CalHFA MULTIfamily CALIFORNIA HOUSING FINANCE AGENCY

RECOMMENDATIONS FOR MULTIFAMILY DESIGN & MATERIALS

The purpose of the CalHFA Architectural Review is to determine if a project meets the Agency's recommended architectural standards. Upon review, we shall provide comments and/or recommendations within 15 business days that you may choose to incorporate at your option. Once this review process has been completed, no additional review shall be required nor shall further design requirements be imposed.

DOCUMENTS

The following list identifies the stages of CalHFA's design review.

CONCEPTUAL DESIGN REVIEW (optional but highly recommended).
Conceptual plans may be submitted by the developer or architect prior to the formal Loan Application.

- ☐ Conceptual plans sufficient to reflect the character and intent of the project, typical plans include: site plan, building floor plans, elevations, typical unit plans.
- ☐ Unit floor plans with furniture layouts reflecting minimum furnishings needed for the expected family size.

PRELIMINARY DESIGN PACKAGE FOR FINAL LOAN COMMITMENT
(Preferably submitted for review 6 weeks prior to the scheduled Board meeting).

- ☐ Design development plans: site plan, preliminary grading plan with existing topographical contours, building plans 1/8"=1'-0" scale, exterior elevations, typical cross section(s), unit plans ¼"=1'-0" (show minimum furnishings, unless previously provided), and conceptual landscape plans.

Loan Application Package Reports (reports listed below and submitted to underwriting will also be reviewed by Architectural Services).

- ☐ Soils/Geotechnical Report, dated within 2 years of submission.
- ☐ ALTA/Topo survey, stamped & signed within one year of submission.
- ☐ Outline Specifications HUD Form 5087 briefly describing expected project design.
- ☐ Acoustical Report, if requested by CalHFA, prepared in accordance with HUD Noise Guidelines.
- ☐ Provide project schedule information when special handling may be necessary.

CONSTRUCTION DOCUMENT PACKAGE
(Preferably submitted for review 6 weeks prior to the scheduled construction loan closing or when submitted for plan check review).

- ☐ Construction Documents (architectural, structural, mechanical, electrical, plumbing, civil, landscape) normally at 90% completion or when submitted for plan check.
- ☐ Project Specifications Manual based on CSI standards, include AIA General Conditions A201-1997.
- ☐ Project Specifications for smaller projects (fewer than 26 units) may use an alternate specification format and may use design/build contracts for simple mechanical/electrical/ plumbing plans if prepared by appropriately licensed engineer. Design/Build plans are subject to review by the Agency prior to start of construction.

CalHFA's design review is based on the following recommendations.

UNIT LIVABILITY:

Apartment Unit Plan Design

The long-term marketability of apartment units is affected not only by their sizes but also by the livability of the units. One important functional component of livability is the ability of the space to accommodate the potential number of occupants and the basic pieces of common furniture necessary for daily activities. A well thought out furniture plan may reveal conflicts in the unit layout which are not otherwise obvious. Please provide typical unit plans at 1/4" scale.

Unit Design Components

Kitchen

- Kitchen cabinets and appliance space recommended at 16 lineal feet for 1 & 2 bedroom units, with the additional of a pantry for larger units. Utilize 18" clear counter space one side of each appliance and fixture and a minimum of 9" on the opposite side of a range.

Bathrooms

- Optimal bathrooms recommended:
  - 3 bedroom units minimum 1 ½ bathrooms
  - 4 bedroom units minimum 1 ¾ bathrooms
  - 3 bedroom or larger townhouse units minimum half-bath on the entry level (when a bedroom occurs on the entry level a complete bathroom should be provided).

Closets

- Recommend 6 lineal feet of closet in master bedroom and 5 lineal feet in other bedrooms.
- Entry coat closet and linen closet in multiple bedroom units, if possible.

Windows

- Identify window sill height above finish floor on exterior elevations. Heights should comply with building code requirements, and child safety considerations.

