

State of California

MEMORANDUM

TO: Board of Directors DATE: March 20, 2002

FROM: Dawn Hubert
Director of Marketing
California Housing finance Agency

SUBJECT: CHFA Press Coverage

CHFA has continued to receive positive press over the last **two** months on our HiCAP and Extra Credit Teachers Programs in both print and broadcast media. The media has also done human interest stories touching on CHFA's loan programs, as well as about projects CHFA has played a role in funding.

Attached are copies of several of those articles for your information.

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

Section

The Sacramento Bee

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METRO

THURSDAY
February 21, 2002 **

Davis asks Japan for help in delaying mass move-out

By Andy Furillo
BEE STAFF WRITER

Gov. Gray Davis sent a letter to the Japanese government Wednesday asking it to tell real estate investor Censiro Kawamoto to hold off in forcing more than 500 California families out of their homes.

In a letter to Japanese Ambassador Ryozo Kato in Washington, DC., the Democratic governor characterized Kawamoto's actions as comprising "a very troubling situation" in which "a huge burden has been placed on these families."



Gensiro Kawamoto

"I respectfully ask that your government intervene in this matter and ask Mr. Kawamoto to extend his notice to vacate in order to minimize the disruption for these tenants, particularly those families with children," Davis said.

Davis said it has been impossible for state and local officials to contact Kawamoto or his Honolulu lawyers since the investor's representatives earlier this month issued 30-day notices to vacate to the families in Sacramento, Placer and Sonoma counties.

"I urge Mr. Kawamoto or his representatives to come forward and address these issues so that we may find a working solution agreed upon by all parties," Davis wrote.

The governor is the third elected official to contact the Japanese government within the last week on behalf of Kawamoto's California tenants. Sacramento County supervisors wrote a letter last week to the Japanese consulate in San Francisco, and state Attorney General Bill Lockyer made contact with the consul general Tuesday in an effort to get Kawamoto to delay the orders to vacate.

"The governor is using all official means possible to put some pressure on him," Davis spokesman Steve Maviglio said Wednesday. "We're exploring every possible nook and cranny of state regulation. But (Davis) is also trying to make a broader appeal, to put some political pressure on him."

Davis' letter said he also has ordered his Business, Transportation and Housing Agency and the state Consumer Services Agency "to meet with people and provide appropriate assistance to community leaders and the tenants facing eviction."

His letter also said he has directed the California Housing Financing Agency to help the tenants who might want to buy their homes to acquire low-interest loans. In addition, Davis said he has asked the Department of Fair Employment and Housing "to investigate whether the wide scale notice to vacate adversely impacts families with children and determine whether there may be a legal remedy for the tenants."



The Bee's Andy Furillo can be reached at (916) 321-1141 or afurillo@sacbee.com.

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Posted on Tue, Feb. 12, 2002

From The Herald

Home loans aim to help teachers

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 local 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

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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.

Sam 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 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 below-market interest rates - currently around 5.5 percent, according to CHFA spokeswoman Dawn Holbert.

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"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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State Program Offers First-Time Home Buyers Help

Feb. 1 — For too many families, owning a home in the Bay Area real estate market is a goal that is unreachable. But a state program developed last year is trying to change that. The problem is that no one really knows about it.

For more information on the Home Purchase Assistance program, call (888) 908 - 4663



Steven Hamm is the proud new owner of a condominium in San Jose. The middle school teacher's moderate income has shut him and his co-workers out of the buyer's market — until now.

[More Local Headlines](#)

Hamm says he's seen a lot of teachers in his district move out of the area because the housing is too expensive.

[Hometown Hero](#)

Hamm was finally able to buy his home with the help of a new state pilot program.

[Raiders' Russell Heads To Court](#)

It's called Hi-Cap, or the High Cost Area Home Purchase Assistance Program.

[Early Voting For March Election Begins In SF](#)

Through the state, first time home-buyers receive up to \$25,000 towards their down payment.

[Judae Refuses To Postpone Stavner Trial. At Least For Now](#)

Dawn Hulbert, State Housing Finance Office: "The hi-cap program was developed in the Bay Area especially because of the vast discrepancy between the average median price of real estate and the average person's income."

[Torlakson Wants Double Fine Zone On Highway 4](#)

But not enough people in the Bay Area are taking advantage of the program.

You don't have to be low-income to cash in on the state's offer. Even households with an income of \$100,000 in some counties are eligible to apply.

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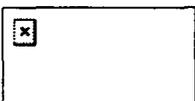
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For Hamm, the loan is giving him the opportunity to continue living and working in the Bay Area.

In addition to the Hi-Cap loans, first time buyers can also apply for cash through other home purchase programs, which could double, and in some cases, even triple your down payment money.



For more information on the Home Purchase Assistance program, call (888) 908 - 4663.

Last Updated: Feb 4, 2002

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Over-shopping for a mortgage can hurt your credit rating

new issue of
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Are you one of those shoppers who will go to ten stores to make sure that you have the lowest price on whatever it is you're looking for? Or maybe you're one of those shoppers who go to every store to check which has the beet planta or whatever it is you are looking for.

I still consider myself a shopper but now I pay a lot more attention to what I'm doing. Driving to Elk Grove, Roseville and Sunrise to save \$10 on an item is silly if you have spent half a day and far more than that in gas.

Over-shopping can be a problem when looking for a mortgage too. Some borrowers call lender after lender to inquire what they can offer and what their rates are. With many borrowers, credit is an issue and a lender really needs to look at the credit or

have a very good idea what it really is like in order to tell whether they can even get a loan.

The problem is that when a credit report is drawn, it takes points away from your credit score. Your credit score also known as FICO scores is a method of scoring your past credit history. FICO scores look at approximately 35 different things including late payments, collections, bankruptcy and judgments. The scoring also, however, looks at the amount of debt owed, how much credit is available on your credit cards, how many open accounts a borrower has and the amount of inquiries there have been into the person's credit history.

FICO score gives lenders an idea about how a borrower will regard future credit based on how they have regarded it in the past. The

underwriter doesn't have a photograph of your physical appearance nor do they want it. They are more interested in the picture your credit report shows.

Most borrowers don't realize that inquiries into their credit have a derogatory affect on your credit and many loan officers don't explain it to them. The lender wants to know whether they are wasting time on a borrower who is a marginal credit risk, which is why they want to run a report. When borrowers with good credit call, the lender also needs to have an idea of what their FICO score is like to know which programs they can qualify for. Many programs require certain scores or may have better pricing for higher scores. FICO scores usually range between 350 and 850. Conventional scores usually need a score of at least 620. Over 700 is considered very good. Scores in the 500s can be difficult even with FHA loans.

Whether your credit is marginal or very good, when you are shopping for a loan you don't want your score lowered at all. What you can do to help yourself and your lender is to pull your own credit report. When you pull your own report, there are no points against your score. You may also pick up on errors and get them corrected before you start looking for a loan.

All three of the main credit bureaus that most lenders use cannot only be reached by phone or on the web. [www.equifax.com or 800-685-1111; www.experian.com or

First Lady of Finance

By Michele Dillingham

888-397-3742; www.transunion.com or 800-888-42131 While there is a nominal charge to the borrower, there is a great deal of information available on these web sites including how to dispute a particular item on your report. There are often mistakes on a report that may be counting against you. If you have the same name as someone else in your family, the credit may be mixed up with yours.

Since lenders draw from all three bureaus, it is important that you contact each of them and ask for your FICO score as well. FICO scores have only recently been available to the borrowers themselves. By having these scores, you can give them to a lender to help them assess your situation without all of them pulling your report. When you do fill out an application for a loan, that lender will need to pull your credit them self. In the meantime you need to be certain that you don't do anything that will lower your score like charging more or opening new accounts.

There are several myths about credit. One is that when you payoff a late account it comes off of your credit report. That is wrong. It will then show as paid current but the late will show for seven to ten years. Another is that if a collection is old it probably has dropped off your account. Wrong

again. Until a collection is paid, it still shows as a recent late. Collections in most cases need to be paid in order to get a loan. Some people have a collection that they dispute and do not want to pay it off because it is a matter of principle to them. Maybe you need to consider whether the principle is more important than owning a home. Another myth is that everyone has some bad credit. "So what's the big deal?" Wrong again. Credit is very important to most people and many have never had a late payment.

While shopping around for a mortgage can pay off, it can also have the same pitfalls as shopping for the perfect plants etc. First time buyers in particular need to be concerned that a loan officer carries special programs to help and understands them in order that they get the best options available. Ask about programs like SHRA, ACCESS, CHFA, and Cal Gold to name just a few that the loan officer should know about.

