

State of California

**EM F U I**

TO: Board of Directors

DATE: May 16,2002

FROM: Dawn Hulbert  
Director of Marketing  
California Housing Finance Agency

SUBJECT: CHFA Press Coverage

Press reports continue to be complimentary to CHFA and its programs.

The Sacramento Bee recently featured a cover story on the Sunday Real Estate Section about CHFA and the CHAP program. Additionally, a 4-part series on Affordable Housing featuring CHFA is scheduled to air on FOX 6 in San Diego during May sweeps.

Attached are copies of press clippings gathered since the March Board meeting.

Should you have any questions, please don't hesitate to let me know.



EMAIL THIS PAGE

04/29/2002

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**\$133 Million San Francisco Workforce Housing Initiative To Provide Home Purchase Assistance to Middle-Income Workers**  
[Business Wire]

A Service Provided  
By:

**NewsEdge**

SAN FRANCISCO--(BUSINESSWIRE) via NewsEdge Corporation-- Fund Raising Begins For San Francisco Workforce Housing Fund

The Federal Home Loan Bank of San Francisco and the San Francisco Chamber of Commerce today announced a new initiative aimed at expanding homeownership opportunities for the San Francisco workforce by increasing the buying power of prospective homebuyers. The announcement of the San Francisco Workforce Housing Initiative was made at Workforce Housing Summit: Creating Homeownership Opportunity, an event that drew approximately 300 participants, including housing developers, lenders, policymakers, government agencies, employers, labor representatives, and business groups, to explore the pressing need to increase homeownership in San Francisco, the Bay Area, and other high-cost urban communities statewide.

The Federal Home Loan Bank of San Francisco and the San Francisco Chamber of Commerce are working with the California Housing Finance Agency (CHFA), California Rural Home Mortgage Finance Authority (Cal Rural), George K. Baum & Company, First Nationwide Mortgage Corporation, and other organizations to create a home financing program that will enable middle-income households to purchase a higher priced home than they would otherwise be able to buy.

This program will allow more of our local workforce to achieve the dream of homeownership, said Democratic Whip Nancy Pelosi (D-CA) in a taped message aired at the summit. In the end, the result will be a stronger and more diverse city, a place where the men and women who teach our kids, protect our communities, and do the vital work that keeps our city running will be able to live.

Working San Franciscans, including teachers, nurses, public safety officers, and others with a solid mid-level salary, are frustrated at their inability to buy a home in San Francisco or within a reasonable distance, said Roberta Achtenberg, Senior Vice President for Public Policy at the San Francisco Chamber of Commerce. San Francisco employers are finding it increasingly difficult to attract and retain middle-income workers. The high cost of housing is, in turn, driving up wages and putting San Francisco businesses at a competitive disadvantage.

Ms. Achtenberg pointed out that the workforce housing crisis will require a multifaceted response, including increasing density, obtaining regulatory relief, and tackling NIMBYism. The initiative announced today will help address the issue of financing and is expected to provide homeownership opportunities for approximately 300 households.

The San Francisco Workforce Housing Initiative will help people who earn too much to qualify for existing housing assistance programs but not enough to buy a home in or even close to the high-cost city where they work, said Dean Schultz, President and Chief Executive Officer of the Federal Home Loan Bank of San Francisco. For example, participating households in San Francisco may earn up to \$103,320 and may purchase a home that costs up to \$475,000, Mr. Schultz said.

The program is designed to be flexible, according to Mr. Schultz. Homebuyers may purchase a home outside of San Francisco, as long as the home is within a reasonable commuting distance. Eligible types of homes include single-family detached, condominiums, and townhomes. And homebuyers may take advantage of other homeownership assistance programs to increase affordability.

Eligible homebuyers will be able to obtain a first mortgage loan of up to 97% of the purchase price and a deferred second mortgage loan of 6% of the purchase price. The second mortgage loan will be used for two purposes: to reduce the interest rate on the first mortgage loan or fund downpayment or closing costs, and to lower the annual

payment for the mortgage insurance. Homebuyers will be required to contribute at least 1% of the purchase price from their own resources towards downpayment or closing costs.

A critical element of the financing program is the creation of the San Francisco Workforce Housing Fund, which will provide liquidity for a portion of the second mortgage loans. The Chamber is, today, embarking on a campaign to raise \$4 million for the Workforce Housing Fund from private sources, including employers, pension funds, foundations, and employee groups, said Ms. Achtenberg.

The Federal Home Loan Bank of San Francisco will provide liquidity for the first mortgage loans through the purchase of mortgage revenue bonds backed by those loans. Based on the San Francisco Workforce Housing Fund's anticipated pool of \$4 million, the Bank expects to purchase up to \$129 million of bonds backed by first mortgage loans originated under the program.

CHFA, through its insurance fund, the California Housing Loan Insurance Fund (CaHLIF), will provide mortgage insurance on the first and second mortgage loans. Part of the deferred second mortgage loan will be used to prepay the mortgage insurance premium, which will reduce the annual mortgage insurance payment.

First Nationwide Mortgage Corporation (a subsidiary of California Federal Bank) will administer the origination of the first and second mortgages by approved lenders, pool the first and second mortgages, and service them.

Cal Rural will serve as program administrator and will issue mortgage revenue bonds backed by the first and second mortgage loans. George K. Baum & Company will serve as Placement Agent for the issuance of the mortgage revenue bonds.

The target date for originating mortgages under the San Francisco Workforce Housing Initiative is January 2003. Information will be available on the websites of the Federal Home Loan Bank of San Francisco (<http://www.fhlsf.com>), the San Francisco Chamber of Commerce (<http://www.sfchamber.com>), and the California Housing Finance Agency (<http://www.chfa.ca.gov>).

The Federal Home Loan Bank of San Francisco delivers low-cost funding and other services that help member financial institutions make home mortgages to consumers of all income levels and provide credit that builds neighborhoods and communities. As of December 31, 2001, the Bank's outstanding loans to its members exceeded \$102 billion. The Bank also funds community investment programs that help members create affordable housing, promote community economic development, and foster partnerships among lenders, housing developers, community organizations, and government agencies. The largest of the 12 banks in the Federal Home Loan Bank System, the Federal Home Loan Bank of San Francisco serves and is owned by 328 commercial banks, savings institutions, credit unions, and thrift & loan companies headquartered in Arizona, California, and Nevada.

The San Francisco Chamber of Commerce is a nonprofit, membership organization serving 2,000 member businesses in San Francisco and the Bay Area. Members are of all sizes, from the smallest micro-business to mid-size firms and the largest corporations. Members are drawn from every industry and represent every commercial neighborhood in the city. The Chamber's mission is to attract, develop, and retain business in San Francisco.

<>

CONTACT: Federal Home Loan Bank of San Francisco | Cynthia Lopez, 415/616-2757 or 415/860-5706 (cell) | Amy Stewart, 415/616-2605 or 415/533-1821 (cell) | San Francisco Chamber of Commerce | Carol Piasente, 415/352-8839

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# State programs can help buyers with credit find low interest rates

Sac. Bee  
4-28-02

The most common complaint of homebuyers today is the high price of the homes. It doesn't seem to matter what the borrower is qualified for, they are usually looking to be qualified for a little more. Since the price of homes doesn't appear to be going down anywhere in the near future, the alternative way to qualify for more is with lower interest rates.

Homebuyers are being helped with both lower interest rates and with a downpayment assistance program from CHFA. CHFA is the California Housing Finance Agency — an agency of the state of California.

CHFA sets interest rates and the fees for their basic program. These interest rates are usually lower than most standard 30-year loans. In addition they offer 100 percent financing with the CHAP program. Both the basic CHFA and the CHAP program have income limits

(CHAP). A silent second is a second mortgage that has no monthly payments. This second is a 30-year second with simple interest of 5 percent. The second and the interest that has accrued are due if and when the first mortgage is paid off, refinanced, or the home is sold.

The CHAP 3 percent (of the sales price) second can be used to help with the downpayment and closing costs. The borrower will need approximately another 3 percent to cover the remaining closing costs. Lower income borrowers may be able to combine the CHAP downpayment assistance with other local financing such as SHRA (Sacramento Housing and Redevelopment Agency) programs.

One of the most important things to remember with this program, however, is that when it is combined with any other program, the tighter of the regulations on-

## First Lady of Finance

By Michele Dillingham

based on the family size. These income limits have recently increased significantly.

In Sacramento, Placer, El Dorado and Yolo counties maximum income limit for a family of 1 or 2 persons is \$60,800 and for 3 or more people it is \$69,920. These income limits are for both new construction and resale homes. These new higher limits will be especially helpful in this market and for two income families.

There are also sales price limits. Borrowers often think about the income limits and don't realize that there can be sales price limits as well. For Sacramento and El Dorado counties the limit for new construction is \$260,614 in a non-targeted area and

they use in qualifying a borrower. In both cases however, the lender is looking at the borrower's general stability. They are looking at the income to determine if the borrower can afford the payment, at the assets to see if they can pay any of the costs that might be required, and very much at the credit history to see how a borrower has taken care of their past credit obligations.

Special programs usually offer one of three incentives for first time buyers: lower interest rates, downpayment assistance, or easier qualifying. Sometimes a borrower needs help in more than one of these areas — sometimes in all three areas. With each program, however, there are special regulations and different ways to look at things like income and what is counted.

By offering both FHA and conventional loans, CHFA gives the borrower more options. It is important to remember however that in order to make use of the CHFA loan and the CHAP program, the borrower must first be able to qualify for either the FHA or conventional loan. FHA and conventional loans have different underwriting guidelines that

\$318,528 in targeted areas. (Target areas are areas deemed to be in need of redevelopment by the Federal government.) For resale homes the limit is \$183,261 in non-targeted areas and \$223,985 for target areas. In Placer County the new construction limit for non-targeted areas is \$260,614 and \$181,261 for non-target resale homes. Placer has no limits in target areas. Yolo County limits are \$214,258 for non-targeted new construction and \$261,867 for targeted areas. For resale homes the limit is \$198,429 in non-targeted areas and \$242,525 for targeted areas.

CHFA allows for 100 percent financing with the CHAP first time homebuyer program. With the CHAP program the borrower gets a 97 percent CHFA first mortgage, which can be either a Conventional or a FHA loan. The borrower then gets a 3 percent silent second

How much income you make in relation to the monthly debts you have determines how much of a loan you will qualify for. With CHFA, the qualified borrower has the opportunity to qualify for a little more due to the lower interest rate.

Michele Dillingham is a senior loan officer with Ameristar Financial. She can be reached at 650-9484 to answer any questions regarding this column or lending.

E-mail: micheled@winfirst.com

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BW0145 APR 26, 2002

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## (BW)(CA-HOUSING-FINANCE-AGENCY) Homeownership Help for Mid-Income San Francisco Workers; New Program May Help Hundreds

News Editors

SAN FRANCISCO--(BUSINESS WIRE)--April 26, 2002--The California Housing Finance Agency (CHFA) in conjunction with the Federal Home Loan Bank of San Francisco (FWLBSF) and the San Francisco Chamber of Commerce today announced a new initiative designed to expand homeownership opportunities for people working in San Francisco.