COMMON AREA DESIGN CONCEPTS

- Community/Recreation Center suggested size of 12 sq. ft. per unit for family and senior projects (not necessary in projects with less than 16 units) with a community kitchen, sink, refrigerator and range or microwave.
- Management office with a waiting area at a suggested size of no less than 100 sq ft (not necessary in projects with less than 16 units).
- Maintenance workshop and storage room that provides a workbench, sink, and shelving area.
- Common area laundry room when washers/dryers are not provided in the units. Suggest that the common laundry room provide 1 washer/dryer per 12 family units, 1 each per 30 senior units and 1 accessible front loading washer at each laundry room with a floor drain, folding table and seating area.
- Elevators are recommended in multistory senior projects. Trash chutes are recommended in 3 story and taller elevator buildings with ventilated vestibule.
- Exterior trash enclosures should have enclosure protection and a nearby hose bib.
- In Supportive Housing Redevelopments, office space for service staff and service space.

Site Accessibility

- Accessible path to the primary entry of all ground floor units.
- Identify all common area facilities on an accessible path (show walkways, slope and landing dimensions at ramps, accessible parking spaces, van stall location, and trash enclosures).

Note: The development must be designed in accordance with all applicable handicapped accessibility requirements. In particular, it should be noted that if the project also receives funding from a federal source, federal laws governing accessibility may apply.

These standards have been developed to define a minimum level of quality and project scope of work. The content is organized in the CSI Master Format 2004.

General Requirements – Division 01

- General Conditions AIA A201-1997.
- Architect's Observation with monthly reports.
- Minimum extended contractor guarantees: roofing-3 years, 2 years on elastomeric coating, damp proofing, sheet metal, caulking and sealants.
- 20 year minimum, with a recommended No Dollar Limit (NDL) manufacturer's warranty on roofing.

Thermal and Moisture Protection – Division 07

- Incorporate minimum dampproofing requirements as recommended in Soils Report.
- Fiber cement siding is preferred over less durable products such as T-1 11.

Roofing

- Minimum roof slope 3/8" in 12".
- Protect exterior entry doors with overhang or other design feature.
- Gutters and downspouts recommended at eaves less than 12" on 1 story and less than 24" on 2 story.
- Downspouts to underground drain system or concrete splash blocks or hard surface.

Doors and Windows – Division 08

- Individual garage door remote control opener.
- Double hung windows are recommended in lieu of single hung windows in family projects when the window sill is less than 36" above the finish floor.
- Unit entry door(s) lockset and separate dead-bolt should have integral operation. Provide door viewer.

Finishes – Division 09

- Polystyrene stucco forms with mesh reinforcement installed per Plastering Information Bureau or other industry standard (not recommended below 7'-0" AFF or where abusive contact may occur).
- Carpet or another acceptable quality floor covering.
- Back-prime or back-coat all exterior wood and wood type products.
- Paint should be applied per manufacturer's recommendations.

Specialties – Division 10

- Exterior mailboxes (recommend sheltered, illuminated and accessible).
- Recommend for senior projects handrail complying with ANSI 117.1 on one side of corridor minimum.
- Screw flange mounted shower curtain rod.
- Recessed medicine cabinet or storage within bathroom.
- Recommend for senior projects (2) 24" grab bars in accessible bathtub or shower, at control end and/or long side or (1) 48" grab bar.

Equipment – Division 11

- Refrigerators, range/ovens, range hoods, and garbage disposals are to be provided for every unit. Energy star ratings are recommended for refrigerators, also for dishwashers and washing machines, when provided.
- Suggested refrigerator minimum sizes: 1 and 2 bedroom units 14 c.f., larger units 16 c.f.
- Ducted range hoods are recommended in family projects; ductless hoods are acceptable in senior units.
- 1/2 hp garbage disposals for family units, 1/3 hp in senior units.
- Play equipment at family projects, appropriate to the project size and unit mix.

Furnishings – Division 12

- Recommend cabinet minimum standards for fabrication and installation are Woodwork Institute (WI) Economy grade. Vinyl cabinets are not recommended.

Conveying Systems – Division 14

- Elevator minimum 2500 lb capacity, one year maintenance contract.

Plumbing – Division 22

- ☐ Central boiler in buildings with more than 25 units should have a multi-boiler system designed to provide backup and/or redundancy.
- ☐ Copper pipes preferred but PEX is acceptable for domestic water if locality approves.
- ☐ Kitchen sink: double bowl or single if dishwasher provided, 24" wide minimum.