When shopping rates, remember that while you keep looking, you may miss the period when the rates in general are the lowest. If you do get a good rate, you also need to be sure that you are with a lender that can get the loan done in the time that you need to meet your contract or lock. Shopping is good - over-shopping can be a problem.

Michele Dillingham is a senior loan officer with Ameristar Financial. Michele can be reached at (916)650-9484 to answer any calls regarding this column or lending. E-mail: ymcd@ns.net

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Low on Cash, She Found Good Place to Start

A longtime renter becomes a condo owner after finding help online for low-income buyers.

Home-Buying Strategies

By KATHY PRICE-ROBINSON
SPECIAL TO THE TIMES

Looking back, Valerie Lunden can't remember why she sat down with a calculator and added up how many dollars had passed from her bank account to her landlord's in the previous five years.

It might have been the accumulation of 20 years of renting or perhaps it was yet another hassle to get a minor repair at her one-bedroom Studio City apartment.

But she recalls how she reacted to the five-year tally of more than \$35,000: "I literally experienced a shortness of breath." Lunden, 39, who works in marketing for United Way in Los Angeles, said the idea of someone else getting tax breaks and earning property equity as a result of her dol-

lars was "nauseating."

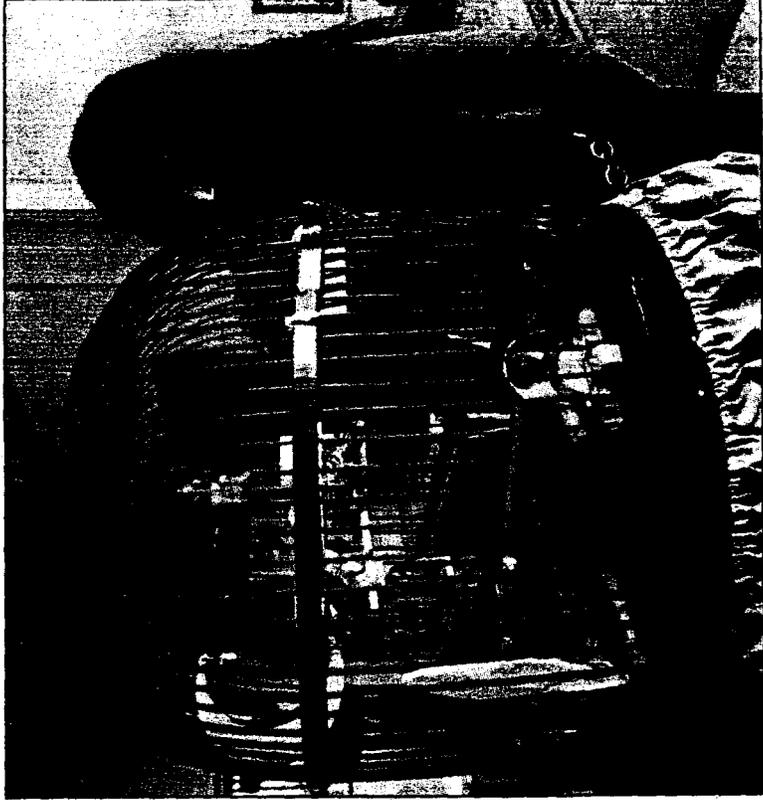
Not daring to total the 20-year cost of renting, Lunden immediately set her resolve to become a homeowner, even as she acknowledged the drawbacks that would bring.

"Can you imagine I actually wanted to have a mortgage payment, pay homeowner's association dues and property taxes?" she said, in addition to paying for property upkeep. Still, the idea of owning a property and enjoying the tax benefits outweighed her reservations.

Less than a year later, she walked through the front door of her own condominium—a two-bedroom, two-bathroom HUD repositioning in Westchester that she has polished into an immaculate, tranquil haven for herself, two parakeets and a neighbor's cat, who comes by often to visit.

At the beginning of her quest, Lunden, a native of India educated in Eng-

Please see Buyer's



LAWRENCE K. HO / Los Angeles Times

Valerie Lunden bought a two-bedroom, two-bathroom condo in Westchester.

Buyer: Help for

Low-Income Client

continued from K1

nd, pictured herself owning a tall house with a yard, either in e Valley or on the Westside near ends.

Troutle was, as several real estate agents she contacted pointed it, her modest income **made** her 'poor prospect.' Plus, she didn't have the 10% cash for a down payment required to purchase a property.

"Or at least that's what I thought," she said. "I knew nothing before I started."

Left without illusions, Lunden ed the internet to search out me-buying opportunities for someone in her financial condition. Indeed, it was the Internet

that finally led to her home. On the city of Los Angeles' Web site, she found a program offering newly built homes, complete with yards, for low-income people.

"I was ecstatic," she said, and played phone tag for two days before learning she made too much money for the program.

"How could this be?" she asked herself. "I had been led to believe I was as poor as a church mouse."

She reached what she considered the pivotal moment in her search when a compassionate city employee recommended she find a mortgage lender that specializes in financing programs for low-income home buyers. Lunden was also told that she should become preapproved for a loan before searching for a property.

"You should get preapproved for any program," said Mary Ned Swift, the lender Lunden found on the city's Web site, noting that having approval allows a buyer to move fast when the right property is located.

Nervous to meet with Swift, Lunden made the appointment anyway and filled out the necessary financial disclosure papers.

"She was scared," said Swift, who put Lunden at ease with anecdotes from her own home-buying and home-owning experience. She told Lunden what she tells many clients: "You're going to be scared. You're going to be on an emotional roller coaster."

Swift gives clients her home number and tells them to call anytime. "I'm your therapist for the next 60 days."

Even Swift's encouragement didn't soften Lunden's disappointment with the amount she was approved for: "a measly \$125,000."

Still, Lunden decided to focus on finding a property that was within

At a Glance

Home bought: Condominium

Size: Two bedrooms, two bathrooms

City: Westchester County, Los Angeles
Sales method: HUD repossession

Asking price: \$110,000

Loan program: FHA-CHFA

Monthly mortgage payment:

1st year: \$749

2nd year: \$803

3rd year: \$860

Homeowner's association dues: \$164 (monthly)

Home search duration: Six months

Mortgage lender: Mary Neal Swift, Pacific Republic Mortgage, Van Nuys, (818) 787-7720

Kathy Price-Robinson



LAWRENCE K. HO / Los Angeles Times
"I knew nothing before I started," says Valerie Lunden, in her condo.

her price range, close to her job, located in an area where it would appreciate in value and where she would be willing to live for five years. Plus, after living in one-bedroom apartments for so many years, she wanted more space. Expanding her Internet search, Lunden found the HUD site (www.homesdirect.com), and listings of thousands of distressed or foreclosed-upon properties for sale.

Searching by ZIP Code in Los Angeles neighborhoods she favored, Lunden found three properties of interest. One, a condo, was listed at slightly more than her approved amount. Taking to heart Swift's admoni-

tion not to overbuy, she watched the listing for weeks. When the condo was reduced to \$110,000, Lunden rushed out to take a look at the building, a 50-year-old renovated apartment complex, with security gates and secured parking, on a quiet, tree-lined street.

"I felt immediately comfortable about the idea of living here," she said. It took a week to find a HUD-approved real estate agent and see inside the unit. The condo—converted from an apartment in the 1980s—needed carpet and paint, but Lunden was sold on the tile floors in the kitchen and bathroom and the sharp white cabinets with wood trim. Although it was in a neighborhood she had



KATHY PRICE-ROBINSON

Lunden's unit is in a 50-year-old building, a former apartment complex that has been renovated. considered "questionable," Lunden said she felt secure when she spotted a police station nearby.

For the purchase, Swift recommended Lunden use an FHA-CHFA (Californial Housing Finance Authority) loan with a "2-1 buy-down," which meant the 6.75% interest rate would be reduced to 4.75% for the first year of the loan, and then remain at 6.75% for the remainder of the loan. All told, Lunden's cash contribution was about \$4,000 for closing costs.

Lunden became a homeowner early last year for the first time. Since then, she has met all her neighbors, and a friend has purchased a condo in the complex. By now, Lunden's struggles to reach her goal are fading into memory.

"Just a few clicks of a mouse and a few taps on the keyboard of my computer," she said, "and my dreams of homeownership came true."

Kathy Price-Robinson is a freelance real estate writer. She can be reached at www.kathyprice.com.



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Housing help for public employees

Programs aimed at police, firefighters, teachers trying to buy homes

January 17, 2002

By SHERI GRAVES
THE PRESS DEMOCRAT

Federal and state governments along with private lenders have launched a series of new lending programs aimed at helping public safety employees and teachers who meet income requirements to buy homes.