The announcement was made at the Workforce Housing Summit, an event attended by approximately 300 participants including Treasurer Phil Angelides, Democratic Whip Nancy Pelosi (D-CA), Mayor Willie Brown, members of business groups, developers, employers and policy makers.

The Workforce Housing Initiative is a unique partnership between the FHLBSF, the Chamber, CHFA's insurance arm (CaHLIF), the California Rural Home Mortgage Finance Authority (Cal Rural), George K. Baum Company, First Nationwide Mortgage Corporation and other organizations. "This consortium," says CHFA's Executive Director Theresa Parker, "is an excellent example of private and public financial partnerships to benefit the public. In this case, the middle-income workers and the San Francisco economy will be the big winners."

Nancy Pelosi concurs. In a videotaped message aired at the summit, she spoke of the potential positive impact to those working in San Francisco. "Teachers, nurses, public safety officers and others with a solid mid-level salary are frustrated at their inability to buy a home in this City or within a reasonable commute distance."

The program is arguably needed as San Francisco employers are finding it increasingly difficult to attract and retain middle-income workers. The high cost of housing is driving up wages and putting San Francisco businesses at a competitive disadvantage. San Francisco's affordability index is dismal and only 35% of city residents own their own home. "Working with our partners in this venture, we hope to improve these percentages," says Parker.

As the State's affordable housing bank, CHFA is a full service financial source providing financing for multifamily rental development and homeownership opportunities as well as mortgage insurance. "The Workforce Housing Initiative is a prime way to utilize our mortgage insurance strength," says CaHLIF Director Nancy Abreu. "It's important to customize programs to meet the unique challenges of particular counties and market conditions."

The program was designed to be flexible and attractive to potential homebuyers. Eligible applicants can obtain a first mortgage loan up to 97% of the purchase price as well as a deferred second mortgage of 6% of the purchase price. "This is a big advantage to borrowers," adds Abreu, "since the amount doesn't need to be paid back until the property is sold, refinanced or paid off."

The second mortgage loan will be used to fund down payment or closing costs and to lower the annual payment for the mortgage insurance. Homebuyers will be required to contribute at least 1% of the purchase price from their own resources. Participating households in San Francisco, for example, may earn up to \$103,320 and may purchase a home that costs up to \$475,000. Income and sales price limits will vary by county.

"Since the affordable housing crisis is acutely felt in San Francisco," says Abreu, "this program targets those working in the City that earn more than the income limits for existing housing assistance

programs but not enough to purchase a home in or even close to **the San** Francisco area."

The target date for originating mortgages under this program is early 2003. Additional information will be forthcoming on the CHFA website at [www.chfa.ca.gov](http://www.chfa.ca.gov) as well as the websites of FHLBSF at [www.fhlbsf.com](http://www.fhlbsf.com) and San Francisco Chamber of Commerce at [www.sfchamber.com](http://www.sfchamber.com).

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KEYWORD: CALIFORNIA  
INDUSTRY KEYWORD: GOVERNMENT REAL ESTATE  
SOURCE: CHFA



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**PR02: 210**

**JR IMMEDIATE** [ ]  
April 17, 2002

**CONTACT:** Steve Maviglio  
916/445-4571

## **GOVERNOR DAVIS ANNOUNCES SUPPORT FOR BUSINESS ENTERPRISE ZONES AND HOUSING BOND**

*Governor Addresses Business And Community Leaders At Annual Sacramento Host Breakfast*

**SACRAMENTO** – Governor Gray Davis today told a group of more than **1,200** business, industry educational, military, and community leaders that he would sign the **\$2.1** billion Housing Bond and extend the designation period of enterprise zones to **20** years. Governor Davis delivered the news at the **76<sup>th</sup>** Annual Sacramento Host Breakfast at the Sacramento Convention Center.

“I’m proud to be a pro-business Governor because I know that, for California to prosper, California’s businesses must prosper,” Governor Davis said. “When businesses succeed, the economy succeeds. When businesses succeed, we all succeed. It’s as simple as that.”

Governor Davis told the crowd of **1,200** that he would sign SB **1227** authored by Senator John Burton (D – San Francisco). The Housing Bond Act of **2002** would allocate **\$895** million for the Multifamily Housing Program (MHP); **\$195** million for MHP supportive housing; **\$195** million for the Emergency Housing Assistance Program (EHAP); **\$200** million for the Joe Serna, Jr. Farmworker Housing Grant Program (FWHG); **\$195** million for the CalHome Program; \$30 million for code enforcement programs administered by the Department; and **\$290** million for the California Housing Finance Agency’s (CHFA’s) California Homebuyer Downpayment Assistance Program (CHDAP).

The Housing Bond will create thousands of jobs, therefore boosting the State’s sagging economy.

State lawmakers created the Enterprise Zone Program in **1985** to designate economically distressed areas in California as Enterprise Zones.

Last year alone, the program helped create **4,928** jobs, **4,718** businesses licenses and generated \$38-million in commercial permits in California. The Program allows State and local governments to provide incentives to encourage business investment and create jobs in these zones.

The Sacramento Host Breakfast first started in **1926** and has since become a California tradition with the Governor as guest speaker. The organization’s purpose is to provide the State’s leaders with a venue to meet and share views in a non-political, non-commercial way.

Governor Davis said his legislation has made California the most pro-business state in the nation.

-more-

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**“As** always, our business community deserves most of the credit,” Governor Davis said. “You take the risks. You put in the hard work and the long hours. You put people to work. You manufacture the best products and offer the best services in the world. The best thing government can do is partner with you when we can help and get out of the way when we can’t.

“Today, California’s economy is the “Comeback Player of the Year. We’re on the road to recovery, and California’s businesses are leading the charge,” he said.

###

# El Dorado eyes funds for housing

\$2 million may be sought to build affordable rentals for workers.

By Sekhar Padmanabhan  
BEE STAFF WRITER

El Dorado County supervisors are considering spending \$2 million for affordable apartments to provide housing for workers and lessen the threat of legal action against the fast-growing foothill county.

Supervisors on Tuesday will decide whether to apply to the California Housing Financing Agency for the funds, which it would lend to Mercy Housing California.

The private, nonprofit Mercy Housing would use the money to buy the land and build 180 affordable-housing units off Latrobe Road, south of Highway 50. The units would be among 750 units in the White Rock Village project in El Dorado Hills.

The units would be available to families earning 35 percent to 80 percent of the Sacramento region's median income, which in January was \$57,300 for a family of four.

John Litwinovich, director of the county Community Development Department, said he will be writing a letter to the agency. **► HOUSING, page B2**

## ON PAGE A1

**A W**ork force is recommending that the Davis City Council undertake an experiment that would help the tenants of subsidized housing.

## Housing: Supervisor wants more projects

► CONTINUED FROM B1

Services Department, said there is a serious need for "work force housing."

"We've got people earning \$12 to \$14 an hour, and basically this is affordable to those households," he said Thursday.

The project would be among the first affordable-housing efforts in the El Dorado Hills subdivision, a half-hour drive east of Sacramento off Highway 50.

Stephdn Daues, project developer for Mercy Housing, said the community has no housing serving this income group. "There is some older single-family housing, but the rental rates are through the roof," he said.

"Based on mostly anecdotal evidence, and some studies that have been done, we see the work force in El Dorado Hills tripling in five to 10 years," Daues said. He couldn't say what level of pay those jobs would provide, given the mix of high-technology and service jobs in the Town Center area being developed.

In December, Daues said, an informal rental survey of 600 individual apartments from Folsom to Placerville showed a vacancy rate of less than one-half percent.

Supervisor Dave Solaro and the Taxpayers Association of El Dorado County said last year that without more affordable housing approved, the county could be sued just like the city of Folsom.

After Folsom was sued in Au-

gust, a judge found it violated state law requiring local governments to set aside land for low- and very-low income residents.

The case later was settled out of court, with a commitment to reserve land for about 2,900 units to be built by 2007.

Supervisor Penny Humphreys said she hopes approving the White Rock Village project would spur more plans in the county.

Humphreys, who says she has been talking to developers and contractors to find a solution, said that the project is needed not just to comply with state law, "but for our people who work in the community and can't afford to live here."

□ □ □

**The Bee's Sekhar Padmanabhan can be reached at (916) 321-1084 or [spadmanabhan@sacbee.com](mailto:spadmanabhan@sacbee.com).**

### SETTING IT STRAIGHT

It is The Bee's policy to acknowledge errors promptly. Corrections will appear on page A2 as well as in the section where the error occurred. Errors in Metro should be called to the attention of Assistant Managing Editor Scott Lebar, (916) 321-1182 or [slebar@sacbee.com](mailto:slebar@sacbee.com).



Area Housing Authority of the County of Ventura

1400 W Hillcrest Drive, Newbury Park, CA 91320-2721 • 805/480-9991 • 1/800/800-2123 • FAX: 805/480-1021

## PRESS RELEASE

April 5, 2002

### GROUNDBREAKING CEREMONY SUNSET VILLAS APARTMENT COMMUNITY

The Area Housing Authority of the County of Ventura announces the construction of eleven 2-bedroom apartments with private backyards.

Date: Monday, April 15, 2002

Time: 9:00 a.m. sharp

Place: 3302 Los Robles Road, Thousand Oaks  
(Comer of Sunset and Los Robles Road)

The City of Thousand **Oaks** has partnered with the Area Housing Authority to provide affordable housing within the City of Thousand **Oaks**. We thank the City of Thousand Oaks, especially the City Council and the Redevelopment Department for their participation and support.

The construction and permanent loans will be financed **through** First California **Bank**.

Additional financing is through the California Housing and Finance Authority (CHFA) in the form of a **HELP loan**.

Washington Mutual **Bank** has also generously given the Area Housing Authority a grant for this project.



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Posted on Thu, Apr. 04, 2002

The Mercury News

## A step toward housing

**SB 1227 NEEDS FINAL APPROVAL TO PUT A MUCH-NEEDED \$2.1 BILLION BOND ON NOVEMBER BALLOT**

HOUSING costs and housing shortages have reached crisis proportions through much of California, from the plight of farmworkers in the Central Valley to that of low wage earners here in Silicon Valley, unable to find decent places to live. Yet it has been 14 years since California passed a bond measure for housing.

State Senate President Pro Tem John Burton, D- San Francisco, thinks this is the year -- despite the lagging economy. Or perhaps because of it. Burton is pushing a \$2.1 billion housing bond partly as an economic stimulus, creating 276,000 jobs in the lagging construction industry.

But there's a better reason to support this bond measure. The housing crisis is affecting all aspects of community life and is diminishing California's ability to attract industry.

When teachers can't buy homes, they leave for jobs in less expensive areas. Same for cops and firefighters, lab assistants and bus drivers. In good times, tech workers are hard to recruit because they can live far better elsewhere on similar salaries.

This problem affects us all, and no one city or county can solve it. State leadership is needed, and a housing bond is a solid step. The Assembly should approve SB 1227 today, and after the Senate has concurred on



Assembly amendments, the governor should sign it.

Most of the money would help low income people, including the homeless, as it should. Some will help moderate-income Californians with down payments on their first homes -- a hurdle that, once cleared, allows most families to ride the wave of California prosperity. Smart growth criteria in the measure would encourage development inside cities instead of sprawl.