Heating, Ventilation and Air-Conditioning – Division 23

- ☐ Heated bathrooms recommended.
- ☐ Heated corridors are recommended at senior projects.
- ☐ Bathroom exhaust fan switched with primary ceiling light, or use of a humidistat, or installation of non-organic gypsum board.
- ☐ HVAC system per market comparable units.
- ☐ Air conditionings in community center and management offices.

Electrical – Division 26

- ☐ Site utilities are to be placed underground.

Earthwork – Division 31

- ☐ Soil treatment for termites.
- ☐ Site grading minimums: 2% for 5 feet from building, 1% on pervious swales, .05% on impervious swales.
- ☐ Current Soils/Geotechnical Report incorporated as part of scope of work. Letter from soils engineer indicating completed project is in compliance with Soils Report.

Exterior Improvements – Division 32

- ☐ Grading plan indicating elevations of finish floors, finish pads, building corners, landings and ramps, etc.
- ☐ Recommend retaining wall greater than 18" to be concrete or CMU.
- ☐ Landscape plans and specifications by licensed landscape architect using drought resistant plants and water conservation techniques.
- ☐ Screening of unsightly items, such as transformers, with appropriate landscape planting or architectural screen.
- ☐ Quick couplers/hose bibs @ 150' o.c. max and near trash enclosures.
- ☐ Landscape maintenance contract, 60 day minimum, and 1 year guarantee for trees.
- ☐ Trash enclosures: concrete apron 6" thick suggested, concrete curbs or other devices inside to protect walls.
- ☐ Concrete curbs or walks separating asphalt from planting at all driveways and parking areas.

November 15, 2007
UPDATE ON BAY AREA HOUSING PLAN

This is an update on the Bay Area Housing Plan. To give a brief overview, the Agency has purchased 7 seven of the loans from Bank of America with the Agency warehouse line of credit in the amount of approximately $10,000,000. We have made commitments to Bank of America to purchase an additional $58 million dollars of loans for 35 houses.

The most recent loans purchased by the Agency were two homes in Morgan Hill. We anticipate purchasing two loans in November, including Baywood in San Jose, which you will see pictures of in a few minutes, and an additional 19 homes by the end of February 2008. The first 28 purchases will be for approximately $46,000,000.

Construction is picking up. There are 2 completed rehabilitated homes (Baywood and Fairfield) and 19 houses under construction. Hallmark currently is mobilized to complete construction on all 19 of these homes by December 31, 2007. Hallmark has faced some serious challenges in the construction phase of the BAHP due to the scattered site nature of the homes, and difficulty of monitoring the work of several small contractors at the same time. To overcome these challenges, HCS has hired several construction site monitors to visit each site daily and make sure that the work crews are there and the construction is being done. The monitors have the capacity to fill in for missing work crews. All of the remaining homes (35) have been submitted for permits.

Hallmark Community Services, the master developer, has purchased all 61 houses necessary to house all the consumers exiting Agnews Developmental Center. The Bank of America line of credit was used for 39 of the purchases, but because that line is at its maximum of $60,000,000, Hallmark purchased 22 of the homes with a combination of Hallmark's line of credit with Mechanic's Bank and the Regional Center's predevelopment and equity funds.

The Agency is anticipating issuing approximately $50,000,000 in bonds to take out the Agency warehouse line of credit funds in early 2008. We anticipate a second series of bonds in approximately the same amount in the fall of 2008. To date, Agency has had a series of discussions with the rating agencies. We are in the process of providing the rating agencies with additional information on this transaction. We anticipate receiving at least investment grade rating on the bonds.

