

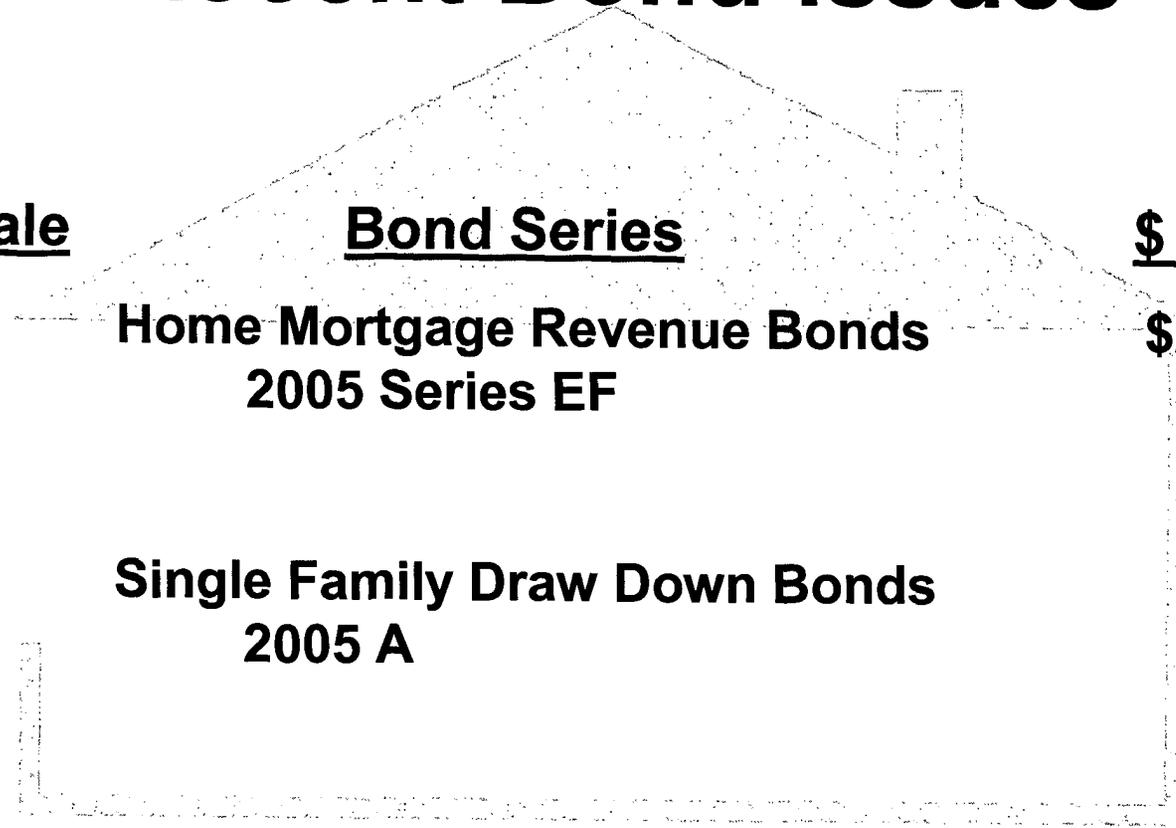
Financing Reports

- **Recent Bond Sales and Swaps**
 - \$200 M Single Family Bonds
 - \$5.37 M SF Draw Down Bonds
- **Variable Rate Bonds and Swaps**