Housing should be a non-partisan cause in California. If hard-working parents can't provide decent homes for their families, it's a black mark on our society and an impediment to our economy. Money is just one way the state can help, but it's an important one. The Legislature and the governor should clear the way for voters to decide on this bond measure in November.



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San Jose Mercury News

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# REAL ESTATE BULLETIN

Gray Davis, Governor  
Maria Contreras-Sweet, Secretary, Business, Transportation, & Housing Agency  
Paula Reddish Zinnemann, Real Estate Commissioner

<http://www.dre.ca.gov>

Department of Real Estate

Spring 2002

Spring 2002

Home Loans  
+ Teachers  
= ↑ Sales



from the California *Housing* Finance Agency

**S**elling homes to California's public school teachers has gotten even easier.

Another new program for educators offers an **80%** first loan and a **17%** "silent" second loan featuring deferred payments and simple interest. The "**80/17**" is an innovative partnership between the California State Teachers' Retirement System (CalSTRS) and the California Housing Loan Insurance Fund (CaHLIF), the mortgage insurance arm of the California Housing Finance Agency (CHFA). The maximum combined total for the first and second loan is **\$450,000**; in designated high cost counties, the maximum is **\$550,000**.

"The **80/17** can be good news for real estate licensees," says CaHLIF Officer Lorrie Blevins. "Since teachers only have to qualify for a loan on **80%** of the purchase price, more educators may be able to buy a home." While **80/17** works effectively across the board, it was originally designed for those wishing to purchase a home in high-cost areas. Real estate licensees may find the **80/17** a useful tool in assisting homebuyers who want to live in a certain area but can't afford to.

Since the program went statewide last November, more than **130** applications have been received from educators, amounting to over \$30 million in mortgages. Outgoing CalSTRS Chief Executive Director James D. Mosman is pleased with the partnership between CalSTRS and CaHLIF. "It sets the standard of cooperation to provide common good and California teachers reap the benefits."

All employees of California's public schools and members of CalSTRS are eligible for the **80/17**. More information is available by calling **(916) 322-8936** and participating lender information is provided on the CalSTRS Web site at [www.calstrs.ca.gov](http://www.calstrs.ca.gov).

CHFA was created in **1975** as California's affordable housing bank to help meet the housing needs of people with low to moderate incomes. CalSTRS provides retirement benefits to California's public school educators from kindergarten through community college and serves about **496,000** California teachers. **#**

**Did you know...**

**California has the most FHA single family loan originations in the nation.**

Los Angeles, CA  
(Los Angeles Co.)  
Los Angeles Times  
(Cir. D. 1,164,338)  
(Cir. S. 1,531,527)

MAR 31 2002

Allen's P. C. B. Est. 1888

SATURDAY

Home Buying <sup>224</sup> A course presented by the City of Corona Down Payment Assistance Program and California Housing Finance Agency will cover several federal, state, county and city programs. The class is designed to prepare entry-level buyers for homeownership. The program is sponsored by Irwin Mortgage.

**Location:** City of Corona, Public Library East Room; 650 S. Main St.

**Time:** 1030 a.m. to 1 p.m.

Cost: Free, but reservations required.

**Information:** (949) 661-2980.

Los Angeles, CA  
(Los Angeles Co.)  
Los Angeles Times  
(Cir. D. 1,164,338)  
(Cir. S. 1,531,527)

MAR 31 2002

*Allen's* P. C. B. Est. 1888

### State Finance Agency Raises Price Limits

The California Housing Finance Agency has increased price limits for its programs in 31 of California's 58 counties, making homeownership possible for more first-time homebuyers.

"California has one of the lowest (housing) affordability rates in the nation. The price limit changes won't solve the housing crisis, but they will help to make homeownership a reality for more Californians," said agency Executive Director Theresa Parker.

Orange, San Luis Obispo, Santa Cruz, San Joaquin, Sacramento, Placer and Sonoma counties are among those that will see new construction increases ranging from 10% to 20%. But price limits in 20 other counties will remain the same as they were in 2001.

The agency's price limits for resale homes range from a low of \$95,741 in Tulare County to a high of \$558,721 in San Francisco and Marin counties. Price limits are based on annual surveys of housing sales in each statistical area to determine an average.

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**San Diego Union-Tribune**

## The Front Porch

news and notes about real estate and our built environment

March 31, 2002

Here's a price rise that helps would-be homeowners

If those electronic mortgage rate signs along area freeways don't quite work in your hunt for a home loan, you might want to try the California Housing Finance Agency.

The agency, which provides financing for first-time home buyers of low and moderate incomes, has raised the limit on home prices for its lending programs in **31** of the state's **58** counties. The revised limits are more in line with current market prices for homes.

In San Diego County, CHFA spokeswoman Dawn Hulbert said the limit on new homes went up **7** percent, from **\$337,891** to **\$359,927**.

On existing homes, the limit was raised **6** percent, from **\$258,913** to **\$274,714**.

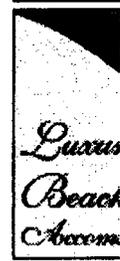
Interest rates on **30-year**, fixed-rate CHFA loans range from **5** percent to **7** percent, said Hulbert. The agency also offers assistance on down payments through low-interest "silent second" mortgages.

To qualify for a CHFA loan, borrowers must meet income criteria and work through a CHFA-approved lender (see [www.chfa.ca.gov](http://www.chfa.ca.gov)). The maximum income for families of one and two people is **\$60,800** and for three or more it is **\$69,920**. And, even if you've already been a homeowner somewhere in your past, you still can be a first-time home buyer again if you have not had an ownership interest in your personal residence for the last three years, Hulbert said.

"They are considered first-time home buyers," Hulbert said.

Statewide, CHFA price limits for resale homes range from a low of **\$95,741** in Tulare County to **\$558,721** in San Francisco and Marin counties.

"California has one of the lowest affordability rates in the nation," said CHFA Executive Director Theresa Parker. "The price limit



changes won't solve the housing crisis, but they will help to make home ownership a reality for more Californians."

– CARL LARSEN

Impossible task

**As** commercial jets grow larger, faster and carry ever-greater amounts of fuel, no skyscraper can be built to withstand a terrorist attack of the kind that destroyed the World Trade Center towers on Sept. 11, the chief structural engineer for the trade center project said.

"We have to conclude, we cannot fail to conclude, that it's not practical to design buildings **as** we know them – buildings that we'd want to live and work in – to resist the impact of these jet aircraft," the engineer, Leslie E. Robertson, said.

Speaking at a talk at the New York Historical Society, Robertson showed a chart illustrating the sharply increasing energy carried by a Boeing 707, which was the largest jet when the trade center was designed in the **1960s**; the much larger Boeing **767s** that struck the twin towers; and an even larger Airbus jet that will soon be available.

"There's no end of targets out there," said Robertson, who is the founding partner of Leslie E. Robertson Associates in Manhattan. "Imagine what happens if a **747** hits Yankee Stadium or the Superdome. We have to keep the airplanes away from the buildings."

– NEW YORKTIMES NEWS SERVICE

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IN BRIEF / SIMI VALLEY

# Council OKs Loan for Affordable Apartments

, From Times Staff Reports

A 70-unit apartment building offering affordable housing is closer to reality after the City Council this week gave preliminary approval for a **\$1.4-million** loan to the developer, Cabrillo Economic Development Corp. of Saticoy.

The **\$12.7-million** Plaza del Sol would be built at Alamo Street and Fairbanks Avenue. Cabrillo, the county's largest private developer of low-income housing, must arrange the remaining financing, which would come from the California Housing Agency, federal housing programs and private sources in exchange for tax credits.

"Simi Valley needs affordable, good-quality rental housing," Rodney Fernandez, Cabrillo's executive director, said Tuesday. "'Affordable' is for people making up to **\$42,000** a year." Cabrillo would set aside **34** of the one- to four-bedroom apartments for households making no more than 60% of the median income for Ventura County families. Rents on those units would range from **\$683** for one bedroom up to \$1,148 for a four-bedroom unit. The rent on the other apartments would average **\$1,200** for a two-bedroom unit.

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# 'Silent second' mortgage helps

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Low- to moderate-income first-time home buyers can qualify for loans they don't pay back until house resold

By SHERI GRAVES

THE PRESS DEMOCRAT

Kim St. Martin wanted to buy a home in Santa Rosa for herself, her teen-age daughter and her elementary school foster child. Her problem — like so many other Sonoma County residents — was that she could not qualify for a loan large enough to cover the purchase price.

"As a single parent," St. Martin said, "I couldn't qualify for a monthly house payment of \$1,600. Even though I had been paying that much for years in rent, I couldn't qualify for that much as a house payment because of the way lenders do their formulas."

However, she did qualify for a \$190,000 mortgage. She began looking for a home in that price range and was disappointed. Then she found a subdivision with starting prices she could afford.

It took three years, but St. Martin is now in the home because of a program called a "silent second." The programs, usually offered through local and state government housing programs such as the California Housing Finance Administration, are in essence a second loan on the property. Typically, the home owner is not re-

## WHO CAN HELP

Just about any lender can handle applications for the "silent second" mortgage assistance programs available to low- and moderate-income first-time home buyers. Most of the ones that specialize in such loans are on the following California Housing Finance Agency's list of approved lenders for Sonoma County:

- Bank of America, Bennett Valley Road, Santa Rosa, 525-2618.
- Cal Bay Mortgage Group, North Dutton Avenue, Santa Rosa, 528-2600.
- Central Pacific Mortgage, Range Avenue, Santa Rosa, 571-8915; or Fourth Street, Petaluma, 773-4200.
- Chase Manhattan Mortgage, Brookwood Avenue, Santa Rosa, 545-4772.
- Countrywide, Coddington Mall, Santa Rosa, 573-0110.
- GMAC Mortgage Corp., Bennett Valley Road, Santa Rosa, 546-4622.
- Mission Hills Mortgage Co., Stony Point Road, Santa Rosa, 524-8330; or North McDowell Boulevard, Petaluma, 775-4500.
- National City Mortgage, Corporate Center Parkway, Santa Rosa, 568-5626.
- North American Mortgage, North Dutton Avenue, Santa Rosa, 543-8422; or Stony Point Road, Santa Rosa, 542-4800.
- Pacific Republic Mortgage, E Street, Santa Rosa, 546-4356.
- Wells Fargo Home Mortgage, B Street West, Sonoma, 933-4321.

quired to make payments but must pay off the loan when the home is sold.

St. Martin was helped by Dave Schlote, a Realtor with RE/Max, who referred St. Martin to loan agent Joan Picard at North American Mortgage, a subsidiary of Washington Mutual. North American is the largest mortgage lender in Sonoma County and handles a significant volume of loans offered through special govern-



JEFF KAM LEE / The Press Democrat

Marisa, 17, helps her mother, Kim St. Martin, unpack after moving into their new home that St. Martin purchased with the help of a "silent second" mortgage.

ment programs for first-time home buyers in the low to moderate-income range.

"Joan is an absolute wizard," St. Martin said. "Between her and Dave, I was able to get on a waiting list for the next phase of the subdivision." She waited. And waited. Finally, she got a call in January. She moved into her new home on Valentine's Day.

"Without the 'silent second' mortgage arranged by Joan, I couldn't have gotten this home," St. Martin said. "While I was waiting for the house to be built, the sale price went up to \$269,100 while my loan approval remained at \$190,000. The 'silent second' mortgage paid the difference as a deferred down payment."

