CalHFA SM

REPORTS

2000

THIS PAGE
INTENTIONALLY
LEFT BLANK

State of California

MEMORANDUM

2002

To: Board of Directors

Date: June 18, 2003

Ken Carlson, Director of Financing

From: **CALIFORNIA HOUSING FINANCE AGENCY**

Subject: REPORT OF BOND SALE AND INTEREST RATE SWAP AGREEMENTS MULTIFAMILY HOUSING REVENUE BONDS III, 2003 SERIES A

On May 22nd we set swap rates for $58,505,000 out of $64,015,000 of multifamily variable rate bonds issued on June 4th. This is the first time that we issued multifamily auction rate bonds, for which interest rates will reset with a Thirty-Five Day Auction Mode period and interest paid semiannually. The bonds are backed by our Aa3/AA- general obligation and the bonds are also insured by MBIA Insurance Corporation.

The bonds have been issued to provide funds to finance new loans to six multifamily projects and to refund interim loans made by the Agency from a line of credit with Bank of America. Attached is a listing of the projects to be financed by the bonds.

As shown in the table below, we have obtained two interest rate swaps, together in an amount related to the new permanent loans. Amounts related to bridge loans and lender loans are not being swapped. For all swaps we were able to utilize the Bond Market Association ("BMA") index of tax-exempt variable rates. By using this index we avoid assuming risks associated with any future changes in marginal federal income tax rates. In addition, we have chosen to delay the starting dates for the two swaps. Delayed starts enable us to minimize negative investment arbitrage during the period between the issuance of the bonds and the date new loans are funded.

Amount of Swap	Start Dates	End Dates	Interest Rates	Floating Rate Index
$28,795,000	8/1/2003	8/1/2036	3.385%	BMA – 0.15%
$29,710,000	9/1/2005	2/1/2038	4.295%	BMA – 0.15%

Attachment

2003

Attachment

New Loans

Project Name	Loan Amount	Interest Rate	Actual/Projected Loan Origination Date
Belvedere Place (*)	$ 1,472,112	6.10%	10-Apr-03
Branham Lane Family Apts.	25,210,000	5.45%	30-Dec-05
Corralitos Creek Apts.	7,250,000	5.25%	15-Dec-04
Noble Tower	18,555,000	5.25%	01-Aug-03
Sierra Madre Senior Housing	2,760,000	5.35%	01-Dec-04
Willow Glen Senior Apts. (*)	8,772,627	6.10%	24-Dec-02
Total	$ 64,019,738		

(*) These projects were initially funded with local agency bonds.

State of California

MEMORANDUM

2004

To Board of Directors **Date:** June 26, 2003

Ken Carlson, Director of Financing

From: **CALIFORNIA HOUSING FINANCE AGENCY**

Subject: REPORT OF BOND SALE AND INTEREST RATE SWAP AGREEMENTS
HOME MORTGAGE REVENUE BONDS 2003 SERIES HI

On May 22nd we obtained interest rate swaps for $150 million of tax-exempt variable rate bonds. The swap rates are the lowest we have ever received. The total bond issue, including $50 million of unswapped taxable variable rate bonds, is $200 million. All the bonds will be issued on August 7. The transaction proceeds will be used to fund approximately 1,200 new loans with rates expected to range from 4.0% to 5.0%.

The bonds have been structured in two series as shown on the table on page 2. The Series H Bonds are tax-exempt variable rate demand obligations with liquidity to be provided by Dexia Credit Local, a Belgian bank that is the parent company for the bond insurer FSA. The Series I Bonds are taxable variable rate LIBOR-indexed bonds that will be insured by MBIA and are expected to be purchased by the Federal Home Loan Bank of San Francisco. If interest rates stay low we plan to leave these bonds outstanding and directly recycle prepayments into new mortgages.

The interest rate swaps, which will provide a fixed-rate cost of funds for the Series H bonds, utilize the LIBOR index. Use of this taxable index affords us a greater interest rate savings at the risk of future tax law changes. The swaps are structured with declining notional amounts that match the expected amortization of the corresponding variable rate bonds. One of the swaps has call options built into the structure. These call options will allow the Agency to keep the swap and bond balances in sync when prepayments exceed forecasted levels.