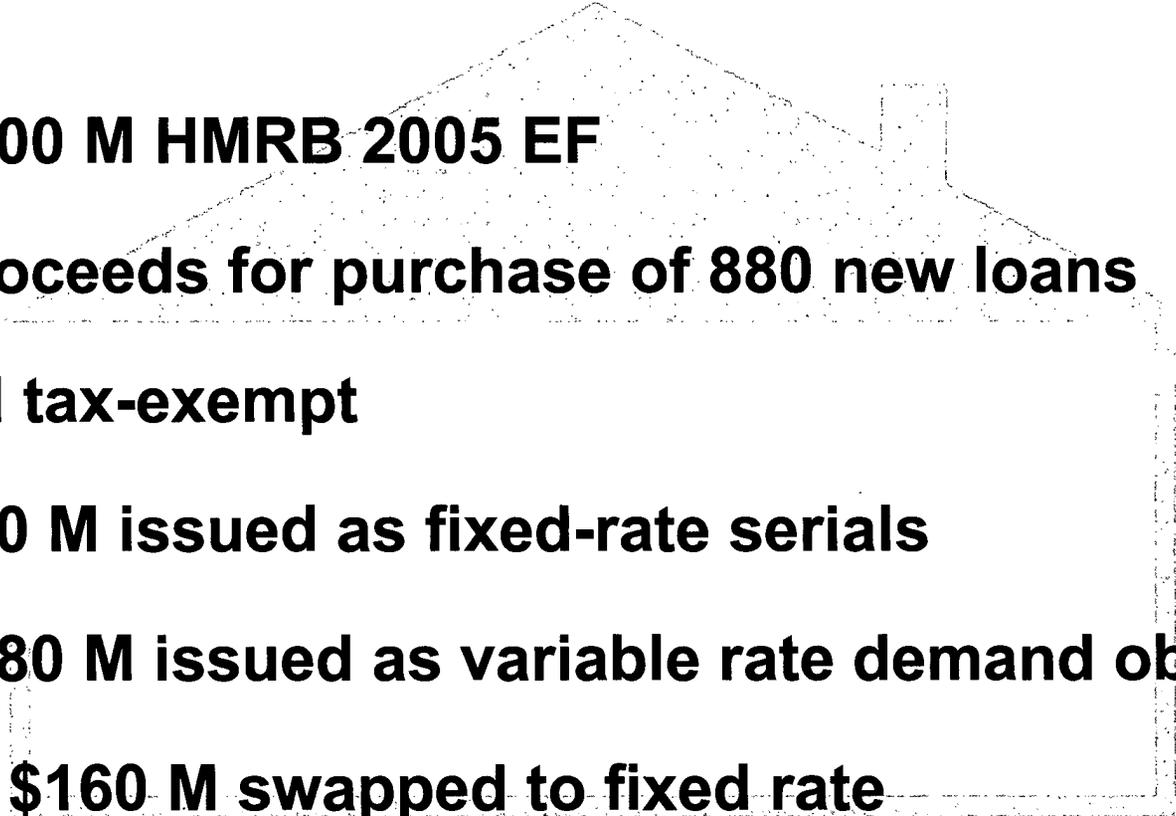
Affordable Housing is our Business

Recent Bond Issues



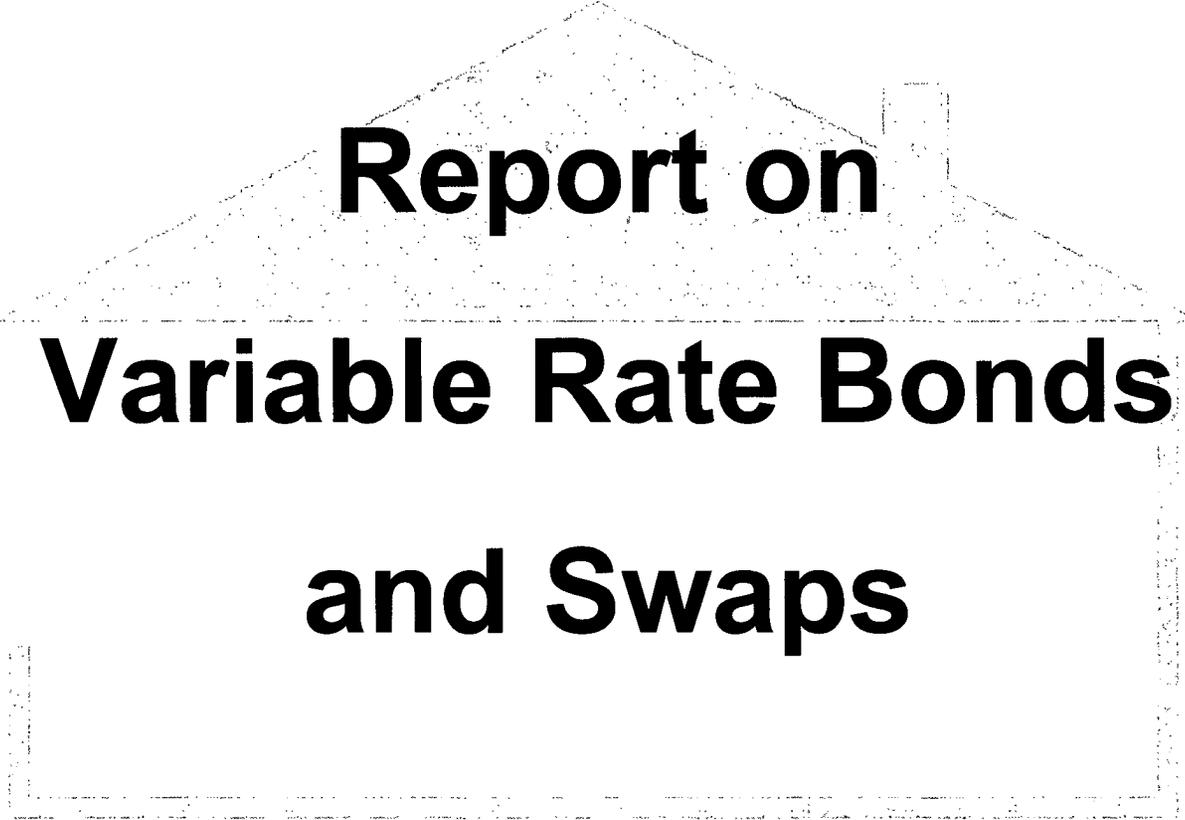
<u>Date of Sale</u>	<u>Bond Series</u>	<u>\$ Amount</u>
7/14/05	Home Mortgage Revenue Bonds 2005 Series EF	\$200,000,000
8/1/05	Single Family Draw Down Bonds 2005 A	\$5,366,000

