

Housing Development Program

CalHFA Board of Directors

September 8, 2004

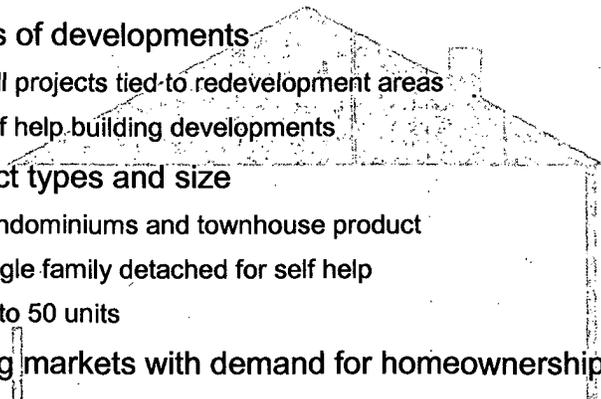
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Housing Development Program

- Program to encourage and facilitate the development of affordable homeownership units
- Combine loan products from CalHFA's three lending divisions
 - Construction lending from Multifamily Programs
 - Purchase loans and down payment assistance from Homeownership
 - Insurance coverage from Mortgage Insurance
- Configure lending products to match the requirements of individual housing developments

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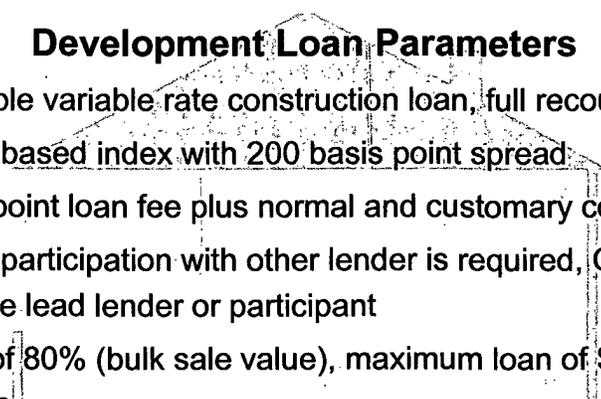
Housing Development Program

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- Types of developments
 - Infill projects tied to redevelopment areas
 - Self help building developments
 - Project types and size
 - Condominiums and townhouse product
 - Single family detached for self help
 - 10 to 50 units
 - Strong markets with demand for homeownership product
 - Address unmet need of localities seeking to promote development and homeownership

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Development Loan Parameters

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- Taxable variable rate construction loan, full recourse
 - Libor based index with 200 basis point spread
 - One point loan fee plus normal and customary costs
 - Loan participation with other lender is required, CalHFA can be lead lender or participant
 - LTV of 80% (bulk sale value), maximum loan of \$20 million
 - Presale of 30% to 40% of units prior to first unit release

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Homeownership Program

- Existing 1st and 2nd Agency Loan Products
 - Single Loan (over-the-counter) Delivery Process
 - BLOCK Forward Commitments (rate lock for 6, 9, and 12 months)
 - Menu of down payment assistance programs
- Evaluating the need for longer term BLOCK forward commitments, to be limited to development loan customers
- Package of programs designed to increase affordability

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Mortgage Insurance Program

- Coverage up to 50%
- Insurance available on CalHFA loans and other investors including Fannie Mae, Freddie Mac and conventional lenders
- Income limits up to 140% of median income and to 160% in designated counties on non-agency loans
- No first time homebuyer restriction on non-agency loans
- No resale limits on non-agency loans
- Exposure maximums will be determined by project type and size

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King St. Project – San Francisco

- 224 unit condominium project located east of the Mission Bay Redevelopment Area and the planned UCSF 43 acre research campus
 - 150 units are below market, at 100% of median income
 - 54 market rate units
 - One, two bedrooms and three bedroom units
- Project cost of \$75,000,000
- 6,000 square feet retail/commercial with public areas
- Developer A.F. Evans

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King St. Project – San Francisco (continued)

- CalHFA is discussing participation in the development loan, up to \$20 million in conjunction with the lead construction lender
- Offering mortgage insurance on restricted and market rate units
- Providing purchase loan and down payment assistance depending on resale restrictions

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