SERIES	H	I
$ Amount	$150,000,000	$50,000,000
Type of Bonds	VRDO	Indexed Floaters
Tax Treatment	AMT	Taxable
Maturities	2032 & 2033	2033
Average Life	2032: 10.7 yrs 2033: 21 yrs	11.5 yrs.
Interest Rates	Variable	Variable
Reset Frequency	Weekly	Quarterly
Floating Rate Swap Formula	60% of LIBOR + 26 bps	N/A
Swap Rates	2.675 % & 3.427 %	N/A
Swap Start Date	8/7/03	N/A
Credit Rating	Aaa/AAA	Aaa/AAA
Bond Insurer	FSA	MBIA

State of California

2006

MEMORANDUM

To: Board of Directors **Date:** June 26, 2003

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

Subject: DRAW DOWN BONDS

On June 19 the Agency issued two new series of single family draw down bonds. This new issuance, which will allow drawings up to $600 million, will be used to preserve CDLAC allocation received in March, to refund the 2002 draw down bonds, and (possibly) to preserve the tax-exempt refunding authority related to bond redemptions scheduled for August 1, 2003 or a later date. The first draw, in the amount of $270 million, took place on the June 19 closing date and included $147 million of unused CDLAC allocation received in March and $123 million from the refunding of the 2002 draw down bonds.

The draw down bond program is one of our several available mechanisms for preserving tax-exempt bond authority for future use. Draw down bonds are issued in variable rate form and have interest rate resets based on an index. The bonds are privately placed with an investment subsidiary of one of our underwriters and are not rated or insured. Private placement greatly reduces transaction costs and provides useful flexibility, allowing us to easily add additional amounts and to redeem on short notice. Each of our current issues of tax-exempt Home Mortgage Revenue Bonds acts as a refunding of a like portion of draw down bonds.

With the new issuance, changes have been made to the draw down bond program. The draw down bond investor requested these changes because, under the current interest rate market, the investment vehicle for the proceeds of the previous programs was not producing interest payments sufficient to pay the full amount of expected bond interest. The proceeds from this most recent issuance were instead invested in the State's Surplus Money Investment Fund (SMIF), which is paying a rate that will work for this program. The Agency's general obligation has been pledged to provide further assurance that bond interest payments will be covered in full.

The table on the following page reflects draw down bond program activity since the March 20 Board meeting. Note that there were no other draw down bonds added during this period, and $397,940,000 was redeemed or scheduled for redemption, leaving a July 10th outstanding balance of $270,000,000.

2007

We expect to have approximately $313 million of tax-exempt bond authority resulting from bond principal retirements on August 1, 2003. We intend to place this refunding authority either in the new draw down bonds or in a taxable note very similar to the note issued in January of this year and sold to the Federal Home Loan Bank of San Francisco. The decision on which preservation vehicle is to be used will be made by early July.

Draw Down Bond Program Activity

Single Family Draw Down Bonds	Bonds Outstanding at 3/20/03	Draws (Issuances) Since 3/20/03 Board Meeting	Redemptions Since 3/20/03 Board Meeting	Bonds Outstanding at 7/10/03
2002 A	$ 0	$ 0	$ 0	$ 0
2002 B	69,810,000	0	69,810,000	0
2002 C	11,060,000	0	11,060,000	0
2002 D	317,070,000	0	317,070,000	0
2003 A	0	0	0	0
2003 B	0	270,000,000	0	270,000,000
Totals	$397,940,000	$270,000,000	$397,940,000	$270,000,000

State of California

2008

MEMORANDUM

To: Board of Directors

Date: June 26, 2003

Ken Carlson, Director of Financing

From: **CALIFORNIA HOUSING FINANCE AGENCY**

Subject: UPDATE ON VARIABLE RATE BONDS AND INTEREST RATE SWAPS

The following report describes our estimated bond and swap positions as of August 7, less any swaps we are likely to enter into in July in connection with our next single family issue. August 7 was chosen because it is the closing date for a single family bond issue for which swaps were arranged in May.