The financing could be especially valuable in areas such as Sonoma County, where home prices are high and officials are concerned that firefighters and police officers may leave communities or have to commute long distances, making them unavailable at times of emergency.

The loan programs are targeted at public safety workers and teachers who earn qualifying salaries, which can range from about \$62,000 up to \$87,000 a year in specialized cases. The programs help meet the need for down payments that can be near \$80,000 by offering high loan-to-value loans.

Sebastopol renter

Take Tim McHale. He is a firefighter in San Francisco -- where the average base salary is about \$71,000 and homes are expensive. The married father of three and sole breadwinner has rented a family home for 10 years in Sebastopol, where he is a volunteer firefighter on his off days.

"We'd really like to stay in Sebastopol," McHale said. With home prices in the west county town approaching a median of \$400,000, the new 97 percent loan programs could help McHale over the hurdle of a potential \$80,000 down payment.

Sebastopol fire chief John Zani, whose department is made up of...

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entirely or volunteers, wants to **keep** McHale's professional skills. If Tim McHale moves, Sebastopol loses the free services of a professional firefighter. I'd hate to see that happen," Zani said.

Santa Rosa and Sebastopol fire chiefs said they've never had a situation where not enough firefighters were available to respond to an emergency. But the potential for such risk locally and in other cities nationwide triggered more than half a dozen new "vocation-specific loans" offered by the California housing agency, Fannie Mae and the U.S. Department of Housing and Urban Development.

The programs will be explained by representatives of various housing agencies and participating lenders at a community forum from 6:30 to 8:30 p.m. today at Brook Hill School, 1840 Vallejo St., Santa Rosa.

"Fire and police personnel who commute often aren't available to respond quickly to emergencies," said Assemblywoman Pat Wiggins, D-Santa Rosa, who organized tonight's forum. "That creates a double-jeopardy situation: The emergency itself and the possibility of insufficient numbers of public safety personnel to respond to the emergency."

Toni Pini, Santa Rosa Fire Department chief, said he has seen job candidates withdraw their applications after discovering the high cost of Sonoma County housing.

"Every time we have an opening," Pini said, "we get thousands of applicants. But often the best candidate is someone who can't afford to live here. We're OK for now, but I do see housing as a factor in recruiting and retaining firefighters."

Help with qualifying

The housing programs are designed to address the hurdles involved in qualifying for loans, including down payments and income requirements.

In November, a median-priced home in Sonoma County cost \$342,000. Typical financing would require a 20 percent down payment of \$68,400. To qualify for the remaining mortgage, an annual income of \$76,524 would be required for a 7.5 percent, 30-year mortgage of \$273,600. The monthly principal and interest payments would be \$1,913.

According to current contracts in Santa Rosa, teachers earn \$37,485 to \$72,760 annually (mid-range is \$56,910); firefighters earn \$50,820 to \$60,984, and police officers earn \$53,604 to \$65,148.

Can include overtime

Fannie Mae's special loan program for all teachers, firefighters and police officers include high loan-to-value ratios up to 97 percent -- most loans are 80 percent. They also allow low starting interest rates and applicants can include overtime to qualify for loans. The income ceiling for the Fannie Mae loans is 140 percent of the region's median income of \$61,800, or up to \$86,520.

In addition to the HUD and Fannie Mae loans available to all firefighters, police officers and teachers who qualify, another program is aimed at teachers in poorly performing schools.

The \$66 million "Extra Credit Teacher Program," consists of two loans - a 30-year, fixed-rate first mortgage combined with a deferred-payment second mortgage with low interest rates starting at about 5 percent, according to Dawn Hulbert, marketing director at the California housing agency's Sacramento office.

To qualify for the program in Sonoma County, a teacher would have to earn \$61,800 or less for a one- or two-person household or \$71,070 for a family of three or more, Hulbert said.

You can reach Staff Writer Sheri Graves at 527-9078 or sgraves@pressdemocrat.com.

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Granite Bay woman to head Housing Finance

Gov. Gray Davis has named Nancy Abreu of Granite Bay as director of insurance for the California Housing Finance Agency. 224

The director of insurance plans, organizes and directs all mortgage insurance operations of the California Housing Insurance Fund. Abreu will receive a salary of \$108,744. The position does not require Senate confirmation.

Abreu, 51, spent more than two decades working in various positions for Bank of America before retiring in 2000. From 1995 until her retirement, Abreu was responsible for management of credit policy, underwriting, quality control, portfolio management and community lending and compliance, collaborating frequently with various development associations and the California Housing Finance Agency.



CONTACT: SANDY SARBER
(916) 322-0249

FOR IMMEDIATE RELEASE
January 16, 2002
#2002-01-16-1

HELP for New Affordable Housing
\$400,000 Awarded to Ventura Locality

Ventura County • “HELP” is on the way for families, seniors and individuals with low incomes in the form of Sunset Villas - a new affordable housing complex to be developed in the City of Thousand **Oaks**. The Area Housing Authority of the County of Ventura was recently awarded a low interest loan of **\$400,000** through the California Housing Finance Agency’s (CHFA) HELP program. “Housing Enabled by Local Partnerships” (HELP) is an innovative CHFA program that provides affordable housing opportunities through program partnerships with localities.

CHFA funds will be combined with \$750,000 from the City of Thousand **Oaks** as well as bank financing and a grant from Washington **Mutual** to develop the 11-unit, two-bedroom town home community. Rents for this complex will remain affordable for the life of the property. Construction is estimated to begin around March and be ready for occupancy within a year. Each unit will have a private backyard and there will be a children’s play area within the complex.

According to Ventura County Development Director Arlene Adlin, “The vacancy rate in Ventura County is less than 1%. Eleven new units is substantial. It offers that many more people with affordable living options.”

-more-

HELP funds must be used to directly provide housing units that remain affordable for at least **10** years. A competitive process is used to award local governments with loans at a **3%** interest rate in the Spring and Fall of each year. “It’s a very positive program,” says **HELP** Program Manager Doug Smoot. “CHFA is pleased to help Ventura County meet a portion of its affordable housing needs.”

Established in **1975** to meet the housing needs of individuals and families of low to moderate income, **CHFA** is the state’s affordable housing **bank**. A more detailed description of **HELP** program commitments can be accessed at the **CHFA** web site at www.chfa.ca.gov or by contacting Project Manager Doug Smoot at **916-322-1325**.

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CALIFORNIA HOUSING FINANCE AGENCY

MARISA A. PARKER
Executive Director

CLARK WALLACE
Chairman

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FOR IMMEDIATE RELEASE
January 15, 2002
#2002-01-15-1

HELP for Affordable Housing Improvements
\$600,000 Awarded to City of Long Beach

Los Angeles County - "HELP" is on the way for Long Beach families, seniors and individuals with low incomes in the form of affordable housing improvements. The City of Long Beach was recently awarded a low interest loan of \$600,000 through the California Housing Finance Agency's (CHFA) HELP program and has been a recipient of two previous HELP awards for other affordable housing projects. "Housing Enabled by Local Partnerships" (HELP) is an innovative CHFA program that provides affordable housing opportunities through program partnerships with localities.

CHFA funds will be combined with other sources to rehabilitate Parwood Apartment Complex, a 528-unit multi-family rental community. "Parwood consists of 32 two-story apartment buildings with a mix of one, two and three bedroom units" says Long Beach Housing Operations Officer Ellie Tolentino. "The City is working with a joint venture partnership between Las Palmas Foundation and the Related Companies of California who will acquire, rehabilitate and manage the Parwood community."

A full complement of support services, such as community health fairs, family literacy programs, recreational and GED classes will be designed to meet residents' needs.

-more-

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HELP funds must be used to directly provide housing units that remain affordable for at least 10 years. A competitive process is used to award local governments with loans at a **3%** interest rate in the Spring and Fall of each year. “It’s a very positive program,” says HELP Program Manager Doug Smoot. “CHFA is pleased to help Long Beach meet a portion of its affordable housing needs.”

Established in **1975** to meet the housing needs of individuals and families of low to moderate income, CHFA is the state’s affordable housing bank. A more detailed description of HELP program commitments can be accessed at the CHFA web site at www.chfa.ca.gov or by contacting Project Manager Doug Smoot at **916-322-1325**.

#

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

JAN 13 2002

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

**State Agency Dispensed
\$1 Billion for Housing**

The California Housing Finance Agency assisted 16,040 California families with more than \$1 billion in affordable housing financing during 2001.

Agency programs cover single-family homeownership, mortgage insurance and multifamily rental housing.

The agency's multifamily rental housing programs provided more than \$165 million in permanent financing for 2,306 housing units in 28 projects

The agency was established in 1975 to meet the housing needs of low- and moderate-income individuals and families.



