



Company of the Month: X-Caliber Capital focuses on strategic growth to provide unique lending solutions with an impact

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Shown (from left) are: X-Caliber Capital president and CEO Chris Callahan, X-Caliber Rural Capital co-founder and executive manager, Jordan Blanchard, and CastleGreen managing partner, Sal Tarsia

Irvington, NY For a company that is rooted in providing financial solutions for commercial real estate, the trajectory for X-Caliber Capital is not limited to solely providing financial solutions with the best competitive terms to its borrowers. In fact, its president and CEO, Chris Callahan, says he and the company are targeting something strategic that is an important component of its rapidly growing brand – that is, executing their core business while making a measured, positive impact on the national footprint it serves.

X-Caliber Capital's growth is steadfast and strong, and its history is an interesting one. The national, direct lender's Housing and Urban development (HUD) platform was started some 30 years ago by a woman named Nancy Phares, a single mom from Kentucky who had become highly experienced in HUD lending. She and her son grew the company until Wall St. executive Callahan acquired the HUD lender and mortgage servicer in 2017 and renamed it X-Caliber Capital. Callahan began the venture with a team of five, including his wife, Sharon, the chief financial officer, Jeff Goldberg, the chief credit officer, Amber Howard, the chief operating officer, and their head of HUD originations, Mike Hammond.

Prior to this, Callahan had spent two decades of his career in CMBS trading, heading up platforms at Credit Suisse, Bank of America, and Nomura. Since the acquisition, X-Caliber Capital has made notable achievements, providing over a billion dollars in total finance, while adding three new business lines, including: X-Caliber Funding LLC, a bridge to HUD platform which has produced more than three-quarters of a billion dollars in business; CastleGreen Finance, focused on Commercial Property Assessed Clean Energy (C-PACE) finance; and X-Caliber Rural Capital, a USDA-licensed lender. Both CastleGreen Finance and X-Caliber Rural Capital are led by some of the industry's top experts, with managing partner Sal Tarsia heading up CastleGreen Finance, and co-founder and executive manager Jordan Blanchard leading X-Caliber Rural Capital.

Current X-Caliber Capital employees

Naturally, employee growth has accompanied the business expansion, surging from five people in 2017 to more than 45 people, as of last count, in 11 states across the country today.

In 2021, X-Caliber's core expertise and deep experience remains key to their success. The company primarily focuses on lending to owners and operators who provide affordable housing, offer senior and healthcare facilities, are looking to make energy efficient improvements and upgrades, or own rural businesses. As the CEO shares, their rapid growth has not only expanded their product offerings and team, but it has parlayed into unveiling some of the inherent attributes important to their evolution, including making an impact in the communities where they lend.

NYREJ: Why did you start X-Caliber Capital?

Callahan: When I purchased the platform, our mission at the time was simple – to support affordable housing using our HUD expertise and to provide the best terms and solutions to our borrowers who are looking to build, refinance, or acquire multifamily housing, seniors, and healthcare properties. But four years later, with the addition of three other lines of businesses to the X-Caliber family, we have seen a trend in our lending that has proven we can make a difference with our business, for both our borrowers and for the communities in which we lend. That is a wonderful realization and is a big motivating factor in our company that is helping us further build an already strong culture.

NYREJ: What are the milestones and transactions you are most proud of?

Callahan: From a milestone perspective, in 2021 we tipped the \$1 billion mark in our servicing portfolio and we anticipate 100%, year-over-year production growth, and that is an achievement the team and I are very pleased with. From a deal perspective, there are some great ones to mention in both scope and impact. We completed a HUD refinance with an \$18 million assisted living facility in Virginia that stands out because of the facility's pristine condition, exceptional management, and quality of care, and we completed a large \$115 million bridge refinance of 12 assisted living facilities located in North Carolina.

Our affiliate, CastleGreen, has been very busy, closing several transactions, including some of the largest C-PACE financing for single assets in the state's history, like the Breakers Hotel in Long Beach, CA. X-Caliber Funding LLC partnered with our affiliate, CastleGreen, to provide a combined \$94 million in total funding to help reopen the landmark hotel and spa, comprised of a \$48.5 million renovation loan and a \$45.5 million C-PACE finance. That transaction will have a direct impact on the community and environment, producing upwards of 220 new jobs and reducing emissions of CO2 equal to 273,000 pounds of coal. One other notable milestone was the closing of our first loan as a USDA-licensed lender in November, a \$14 million acquisition of a hotel in North Carolina, that is a significant source of employment in the area.

NYREJ: As we close out the calendar year, what do you see ahead in the overall housing market for 2022 and for X-Caliber?

Callahan: I believe a few factors will continue to impact housing in 2022. Obviously, the lack of supply of affordable housing continues to be a challenge, and that is why we remain committed as a firm to help support that crisis. With construction costs so elevated, coupled with the high price of land, I think developers will have to continue to figure out ways to leverage subsidies and incentives to produce new supply.

The demand for green building and sustainability will continue to grow. Although it may cost more to build with green materials, the efficiencies realized that reduce renter expenses and produce benefits for the environment will continue to drive that demand.

With respect to X-Caliber Capital, the good news is that we are positioned well to be able to offer our clients solutions that address many of these dynamics and we look forward to continuing to grow our platform while making positive impacts in the communities we serve. We are already seeing the results from our strategic effort, and we can't wait to do much more in 2022 and beyond.

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