Variable Rate Debt Exposure

The total amount of CalHFA variable rate debt is now $5.0 billion, 65% of our $7.7 billion of total indebtedness. As shown in the table below, our "net" variable rate exposure is $721 million, 9.4% of our indebtedness. The net amount of variable rate bonds is the amount that is neither swapped to fixed rates nor directly backed by complementary variable rate loans or investments.

VARIABLE RATE DEBT
($ in millions)

	Tied Directly to Variable Rate Assets	Swapped to Fixed Rate	Not Swapped or Tied to Variable Rate Assets	Total Variable Rate Debt
Single Family	$894	$2,851	$609	$4,354
Multifamily	10	564	112	686
Total	$904	$3,415	$721	$5,040

Our net exposure has slightly increased since one year ago when it was $666 million and 8.5% of our indebtedness. Two years ago it was $646 million and 8.4% of our indebtedness; three years ago it was $504 million and 7.4%.

2009

As discussed in each previous report, our $721 million of net exposure provides a useful internal hedge against today's low interest rate environment, where we are experiencing low short-term investment rates and fast loan prepayments. For example, interest rates for the State Treasurer's investment pool, where we invest our bond proceeds, have now fallen to 1.66%. In addition, the high incidence of single family loan prepayments since early in 2001 has caused our loan portfolio to begin to contract in spite of our $1.1 billion pace of annual new production. However, debt service savings on our unswapped variable rate bonds helps to offset the economic consequences of low investment rates and high prepayments. As an example, the interest rates on our unswapped taxable variable rate bonds are expected to be close to 1% now that the Federal Reserve has lowered overnight rates again.

The table below summarizes this risk position.

NET VARIABLE RATE DEBT
($ in millions)

	Tax-Exempt	Taxable	Totals
Short average life	$104	$343	$447
Long average life	91	183	274
TOTALS	$195	$532	$721

Interest Rate Swaps

Currently, we have arranged a total of 75 swaps with eight different counterparties for a combined notional amount of $3.41 billion and expect to enter into another $150 million of swaps during July in connection with our next single family bond issue. These interest rate swaps generate significant debt service savings in comparison to our alternative of issuing fixed-rate bonds. This savings will help us continue to offer exceptionally low interest rates to multifamily sponsors and to first-time homebuyers. The table below provides a summary of our notional swap amounts.

INTEREST RATE SWAPS
($ in millions)

	Tax-Exempt	Taxable	Totals
Single family	$1,484	$1,367	$2,851
Multifamily	564	0	564
TOTALS	$2,048	$1,367	$3,415

The table below shows the diversification of our swaps among the eight firms acting as our swap counterparties. Note that our swaps with Lehman Brothers, Bear Stearns, and Goldman Sachs are with highly-rated structured subsidiaries that are special purpose vehicles used only for derivative products. We have chosen to use these subsidiaries because the senior credit of those firms is not as strong as that of the others. Note that with our most recent swaps with Merrill Lynch we are benefiting from the credit of their triple-A structured subsidiary.

SWAP COUNTERPARTIES

Swap Counterparty	Credit Ratings Moody's	S & P	Fitch	Notional Amounts Swapped *($ in millions)*	Number of Swaps
Merrill Lynch Capital Services Inc.					
Guaranteed by:					
Merrill Lynch & Co.	Aa3	A+	AA-	$ 888.0	18
MLDP, AG	Aaa	AAA	AAA	270.5	5
Citigroup Financial Products Inc.	Aa1	AA-	AA+	702.2	15
Lehman Brothers Derivative Products Inc.	Aaa	AAA	NR	617.2	18
Bear Stearns Financial Products Inc.	Aaa	AAA	NR	546.2	9
Goldman Sachs Mitsui Marine Derivative Products, L.P.	Aaa	AA+	NR	169.3	4
UBS AG (Union Bank of Switzerland AG)	Aa2	AA+	AAA	96.2	2
JPMorgan Chase Bank	Aa3	AA-	AA-	96.5	2
Bank of America, N.A.	Aa1	AA-	AA	29.1	2
				$3,415.2	75

Note that, with interest rate swaps, the "notional amount" (equal to the principal amount of the swapped bonds) itself is not at risk. Instead, the risk is that a counterparty would default and, because of market changes, the terms of the original swap could not be replicated without additional cost.