New Single Family Bonds

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- **\$200 M HMRB 2005 EF**
 - **Proceeds for purchase of 880 new loans**
 - **All tax-exempt**
 - **\$20 M issued as fixed-rate serials**
 - **\$180 M issued as variable rate demand obligations**
 - **\$160 M swapped to fixed rate**

Single Family Draw Down Bonds

- **\$5.37 M draw on 2005 A**
- **Proceeds invested in a guaranteed investment contract**
- **Preserve CDLAC allocation & tax-exempt refunding authority**
- **Bonds backed by CalHFA G.O.**



**Report on
Variable Rate Bonds
and Swaps**

Variable Rate Debt as of August 1, 2005

(\$ in Millions)

	<u>Tied Directly to Variable Rate Assets</u>	<u>Swapped to Fixed Rate</u>	<u>Not Swapped or Tied to Variable Rate Loans</u>	<u>Total Variable Rate Debt</u>
HMRB	\$ 4	\$ 3,677	\$ 593	\$ 4,274
MHRB	45	813	285	1,143
HPB	0	35	15	50
DDB	<u>808</u>	<u>0</u>	<u>0</u>	<u>808</u>
TOTALS	\$897	\$ 4,490	\$ 893	\$ 6,275

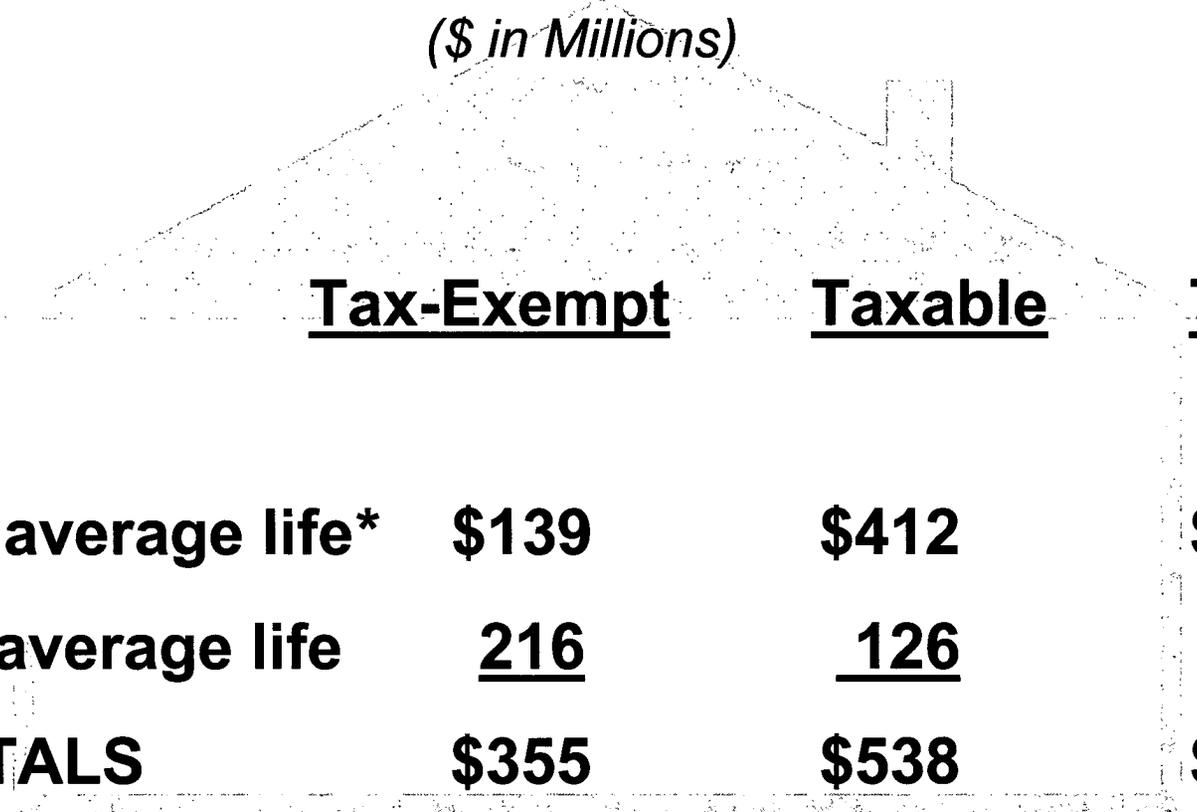
Types of Variable Rate Debt

(\$ in Millions)

	<u>Auction Rate & Similar Securities</u>	<u>Indexed Rate Bonds</u>	<u>Variable Rate Demand Obligations</u>	<u>Total Variable Rate Bonds</u>
HMRB	\$ 163	\$ 1,265	\$ 2,840	\$ 4,273
MHRB	500	0	643	1,143
HPB	0	0	50	50
DDB	<u>0</u>	<u>809</u>	<u>0</u>	<u>809</u>
TOTALS	\$ 668	\$ 2,074	\$ 3,533	\$ 6,275

Net Variable Rate Debt

(\$ in Millions)



	<u>Tax-Exempt</u>	<u>Taxable</u>	<u>Totals</u>
Short average life*	\$139	\$412	\$551
Long average life	<u>216</u>	<u>126</u>	<u>342</u>
TOTALS	\$355	\$538	\$893