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January 13, 2002

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JUDY SLY: A housing complex that's comfy, safe

(This is a CHFA project.)

January 13, 2002 Posted: 08:29:00 AM PST

By JUDY SLY BEE LOCAL COLUMNIST

Planners and politicians talk about affordable housing as a community issue. Dorothy Hawkins knows about it from the inside.

The 68-year-old retired cosmetologist owned a home in Prescott Estates from 1985 until she moved out in frustration in 1990. Dorothy knows what didn't work at Prescott Estates, a mix of owner-occupied and rental condominiums, and the circumstances that eventually turned it into the city's housing nightmare. Landlords let criminals ease in. Homeowners association leaders didn't make promised repairs. At the time, government paid little attention to pleas for help.

Since 1996, Dorothy has rented an apartment at Ashwood Village, a West Rumble Road complex with an excellent reputation for safety, cleanliness and keeping - or booting - out the bad elements.

"This is one of the few affordable housing complexes that is making it work," Dorothy says.

Modesto officials tout Ashwood as an example of what affordable housing should be like.

The success stems from rigorous screening and no-nonsense management. Resident manager Maria Lopez won't rent to someone who has ever been evicted for bad behavior. She thoroughly checks credit, too.

Once people move in, they're told the rules. The first time a tenant break a rule, he gets a warning. The second time, a write-up. And the third time, moving boxes.

Maria explains her philosophy: "If you disturb another resident, I will disturb you."

Dorothy and most other Ashwood residents like the strict enforcement.

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"I'm parked here for a while," says Patricia Copeland, who has lived in the complex with her two sons since it opened in 1998. "I feel safe and comfortable. I like the people. I like the way they run the rules. And you can't beat the location" near business and the mall.

Ashwood Village rents vary, based on family income, ranging from about \$570 for a two-bedroom apartment to \$730 for a four-bedroom, two-bath apartment. More than half the residents are single parents.

The reasonable rents and the reputation explain why there are almost 800 names on the waiting lists for various sized units.

Ashwood is among 19 complexes certified through the year-old Modesto Crime Free Multi-Housing Program. Its mission is relatively simple: Keep drugs, fighting, out-of-control parties and other illegal activity out of rental property.

The program fits within the concept of community policing. Rather than chasing bad guys after the fact, police look at how to work with a neighborhood to keep the bad behavior out.

In the case of apartments and other multifamily housing, the goal is to help landlords or their property managers know how to spot a problem early, before it takes root and starts to spoil a whole community.

That might entail watching for bottles of pool chemicals or an abundance of coffee filters — which can be signs of drug making. It can involve a lease addendum that says any criminal activity translates to an automatic eviction.

"Traditionally we've arrested people. We've never talked about how to otherwise rid them from their community," says Sgt. Craig Mitchell, who oversees the program.

Landlords who sign up commit to three things:

An eight-hour training class for managers. It covers topics ranging from outdoor lighting to rental applications to civil and criminal laws. A provision in the lease can provide a way to get tenants out as soon as criminal activity is discovered, long before a conviction.

An inspection of the entire property. It involves checks to assure that windows cannot be lifted out of their tracks and that security or peepholes in the front doors provide ample view, for example.

A safety social, to explain the program to residents.

While landlords benefit from the program, they also assume a responsibility for vigilance.

The payoff, however, comes in the form of pleased tenants, such as Esther and Raul Cordero, Ashwood residents since October. We're very, very happy here: Esther says, "We both need to walk for health reasons. Where I was living before, I didn't feel comfortable taking a walk."

This is also the type of complex where residents take responsibility rather than avoiding it.

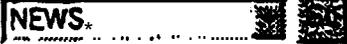
"It takes committed management, committed residents and a committed public," Hawkins says.

"The ones who refuse to get involved are the ones who don't care the ones you keep your eye on."

Judy Sly's column appears Tuesdays, Fridays and Sundays in Local News. She can be reached at 578-2334 or jsly@modbee.com.

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HUNTINGTON BEACH

Low-income housing for seniors on the way

■ Briefly in the news

Struggling seniors in Huntington Beach who survive on low incomes will soon be reaping the benefits of affordable housing.

The California Housing Finance Agency's "Housing Enabled by Local Partnerships" Program recently awarded a low-interest loan of \$500,000 to the Redevelopment Agency of the City of Huntington Beach to provide more affordable housing opportunities for seniors with low incomes.

Funds must be used to provide housing units that remain affordable for at least 10 years. That loan, combined with federal and state low-income housing tax credits and redevelopment agency funds will enable the development of Bowen Court, a 20-unit senior housing complex at the corner of Yorktown Avenue and Lake Street in Huntington Beach.

Bowen Court will offer future residents a variety of on-site and off-site programs, that include fitness programs, volunteer opportunities, community outreach, recreation and education programs, counseling services and help with financial planning, said Sandy Sarber, a marketing specialist with the California Housing Finance Agency.

The project is expected to cost about \$3.4 million.

Completion of Bowen Court is scheduled for later this year.

Photos



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La Opinión

The California Housing Finance Agency was established in 1975 to meet the needs of families and individuals of low to moderate incomes.

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FOR IMMEDIATE RELEASE
 01/09/2002

GOVERNOR DAVIS APPOINTS DIRECTOR OF INSURANCE TO THE CALIFORNIA HOUSING FINANCE AGENCY 1/9/2002

SACRAMENTO

Governor Gray Davis today announced the appointment of Nancy Abreu as Director of Insurance California Housing Finance Agency.

Ms. Abreu, 51, of Granite Bay, is the former Executive Vice President and Credit Risk Executive of Bank of America Mortgage in San Francisco. She spent more than two decades working in various positions at Bank of America before her retirement in 2000. In her most recent position, which she held from 1995 to 2000, Ms. Abreu was responsible for management of credit policy, underwriting, quality control, portfolio management, community lending and compliance. In her work with Bank of America, she has collaborated frequently with various community development associations and the California Housing Finance Agency over the past 10 years. Ms. Abreu earned a bachelor of arts degree from the University of San Francisco.

The Director of Insurance plans, organizes and directs all mortgage insurance operations of the California Housing Insurance Fund. Ms. Abreu will receive a salary of \$108,744. This position does not require confirmation.

###

GOVERNOR GRAY DAVIS, SACRAMENTO, CALIFORNIA 95814 • (916) 445-284

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CLARK WALLACE
Chairman

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(916) 322-0249

FOR IMMEDIATE RELEASE
January 8, 2002
#2002-01-08-1

Affordable Housing HELP
\$1.5 million awarded to Valley Localities

Sacramento Valley— Low income seniors, families and individuals in the Sacramento and Stockton areas will be seeing “HELP” in the form of affordable housing units. Both the City of Stockton and Sacramento Housing and Redevelopment Agency were recently awarded low interest loans totaling **\$1.5** million through the California Housing Finance Agency’s (CHFA) HELP program. “Housing Enabled by Local Partnerships” (HELP) is an innovative CHFA program that provides affordable housing opportunities through program partnerships with localities.

In Stockton, \$500,000 HELP award dollars will be blended with other funds for the rehabilitation of 20-30 rental and homeownership units for low income families. According to Senior Economic Development Analyst **Lorre Islas**, improvements and rehabilitation should be complete within one to two years. “The HELP funds have allowed the City to target developments where we see the greatest need.” The proposed developments will offer a variety of educational services to residents, such as home maintenance, credit counseling, neighborhood watch, cultural diversity and special youth activities.

-more-

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The Sacramento Housing and Redevelopment Agency will use \$1 million of HELP funds leveraged with additional monies to acquire a substantial number of housing units in Franklin Villa, located in South Sacramento. The property which consists of fourplexes and townhouses, was originally built during the 1970's for elderly residents. The area and properties have declined over the years. In addition to the rehabilitation of housing units, common areas are targeted for improvements including security, lighting and gated entryways. Community and recreational facilities are planned, along with play areas for children and landscaping improvements.

Working with a consortium of support services and agencies, comprehensive onsite services will be available from employment and career counseling, childcare and adult education.

HELP funds must be used to directly provide housing units that remain affordable for at least 10 years. A competitive process is used to award local governments with loans at a 3% interest rate in the Spring and Fall of each year. "It's a very positive program," says HELP Program Manager Doug Smoot. "CHFA is pleased to help Sacramento and Stockton meet a portion of their affordable housing needs."

Established in 1975 to meet the housing needs of individuals and families of low to moderate income, CHFA is the state's affordable housing bank. A more detailed description of HELP program commitments can be accessed at the **CHFA** web site at www.chfa.ca.gov or by contacting Project Manager Doug Smoot at 916-322-1325.