St. Martin was required to pay closing costs and now has a monthly mortgage \$400 less than she was paying in monthly rent. Her "si-

lent second" mortgage through the Sonoma County Community Development Commission is equal to 29 percent of the purchase price, but when she sells the home and her no-interest "silent second" is paid off through the proceeds of the sale, she also is required to pay about 30 percent of the profit realized on the sale.

She doesn't care because the end result is that she now owns a "duet," half of a duplex with a common wall. Also, the neighborhood "wonderful."

"All my neighbors are first-time home buyers like me," St. Martin said. "We're all in the same boat. When we drove up to move in, half a dozen neighbors showed up to help unload the truck."

## 'SILENT': Programs help home buyers

CONTINUED FROM PAGE R1

St. **Martin's** home is in the Gloria **Park** subdivision developed by **George Dexter Schlote**, marketing director for the project, said there is only one more **house** available for sale in this neighborhood.

There are a number of "silent second mortgage programs available to low- and moderate-income first-time home buyers. In general, these loans are granted at zero or very low interest rates, with all payments deferred until the subsequent sale of the home when the borrower moves. As in St. **Martin's** case, some "silent seconds" require the payoff to include a percentage of the profits equal to the percentage of the purchase price represented by the "silent second" loan.

"We have two 'silent second' mortgage programs for first-time home buyers," said **Kathleen Kane**, of the Sonoma **M U - t y Community Development Commission**. Anyone who meets the income requirements is eligible for these loans, which focus specifically on high-density "affordable housing" subdivisions. Gloria **Park** in Southwest Santa **Rosa** is the only one right now that still has homes for sale. As more are approved and built, more of these loans will be available.

The commission's other "silent second" program is for county employees who are first-time home buyers. This 5 percent simple interest loan of up to \$15,000 constitutes a 30-year second mortgage with monthly payments of interest only for the first 10 years, after which the note is fully amortized for the remaining 20 years of the loan. --

The program for county workers is funded by employees whose union negotiated a "penny per hour" set-aside to be matched by Sonoma **County**. There is a maximum gross annual household income limitation of \$95,000.

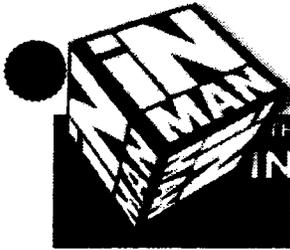
For information about California **Housing Finance Administration** loans, access [www.chfa.ca.gov](http://www.chfa.ca.gov). For information about "silent second" mortgage programs, pick up a brochure at **Santa Rosa's Housing and Redevelopment office**, 90 Santa **Rosa** Ave., or call Sonoma **County Community Development Commission**, 565-7509.

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You can reach Staff Writer **Sheri Graves** at 527-9078 or [www.sgraves@pressdemocrat.com](mailto:www.sgraves@pressdemocrat.com). 224!

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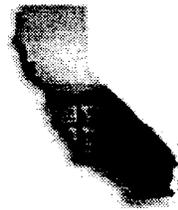
### First-time buyers get a break

#### California Housing Finance Agency to raise price limits in 31 of 58 counties

Tuesday, March 19, 2002

Inman News Features

The California Housing Finance Agency today announced it has increased price limits for its programs in 31 of California's 58 counties, making home ownership possible for more first-time home buyers in the state.



"California has one of the lowest (housing) affordability rates in the nation. The price limit changes won't solve the housing crisis, but they will help to make home ownership a reality for more Californians," said CHFA Executive Director Theresa Parker.

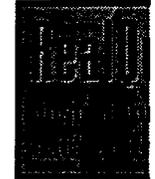
Many counties will see double-digit increases. Limits for resale homes in Napa, San Joaquin, San Benito, San Luis Obispo and Solano counties will rise 12 percent. Yolo and Stanislaus counties will see 16 percent and 18 percent increases, respectively. Orange, San Luis Obispo, Santa Cruz, San Joaquin, Sacramento, Placer and Sonoma counties will see new construction increases ranging from 10 percent to 20 percent.

But price limits in 20 other counties will remain the same as they were 2001.

CHFA price limits for resale homes range from a low of \$95,741 in Tulare County to a high of \$558,721 in San Francisco and Marin counties.

Price limits are based on annual surveys of housing sales in each statistical area to determine average area purchase price limitations, also known as "safe harbor" limits. The new price limits are set at the higher of the area average limits from the surveys or the older safe harbor limits published in 1994 under IRS Revenue Ruling 94-55.

"CHFA's mission is to provide safe, affordable, decent housing for Californians. With each additional purchase we can facilitate, we are one step closer to meeting that goal," said Parker.



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CHFA was established in 1975 as the state's affordable housing bank. The agency provides financing for first-time low- to moderate-income home buyers.

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MAR 19 2002

Allen's P. C. B. Est. 1888

# Rundown Anaheim Community 224 Gets \$54 Million in Upgrades

**Urban renewal: Jeffrey-Lynne neighborhood now has a waiting list for affordable housing—and a new name**

By KIMI YOSHINO  
TIMES STAFF WRITER

The former Jeffrey-Lynne neighborhood, once one of Anaheim's most crime-ridden, rundown communities, is flaunting its \$54-million make-over these days, complete with a new name.

Decrepit, overcrowded apartments have paved way to gated streets with new buildings, play lots and a child-care center. Residents of the old Jeffrey-Lynne were given first choice at moving into the new **Hermosa Village**, with no increase in their rents for two years.

"It seems like we won first prize," Margarita Martinez Mendez said of her new home.

Like the Mendezes, many families already have made the move back. Today city officials will unveil their redevelopment project with public tours and speeches.

The city took an eight-block stretch of apartments, invested time and money, and transformed a community of about 5,000 residents.

"The results speak for themselves," said Mayor Tom Daly, who made revitalizing Jeffrey-Lynne one of his main goals. "The residents are thrilled. The neighborhood has been stabilized. It's much more attractive. This is an example of what we should be doing in other high-density apartment neighborhoods."



GERALDINE WILKINS / Los Angeles Times

Eduardo Maqueda, wife Maria Ramirez and daughter Jennifer have lived in the area—now Hermosa Village—for five years.

Since the 1970s, the name Jeffrey-Lynne had become synonymous with drugs and gangs. Shootings erupted on the streets; crime skyrocketed. With mixed results, city officials threw code enforcement at the problem and more cops. They tried extra foot patrols, cleaned out garages and banned street parking.

But that wasn't enough.

Then, about three years ago, the city embarked on its most ambitious redevelopment project.

In a series of deals that Daly likened to a 'complicated military maneuver,' the city negotiated with dozens of property owners to buy or lease their property.

They found two developers, one that oversaw reconstruction and the other to handle property management.

Of the \$54 million, the city contributed \$14.5 million with housing authority money, city

The result is visible everywhere in the palm-tree lined development that has a new image and new name. Once, people couldn't wait to get out of Jeffrey-Lynne. Now, they're clamoring to get in to Hermosa Village. The waiting list for the low-income, affordable apartments is two years and growing.

This is a tight-knit community of people who have weathered deplorable living conditions only to be rewarded years later.

Gaffiti has been replaced with fresh paint. The dense one-bedroom units have been gutted and rebuilt with two-, three- and four-bedroom apartments better suited for families with children. There are about 300 more bedrooms now.

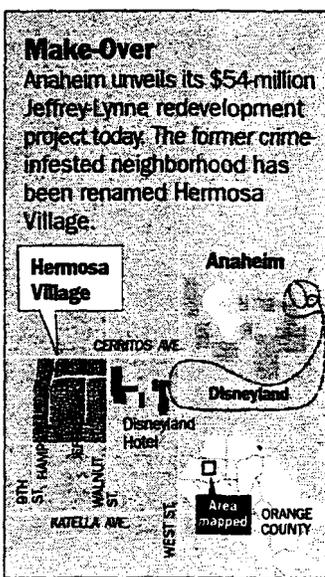
The community center has a swimming pool, child care, a Boys and Girls Club, a computer lab and English classes. There is also an on-site health program, career counseling and a food-distribution program.

During construction, residents were temporarily relocated, although the city negotiated with the school district to allow children to attend the same schools.

Although many people moved from cramped and dilapidated one-bedroom units into larger apartments with more bedrooms, new plumbing and appliances, their rent will remain stable for two years, averaging \$450 to \$500 a month.

Mendez, 64, lived in her same one-bedroom apartment at Jeffrey-Lynne for 26 years, at times with six other people.

"We are very happy now," Mendez said. "Much thanks. I sleep so much better at night. In the evenings, the streets are really quiet."



Los Angeles Times

funds and a loan from the California Housing Finance Agency. The developers secured the rest through conventional loans and state and federal tax credits.



3/19/02

## Home buyers finding more help

By Tami Casias

Index-Tribune Correspondent

"Walk away knowing you can make this work," said Sheila Burks of Fannie Mae, one of several lenders and credit counselors who shared the keys to unlocking special programs designed for first-time home buyers Thursday.

Special loans targeting teachers, firefighters and police officers were outlined, along with no-down payment and low-interest loans for low- to moderate-income earners, by representatives from Fannie Mae - the private company chartered by the federal government to make housing more accessible and now one of the nation's largest lenders - and the California Housing Finance Agency, the state's self-supported affordable housing lender funded through the sale of mortgage bonds.

"We're fortunate to have this range of talent," said Assemblywoman Patricia Wiggins (D-Santa Rosa). She sponsored the event bringing together first-time buyers with the agencies, lenders and programs that can make it happen.

"There's such a thirst," Wiggins added.

This was the second in a series of community meetings designed to spread the word that new programs are available for those who thought they were priced out of the market. The first event was held in Santa Rosa; the next is planned for Napa.

First-time buyers are defined by CHFA as someone who has not owned a home for at least three years.

Qualifying income levels are calculated by combining the gross income of the applicants with the size of the household.

For Fannie Mae purposes, loans for qualified applicants may be funded providing the home will be owner-occupied. "We're not interested in funding investment properties," Burks said.

"Homeownership is the way we make our financial security for the future," Burks told the group of 75 people who showed up to see if home ownership could be possible.

"I want you to treat it like a job," she said. "Treat it like you really mean it."

Taking a good look at your credit report is the first step, Burks said. Check for errors and problem **areas**. She stressed the importance of paying bills on time. "If you're going to be late on something, don't let it be your mortgage or rent."

"We're especially interested in the last two years," Burks added. "You don't have to have traditional credit. You don't have to have owned a car. Any recurring monthly obligation - utility bills or other monthly accounts - will do."

Burks recommends having a professional look at the applicant's current financial situation.

"Talk to a lender to prequalify and be as open and honest **as** possible," she said. "Find out what you can buy first. You're in a stronger position if you have this letter with you before you go shopping."

Next, she added, talk to a real estate agent and look at homes within the affordable price range.

"It's okay to shop and find the best rates. Shop for terms that fit you, your household and your income," Burks said. "We want to make sure the house you get is something you can afford."

Lenders look at credit reports twice - at the beginning and again, just before funding.

"They look at your ability to pay," Burks said. "Don't buy that new car once you apply for a mortgage. It's a deal killer."

