

State of California

MEMORANDUM

To: Board Members

Date: July 3, 2000

From:  Jolo Ojima
CALIFORNIA HOUSING FINANCE AGENCY

Subject: 2001 BOARD MEETING SCHEDULE

Attached, for your information, is a copy of the Schedule of CHFA's Regular Board and Committee Meetings for 2001.

Attachment

2001

SCHEDULE OF CHFA REGULAR BOARD AND COMMITTEE MEETINGS

DATE	CITY	LOCATION
Thursday, January 11	Millbrae	Clarion Hotel* San Francisco Airport 401 East Millbrae Avenue Millbrae, CA
Thursday, March 8	Sacramento	Sacramento Host Hotel* Sacramento International Airport Sacramento, CA
Thursday, May 17	Burbank	Hilton Burbank Airport & Convention Center* 2500 Hollywood Way Burbank, CA
Thursday, July 19	Sacramento	Sacramento Host Hotel* Sacramento International Airport Sacramento, CA
Thursday, September 13	Burbank	Hilton Burbank Airport & Convention Center* 2500 Hollywood Way Burbank, CA
Thursday, November 8	Millbrae	Clarion Hotel* San Francisco Airport 401 East Millbrae Avenue Millbrae, CA

PROBABLE MEETING LOCATIONS

HotelSchedule/2001
06/01/00



CALIFORNIA HOUSING FINANCE AGENCY

THERESA A. PARKER
Executive Director

CLARK WALLACE
Chairman

June 26, 2000

Clark Wallace
Chairman

Theresa A. Parker
Executive Director

As the Agency begins implementation of a new Five Year Business Plan, I have determined that this would be an appropriate time to submit my resignation as Director of Programs.

It has been both a professional and personal pleasure to work with you, the members of the Board and the talented and dedicated staff of the Agency. I wish you all continued success.

Sincerely,

A handwritten signature in black ink that reads "G. Richard Schermerhorn". The signature is written in a cursive style.

G. Richard Schermerhorn

SACRAMENTO HEADQUARTERS
1121 L STREET, SEVENTH FLOOR
SACRAMENTO, CA 95814-3974
(916) 322-3991

www.chfa.ca.gov

LOS ANGELES OFFICE
100 CORPORATE POINTE, SUITE 250
CULVER CITY, CA 90230-7641
(310) 342-1250

Annual Operating Budget **Ocean View Apts.**
\$ per unit

INCOME:

Total Rental Income	1,111,560	11,116
Laundry	6,000	60
Other Income	6,000	60
Commercial/Retail	0	
Gross Potential Income (GPI)	1,123,560	11,236

Less:

Vacancy Loss	56,178	562
Total Net Revenue	1,067,382	10,674

EXPENSES:

Payroll	82,800	828
Administrative	75,100	751
Utilities	70,000	700
Operating and Maintenance	48,848	488
Insurance and Business Taxes	28,000	280
Taxes and Assessments	0	
Reserve for Replacement Deposits	35,700	357
Subtotal Operating Expenses	340,448	3,404

Financial Expenses

Mortgage Payments (1st loan)	653,018	6,530
Total Financial	653,018	6,530

Total Project Expenses	993,466	9,935
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MEMORANDUM

To: Board of Directors

Date: July 12, 2000



From: Ken Carlson, Director of Financing
CALIFORNIA HOUSING FINANCE AGENCY

subject: REPORT OF MULTIFAMILY BOND SALE

On July 12, 2000, the Agency issued \$100,200,000 of variable rate tax-exempt multifamily bonds. Of this amount, \$91,000,000 represents new private activity bond allocation received from CDLAC at its April meeting and will be used to finance a like amount of loans to six multifamily projects. This is the largest amount of new money multifamily bonds that CHFA has issued since 1979. The remaining \$9,200,000 represents a refunding of CHFA bonds previously issued in 1985. In connection with the redemption of these prior bonds on August 1, loans to four projects will be transferred to the 2000 Series B bonds. Please see the attached table for a description of the expected loan terms for the new and transferred loans.

The bonds were issued under the Multifamily Housing Revenue Bonds III indenture, which is secured by CHFA's general obligation. The rating on the bonds is the same as the long-term rating on CHFA's general obligation: AA- by Standard and Poor's and Aa3 by Moody's. The bonds are not insured.

The initial interest rate was set at 3.75% and will be reset daily through remarketing. This is CHFA's first issuance of daily floaters. As with our other variable rate obligations, we have the option to change the length of the remarketing period. A highly rated German bank is providing the liquidity facility for these bonds.