#



CALIFORNIA HOUSING FINANCE AGENCY

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FOR IMMEDIATE RELEASE
January 8, 2002
#2002-01-08-2

Long-Term Affordable Housing HELP for Seniors
\$1.2 million in low interest loans awarded to Santa Clara Redevelopment Agency

Santa Clara - "**HELP**" is on the way for Santa Clara seniors with low incomes in the form of affordable housing units. The City of Santa Clara Redevelopment Agency was recently awarded a low interest loan of **\$1.2** million through the California Housing Finance Agency's (CHFA) **HELP** program. "Housing Enabled by Local Partnerships" (HELP) is an innovative CHFA program that provides affordable housing opportunities through program partnerships with localities.

HELP funds will be leveraged with other sources for the construction of a 42-unit independent living senior facility. According to Geoffrey Goodfellow, Director of Planning and Inspection, "Construction will **begin** this year and we expect to see occupancy **as early as** 2003."

One hundred percent of the units will **be** classified **as** affordable - and will remain **so** for **55** years. Located within close proximity of retail and grocery stores, public transportation and medical facilities, the housing complex will offer safe and affordable living with nearby city amenities. Additionally, there will **be on** site nutritional programs, legal services, medical advice and income **tax** assistance.

-more-

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HELP funds must be used to directly provide housing units that remain affordable for at least **10** years. **A** competitive process is used to award local governments with loans at **a** 3% interest rate in the Spring **and** Fall of each year. “It’s a very positive program,” says **HELP** Program Manager Doug Smoot. “**CHFA** is pleased to help Santa Clara meet a portion of its affordable housing needs.”

Established in **1975** to meet the housing needs of individuals and families of low to moderate income, **CHFA** is the state’s affordable housing bank. **A** more detailed description of **HELP** program commitments can be accessed at the **CHFA** web site at www.chfa.ca.gov or by contacting Project Manager Doug Smoot at **916-322-1325**.

#



CALIFORNIA HOUSING FINANCE AGENCY

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FOR IMMEDIATE RELEASE
January 8, 2002
#2002-01-08-3

HELP for Affordable Senior Housing
\$500,000 Awarded to Orange County Locality

Orange County • **"HELP"** is on the way for Huntington Beach seniors with low incomes in the form of affordable housing units. The Redevelopment Agency of the City of Huntington Beach was recently awarded a low interest loan of \$500,000 through the California Housing Finance Agency's (CHFA) HELP program. "Housing Enabled by Local Partnerships" (HELP) is an innovative CHFA program that provides affordable housing opportunities through program partnerships with localities.

CHFA funds will be combined with other sources to develop Bowen Court, a 20-unit senior housing complex conveniently located near major transit, retail shopping and city amenities. **"We're running out of land"** says Housing and Redevelopment Manager **Gus Duran**, **"so finding space for affordable senior housing is significant."**

Individual units will be designed to meet the needs of seniors - compact and efficient - without feeling small. The development will blend architecturally into the surrounding neighborhood homes. Bowen Court will offer future residents a variety of on and off-site programs, events and services pertinent to quality senior life. Completion is scheduled for late **2002.**

-more-

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HELP funds must be used to directly provide housing units that remain affordable for at least **10** years. A competitive process is used to award local governments with loans at a 3% interest rate in the Spring and Fall of each year. “It’s a very positive program,” says **HELP Program** Manager Doug Smoot. “**CHFA** is pleased to help Huntington Beach meet a portion of its affordable housing needs.”

Established in **1975** to meet the housing needs of individuals and families of low to moderate income, **CHFA** is the state’s affordable housing bank. A more detailed description of **HELP** program commitments can be accessed at the **CHFA** web site at www.chfa.ca.gov or by contacting Project Manager Doug Smoot at 916-322-1325.

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Tuesday, January 8, 2002

Tulare County gets funds for housing

By Staff reports

Affordable housing for seniors, families and individuals with low incomes in Tulare County got a **\$2.5-million** boost from the state.

The California Housing Finance Agency, Visalia, Porterville, and Woodlake will build needed housing with the money, which is in the form of low-interest loans from the state's affordable housing bank.

"This fits in with what the city needs," Bill Lewis, Woodlake's city administrator, said in a written statement. "We work with developers to rehabilitate substandard properties or start over and build from the ground up."

Woodlake will get \$500,000 from the state agency's Housing Enabled by Local Partnership program.

The money will be reloaned to nonprofit developers so they can build about 40 affordable single-family homes for first-time buyers over a 10-year period.

Borrowers will receive counseling assistance before and after purchasing homes and will be linked to city and county services for additional support.

In Porterville, the Redevelopment Agency was awarded \$1.5 million for the purchase of lots and common-interest areas in Casas Del Rio -- a 14-year-old single-family subdivision. HELP money will assist in completing more than 80 units and in making property improvements.

Brad Dunlap, Porterville's city planner, said the money is greatly needed.

"We see this project as a solution to a long and difficult process for homeowners," Dunlap said in a written statement. "Due to a variety of reasons, the original development was never completed and the existing homes are all linked to one water meter."

Visalia will reloan \$500,000 in HELP money to nonprofit developers for construction or rehabilitation of approximately 200 affordable

single-family units.

A partnership with developer Central Valley Christian Housing will use money to rehabilitate a dozen homes each year for 10 years.

HELP money must be used directly to provide housing units that remain affordable for at least 10 years.

A competitive process is used to award local governments with loans at 3 percent interest each year.



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FOR IMMEDIATE RELEASE
January 4, 2002
#20020103

Affordable Housing HELP for Hundreds
\$1.8 million in low interest loans awarded to Alameda localities

Alameda County - "HELP" is on the way for Alameda County seniors, families and individuals with low incomes in the **form** of affordable housing units. Two government localities were recently awarded low interest loans totaling **\$1.8** million through the California Housing Finance Agency's (CHFA) HELP program. "Housing Enabled by Local Partnerships" (HELP) provides affordable housing opportunities through program partnerships with localities.

The City of Berkeley was awarded \$500,000 in **HELP funds** to finance their Property Acquisition Opportunity Revolving Loan Fund Program. This is in addition to a previous award of **\$1.5** million in HELP funds received in the spring of **2000**. Using a loan-to-lender concept, the City plans to continue offering low interest loans to assist nonprofit developers in the purchase of single and multifamily rental properties. All proposed developments will provide direct support services to residents in such areas **as** child care, legal and medical services, vocational training and assistance for those with HIV/AIDS.

-more-

In Oakland, the City Housing Authority will blend **\$1.3** million in awarded HELP funds with other monetary sources to assist with construction of a 151-unit housing development in West Oakland. Replacing a formerly dilapidated public housing project that has since been demolished and a formerly light industrial site, this development known as Chestnut Linden Court, will offer a mix of one to five bedroom units that will remain affordable for **55** years. **A** full compliment of support services will be available including childcare, after-school programs, homework assistance and a Boys and Girls club. Additionally, employment and training for residents, basic health services and the establishment of a tenant's council will be offered.

HELP funds must be used to directly provide housing units that remain affordable for at least **10** years. A competitive process is used to award local governments with loans ~~at~~ **a** 3% interest rate in the Spring and Fall of each year. "It's a very positive program" says HELP Program Manager Doug Smoot. "CHFA is pleased to help Berkeley and Oakland meet **a** portion of their affordable housing needs."

Established in **1975** to meet the housing needs of individuals and families of low to moderate income, CHFA is the state's affordable housing bank. **A** more detailed description of HELP program commitments can be accessed at the CHFA web site at www.chfa.ca.gov or by contacting Program Manager Doug Smoot at **916-322-1325**.

#



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FOR IMMEDIATE RELEASE
January 4, 2002
#20020104

HELP for Affordable County Housing
\$2.5 Million Awarded to Three Tulare County Localities

Tulare County • "HELP" is on the way for Tulare County seniors, families and individuals with low incomes in the form of affordable housing units. Three government localities were recently awarded low interest loans totaling \$2.5 million through the California Housing Finance Agency's (CHFA) HELP program. "Housing Enabled by Local Partnerships" (HELP) is an innovative CHFA program that provides affordable housing opportunities through program partnerships with localities.

The City of Woodlake was awarded \$500,000 of HELP funds that will be reloaned to non-profit developers to produce about 40 affordable single-family homes for first time homebuyers over a 10-year period. City Administrator Bill Lewis is thrilled. "This fits in with what the city needs. We work with developers to rehabilitate substandard properties or start over and build from the ground up." Borrowers will receive counseling assistance before and after the home purchase process and will be linked to city and county services for additional support.