Anton Mares of Consumer Credit Counseling Service added, "The only thing that heals credit is time."

"Your credit report is only one part of the lending process," Mares said. "Stay in the same industry if you have to change jobs. This shows continued employment."

Following the presentations, lender teams from several agencies met with individuals to answer specific questions.

"We've experienced your pain," said Randy Blankenbaker, of Chase Manhattan Mortgage and also a Sonoma County resident. "It's very difficult to buy a home in Sonoma County."

It may take some individuals one year or more, according to Blankenbaker. "We can get you in a house. You've just got to want to do it."

Davon Godwin, a Geyserville teacher, heard about the meeting through Wiggins' office.

"It was really informative," she said. "I learned that there was more than one program."

"Now I have butterflies," Godwin added. "I'm excited we might really be able to have a home. I feel better about the world that people are so dedicated to making sure we have homes. It was worth the drive."

Sonoma resident Linda Siemer agreed. "It's extremely helpful," she said. "They were here to let us know it's really possible."

For information on the next seminar, contact Wiggins' office at **546-4500**.



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For the Record

## ORANGE COUNTY

## Run-Down Community Gets \$54 Million in Upgrades

■ **Urban renewal:** Jeffrey-Lynne area, renamed Hermosa Village, now has a wait list for housing.

By KIMI YOSHINO, TIMES STAFF WRITER

The former Jeffrey-Lynne neighborhood, once one of Anaheim's most crime-ridden, rundown communities, is flaunting its \$54-million makeover these days, complete with a new name.

Decrepit, overcrowded apartments have given way to gated streets with new buildings, play lots and a child-care center. Residents of the old Jeffrey-Lynne were given first choice at moving into the new Hermosa Village, with no increase in their rents for two years.

"It seems like we won first prize," Margarita Martinez Mendez said of her new home. Like the Mendezes, many families already have made the move back. Today city officials will unveil their redevelopment project with public tours and speeches.

The city took an eight-block stretch of apartments, invested time and money, and transformed a community of about 5,000 residents.

"The results speak for themselves," said Mayor Tom Daly, who made revitalizing Jeffrey-Lynne one of his main goals. "The residents are thrilled. The neighborhood has been stabilized. It's much more attractive. This is an example of what we should be doing in other high-density apartment neighborhoods."

Since the 1970s, the name Jeffrey-Lynne had become synonymous with drugs and gangs. Shootings erupted on the streets; crime skyrocketed. With mixed results, city officials threw code enforcement at the problem and more cops. They tried extra foot patrols, cleaned out garages and

## Photos



Community Upgrade  
(GERALDINE WILKINS / LAT)  
Mar 19, 2002

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**La Opinión**

banned street parking.

But that wasn't enough.

Then, about three years ago, the city embarked on its most ambitious redevelopment project.

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Mendez, **64**, lived in her same one-bedroom apartment at Jeffrey-Lynne for **26** years, at times with six other people.

In the early 1980s, she miscarried twins when she fell down the stairs, running to escape a shooting on a nearby street.

"We are very happy now," Mendez said. "Much thanks. I sleep so much better at night. In the evenings, the streets **are** really quiet."

Her son and his family live in an apartment a few yards away.

Residents were allowed to return in phases. Maria Ramirez, **25**, and her family moved back a couple months ago. While she was gone, she returned each month to check on progress and watch in amazement **as** tot lots were added, flowers bloomed and the swimming pool took shape.

"Every month, I would ask, 'Are they ready? Are they ready? Where is my apartment? Which one?'" Ramirez said. "I like the one that I got. It's very pretty."

But city officials and residents say they are not finished. More than **300** units have been refurbished in what they call the "core" of Jeffrey-Lynne. Phase 2 will be the perimeter, bounded by Cerritos Avenue, Audre Drive, Walnut and 9th streets.

Those residents still living on the perimeter are jealously eyeing the changes.

"It is a big change," said Francisco Ceja, who served **as** chairman of the resident committee. "It's a big improvement, but it's only one step, one part. The people on the perimeter are already saying, 'When are we going to be able to have decent and affordable housing?'"

Anaheim's redevelopment staff and the two developers--Southern California Housing Development Corp. and the Related Companies of California--are already putting together a financing plan they hope to take to the City Council in May. And property owners in the second phase already are being approached to sell.

Jim Aliberti, senior director of property management for Southern California Housing, said the lack of affordable housing in Orange County has become a crisis.

"Disney is planning to build a third park," Aliberti said, adding that those future employees will need affordable housing. "Where are these people supposed to be housed? It's really an incredible situation. That's why they're doubling and tripling up families in these units, because they can't afford to live in Orange County."

If you want other stories on this topic, search the Archives at [latimes.com/archives](http://latimes.com/archives). For information about reprinting this article, go to [www.lats.com/rights](http://www.lats.com/rights).

Monterey Co. Herald-Examiner 1/18/02

# Young teachers become homeowners



ORVILLE MYERS/The Herald

Andall, a teacher at Boronda Elementary School in Salinas, works on the 600-square-foot condominium in Monterey that he bought through the Extra Credit program.

## LOAN PROGRAM HELPS EDUCATORS PUT DOWN ROOTS IN COUNTY

By JILL DUMAN  
jduman@montereyherald.com

children, they attended schools, but two local teachers say it took a loan program run by the state to enable them to own homes in the county where they grew up.

Suarez, a Salinas planning commissioner who teaches fifth grade at Sherwood Elementary School in Salinas, and Randall, who teaches a fifth-grade combination class at Boronda Elementary in Salinas, are buying homes thanks to the California Housing Finance Authority's Extra Credit program.

The Extra Credit program is designed to recruit and retain teachers in schools where a high percentage aren't doing well on standardized English and math tests. The program contains two types of loans: One is a 30-year loan offered to eligible teachers at a lower interest rate than what is offered by the

banking industry.

The second provides teachers with up to \$7,500 toward the down payment, and its interest rate drops to zero if teachers remain in a low-performing school for five years. Payments aren't due until the home is sold or refinanced, or until the first 30-year mortgage is paid off.

Those kinds of terms make it possible for young teachers like Suarez and Randall to realize their dream of home ownership.

"I can't say in words how important it was," said Suarez, who is buying a 1,100-square-foot two-bedroom one-bathroom home in North Salinas for around \$250,000. "I knew I didn't want to rent. I wanted to own a home because I plan to have roots here. It's not just a wise investment. I plan to stay and work here for a long, long time."

Suarez, 32, has been a teacher for four years. The Salinas native

## Teachers eligible for loans

Teachers who meet income requirements and who teach in the following schools are eligible for low-cost home loans through the California Housing Finance Authority's Extra Credit program.

**On the Monterey Peninsula:**

► Del Rey Woods, Highland, Manzanita, Juan Cabrillo and Ord Terrace elementary schools, and King Middle and Seaside High, all in Seaside.

**In North County:**  
► Castroville Elementary School in Castroville.

**In Salinas:**  
► Alisal Community, Bardin, Chavez, Creekside, Frank Paul, Fremont, Loya, Rocca Barton and Sanchez elementary schools in the Alisal Union School District.

► Graves Elementary in the Graves School District.

► Boronda, El Gallito, Lincoln, Loma Vista, Los Padres, Natividad, Roosevelt and Sherwood elementary schools in the Salinas City Elementary School District.

► Alisal, Everett Alvarez, El Sausal, Harden, North Salinas and Washington Middle in the Salinas Union High School District.

► Santa Rita Union Elementary in the Santa Rita Union Elementary District.

**In South County:**  
► Chualar Union Elementary School in Chualar.

► Fairview Middle, La Gloria Elementary and Gonzales High in Gonzales.

► Gabilan Elementary, Main Street Middle, San Vicente Elementary and Soledad High, in Soledad.

► Del Rey, San Lorenzo and Santa Lucia elementary schools and King City High in King City.

Please see Homes page A10

## Homes

From page A1

attended elementary, junior high, high school and college in Monterey County, and chose to live with his parents so he could save money for a house. He is **engaged** to be married in July.

Randall is also living with his parents while he works on improvements to the 600-square-foot condominium he recently bought in Monkey.

Randall, 28, closed escrow on his home about a week ago. He said he hadn't really considered owning a home until his mother, who is also a teacher, gave him some literature on the Extra Credit program.

"I had no plan to buy a home," said Randall. "I just didn't think it was feasible."

Like Suarez, Randall grew up attending local schools, although he was actually born in Jamaica and returned to that country for college, finishing up at a university in Spain.

With average home prices in Monterey County hovering around \$360,000, teachers like Randall might understandably wonder how to stretch beginning salaries in the \$30,000 to \$35,000 range to include home-loan payments.

But teachers at the lower end of the salary scale are ideally suited to the Extra Credit program.

Teresa Barnes, vice president and associate district manager for GMAC Mortgage Corporation in Salinas, said she's had teachers who want to participate in the Extra Credit program who exceed its tight income restrictions, which top out at \$69,920 for a family of three or more. Others can't find a house within the program's sales-price limitations — \$397,924 for a newly constructed home.

Barnes said the current interest rate available commercially on a 30-year fixed mortgage is about 7 percent while the Extra Credit program offers a 6



ORVILLE MYERS/The Herald

"I had no plan to buy a home," says Will Randall, a teacher at Boronda Elementary School in Salinas. "I just didn't think it was feasible." Randall bought a 600-square-foot condominium in Monterey using the Extra Credit loan program.

## Extra Credit loan brokers

The following local mortgage brokers handle Extra Credit Home Loans:

- ▶ Mission Hills Mortgage, Carmel 622-8484
- ▶ Wells Fargo Home Mortgage, Carmel 622-9464
- ▶ Bank of America, Monterey 646-5846
- ▶ GMAC Mortgage, Monterey 649-6100
- ▶ Bank of America, Salinas 443-2771
- ▶ Countrywide, Salinas 442-7920
- ▶ GMAC, Salinas 422-9213
- ▶ Irwin Mortgage, Salinas 422-1004
- ▶ National City Mortgage, Salinas 424-4983
- ▶ North American Asset, Salinas 449-6575
- ▶ Wells Fargo Home Mortgage, Salinas 422-2307

percent rate. That means a homeowner putting 3 percent down toward a 30-year fixed-rate mortgage would then face monthly mortgage payments of about \$1,613, versus \$1,453 a month under the Extra Credit program.

One two-teacher family that worked with Barnes was disappointed to find out that they made too much money to qualify for the program, even though they didn't make enough to afford a house in an area where

they wanted to buy.

"We're still trying to find a program for them," Barnes said, and noted that the state financing agency has other loans to help income-eligible home buyers.

Other would-be participants are finding that they should also have saved money to cover closing costs, which usually total around 2 percent of a home sale price.

But even with those restrictions, the Extra Credit program

## Loan details

The California Housing Finance Authority's Extra Credit Home Loan program is aimed at getting teachers and principals who have low-performing schools notified of their own income requirements for a \$69,920 for a family of three or more.

The state offers two different loan programs. The first program is a 30-year fixed-rate mortgage with a fixed below-market rate.

▶ A loan amount with a maximum principal can be borrowed according to income.

The second loan program provides:

▶ Up to \$750,000 in down payment.

▶ A forgivable interest rate that drops to zero percent if the teacher remains in a school with low standardized test scores for five years.

