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CalHFA Financing Will Rehabilitate, Extend Affordability for 180 Families

Agency's Board of Directors approves long-term financing for Redding affordable housing



Heritage Plaza

SACRAMENTO, Jan. 30, 2019 — The California Housing Finance Agency's Board of Directors at its January meeting approved long-term financing for the renovation of the 180-unit Heritage Plaza, a 100 percent affordable family housing development in Redding.

Built in 1968, the development at Heritage Plaza will receive a \$10 million permanent loan and a \$2 million subordinate gap loan from CalHFA to take out the short-term acquisition and rehabilitation loan from Citibank. The project developers are American Real Estate Ventures and Kingdom Development, and the city of Redding is also a partner in the deal, for which CalHFA expects to issue conduit bonds in the amount of \$12 million.

Fifty-six of the housing units will be restricted at 50 percent of Shasta County's Area Median Income, and the remaining units will be restricted at 60 percent, with this affordability extended until 2073.

"With our state in a housing crisis, it is important not only to use our state housing resources to create new units, but also to make sure the housing that has already been built remains safe and affordable," said CalHFA Executive Director Tia Boatman Patterson. "Heritage Plaza has successfully provided affordable housing to hundreds of Redding residents for nearly 40 years and we are excited to help that continue for many years to come."

The rehabilitation of Heritage Plaza will include new roofs with environmentally-friendly cool roof shingles, new dual-pane windows, repairs to stairways and balconies, and new flooring, cabinets and Energy Star appliances for many of the units, among other improvements. This amount of renovation was made possible by CalHFA's new 35-17 loan product.

"This loan product was critical in giving me the ability to compete to purchase this property," said Robert Lawler, president of American Real Estate Ventures, at the January 10 CalHFA board meeting. "The alternative could have been an investor coming in and looking at it as a yield investment, and that type of investor would not put the \$30,000 per door into renovation that this project needs. I'm able to put that much money into the property because of this financing program, and because of the 4% tax credit program and the equity that raises."

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The California Housing Finance Agency was created in 1975 with the goal of helping more Californians find a place to call home. CalHFA's Multifamily Division has used more than \$4.5 billion in financing for the construction and preservation of more than 63,000 affordable rental housing units throughout the state. CalHFA is a self-supported state agency that doesn't rely on taxpayer dollars for its operational costs. For more information on CalHFA programs, and how we are creating progressive financing solutions for affordable housing in California, visit www.calhfa.ca.gov or call toll free at 877.9.CalHFA (877.922.5432).