In Porterville, the Redevelopment Agency was awarded \$1.5 million for the purchase of lots and common interest areas in Casas Del Rio - a 14 year old single family subdivision.

-more-

Originally scheduled for more than 100 units, only 26 homes have been built. “Due to a variety of reasons, the original development was never completed and the existing homes **are** all linked to one water meter.” says City Planner Brad Dunlap. “We **see** this project **as** a solution to a long and difficult process for homeowners.” HELP funds will assist in completing over **80** additional units and make property improvements.

The City of Visalia will reloan \$500,000 in HELP funds to non-profit developers for construction or rehabilitation of approximately 200 affordable single family units. **A** partnership with developer Central Valley Christian Housing (CVC) will **use** monies to rehabilitate about a dozen homes each year for **10** years. “We are really excited about this stable source of low interest funds.” says CVC manager Mauna Ekema. “It’s the perfect way to finance affordable housing. Costs remain lower, allowing for **an** affordable sales price which opens the door to **a** low income buyer.”

HELP funds must be used to directly provide housing units that remain affordable for at least 10 years. **A** competitive process is used to award local governments with loans at a 3% interest rate in the Spring and Fall of each year. “It’s a very positive program.” says HELP Program Manager Doug Smoot. “CHFA is pleased help Visalia, Porterville and Woodlake meet a portion of their affordable housing needs.”

Established in **1975** to meet the housing needs of individuals and families of low to moderate income, CHFA is the state’s affordable housing bank. **A** more detailed description of HELP program commitments can be accessed at the CHFA web site at www.chfa.ca.gov or by contacting Project Manager Doug Smoot at 916-322-1325.

#



CALIFORNIA HOUSING FINANCE AGENCY

RESA A. PARKER
Executive Director

CLARK WALLACE
Chairman

CONTACT: SANDY SARBER
(916) 322-0249

FOR IMMEDIATE RELEASE
January 8th, 2002
#20020104

Affordable Housing HELP
\$1.3 million in low interest loans awarded to Monterey localities

Monterey County • “HELP” is on the way for Monterey County seniors, families and individuals with low incomes in the form of affordable housing units. Two government localities were recently awarded low interest loans totaling \$1.3 million through the California Housing Finance Agency’s (CHFA) HELP program. “Housing Enabled by Local Partnerships” (HELP) is an innovative CHFA program that provides affordable housing opportunities through program partnerships with localities.

The City of Pacific Grove was awarded \$800,000 in HELP funds that will assist in the construction of a 53-unit senior housing complex. Blended with nine other funding sources totaling \$14.9 million, the project will offer safe, affordable housing options – and remain affordable for 55 years - to seniors. “The project has been in process for six years, so the city is pleased to see this finally come together” says Community Development Director Dennis Boehlje. “We are targeting construction for this fall and hope to see occupancy within three years.”

-more-

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

Residents of the proposed development will benefit from classes and recreational activities offered through the Sally J. Griffin Senior Center located across the street. In addition, The Alliance on Aging and the Legal Services for Seniors of Monterey will provide onsite counseling services to residents on a variety of legal issues facing low-income seniors.

In Monterey, the County Housing Authority will use **\$500,000** in awarded **HEW** funds to augment an existing revolving loan program that finances construction and site acquisition for multifamily rental projects. This is in addition to a previous HELP award of **\$1** million for fiscal year 1999/00.

The first in a series of developments will be a 20-unit housing facility for adults with mental illnesses. The facility will provide case management, self-help groups, recovery programs, recreational and social activities and other needed community support services.

HELP funds must be used to directly provide housing units that remain affordable for at least **10** years. A competitive process is used to award local governments with loans at a 3% interest rate in the Spring and Fall of each year. "It's a very positive program." says HELP Program Manager Doug Smoot. "CHFA is pleased to help Monterey County and Pacific Grove meet a portion of their affordable housing needs."

Established in **1975** to meet the housing needs of individuals and families of low to moderate income, CHFA is the state's affordable housing bank. A more detailed description of **HELP** program commitments can be accessed at the CHFA web site at www.chfa.ca.gov or by contacting Project Manager Doug Smoot at **916-322-1325**.

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Lincoln, CA
(Placer Co.)
News-Messenger
(Cir. W. 3,000)

DEC 27 2001

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

Thousands of California families get es from state agency

224
From staff reports

SACRAMENTO — The California Housing Finance Agency (CHFA) said the agency assisted 16,040 California families with more than \$1 billion in affordable housing financing during 2001, this during a time when availability of affordable housing is reaching critical mass in California.

The state's affordable housing bank, CHFA programs cover three major areas — single family homeownership, mortgage insurance, and multi-family rental housing.

"CHFA is the state's 'good news' agency," said Theresa Parker, executive director. "And this year was definitely good news for many Californians trying to finance the purchase of a home, or find affordable rental housing. But our work is not done. In 2002, we will continue our efforts to maximize opportunities to help alleviate California's affordable housing crisis."

At year end, CHFA's Homeownership Programs will have

funded loans on approximately 7,850 homes, for a projected total of \$1 billion dollars.

"Governor Davis challenged us to fund \$1 billion in home loans for fiscal year 2001-02," said Parker. We're pleased to be on track to meet that goal for the second year in a row."

The California Housing Loan Insurance Fund (CaHLIF) is the mortgage insurance arm of CHFA. In addition to supplying mortgage insurance on a portion of CHFA's loans, CaHLIF also provided insurance on approximately 3,188 non-CHFA conventional home loans, for an estimated combined total of more than \$615 million insured. CaHLIF's insurance programs encourage lenders to make loans to hard-to-qualify borrowers, or people who may have less money saved for down payment and closing costs.

Homebuyers aren't the only beneficiaries of CHFA's programs. The Agency's Multifamily Rental Housing Programs provided permanent financing on 2,306 units in 28 major projects

for a total of \$165,568,040.

"These deals help people across the board; seniors, special needs, low-and-moderate income families," said Linn Warren, director of multifamily programs. "They represent housing for them all."

In addition, CHFA is celebrating the success of Gov. Davis' "California Homebuyers Down Payment Assistance Program" (CHDAP). The program, which ran from October 2000 through June 2001, provided down payment assistance to first-time homebuyers with low and moderate income levels in the amount of 3 percent of the purchase price.

CHDAP loans were combined with both CHFA and non-CHFA loans for a total of \$24,168,998, which assisted an additional 2,696 California families in the purchase of a home.

CHFA was established in 1975 to meet the housing needs of individuals and families of low to moderate income. For more information about CHFA and its programs call 1-800-789-2432 or log on to www.chfa.ca.gov.

Watsonville, CA
(Santa Cruz Co.)
Register-Pajaronian
(Cir. 6xW. 13.937)

DEC 26 2001

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

Rebuilding rental units

SACRAMENTO (AP) — The Sacramento Housing and Redevelopment Agency plans to use a \$1 million low-interest loan to buy and rebuild rental units in a troubled south Sacramento community.

The California Housing Finance Agency is loaning the money to bolster affordable housing for low-income families. Sacramento officials

said they'll use the funds to rehabilitate 50 fourplex rental units in Franklin Villa. The joint city-county housing agency wants to eventually acquire 600 homes, rebuild others and enhance security in that neighborhood. 224

DEC 19 2001

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

STATE LOANS *HEW* AFFORDABLE HOUSING

County and P.G. agencies receive a total of \$1.3 million

By VICTORIA MANLEY
vmanley@montereyherald.com

Pacific Grove and the county Housing Authority will receive slices of \$12.8 million in state money earmarked for building affordable housing for low-income families.

Gov. Gray Davis on Tuesday announced the state loans, granted through a special California Housing Finance Agency program to provide affordable housing.

The city of Pacific Grove was awarded \$800,000, which will be used toward the construction of a senior citizen apartment complex. The Monterey County Housing Authority will receive

\$500,000 to augment its loan programs.

The state program, Housing Enabled by Local Partnerships (HELP), requires that all money be used to "directly provide affordable housing units" that will remain affordable to low-income families for at least 10 years.

These funds will help communities provide housing for

families, the disabled and senior citizens in need," Davis said in his announcement.

Sixteen city and county government agencies received the loans. The Area Housing Authority of Merced County and Porterville Redevelopment Agency received the most money, \$1.5 million each.

Please see Housing page A16

Housing

From page A1

The total loans will help build more than 1,600 affordable housing units, according to the state agency.

The loan was Pacific Grove's first from the agency, said Julie Uretsky of the city's housing division.

"It's the first time we've gotten it," Uretsky said Tuesday. The money will go toward construction costs of a senior apartment complex planned at 650 Jewel Ave. The complex is estimated to cost \$7 million and construction is expected to begin in the fall of 2002.