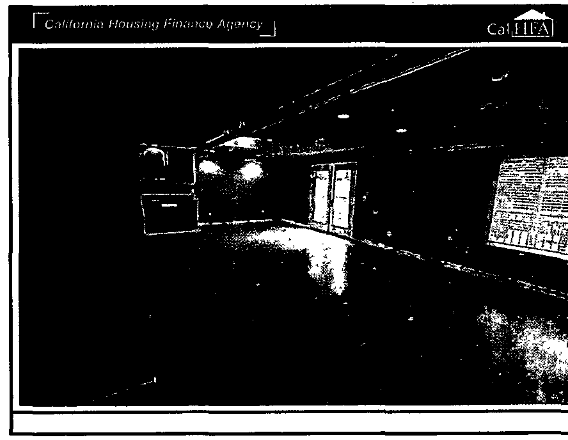
The slide show contains pictures of the 1st completed rehabilitation project. It is located at 1302 Baywood Street in San Jose. It is an SB 962 medical model created for the medically fragile consumers. It has bamboo flooring so the wheelchairs can move easily around the house, granite countertops for durability and a ceiling tracking system to move the consumers from their beds to wheelchairs. The rehabilitation cost approximately $416,000.

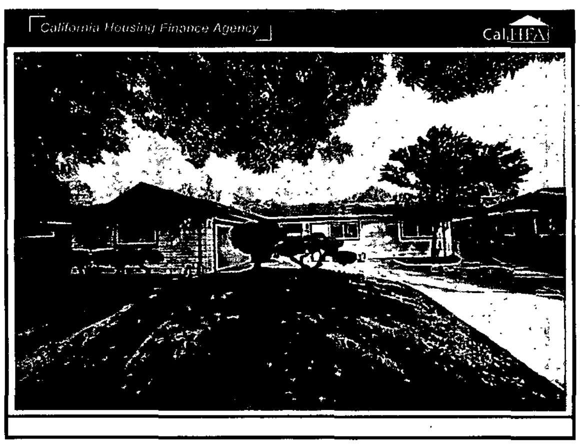
California Housing Finance Agency

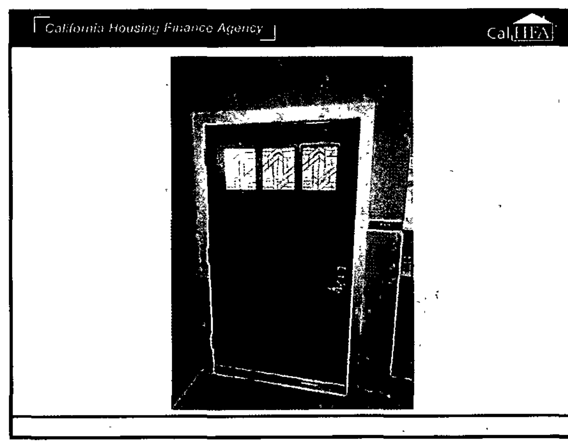
1320 Baywood Avenue

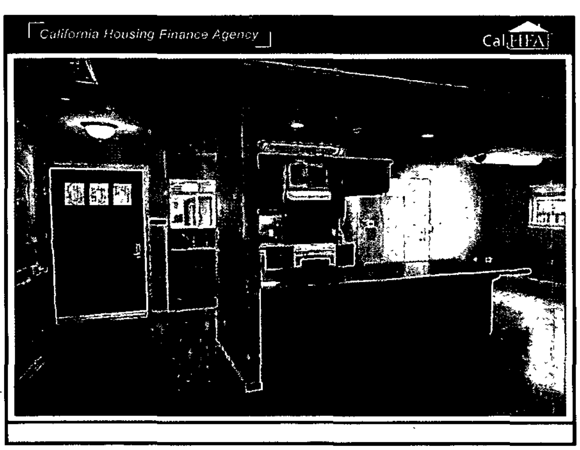
San Jose, California

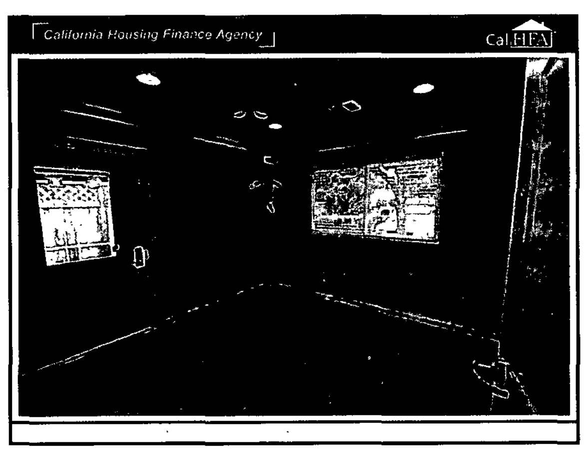
CalHFA
Affordable Housing is our Business