Because all of our swaps have been entered into to establish "synthetic" fixed rates for our variable rate bonds, we receive floating rate payments from our counterparties in exchange for a fixed rate obligation on our part. In today's market, with very low short-term rates, the net periodic payment owed under our swap agreements is from us to our counterparties. As an example, on our February 1, 2003 semiannual debt service payment date we made a total of $47.5 million of net payments to our counterparties. Conversely, if short-term rates were to rise above the fixed rates of our swap agreements, then the net payment would run in the opposite direction, and we would be on the receiving end.

2011

Basis Risk

All of our swaps contain an element of what is referred to as "basis risk" – the risk that the floating rate component of the swap will not match the floating rate of the underlying bonds. This risk arises because our swap floating rates are based on indexes, which consist of market-wide averages, while our bond floating rates are specific to our individual bond issues.

Periodically, the divergence between the two floating rates widens, as market conditions change. Some periodic divergence was expected when we entered into the swaps. In today's very-low-rate market, we have encountered one such divergence that is worth noting as it pertains to our LIBOR-based swaps used in conjunction with the Agency's tax-exempt variable rate bonds. Based on a conservative reading of historic relationships between short-term tax-exempt and taxable rates, we chose to enter into many swaps at a ratio of 65% of LIBOR. LIBOR, the London Inter-Bank Offered Rate, is the market benchmark taxable floating rate index. These percentage-of-LIBOR swaps have afforded us with excellent liquidity and great savings compared with other alternatives.

With short-term rates at historic lows and with an increased market supply of tax-exempt variable rate bonds, the historic relationship between tax-exempt and taxable rates has not been maintained. For example, during 2002 the average BMA/LIBOR ratio was 77%, and so far this year it has been averaged 84.7%. This week it is 94.1%. The BMA (Bond Market Association) index is the market benchmark index for tax-exempt variable rates.

When the BMA/LIBOR ratio is very high – as it is today – the swap payment we receive falls short of our bond payment, and the all-in rate we experience is somewhat higher. The converse is true when the percentage is low. In response to this recent anomaly, we and our advisors have looked for a better formula than a flat 65% of LIBOR. After considerable study of California tax-exempt variable rate history, we have settled on a new formula (60% of LIBOR plus 0.26%) that results in comparable fixed-rate economics but performs better when short-term rates are low and the BMA/LIBOR percentage is high. Since last December we have amassed approximately $500 million of new LIBOR-based swaps using this new formula.

While we have dealt with this problem for new swaps, we still have approximately $1 billion of older swaps for which we receive a flat percentage (64% or 65%) of LIBOR. For these older swaps we are reviewing two innovative proposals for increasing the amount we receive when interest rates are very low and the BMA/LIBOR ratio is very high.

Risk of Changes to Tax Law

For an estimated $1.61 billion of the $2.05 billion of tax-exempt bonds swapped to a fixed rate, we remain exposed to certain tax-related risks, another form of basis risk. In return for significantly higher savings, we have chosen through these interest rate swaps to retain exposure to the risk of changes in tax laws that would lessen the advantage of tax-exempt bonds in comparison to taxable securities. In these cases, if a tax law change were to result in tax-exempt rates being more comparable to taxable rates, the swap provider's payment to us would be less than the rate we would be paying on our bonds, again resulting in our all-in rate being higher.

We bear this same risk for $482 million of our tax-exempt variable rate bonds which we have not swapped to a fixed rate. Together, these two categories of variable rate bonds total $2.1 billion, 27% of our $7.7 billion of bonds outstanding. This risk of tax law changes is the same risk that investors take every time they purchase our fixed-rate tax-exempt bonds.

Amortization Risk

Our bonds are generally paid down (redeemed or paid at maturity) as our loans are prepaid. Our interest rate swaps amortize over their lives based on assumptions about the receipt of prepayments, and the single family transactions which include swapped bonds have been designed to accommodate prepayment rates between two and three times the "normal" rate. In other words, our interest rate swaps generally have had fixed amortization schedules that can be met under what we have believed were sufficiently wide ranges of prepayment speeds. Unfortunately, when market rates fell to unprecedented levels, we started receiving more prepayments than we ever expected.