"Affordable housing for seniors is a huge need," Uretsky said. We've had several seniors that have had to move away."

The city asked for \$12 million from the state program, but the \$800,000 will help, she said.

The City Council approved the 53-unit project last summer. The project is awaiting approval by the California Coastal Commission.

The Housing Authority received the full \$500,000 it had requested, said Sandra Reeder, the agency's

community development planner. The money will augment the agency's existing revolving loan program targeted for the construction of apartment complexes for families earning 50 percent or less of the county's median family income — \$18,400 for a one-person household or \$21,050 for a two-person household.

Reeder said the money could be used to help develop two complexes in Fort Ord and Salinas that are designed for mentally ill residents and which would provide 20 apartments.

Recipients of this semi-annual award are limited to no more than \$2 million per proposal and are chosen on six criteria, including affordability, cost efficiency and impact.

The Housing Authority applied and was awarded money in 1998, Reeder said.

We were funded in the first round," she said, "and its gotten more and more competitive every time."

The unsecured loans are available for up to 10 years at 3 percent interest. Local governments that receive the loans are required to pay them back in full in no more than 10 years.

Victoria Manley can be reached at 646-4478.

224

San Francisco, CA
(San Francisco Co.)
Examiner
(Cir. D. 158,711)

DEC 7 2001

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

Home loans more accessible for California teachers through program

SACRAMENTO — Buying a home just got easier for California's public school teachers.

The California Housing Finance Agency announced statewide implementation of a program developed between the California State Teachers' Retirement System and the California Housing Loan Insurance Fund, the mortgage insurance arm of CHFA.

The program consists of an 80 percent first loan and a 17 per-

cent "silent" second loan featuring deferred payments and simple interest. Since teachers only have to qualify for a loan on 80 percent of the purchase price, a greater number of educators will be able to buy a home. Combined total of the first and second loan cannot exceed \$350,000, the CalSTRS maximum loan amount.

"This program is intended to help bridge the enormous gap between teachers' salaries and the high cost of housing in Califor-

nia," said CHFA executive director Theresa Parker. "80/17 is one more example of how we are all working to help ease California's affordable housing and educational crises."

Started as a pilot program in Los Angeles in May, CalSTRS 80/17 went statewide this month.

Said John Schlenker, director of CalHLIF, "We have met with tremendous success with 80/17 in Los Angeles. Lenders are anxious to extend that success to the

rest of the state."

All employees of California's public schools find members of CalSTRS are eligible for 80/17. Loans are not secured against participants' retirement accounts.

For more information, call (916) 322-8836. Participating lender information is available on the CalSTRS Web site at www.calstrs.ca.gov.

—Business Wire

Project Summary

Date: 5-Mar-02

Project Profile:

Project : Carrillo Place
 Location: 3257,3273 & 3275 Moorland Ave.
 Santa Rosa 95407 Cap Rate: 7.00%
 County: Sonoma Market: \$7,700,000
 Borrower: Burbank Housing Income: \$6,900,000
 GP: TBD Final Value: \$7,700,000
 GP: TBD
 LP: TBD
 Program: Tax Exempt
 CHFA #: 02-002-N

LTC/LTV:
 Loan/Cost 21.3%
 Loan/Value 32.1%

Project Description:

Units 68
 Handicap Units 10
 Bldge Type New Const.
 Buildings 15
 stones 2
 Gross Sq Ft 67,067
 LandSq Ft 162,043
 Units/Acre 18
 Total Parking 0
 Covered Parking 0

Financing Summary:

	Amount	Per Unit	Rate	Term
CHFA First Mortgage	\$2,475,000	\$36,397	5.50%	30
CHFA HAT	\$0	\$0	0.00%	
Sonoma County HOME	\$553,836	\$8,145	3.00%	30
Sonoma County HOME/CHDO	\$477,300	\$7,019	3.00%	30
MHP	\$3,075,829	\$45,233	3.00%	55
AHP	\$343,200	\$5,047	0.00%	30
Sonoma CDBG	\$382,727	\$5,628	3.00%	30
Dept. of Devel. Services	\$150,000	\$2,206		
Lender Grant	\$5,000	\$74		
Deferred Developer Equity	\$62,630	\$921		
Tax Credit Equity	\$4,095,992	\$60,235		
CHFA Bridge	\$3,200,000	\$47,059	5.50%	1
CHFA HAT	\$0	\$0	0.00%	

Unit Mix:

Type	Manager		30% SMI		50% AMI		60% AMI		Market		Total
	number	rent	number	rent*	number	rent*	number	rent*	number	rent*	
Studios			3	280	1	514	0	660	0	0	4
1 bedroom			4	295	1	545	3	660	0	0	8
2 bedroom			9	350	7	651	6	790	0	0	22
3 bedroom	2	685	8	407	6	754	12	914	0	0	28
4 bedroom			0	0	1	779	5	1020	0	0	6
subtotal	2		24		16		26		0		68

* net rent

Fees, Escrows, and Reserves:

Fees	Basis of Requirements	Amount	Security
Loan fees	2.00% of Loan Amount	\$113,500	Cash
Escrows			
Bond Origination Guarantee	1.00% of Loan Amount	\$56,750	Letter of Credit
Inspection Fees	\$1,500 x months of construction	\$22,500	Cash
Construction Defect	2.50% of Hard Costs	\$171,868	Letter of Credit
Reserves			
Utility Stabilization Reserve	150.00% of Utilities	\$37,350	Letter of Credit
Operating Expense Reserve	10.00% of Gross Income	\$136,436	Cash
Initial Deposit to Replacement Reserve	0.00% of Gross Income	\$0	Letter of Credit
Annual Replacement Reserve Deposit - Net	\$350 per unit	\$23,800	Operations

Site amenities typically include project security gates, fencing, a swimming pool, a spa, a clubhouse/manager's office, carport parking and green belt areas. Sixty percent of the properties offer garages, but charge an additional rental fee for them. Unit amenities include air conditioners, dishwashers, and ceiling fans.

The market study found that after rehab, the unit floor plans and amenities in this project will be comparable to those offered in market rate apartments. Site amenities will not be comparable with the market rate projects because the project will not offer a pool, a spa, or garages.

PROJECT FEASIBILITY:

A. Rent Differentials (Market vs. Restricted)

Rent Level	Number	Subject Project	Mkt. Rate Average	Difference	Percent of Market
One Bedroom			\$575		
MHP – 35% SMI	19	\$323		\$252	56%
HUD 236	1	\$323		\$252	56%
Two-Bedroom			\$645		
MHP – 35% SMI	40	\$404		\$241	63%
HUD 236	18	\$411		\$234	64%
Three Bedroom			\$800		
MHP -35% SMI	9	\$436		\$337	58%
HUD 236	12	\$478		\$322	61%
Manager	1				

B. Estimated Lease-Up Period

Not Applicable. The project is currently 100% occupied and has a waiting list.

OCCUPANCY RESTRICTIONS:

CHFA: 20% of the units (20) will be restricted to 50% or less of area median income.

TCAC: 100% of the units (99) will be restricted to 60% or less of area median income.

MEMORANDUM

To Board of Directors

Date: March 20, 2002



Ken Carlson, Director of Financing

From: CALIFORNIA HOUSING FINANCE AGENCY

Subject: REPORT OF BOND SALE
HOME MORTGAGE REVENUE BONDS 2002 SERIES DEFG

On March 13th we set interest rates for \$35 million of fixed rate bonds and set swap rates for \$175 million of variable rate bonds for a total of \$210 million. The transaction proceeds will be used to fund approximately 1,400 new loans.

As with our last transaction, we were able to structure the bonds for this transaction using a 50/50 tax-exempt/ taxable blend. The 50/50 mix provides an overall interest cost of 5.29% that will be supported by our anticipated loan portfolio, with loan rates expected to range from 5.75% to 7%. In comparison, the interest cost for the HMRB 2002 Series **ABC** was 5.06%.

As expected, we were again faced with very low short-term investment rates. As we wait for our lenders to send us loans for purchase, our bond proceeds are invested at rates significantly below our cost of funds. Daily rates for the State investment pool, where we are investing our proceeds, continue to come in below 3% giving us approximately 240 basis points of negative carry. Therefore, we again decided to delay the delivery of a portion of the bonds and delay the commencement of the swaps until a time when most of the loans would be originated.