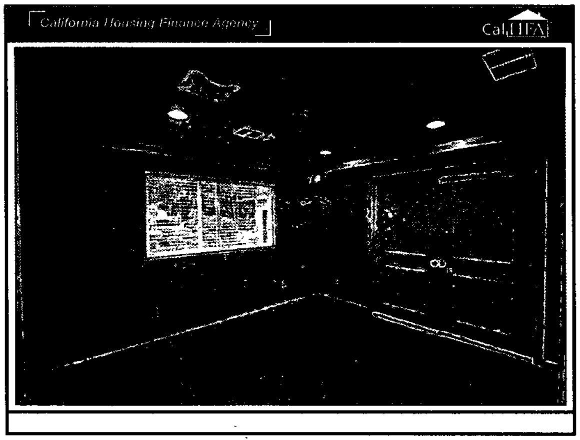








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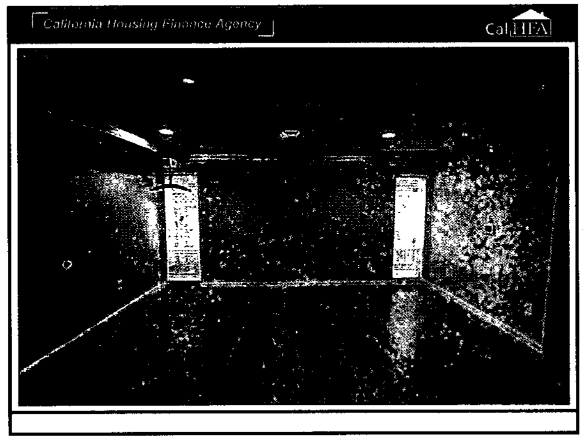
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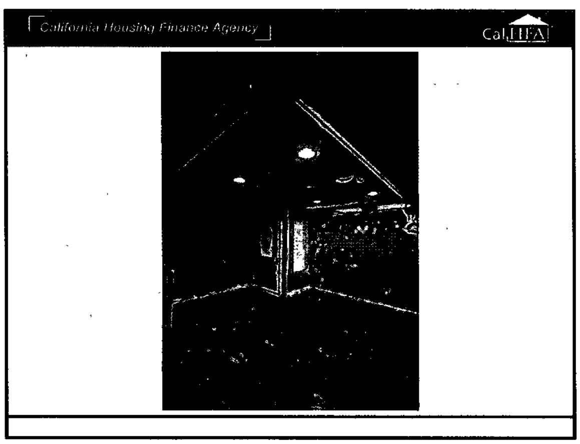
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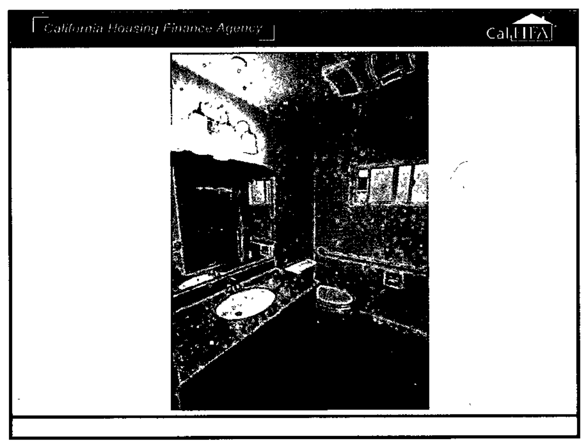
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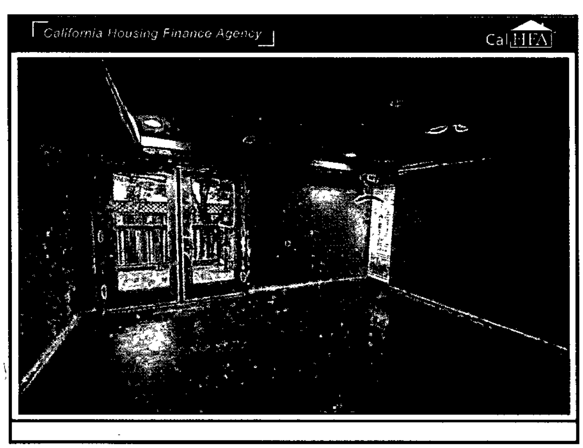
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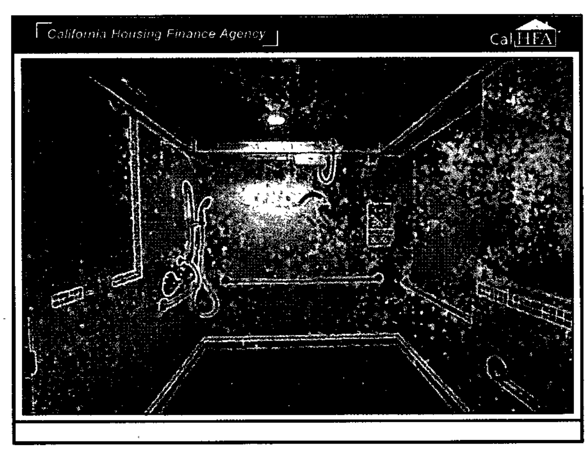