▶ Payments aren't required until the home is sold, refinanced, or until the 30-year mortgage is paid.

More information can be obtained by calling (916) 322-9991 or by visiting the program's Web site at [www.chfa.ca.gov/homeowners/programs/extracredit/](http://www.chfa.ca.gov/homeowners/programs/extracredit/).

is definitely sparking interest among young teachers interested in putting down roots in an expensive community. Leon Mattingley, director of personnel for the Salinas City School District, said he continues to hear from teachers who want to learn more about the program.

"You can see the wheels start to turn in their heads," he said.

Jill Duman can be reached at 753-6755. 224

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Posted on Mon, Mar. 18, 2002



## Young teachers become homeowners

### Loan program helps educators put down roots in county

By JILL DUMAN  
jduman@montereyherald.com

As children, they attended local schools, but two local teachers say it took a loan program run by the state to enable them to own homes in the county where they grew up.

Joe Suarez, a Salinas planning commissioner who teaches fourth grade at Sherwood Elementary School in Salinas, and Will Randall, who teaches a fifth-sixth-grade combination class at Boronda Elementary in Salinas, are both buying homes thanks to the California Housing Finance Authority's Extra Credit program.

Extra Credit is designed to help recruit and retain teachers in schools where a high percentage of students aren't doing well on standardized English and math tests. The program consists of two types of loans: One is a fixed 30-year loan offered to income-eligible teachers at qualified schools at an interest rate lower than what is offered by the banking industry.

The second provides teachers with up to \$7,500 toward the down payment, and its interest rate drops to zero if teachers remain in a low-performing school for five years. Payments aren't due until the home is sold or refinanced, or until the first 30-year mortgage is paid off.

Those kinds of terms make it possible for young teachers like Suarez

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and Randall to realize their dream of home ownership.

"I can't say in words how important it was," said Suarez, who is buying a 1,100-square-foot, two-bedroom, one-bathroom home in North Salinas for around \$250,000.

"I knew I didn't want to rent. I wanted to own a home because I plan to have roots here. It's not (just) a wise investment. I plan to stay and work here for a long, long time."

Suarez, 32, has been a teacher for four years. The Salinas native attended elementary, junior high, high school and college in Monterey County, and chose to live with his parents so he could save money for a house. He is engaged to be married in July.

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But even with those restrictions, the Extra Credit program is definitely sparking interest among young teachers interested in putting down roots in an expensive community. Leon Mattingley, director of personnel for the Salinas City School District, said he continues to hear from teachers who want to learn more about the program.

"You can see the wheels start to turn in their heads," he said.

Jill Duman can be reached at 753-6755.

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**(BW)(CA-HOUSING-FINANCE) Homeownership Becomes Easier for More First-time Buyers**

News Editors/Real Estate Writers

SACRAMENTO, Calif.--(BUSINESS WIRE)--March 18, 2002--As California's housing crisis deepens, the California Housing Finance Agency (CHFA) is making homeownership possible for more first-time homebuyers. CHFA today announced it has increased price limits for its programs in 31 of California's 58 counties.

"California has one of the lowest affordability rates in the nation. The price limit changes won't solve the housing crisis, but they will help to make homeownership a reality for more Californians," said CHFA Executive Director Theresa Parker.

Many counties will see double-digit increases. For example, limits for Resale homes in Napa, San Joaquin, San Benito, San Luis Obispo and Solano Counties are rising 12 percent. Yolo and Stanislaus counties will see **16%** and 18% increases respectively. New construction increases range from 10% to 20% in such places as Orange, San Luis Obispo, Santa Cruz, San Joaquin, Sacramento, Placer and Sonoma Counties. Price limits in 20 other counties will remain the same as 2001.

Price limits are based on annual surveys of housing sales transactions in each statistical area to determine Average Area Purchase Price (AAPP) limitations, also known as the "safe harbor" limits. The new price limits are set at the higher of the AAPP limits from the annual surveys or the older safe harbor limits published in 1994 under IRS Revenue Ruling 94-55.

Statewide, CHFA price limits for resale homes range from a low of \$95,741 in Tulare County, to a high of \$558,721 in San Francisco and Marin Counties.

Parker said: "CHFA's mission is to provide safe, affordable, decent housing for Californians. With each additional purchase we can facilitate, we are one step closer to meeting that goal."

CHFA was established in 1975 as the state's affordable housing bank. The Agency provides financing for first-time homebuyers of low to moderate income. Moderate income limits for a family of three range from \$69,920 a year in places like Tulare, Humboldt and San Diego counties, up to a high of \$110,400 per year in Santa Clara County. For more information about CHFA and its programs call 800/789-2432 or log on to [www.chfa.ca.gov](http://www.chfa.ca.gov).

--30--gm/sf\*

CONTACT: California Housing Finance Agency  
Dawn Hulbert, 916/322-0249

KEYWORD: CALIFORNIA  
INDUSTRY KEYWORD: GOVERNMENT REAL ESTATE BUILDING/CONSTRUCTION  
SOURCE: California Housing Finance Agency

## Housing Affordability Down in California, New Figures Show

Only 32 percent of California households could afford the median-priced home in January, 2002 – down three percentage points from the same time last year, according to the latest affordability index of the California Association of Realtors (CAR). By comparison, the national average is 57 percent. CAR's monthly index measures the percentage of households that can afford to purchase a median-priced home in California. Below is a sample of affordability around the state:

Central Valley 46%    Contra Costa 16%    Los Angeles 34%    Northern California 38%  
Orange County 31%    Sacramento 50%    San Diego 27%    San Francisco 17%

CAR also reports that the state's median home price in January was \$285,860. CAR economists and others attribute California's high unaffordability to its inadequate supply of housing. For more information, visit [www.car.org](http://www.car.org).

Contact: Meghan *Meisel*

## Builders Can Lock in Mortgage Rates through CHFA Program

Builders and developers can purchase permanent mortgage forward commitments for eligible borrowers anywhere in the state through a program offered by the California Housing Finance Agency (CHFA). Rates can be locked in daily through an approved CHFA lender for six, nine or 12 months with commitment fees of 0.5%, 1.5% and 2%, respectively. No cash up front is required for six-month commitments as fees are collected as a discount at loan purchase. On the nine and 12-month commitments, one half cash up front is required with the other half as a discount at loan purchase. For more information, and to check rates daily, go to <http://www.chfa.ca.gov/homeownership/requirements/current-rates.htm>.

Contact: Bob *Rivinius*

## CBIA Says Farewell to a Friend

Gregg Brown, homebuilder and CBIA's 2002 Vice President, died last week following complications stemming from heart surgery. Gregg was 50 years old. Gregg, a devoted husband and father, meant so much to CBIA because CBIA meant so much to him. Gregg was one of the homebuilding industry's biggest boosters and CBIA's pre-eminent ambassador of good will. His passion for advancing the cause of homebuilding in California grew out of a firm belief that homebuilders do good things for Californians – literally making their grandest of dreams come true. Gregg's larger-than-life persona will be sadly missed here at CBIA but, also, happily remembered, especially on January 1 of each year, as the homebuilding industry's Rose Parade float – that he inspired – graces the annual Pasadena pageant. Farewell, Gregg.

CBIA \* 1215 K Street, Suite 1200 \* Sacramento, CA 95814 \* 916/443-7933 \* 916/443-1960 fax  
For facts and information on housing and homebuilding, visit the "Voice of California  
Housing" website at [www.cbiam.org](http://www.cbiam.org)

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MAR 12 2002

Allen's P. C. B. Est. 1888

# Help available for first-time home buyers

By Tami Caslas

INDEX-TRIBUNE CORRESPONDENT

The door to home ownership has opened a bit for teachers, firefighters, police officers and first-time buyers.

A group of lenders and the state's affordable housing representatives will be spreading the word Thursday, March 14, during a public meeting sponsored by Assemblywoman Patricia Wiggins (D-Santa Rosa).

"Anyone in California knows the cost of housing prices people out of the market," said Bob Klose, Wiggins' aide. "Wiggins and her staff decided to see what is available and to make sure people know about it."

"There's an awful lot of interested people out there," he added. "This is the second in a series of meetings - the first held in Santa Rosa. A lot of people expressed gratitude that in a couple of hours they could get some kind of idea how to overcome obstacles like down payments and credit issues."

Flyers have been sent to all schools, police and fire departments in the Valley

"We provide low-interest loans to first-time homeowners," said Sandy Sarber of the California Housing Finance Agency - the state's self-supported affordable housing lender funded through the sale of mortgage bonds. "It's a wonderful good-news agency" Sarber said.

In 2001, \$1 billion in loans were granted.

"We will be outlining several of the programs CHFA has for teachers, police officers, firefighters and other first-time buyers needing assistance," Sarber said.

CHFA defines a first-time home buyer as someone who hasn't owned a home for at least three years

Low- and moderate-income levels are calculated by combining annual income and household size. A low-income classification for a 1- or 2-person household is set at

\$38,040, while a moderate income for the same size household is \$63,400.

The type of home being purchased - new or existing - also determines available loans.

"Home ownership in higher-cost counties like Sonoma isn't a 'slam dunk,' but with tenacity, diligence in researching different programs and understanding the concept of "layered" funding - it is possible," Sarber said.

Also present will be representatives of Fannie Mae - the private company chartered by the federal government to make housing more accessible, and also one of the nation's largest lenders. The Fannie Mae representatives will discuss Community Solution Mortgages, created for teachers, firefighters and police officers and offering down-payments as low as one

percent, flexible credit guidelines and timely payment rewards.

"We're working with Assemblywoman Wiggins to let everyone know what resources are out there for working families," said Colleen Haggerty of Fannie Mae. "This is for anyone who wants to learn what it takes to be a homeowner."

The meeting will be held from 6:30 to 8:30 p.m. at the Sonoma Community Center, 276 E. Napa St. Spanish-English translation help will be available.

The Sacramento Bee

# BUSINESS

MONDAY  
March 11, 2002

□ □ □

Gov. Gray Davis has appointed Nancy Nevis Abreu as director of insurance for the California Housing Finance Agency. She will plan, organize and direct all mortgage insurance operations of the California Housing Insurance Fund.

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EX-100

# S.J. Realtors urged to use state resources

**EFFICIENCY**  
Paula Reddish Zinnemann speaks Friday in French Camp at the annual awards luncheon of the Central Valley Association of Realtors.

Record photo by  
DAVID FINGH



## Top regulator highlights Valley luncheon

By Reed Fujii

California's top real estate regulator Friday encouraged area Realtors to take advantage of the

Department of Real Estate's site on the Internet to transact routine business and help improve the agency's efficiency.

Used real estate brokers and agents in the state, the agency's staff of about 315 must try to cover a lot of ground

well as handling routine matters such as license renewals and registering office changes through the Internet ([www.dre.ca.gov](http://www.dre.ca.gov)).

"That leaves staff to do other things," Reddish Zinnemann said.

And while the department focuses on enforcement of real estate sales, licensing and subdivision laws, she reported there is a major bill pending in the state Assembly that could help ease the state's affordable-housing crisis.