While much of this transaction mirrors the previous transaction there is one notable variation. The taxable bonds were structured into two series as shown on the table on page 2. The \$88 million Series D bonds are taxable variable rate LIBOR indexed bonds that have been purchased by the Federal Home Loan Bank (FHLB). These bonds were the tenth series of single family taxable indexed-rate bonds purchased by the FHLB, and the amount they have purchased now totals over \$1 billion. The FHLB prefers to purchase bonds with average lives of less than five years, and this preference is reflected in their pricing scale. In order to maintain a less than five year average life on the bonds to be sold to the FHLB and structure a 50/50 tax-exempt/ taxable blend, we found that adding \$17 million of auction rate bonds with a longer average life was the best way to achieve these goals. These auction rate bonds, designated as Series E, are floating-rate bonds with interest rates periodically reset by a Dutch auction. Unlike variable rate demand obligations (VRDOs), auction rate bonds do not provide investors with a put option, and thus no liquidity facility is required.

The \$70 million Series F bonds are tax-exempt VRDOs with liquidity provided by the Bank of Nova Scotia. The \$35 million Series G bonds are fixed-rate tax-exempt capital appreciation term bonds.

For the Series D, Series E and Series F bonds we have arranged interest rate swaps to provide a fixed rate cost of funds. The interest rate swaps are structured with declining notional amounts that match the expected amortization of the corresponding variable rate bonds.

SERIES	D	E	F	G
\$ Amount	\$88,000,000	\$17,000,000	\$70,000,000	\$34,999,647
Type of Bonds	Indexed Floaters	Auction Rate	VRDO	CAB
Tax Treatment	Taxable	Taxable	AMT	AMT
Maturities	2030	2033	2033	2022 & 2033
Average Life	4.97 yrs.	10.37 yrs.	12 yrs.	N/A
Interest Rates	Variable	Variable	Variable	6.125% & 6.25%
Reset Frequency	Quarterly	Every 28 days	Daily	N/A
Swap Rates	5.80%	6.195%	3.994%	N/A
Bond Delivery Date	4/18/02	4/18/02	6/6/02	6/6/02
Swap Start Date	8/1/02	8/1/02	6/6/02	N/A
Credit Rating	Aaa/AAA	Aaa/AAA	Aaa/AAA	Aa2/AA-
Bond Insurer	AMBAC	AMBAC	AMBAC	N/A

FAX MESSAGE / STANDARD & POOR'S

FROM: Charles F. Titterton, Director
Standard & Poor's Insurance Ratings Services,
a division of The McGraw-Hill Companies, Inc.
55 Water Street, New York, N.Y. 10041-0003
Phone: 212/438-7247 Fax: 212/438-7190

Fu No: _____

To: Nancy Brown

Company: CAHLIP

Date: 3/15/02

Pages: 4
(including cover)

Problems regarding your fax transmission, please call 212/438-7247

Note: Media Release and

SUMMARY, FULL ARTICLE
TO BE PUBLISHED ON
RATINGS DIRECT NEXT
WEEK, POSSIBLY



3/15/02
CPM
June
Jack Titterton
Dr. Richard
FAT Nancy

STANDARD & POOR'S	RATINGS DIRECT
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Return to Regular Format

Research:

California Housing Loan Insurance Fund Ratings Affirmed: Outlook Is Stable

Publication date: 05-Mar-2002

Analyst: Charles Titterton, New York (1) 212-438-7247

NEW YORK (Standard & Poor's) March 5, 2002--Standard & Poor's said today it affirmed its single-'A'-plus counterparty credit and financial strength ratings on residential mortgage insurer California Housing Loan Insurance Fund because of its strong capitalization, solid operating performance, and the support of the California Housing Finance Agency.

Standard & Poor's also said the outlook for CaHLIF is stable.

"CaHLIF is extremely strongly capitalized, maintaining a sources-to-uses-of-funds score of well over 100%, the floor for triple-'A' capitalization, according to Standard & Poor's risk-based capital adequacy model," said Standard & Poor's director Charles Titterton. "However, expenses have been high, reflecting the scope of the company's operations and the need to maintain infrastructure."

Mortgage volume will rise materially in percentage terms from 2001 as new management pursues new programs including those targeted to teachers and state employee, but the low base will limit the increase in absolute terms.

CaHLIF is very small and concentrated even within the single state in which it operates. Its net earned premium for 2001 was about \$2.9 million. The company exists to facilitate home ownership in California by insuring the mortgages of worthy borrowers who normally don't have the financial means to qualify for underwriting by commercial mortgage insurers.

A complete list of the ratings is available to RatingsDirect subscribers at www.ratingodirect.com, as well as on Standard & Poor's public Web site at www.standardandpoors.com under Ratings Actions/Newly Released Ratings.

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MEDIA RELEASE

STANDARD & POOR'S	RATINGS DIRECT
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Research:

[Return to Regular Format](#)

Summary: California Housing Loan Insurance Fund

Publication date: 05-Mar-2002

Analyst: Charles Titterton, New York (1)212438-7247

Local

Credit A+/Stable/--

■ Rationale

On March 5, 2002, Standard & Poor's affirmed its counterparty credit and financial strength ratings on California Housing Loan Insurance Fund (CaHLIF) based on the company's strong capitalization, solid operating performance, and the support of the California Housing Finance Agency (CHFA).

CaHLIF is an administrative unit of CHFA, which facilitates home ownership in the state by buying thousands of residential mortgages made by private lenders and financing these purchases by selling bonds.

■ Outlook

Volume will rise materially in percentage terms from 2001 as new management pursues new programs including those targeted to teachers and state employees, but the low base will limit the increase in absolute terms. Still, given the extra aggressiveness this increase implies, losses should increase, but still to very moderate levels as long as current economic conditions do not deteriorate further. The expense ratio will remain very high, but it will decline a bit because of the extra volume. Capital will remain extremely strong.

■ Major Rating Factors

CaHLIF's ratings are based on the following:

- **Support** from CHFA. CHFA, a key entity of the state government, undertakes through an uncapped net worth maintenance agreement, to ensure that CaHLIF's statutory net worth remains more than \$7.5 million. It also guarantees and reimburses losses on a capped quota share reinsurance contract written in favor of CaHLIF by Hannover Reinsurance Co.
- **Capitalization.** CaHLIF is extremely strongly capitalized, maintaining a sources-to-uses-of-funds score of well over 100%, the floor for extremely strong capitalization, according to Standard & Poor's risk-based capital adequacy model for mortgage insurers.
- **Operating performance.** Results of operations have been good for a public-purpose entity. In particular, the loss ratio has been very low in recent years. This reflects the targeting of borrower segments that have histories of satisfactory discharge of their individual obligations and conservative underwriting principles applied within the broader context of CaHLIF's mission. However, the expense ratio has been high, reflecting scope of operations and the need to maintain infrastructure. The combined ratio has been much higher than that of the commercial mortgage insurance industry.
- **Public purpose mission.** CaHLIF exists to facilitate home ownership in California by insuring the mortgages of worthy borrowers who normally don't have the financial means to qualify for underwriting by commercial mortgage insurers. Standard & Poor's believes that CaHLIF's pricing adequacy is weak when compared with that of a private sector insurer although its insured mortgages have so far developed losses that are comparable in incidence to those of

commercial mortgage insurers.

- Business position, size and concentration. CaHLIF is very small and concentrated even within the single state in which it operates. For example, the smallest of the general-market commercial insurers, Triad Guaranty Insurance Corp., wrote about \$82 million of earned premium in 2001, 2.75% of the market. CaHLIF's net earned premium for the year was about \$2.9 million. Furthermore, CaHLIF concentrates on helping certain types of people, such as teachers who have moderate incomes but who perform indispensable jobs, in what it calls the "high-cost" areas of the state. This designation, as a practical matter, has relegated CaHLIF's operations almost entirely to certain urban and coastal areas. In the past five years CaHLIF has shifted its writings from CHFA toward third-party beneficiaries, primarily Fannie Mae and Freddie Mac. This shift is a positive development.
- o Lack of regulatory oversight. CaHLIF is not regulated by the California Department of Insurance and does not operate under a formal regulatory scheme.

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SUMMARY ON
RATINGS DIRECT

SUPPLEMENT TO CAHLIF RATING CONVERSATION OF FEBRUARY 14, 2002

CAHLIF RATINGS REMAIN ONE NOTCH BELOW CHFA'S: The rating committee voted to maintain the gap because of the Fund's very limited business position and because of the possibility that it may not operate in the future as a unit of CHFA or with CHFA's explicit or implicit support. A partially offsetting factor is the very strong current support afforded CaHLIF by CHFA. There is some sentiment that the ratings should be equalized if the rating committee believes that CaHLIF will continue to operate as a unit of CHFA with the same support, although the analyst is not sure that that view would be decisive in a future committee.