Since January 1, 2002, we have received $2.2 billion of prepayments. Of this amount, approximately $250 million is "excess" to swapped transactions we entered into in 2000 and 2001. In other words, our current loan portfolios for these 2000 and 2001 bond transactions have shrunk to amounts that are $250 million less than the current "notional" amounts of the interest rate swaps. While these swaps will continue to amortize according to their own schedules, we estimate that the excess may grow to $500 million this year or next unless market rates rise and prepayments start to slow down.

There are several strategies for dealing with these excess prepayments: they may be reinvested, used for the redemption of other (unswapped) bonds, or recycled directly into new loans. Alternatively, we could make termination payments to our counterparties to reduce the notional amounts of the swaps, but this alternative appears to be the least attractive economically.

Currently we are investing the excess prepayments with the banks that originally provided us, for each transaction, with fixed-rate "float" agreements at what seem like high rates today. Many of these agreements, however, were written to limit the amount of time that we could leave moneys on deposit; in these cases the investment of the excess is an interim step until we implement longer-term strategies, if necessary.

We believe that the best long-term strategy will be eventually to recycle the excess prepayments into new CalHFA loans. Of course, this means that we will be bearing the economic consequences of replacing old 7% to 8% loans that have paid off with new loans at the rates that will be current at the time we start recycling. If we start recycling today, that means loans with rates ranging from 4% to 5%. Fortunately, however, our capacity to take on prudent amounts of net interest rate risk and take advantage ourselves of today's very low short-term borrowing rates enables us to offset some of the economic consequences of recycling at low rates.

In addition, to the extent we recycle excess prepayments into new loans, we may reduce the size or number of new bond transactions.

2013

Termination Risk

Termination Risk is the risk that, for some reason, our interest rate swaps must be terminated prior to their scheduled maturity. Our swaps have a market value from time to time that depends on then current interest rates. When current fixed rates are higher than the fixed rate of the swap, our swaps have a positive value to us (assuming, as is the case on all of our swaps, that we are the payer of the fixed swap rate), and termination would result in a payment from the provider of the swap (our swap "counterparty") to us. Conversely, when current fixed rates are lower than the fixed rate of the swap, our swaps have a negative value to us, and termination would result in a payment from us to our counterparty.

Our swap documents allow for a number of termination "events", i.e., circumstances under which our swaps may be terminated early, or (to use the industry phrase) "unwound". One circumstance that would cause termination would be a payment default on the part of either counterparty. Another circumstance would be a sharp drop in either counterparty's credit ratings and, with it, an inability (or failure) of the troubled counterparty to post sufficient collateral to offset its credit problem. It should be noted that, if termination is required under the swap documents, the market determines the amount of the termination payment and who owes it to whom. Depending on the market, it may be that the party who has caused the termination may be owed the termination payment.

As part of our strategy for protecting the Agency when we entered the swap market in late 1999, we determined to choose only highly-creditworthy counterparties and to negotiate "asymmetrical" credit requirements in all of our swaps. These asymmetrical provisions impose higher credit standards on our counterparties than on the Agency. For example, our counterparties may be required to collateralize their exposure to us when their credit ratings fall from double-A to the highest single-A category (A1/A+), whereas we need not collateralize until our ratings fall to the mid-single-A category (A2/A).

At least quarterly we monitor the termination value of our swap portfolio as it grows and as interest rates change. Over time, since we entered the swap market, interest rates have largely fallen. Growth in the portfolio combined with this steady downward trend in interest rates has made our swap portfolio have a large negative value (to us), as shown in the table below. Because termination is an unlikely event, the fact that our swap portfolio has a large and growing negative value, while interesting, is not necessarily a matter of direct concern. We have no plans to terminate swaps early (except in cases where we negotiated "par" terminations when we entered into the swaps) and do not expect that credit events triggering termination will occur, either to us or to our counterparties.