Assembly members may consider Thursday a bill, SB1227, that

Please see REALTORS, C7

# REALTORS

Continued from C8

would authorize \$2.1 billion in state bonds to fund a variety of

would include \$290 million in down-payment assistance for first-time homebuyers, \$195 million for homeless shelters, \$200 million for transitional housing, \$910 million for affordable multifamily

housing, and \$195 million in so-called supportive housing, or transitional housing, according to officials of the California Housing Finance Agency.

In providing consumer protection, Reddish Zinnemann noted that her agency receives about 10,000 complaints per year against real estate agents and brokers. Of those, about 4,000 merit further investigation by agency staffers, and 1,000 or so are finally referred to DRB lawyers to seek some sort of settlement or regulatory hearing.

The most common complaint involves trust accounting, Reddish Zinnemann said, typically involving property managers

and mortgage brokers and problems of proper record-keeping, having the correct signatures on documents and co-mingling of funds.

Another common problem is that of real estate brokers allowing sales to go through under the authority of their license, but without properly supervising and checking the details as required under law.

At the same time, Reddish

Zinnemann deflected criticism away from her audience, as Realtors groups' leaders stress following the best practices, but ethically and legally.

"I realize I'm preaching to the choir here," she said.

California, unlike many states, does not require that real estate sales contracts be drafted and cleared by attorneys.

As an lawyer herself, Reddish Zinnemann said that real estate

attorneys can provide vital expertise in some cases.

But consumers shouldn't worry about having a real estate broker handle a straight-forward home sale.

"That shouldn't be a problem," she said.

"A smart agent knows when to refer a client for legal help."

■ To reach reporter Reed Fujii, phone 546-8253 or e-mail [fujii@recordnet.com](mailto:fujii@recordnet.com)

MAR 3 2002

Allen's P. C. B. Est. 1888

# State agency offering help for home buyers in 3 expensive counties

More than a few would-be home buyers have found themselves stuck: They make too little money to enter the Bay Area's high-priced housing market but too much money to qualify for most first-time buyer programs.

The California Housing Finance Agency has come up with a way to help such people in San Francisco, San Mateo and Santa Clara counties.

Its High Cost Area Home Purchase Assistance Pilot Program, or HiCAP, provides two loans totaling up to 100 percent of the purchase price to help people buy in those three counties.

Moreover, the rules are more lenient than in many other first-time buyer programs.

Like most programs, HiCAP defines a first-time buyer as someone who hasn't owned a home during the past three years. Unlike most programs, though, the buyer doesn't have to be living or working in one of the three counties. He only has to buy there.

The limit on the sale price is \$544,527 for a resale house and \$487,927 for a newly built house. These limits are less restrictive than in some other programs.

HiCAP also has fairly high gross-income limits up to \$80,100 per year for a one- or two-person household and up to \$92,115 for three or more people, said Walter Zhovreboff, president of First Home Inc. in San Francisco.

First Home is a private company that educates and counsels would-be home buyers. It also helps public and private agencies design and implement down-payment assistance programs.

In addition, it's part of the California Dream Alliance — a group of public and private entities that help first-time home buyers.

Here's how HiCAP works:

It provides a 30-year fixed-rate first mortgage at a below-market rate. Recently the rate ranged from 5.75 to 6.25 percent.

HiCAP also offers up to a \$25,000, interest-deferred loan as a second mortgage to be used for a down payment. This 30-year second has a 3 percent simple interest rate.

The borrower pays nothing on second until he sells the



Judy Richter  
Real Money

Because HiCAP involves 100 percent financing — meaning no down payment — the borrower must have excellent credit and must carry private mortgage insurance costing about \$270 a month, Zhovreboff said.

To apply for HiCAP, would-be borrowers should consult a mortgage lender approved by the California Housing Finance Agency. A list of those lenders is at [www.chfa.ca.gov/homeownership/index.htm](http://www.chfa.ca.gov/homeownership/index.htm).

Even if a lender is on the list, aspiring home buyers should make sure it's familiar with HiCAP. Not all lenders are, said Zhovreboff, whose company is an approved lender.

Even though the maximum purchase price is \$544,527 for a resale house, most people who take part in HiCAP won't qualify for that much because their monthly costs would be far more than they could afford, Zhovreboff said.

More realistically, the program works well for buying a house costing up to about \$420,000. If the buyer can put down 5 percent, the price could rise to \$450,000, he said.

In a survey of San Francisco, San Mateo and Santa Clara counties last fall, First Home found nearly 2,500 homes for sale for \$450,000 or less, Zhovreboff said.

HiCAP can be combined with down-payment assistance programs offered by cities, counties and other agencies.

To learn more about these programs, HiCAP and the process for becoming a homeowner, call (888) 908-4663 or (415) 392-4663. The First Home/California Dream Alliance Web site is at [www.fiicda.com](http://www.fiicda.com).

# Home loans aim to help teachers

224

By JILL DUMAN

jduman@montereyherald.com

A new program designed to get teachers in low-performing schools into homes of their own hasn't been tried yet in Monterey County, but local teachers and administrators say a low-cost home-purchase program could help reduce teacher turnover.

Introduced by the state housing finance authority in September, information about the California Housing Finance Agency's (CHFA) "Extra Credit" program is still trickling down to teaching staff in this county. But Leon Mattingly, director of personnel for the Salinas City Elementary School District made details about the program available when he recruited teachers at the California Association of Bilingual Educators job fair earlier this month.

"We have teachers leaving because they can't afford to buy here," said Raul Ramirez, the principal of Jesse G. Sanchez elementary school in the Alisal Unified School District in Salinas. "We have lost some dynamite teachers."

Jyl Lutes, a Salinas City Councilwoman who teaches in the Santa Rita union School District near Salinas, called housing for local teachers "a huge problem" — one that will get "bigger and bigger" as low-performing districts continue to compete for qualified teachers.

"The more expensive the area, the harder it's going to be to attract teachers."

"Clearly, our biggest

obstacle is housing," said Ernie Zermeno, who directs the South Bay Teacher Recruitment Center, which works to attract teachers to Monterey, San Benito, Santa Clara and Santa Cruz counties.

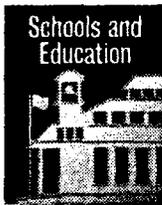
With local beginning teacher salaries hovering around the low-to-mid \$30,000s and Monterey County's single-family home price hovering at around \$350,000, many teachers don't need a calculator to figure out they need to move on if they're every going to move up to

homeownership. Crutchfield may end up being one of those teachers. A third-grade teacher at Jesse Sanchez, Crutchfield moved to Monterey County from Maine and currently

lives with his wife and three children in a rental home in Castroville. Crutchfield said he will "definitely" leave the area if he and his family aren't able to purchase a home.

"We don't want to stay renting for very long," said Crutchfield, who described the price of county housing as "incredible" compared to other parts of the country.

CHFA's "Extra Credit" program is aimed at getting teachers such as Crutchfield into their own homes. The program is geared specifically to teachers and principals teaching in schools that rank low on the Academic Performance Index — the index developed by the state to show how



"We have lost some dynamite teachers."

Raul Ramirez principal

## Teachers

From page B1

schools compare on standardized student test scores. Seven schools in Seaside — including Seaside High — qualify, as do 25 schools in the Salinas City, Alisal Union, Santa Rita Union and Graves districts in Salinas. A handful of South County schools qualify as well.

Teachers in the targeted schools who are first-time homeowners or who have not owned and occupied their home within three years are eligible for the program if they meet certain income restrictions and buy a home within the program's sales price guidelines. In Monterey County, the income ceiling is \$58,400 for a family of one or two and \$67,160 for a family of three or more, and the maximum purchase price ranges from \$325,474 to \$397,574 for a newly constructed home. The ceiling is \$358,922 for a previously owned home. Extra Credit provides eligible applicants with a 30-year fixed-rate mortgage at belowmarket interest rates — currently around 5.5 percent, according to CHFA spokeswoman Dawn Holbert.

We are really starting to ramp up," added Holbert. We probably have about 80 loans,

and we are getting more every day."

The program also offers qualified teachers and principals a second loan to cover the cost of a down payment or closing costs. The interest rate on that loan starts out at 5 percent but drops down to zero percent if the teacher continues to teach in a low-performing school for five years. Teachers and principals pay back their 30-year mortgage monthly, but the down-payment loan doesn't come due until the home is sold or refinanced or until the first 30-year mortgage is paid off.

"The thinking is that it is so hard to get teachers into low-performing schools — and to get them to stay there," said Holbert.

The two programs together mean that a qualifying teacher or principal can get into a home with virtually no out-of-pocket expenses.

Ramirez can't wait for local teachers to take the plunge, especially if the program helps keep teachers in local schools. "It's like you're making an investment in the stock market and you're seeing your gains — and then, whammo, the market drops on you. Just as you're developing them and they're getting the swing of the school, they're gone."

Jill Duman can be reached at 753-6755.

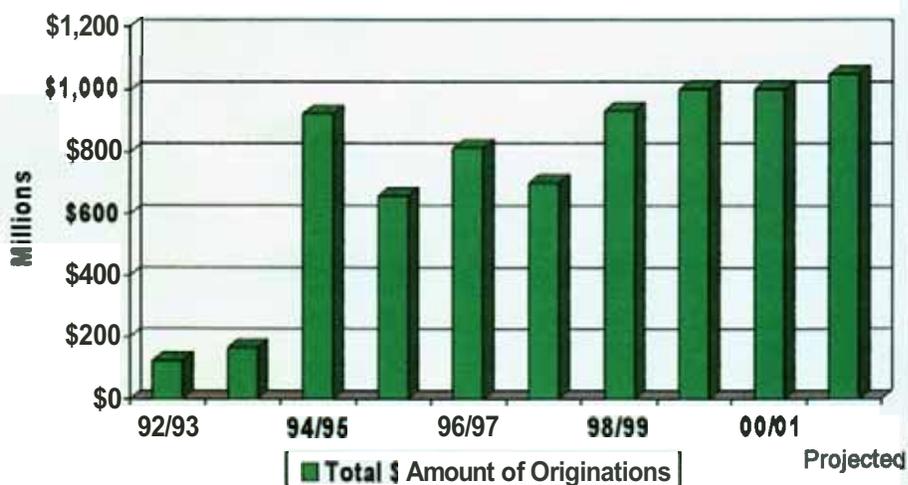
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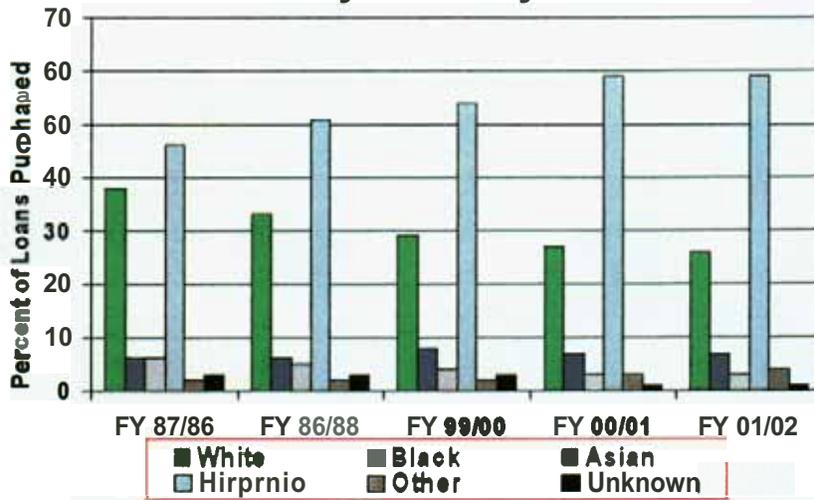
## Homeownership Programs