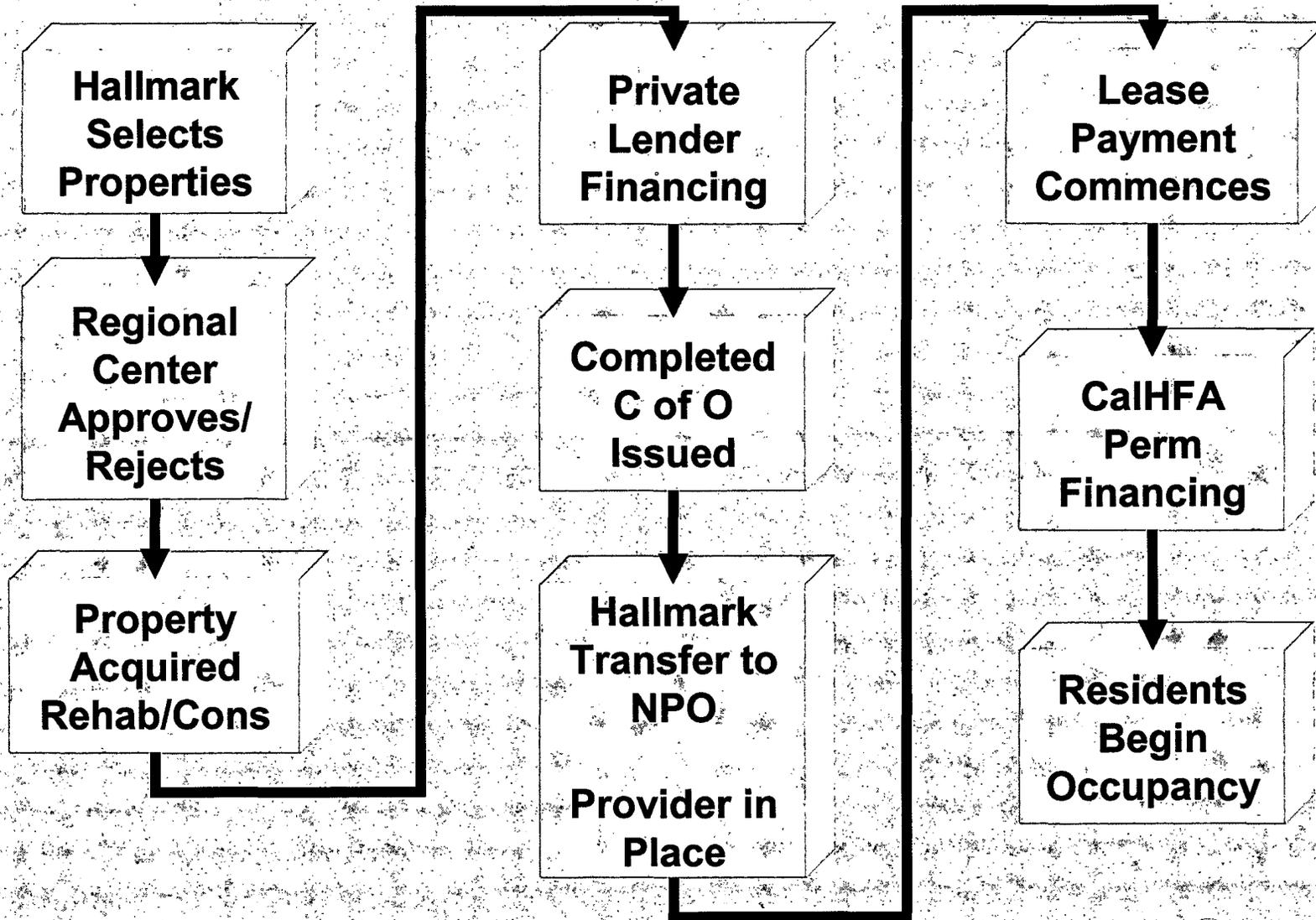
*Bonds with an expected average life of 10 years or less.