In connection with the bonds, we entered into 3 swap agreements, which will result in a synthetic fixed rate liability for the bonds. This is the first time that CHFA has entered into a swap agreement in connection with the issuance of variable rate multifamily bonds. Two of the swaps are based on a percentage of a taxable index. The third swap, which has the longest average life, is swapped to a tax-exempt index provided by the Bond Market Association ("BMA"). As a result, this longest swap does not carry the risk of changes to federal tax laws. The following table describes the terms of these agreements:

Notional Amount	Maturity Date	Average Life	Interest Rate
\$57,665,000	2/1/2026	15.8 years	4.660%
\$33,335,000	2/1/2035	29.6 years	5.455%
\$ 9,200,000	2/1/2031	13.2 years	4.585%

ATTACHMENT

Loan Amounts Expected to Be Financed with **2000** Series A Bonds:

Project Name	Expected Loan Amount	Expected Interest Rate
El Rancho Verde I & II	\$66,745,028	6.375%
Lassen Apartments	4,378,000	6.20%
Park Place Apartments	650,000	6.20%
Playa Del Alameda	3,080,000	6.20%
Plum Tree West	5,650,000	6.20%
Santa Ana Towers	10,500,000	6.35%
Total	\$91,003,028	

Loan Amounts Expected to Be Transferred to **2000** Series B Bonds:

Project Name	Transferred Loan Amount	Expected Interest Rate
Arlington Farms	\$6,608,208	7.75%
Olive Court	699,069	6.00%
Village Oduduwa	983,457	7.50%
West Avenue Apts.	910,229	6.50%
Total	\$9,200,963	

State of California

MEMORANDUM

To: Board of Directors

Date: July 12, 2000



Ken Carlson, Director of Financing

From: CALIFORNIA HOUSING FINANCE AGENCY

Subject: REPORT OF BOND SALE AND RELATED INTEREST RATE SWAPS
HOME MORTGAGE REVENUE BONDS 2000 SERIES OPQRS

Today we determined the rates for \$83.3 million of fixed-rate bonds and arranged fixed rates through the swap market for \$185 million of variable rate bonds, for a total of \$278.3 million of bonds to be delivered on July 27. The variable rate bonds' initial rates will be set on July 25 with weekly resets occurring thereafter. This issue has two purposes--to provide funds for the purchase of new loans and to preserve tax-exempt authority for future issues.

Funding New Loans

A \$200 million portion of the transaction (Series O, P, Q & R) is being issued to fund new loans, most of which are expected to have interest rates ranging from 6.75% to 8.50%. This \$200 million includes \$15 million of fixed-rate bonds and \$185 million of variable rate bonds swapped to fixed rates. The interest rate swaps for the variable rate series (Q and R) are structured with declining notional amounts that match the expected amortization of the corresponding bonds. In addition, \$25 million of the Series Q swaps has a 10-year call option and \$30 million of the Series R swaps has a five-year call option. These options give us more flexibility to retire the swaps early in the event that prepayments are received at a faster rate than expected.

By utilizing interest rate swaps we achieved a 0.68% savings in our overall cost of funds for this \$200 million of bonds when compared to issuing all fixed-rate bonds. This reduced cost of funds allows us to continue to offer low rates for new mortgages to first-time homebuyers in spite of the fact that 70% of the bonds issued to fund new loans are taxable.

Preserving Tax-Exempt Authority

The Series S bonds are in the form of a one-year callable note issued to preserve tax-exempt authority for later use. Over the next year, we will use the refunding process to convert increments of the note into long-term tax-exempt bonds. In the meantime, the proceeds of the note will remain invested at a rate of 6.92%, resulting in valuable net investment earnings, only a portion of which must be rebated to the federal government. We have used a similar technique several times in the past with much success.

Other Matters

Series	Amounts	Interest Rates	Maturities	Tax Status
2000 Series O	\$ 11,885,000	4.25 - 5.50%	8/1/02 - 2/1/17	Non-AMT
2000 Series P	3,115,000	5.80%	2/1/19	AMT
2000 Series Q	20,000,000	4.66%*	2/1/32	AMT
2000 Series Q	25,000,000	4.95%*	2/1/32	AMT
2000 Series R	110,000,000	7.11%*	2/1/32	Taxable
2000 Series R	30,000,000	7.65%*	2/1/32	Taxable
2000 Series S	78,285,000	4.25%	8/1/01	AMT
Total	\$278,285,000			

*swap rates



Save the Date!
Thursday
October 5, 2000



7th
Annual Tribute



Museum of
Latin
American Art



110 Pine Avenue, Ste. 525
Long Beach, CA 90802
linc@linchousing.org



**LINC Housing's Seventh Annual
Tribute to Affordable Housing leaders**

Honoring: Senator Richard Alarcón ←
Wade Killefer ←
Carrie Hawkins ←

Theresa Parker
CHFA
1121 L St., 7th Floor
Sacramento, CA 95814

**Museum of Latin American Art Long Beach
Thursday, October 5, 2000**

Call (562) 435-2124

For sponsorship and ticket information