The Government Accounting Standards Board does not require that our balance sheet be adjusted for the market value of our swaps, and up until this year did not require that this value be disclosed in the notes to our financial statements. However, we have reported the (negative) value of the portfolio each year in the "Financial Analysis" section of our Business Plan and in the "Statistical Supplement" to our Annual Report.

The table below shows the history of the growth of our swap portfolio and its increasing negative value over the last two years.

Date	Notional Amount ($ in millions)	Termination Value ($ in millions)
6/30/01	$1,693	($81.6)
9/30/01	$1,930	($178.6)
12/31/01	$2,007	($133.4)
3/31/02	$2,373	($ 86.2)
6/30/02	$2,553	($200.8)
9/30/02	$2,903	($344.6)
12/31/02	$3,080	($345.2)
3/31/03	$3,280	($345.1)
5/31/03	$3,489	($450.4)

The drop in fixed interest rates has been the biggest factor accounting for the growth in aggregate termination value. During the time period shown in the table, fixed rates, as measured by the 10-year US Treasury, have dropped by more than 200 basis points. Recently negotiated swaps have lower fixed rates than the earlier ones. As a result, an increase in market rates to early 2002 levels would likely result in an aggregate termination value of close to zero, as newer low-rate swaps would have positive value and older, higher-rate swaps would be less negative in value.

Types of Variable Rate Debt

The table below shows our variable rate debt sorted by type, i.e., whether auction rate, indexed rate, or variable rate demand obligations (VRDOs). Auction and indexed rate securities cannot be "put" back to us by investors; hence they typically bear higher rates of interest than do "put-able" bonds such as VRDOs.

TYPES OF VARIABLE RATE DEBT

($ in millions)

	Auction Rate & Similar Securities	Indexed Rate Bonds	Variable Rate Demand Obligations	Total Variable Rate Debt
Single Family	$161	$2,126	$2,067	$4,354
Multifamily	64	0	622	686
Total	$225	$2,126	$2,689	$5,040

2015

Since September of 2000 we have been able to sell $1.6 billion of taxable single family variable rate bonds to the Federal Home Loan Banks, and we expect to sell another $550 million to the San Francisco FHLB over the next few months. These bonds have all been designed as indexed-rate securities. In addition, our $273 million of currently outstanding drawdown bonds are indexed-rate securities.

Liquidity Providers

The table on the following page shows the financial institutions providing liquidity in the form of standby bond purchase agreements for our VRDOs. Under these agreements, if our variable rate bonds are put back to our remarketing agents and cannot be remarketed, these institutions are obligated to buy the bonds. Dexia Credit Local, a highly-rated Belgian bank, is now our largest provider of liquidity, and we expect them to provide liquidity for our next transaction as well.

This year we have begun financing our multifamily program with auction rate securities, for which no liquidity support is required. Use of auction rate securities for multifamily will enable us to target Fannie Mae's remaining liquidity capacity to our single family deals. In addition, we continue to expect Freddie Mac to be ready to offer us liquidity services for single family bonds to be issued later this year.

LIQUIDITY PROVIDERS

($ in millions)

Financial Institution	$ Amount of Bonds	Type of Bonds
Dexia Credit Local	$507.3	SF
Fannie Mae	396.7	MF
Lloyds TSB	329.6	SF
Commerzbank	209.0	SF
Bank of Nova Scotia	206.5	SF
Landesbank Hessen-Thuringen	180.7	MF
CalSTRS	171.0	SF/MF
Westdeutsche Landesbank	167.3	SF/MF
KBC	148.3	SF
Bayerische Landesbank	131.2	SF
Bank of New York	100.4	SF
Bank of America	75.0	SF
Morgan Guaranty	66.1	SF/MF
Total	$2,689.1	

After credit rating downgrades to Commerzbank, one of our biggest providers, our Commerzbank-backed bonds have had to be remarketed at higher rates than other bonds backed by higher-rated financial institutions. As a result, we are eliminating almost all of our investors' exposure to Commerzbank through a variety of means, including converting Commerzbank-backed taxable bonds to indexed mode (and selling them to the FHLB) and, for tax-exempt

bonds, restructuring most of them as auction rate securities. A $42.5 million tax-exempt Commerzbank-backed series has already been converted to auction rate, and we expect the remaining conversions to be accomplished over the next month or two.