Fixed Payer Interest Rate Swaps

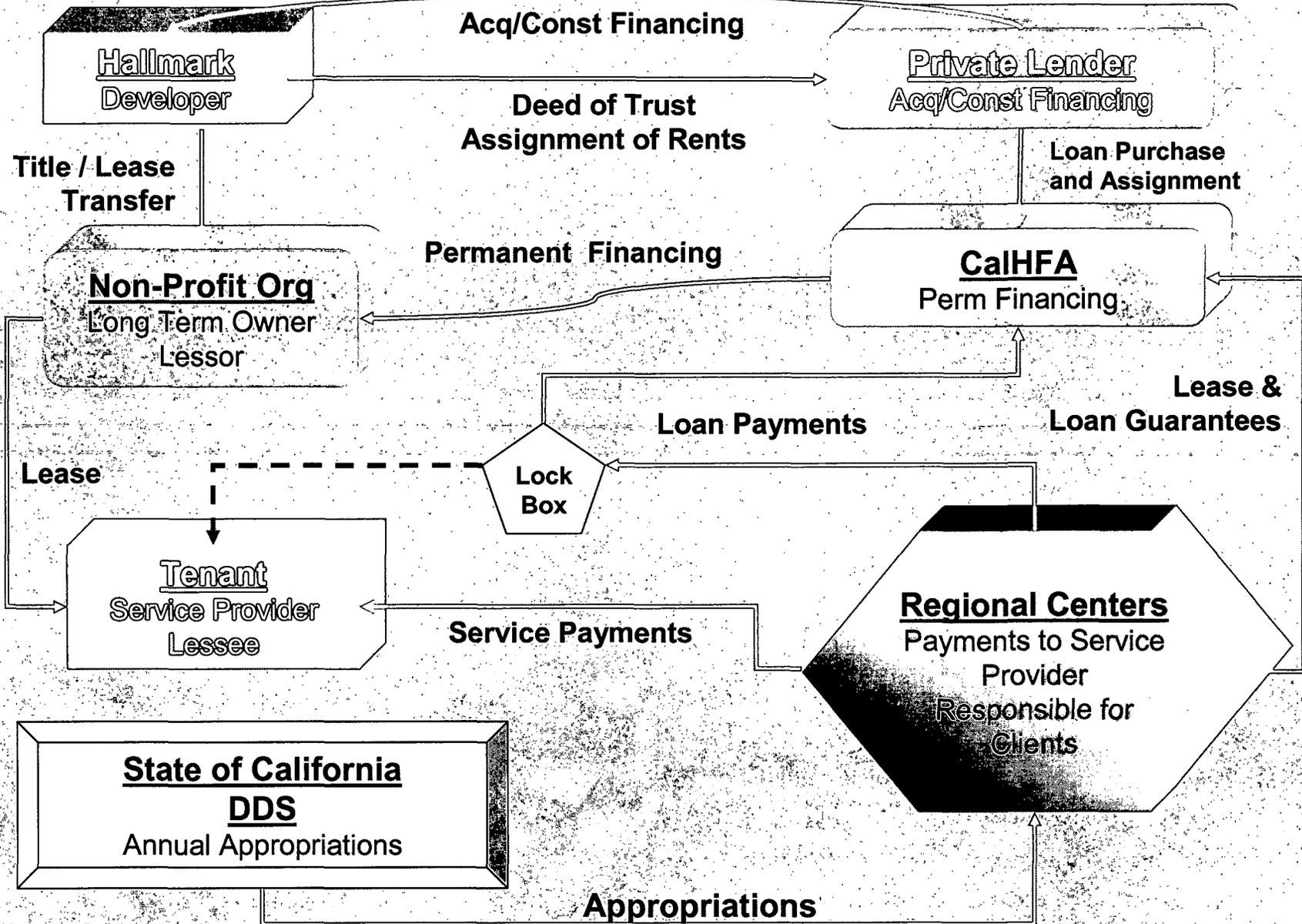
(\$ in Millions)

	<u>Tax-Exempt</u>	<u>Taxable</u>	<u>Totals</u>
HMRB	\$2,731	\$1,010	\$3,741
MHRB	847	0	847
HPB	<u>35</u>	<u>0</u>	<u>35</u>
TOTALS	\$3,613	\$1,010	\$4,623

BAHP ACQUISITION AND FINANCING PROCESS



BAHP LEASE AND FINANCE PLAN



Acquisition and Construction Summary

Projected Acquisition & Construction Totals By Housing Type

	Number of Clients	Number of Homes	Cost per Home	FY 2005/06	Number of Clients	Number of Homes	Cost per Home	FY 2006/07	Total Clients	Total Homes	Total Total Cost
SB962 Home - 5 clients per home	14	3	\$1,661,008	\$4,650,821	106	21	\$1,661,008	\$34,881,160	120	24	\$39,531,981
Family Teaching Home 3 clients per home	18	6	\$1,440,285	\$8,641,708	42	14	\$1,440,285	\$20,163,986	60	20	\$28,805,695
Specialized Residential 3 clients per home	37	12	\$1,107,620	\$13,291,446	47	16	\$1,107,620	\$17,721,928	84	28	\$31,013,374
Totals by Fiscal Year	69	21		\$21,933,154	195	51		\$72,767,074	264	72	\$99,351,050

Total Residential Cost Projections 15 Years at 6.25% (taxable) and 5.45% (tax exempt)

Projected Monthly Totals for Residential Costs (Debt Service and Operating Costs)

	# of Clients	Monthly Cost per Client	FY 2005-2006	# of Clients	Monthly Cost per Client	FY 2006-2007	Total Clients	Total Cost
SB962 Home- 5 Clients per Home	14	50% - \$3,874, 50% - \$3,460	\$51,952	106	50% - \$3,874, 50% - \$3,460	\$393,348	120	\$445,300
Family Teaching Home 3 Clients per Home	18	\$5,140	\$92,514	42	\$5,140	\$215,865	60	\$308,378
Specialized Residential 3 Clients per Home	37	50% - \$4,350, 50% - \$3,908	\$155,069	47	50% - \$4,350, 50% - \$3,908	\$196,980	84	\$352,049
Totals by Fiscal Year	69		\$299,534	195		\$806,193	264	\$1,105,728