### Jerry!Smart

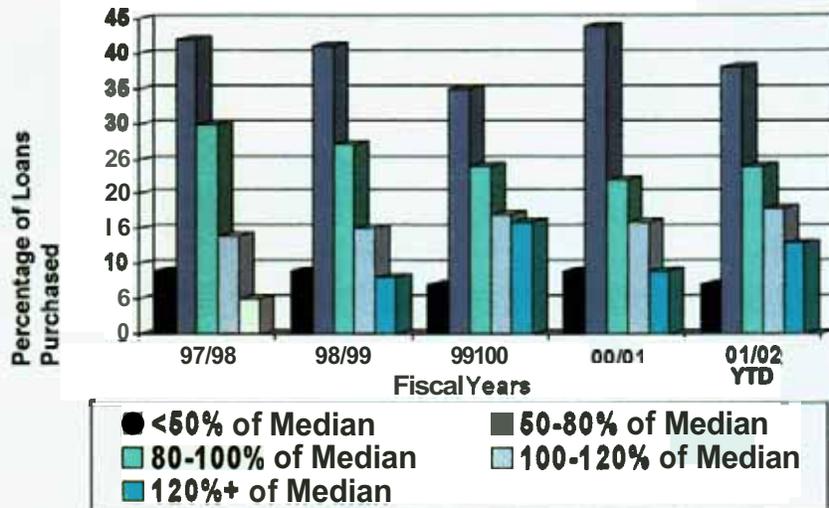
## Homeownership Mortgage Originations FY's 1992/1993-2001/02



## Homeownership Loan Distribution by Ethnicity



## Homeownership Loan Distribution by Income



## Program Focus

- Below market rate financing for low and moderate income 1<sup>st</sup> time homebuyers
- Housing assistance for teachers and principals in low performing schools
- High cost area housing assistance
- Housing Act of 2002 down payment assistance programs
- Equitable distribution and availability of funds

## HOMEOWNERSHIP STRATEGIES

- Below Market Rate Financing
- Rate Differential Strategy
  - High Cost/Statewide
  - Low/Moderate Income
  - SHBAP
  - ECTP
  - Nonprofits
- Partnership with localities
  - Affordable Housing Partnership Program
- Marketing and Media Resources
- New Products
  - HomeChoice
  - Southern California Housing Finance Authority

**SPECIFIC PROGRAM GOALS ANNUALLY  
FOR FY 2002/03 – 2006/07**

Homeownership Lending Programs	W/O Approval of Bond Act	Voter Approved Bond Act
Homeownership Lending	\$1.125 billion	\$1.25 billion
HAT and HPA Funding		
CHAP 2nds	\$22.6 million	\$124 million
SHBAP Loans (Development/Const)	\$2.5 million	\$2.5 million
HICAP 2nds	\$9.5 million	\$9.5 million
Extra Credit Teacher 2nds	\$2.5 million	\$0
<b>Total Homeownership</b>	<b>\$1.1621 billion</b>	<b>\$1.2759 billion</b>

**PROGRAM DEVELOPMENT**

- Housing and Emergency Shelter Trust Act of 2002
- \$290 million Downpayment Assistance
  - \$117.5 million California Homebuyer's Downpayment Assistance Program
  - \$50 million School Facility Fee Down Payment Assistance
  - \$25 million Extra Credit Teacher Downpayment Assistance
  - \$12.5 million Neighborworks Homeownership Program

## California Housing Loan Insurance Fund (CaHLIF)

Nancy Abreu

### CaHLIF Accomplishments

- Production doubled from \$269 million to \$538 million year-to-year
- Active policies Insured Increased to 8,919 from 7,750
- Crossed \$1 billion milestone for total amount Insured for the first time ever (\$1.26 billion insured)
- 46% of CaHLIF Insured loans were for minority homebuyers
- CaHLIF's ratings positively reaffirmed by Moody's (Aaa3 stable) and S&P (A+ Strong)

## CaHLIF Program Performance Target

	Plan 2002/03
Local Partnerships	\$225 million
Freddie Affordable Gold	40 million
PERS	25 million
STRS	275 million
CHFA	50 million
Total	\$615 million

## CaHLIF Goals for 2002/03 – 2006/07

**Primary focus is to improve infrastructure, product management, and systems support**

- Review existing programs for enhancements, develop and implement new products where appropriate
- Leverage relationships with GSE's, jumbo investors, localities, and other MI's to develop new programs
- Build on current infrastructure to support programs and goals
- Explore additional opportunities with CHFA's Homeownership Programs
- Enhance CaHLIF's infrastructure to include upgrade of technology, and development of operations/product manuals, etc.

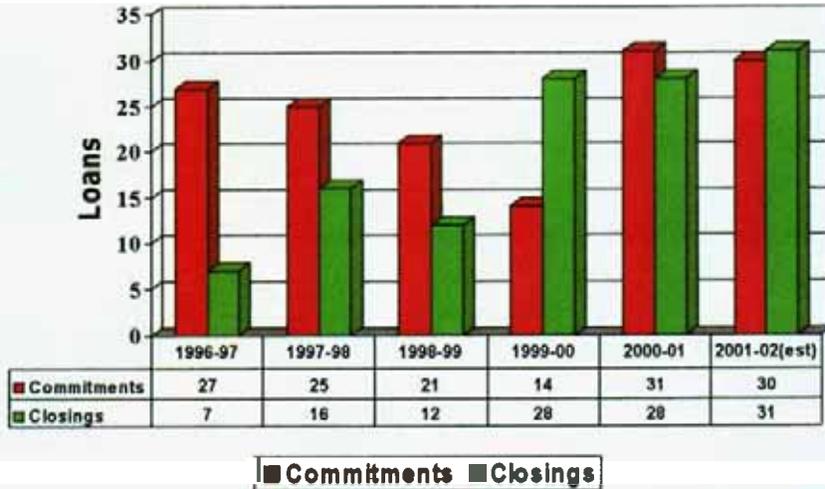
## Multifamily Programs

Linn Warren

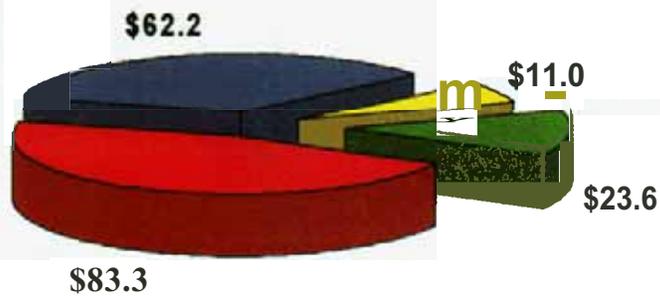
### Multifamily Program Activity Dollar Volume FY 1996 to 2001



## Multifamily Program Activity Loan Volume FY 1996 to 2001



## MF Production FY 2001/2002 Estimated Totals by Product Type (in millions)



■ Special Needs ■ Rehabilitation ■ New Constr. ■ Preservation

## Multifamily Focus

- **New Construction**
  - Permanent take-out, lender loan, bond refunding
  - Evaluate construction lending options related to the Bond
- **Preservation**
  - Section 202, acquisition loans, 238 portfolio, Opportunity Fund
  - Expiring & early exit tax credits projects
  - Low floaters to maximize cash flow
- **Special Needs**
  - Loan to Lender, shorter term loans
- **Urban Infill - Mixed Income**
- **FHA Risk Share**
- **Production Goal**
  - \$200 to \$225 million
  - SOP \_\_\_\_\_

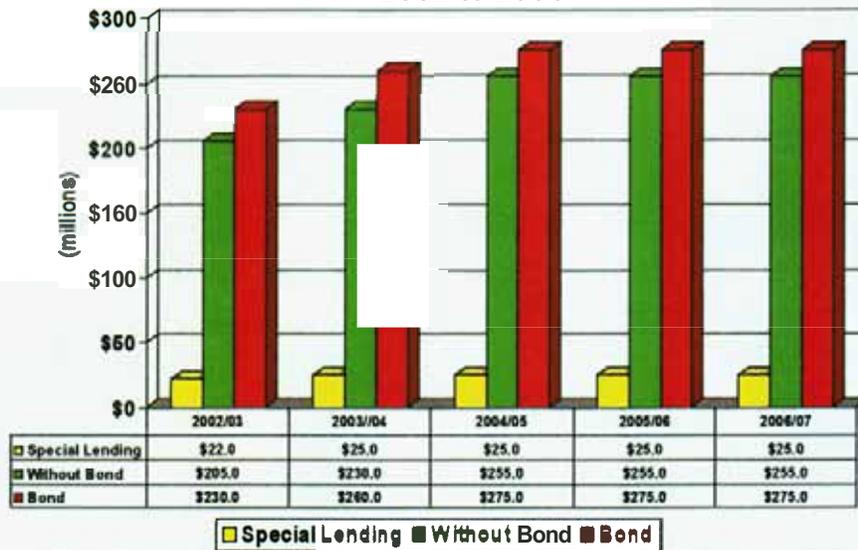
## Multifamily Business Plan Special Lending

- **HELP**
  - Two rounds per calendar year
  - \$20 million per round
- **Tax Increment Lending**
  - Pilot Program
  - 3 to 10 year loan terms
- **Small Business Program**
  - Locality as project conduit
  - Small unit infill projects
- **Housing Authority Capitalization Program**

## Multifamily Business Plan

### Commitment Volumes

FY 2002 to 2006



California Housing  
Finance Agency

Business Plan  
FY 2002/03 – 2006/07

### Multifamily Programs Infrastructure Improvement

- **Staffing**
  - Grow internal staff
  - Continue recruiting efforts
- **Outside Loan Originators**
  - Program Specific
    - HUD 202, Special Needs & FHA insurance, Opportunity Fund
  - Contract underwriting
- **Underwriting System**
  - ASP purchased system consistent with industry standards
  - Web enabled
  - Customized in-house development

## Section 8 Portfolio Project

- **Portfolio Goals**
  - Preserve and extend project affordability to 50 years through regulatory control
  - Recapitalize existing projects and ensure financial strength with **strong** reserves
  - Evaluate the economic impact to the Agency
  - Facilitate ownership transfers to motivated sponsors
- **Project Types**
  - Mismatch: **contracts** to loans
  - 30 and 40 year **contracts** and loans

## Section 8 Portfolio Project

- **Mismatched loans**
  - Aggressively refinance with current program rates and **terms**
  - Employ 'A / B' structure to leverage **Sec 8**
  - Utilize FAF and **surplus** funds for project purposes
- **30 and 40 Year Loans**
  - 30 year loans coupled with 10 or 20 year B loans all insured with FHA Risk Share
  - Regulate for 50 years
  - Establish a multi-purpose reserve
  - Trade reduced loan yield **for** extended affordability

## Section 8 Portfolio Project

- **Project Components**
  - Engage a third party study of the project
  - Measure the financial and programmatic impact of project refinancings
  - Continue program discussions with owners and potential sponsors
  - Target completion of the *study* in 6 to 9 months