Unlike our interest rate swap agreements, our liquidity agreements do not run for the life of the related bonds. Instead, they are seldom offered for terms in excess of five years, and a portion of our agreements require annual renewal. We expect all renewals to take place as a matter of course; however, changes in credit ratings or pricing may result in substitutions of one bank for another from time to time. Alternatively, we may choose to switch some of our VRDOs to auction rate in order to free up liquidity capacity of some current providers.

THIS PAGE
INTENTIONALLY
LEFT BLANK

State of California

2018

MEMORANDUM

To: **CalHFA Board of Directors** **Date:** 25 June 2003

From: **Di Richardson, Director of Legislation**
CALIFORNIA HOUSING FINANCE AGENCY

Subject: Legislative Report

Federal Activity

We are continuing to work to increase the number of cosponsors for HR 284 and S 595, bills that would repeal the 10 Year Rule. To date, we have secured 55% of the California delegation and just more than 60% of the entire Congress. Apparently, Congress is working on the child care tax credit issue, and not much else.

State Budget

Not much to report here either. Five days before the Constitutional deadline, but it doesn't look like it is going to happen. Despite a compromise package offered by Senate Leader John Burton, Republicans continue to consider any budget containing a tax increase.

Bills, Bills, Bills...

June 6 was the deadline for getting bills out of their house of origin. Any bills not out of the first house by this date are considered 'two-year bills" and unlikely to move this year. Those bills bill be dropped from this list for now. As always, if you have any questions, please don't hesitate to give me a call at (916) 324-0801.

CalHFA Sponsored Bills

SB 353 Ducheny California Housing Finance Agency.
Status: Pending before Assembly Appropriations Committee
This bill would permit the California Housing Finance Agency to subordinate to other regulatory agreements, and would clarify the Agency's authority to finance loans secured by something other than the property.

Downpayment Assistance

AB 304 Mullin Housing: downpayment assistance.
Status: 06/24/2003-Referred to Com. on Senate Appropriations.
This bill would increase the amount of downpayment assistance available under the Housing In Revitalized Areas Program (HIRAP) 6% of the home sales price .

Land Use

SB 619 Ducheny Housing.
Status: 06/23/2003-From committee with author's amendments. Read second time. Amended. Re-referred to committee. Calendared to ASM Judiciary Committee on 6/26/06 upon adjournment of floor session.
This bill would additionally prohibit a local agency from prohibiting or discriminating against a development that consists of a multifamily residential project or, in whole or in part, because of the method of financing or other specified assistance, or other specified reasons.

SB 639 Torlakson IRP State Pilot Project.
Status: 06/18/2003 – From committee: Do pass, but first be re-referred to Com. On APPR. (Ayes 8. Noes 1.) Re-referred to Com. On APPR.
This bill would extend the sunset date on the Inter-Regional Partnership (IRP) program until July 31, 2008, and repealing them on January 1, 2009, and would require the IRP to submit an interim report by July 31, 2004, and a final report by July 31, 2008.

Prevailing Wage

SB 730 Burton Prevailing rate of per diem wages: determinations.
Status: 05/22/2003-From committee: Do pass, but first be re-referred to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 6. Noes 0.) Re-referred to Com. on APPR.
Would require the Director of DIR to provide wage rate within 120 days of a request and to decide any appeal of a rate of determination within 30 days.

Regional Government

AB 1426 Steinberg Affordable housing: greater Sacramento region.
Status: 06/19/2003 –Referred to Coms. On H.& C.D., ENVL QUAL., and RULES.
This bill would require, except as specified, every city and every county within the greater Sacramento region, as defined, that issues building permits for residential units to require or otherwise cause at least 5% of the aggregate amount of these new residential units to be affordable to, and occupied by, very low income households, and at least 5% of the aggregate amount of these new residential units to be affordable to, and occupied by, low-income households, as specified. It would require each city and each county in the region to prepare and submit to the California Tax Credit Allocation Committee an annual report with specified information and would require the committee to, no later than December 31, 2008, submit a report to the Legislature regarding the number of affordable residential units in the region.