Projected Annual Totals for Residential Costs (Debt Service and Operating Costs)

	# of Clients	Annual Cost Per Client	FY 2005-2006	# of Clients	Annual Cost per Client	FY 2006-2007	Total Clients	Total Cost
SB962 Home- 5 Clients per Home	14	50% - \$46,491, 50% - \$41,516	\$623,420	106	50% - \$46,491, 50% - \$41,516	\$4,720,181	120	\$5,343,601
Family Teaching Home 3 Clients per Home	18	\$61,676	\$1,110,162	42	\$61,676	\$2,590,379	60	\$3,700,542
Specialized Residential 3 Clients per Home	37	50% - \$52,206, 50% - \$45,901	\$2,363,757	47	50% - \$52,206, 50% - \$45,901	\$2,363,757	84	\$4,224,587
Totals by Fiscal Year	69		\$3,594,413	195		\$9,674,317	264	\$13,268,730

**ESTIMATED COST SAVINGS TO THE STATE OF CALIFORNIA
FROM CLOSING AGNEWS DEVELOPMENTAL CENTER**

AGNEWS DEVELOPMENTAL CENT	Annual Cost Per Resident	Annual Total Cost		
Average Agnews Cost	\$ 311,000	\$ 82,104,000		
Numbers of Residents	264			
Average Service Cost	\$ 267,000	\$ 70,488,000		
Average Housing Cost	\$ 44,000	\$ 11,616,000		
	Annual Cost Per Resident	Annual Total Cost	Savings per Residents	Savings Total
BAY AREA HOUSING PLAN				
SB 962 Homes	\$ 250,000	\$ 30,000,000	\$ 61,000	\$ 7,320,000
Number of Residents	120			
Family Teaching Model Homes	\$ 160,000	\$ 9,600,000	\$ 151,000	\$ 9,060,000
Number of Residents	60			
Specialized Residential Facilities	\$ 110,000	\$ 9,240,000	\$ 201,000	\$ 16,884,000
Number of Residents	84			
Average BAHP Cost	\$ 185,000	\$ 48,840,000	\$ 126,000	\$ 33,264,000
Average Service Cost	\$ 135,190	\$ 35,690,160	\$ 131,810	\$ 34,797,840
Average Housing Cost	\$ 49,810.00	13,149,840	\$ (5,810)	\$ (1,533,840)

VARIABLE RATE DEBT EXPOSURE

This report describes the variable rate bonds and notes of CalHFA and is organized programmatically by indenture as follows: HMRB (Home Mortgage Revenue Bonds--CalHFA's largest single family indenture), MHRB (Multifamily Housing Revenue Bonds III--CalHFA's largest multifamily indenture), HPB (Housing Program Bonds--CalHFA's newest indenture, used to finance the Agency's downpayment assistance loans), and DDB (Draw Down Bonds used to preserve tax-exempt authority.) The total amount of CalHFA variable rate debt is \$6.3 billion, 87% of our \$7.2 billion of total indebtedness as of August 1, 2005. As shown in the table below, our "net" variable rate exposure is \$893 million, 12.4% 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 (<i>\$ in millions</i>)				
	Tied Directly to Variable Rate		Not Swapped or Tied to		Total Variable Rate Debt
	<u>Assets</u>	<u>Fixed Rate</u>	<u>Assets</u>	<u>Variable Rate</u>	
HMRB	\$4	\$3,677	\$593	\$4,274	
MHRB	45	813	285	1,143	
HPB	0	35	15	50	
DDB	<u>808</u>	<u>0</u>	<u>0</u>	<u>808</u>	
Total	\$857	\$4,525	\$893	\$6,275	

One year ago our net exposure was \$1.2 billion and 16% of our indebtedness. Two years ago it was \$806 million and 10.3 % of our indebtedness; three years ago it was \$666 million and 8.5%.

As discussed in each previous report, our \$893 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, the interest earnings rate for the State Treasurer's investment pool, where we invest much of our bond proceeds, is currently at 3.14%. In addition, the high incidence of single family loan prepayments since early in 2001 has caused our loan portfolio to contract in spite of our \$1.3 billion pace of annual new single family and multifamily 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 have been resetting at approximately 3.55%.