of formation of instrumentality (ownership entity)
July 2023	RFI Responses Due
September 2023	Update to Board and Report on RFI Findings

*Tentative, subject to change.



Topics for RFI Summary Report

- To what extent is there demand for local agencies to have multifamily housing?
- Where is the demand located?
- How many employees are eligible at 50%, 80%, and 120% AMI?
- What steps have local public agencies taken towards the construction of multifamily housing?
- What challenges have local public agencies identified for the construction of multifamily housing?
- Do local agencies have support or control over zoning changes?
- What site development is required on available properties for 100+ units?



Summary

- CalHFA is proposing a pilot program to address housing needs in California in alignment with the Agency's stated purpose and mission statement
 - Complementary to existing MIP program
 - No competition for volume cap or state tax credits
 - Construction of new housing units

- We currently believe that there is interest from local public agencies to partner with CalHFA for the construction of multifamily housing units

- The Request for Indications of Interest will help inform further decision-making