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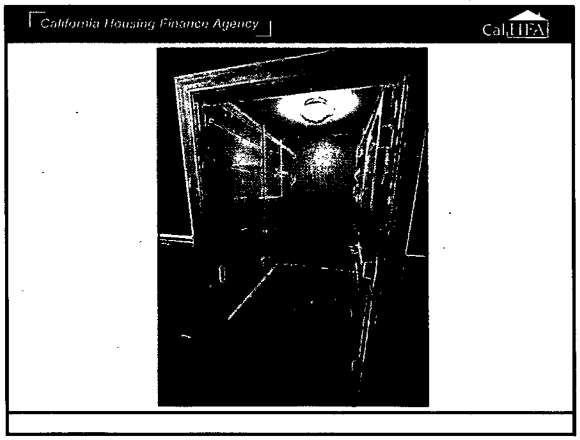
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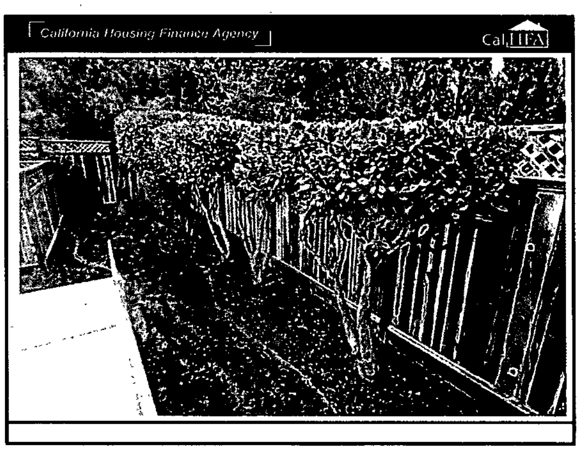
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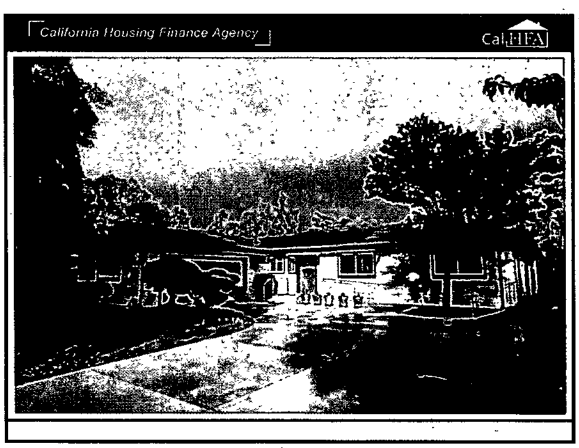
California Housing Finance Agency
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BAY AREA HOUSING PLAN
SCHEDULE OF PROPERTIES

		Property Address	CalHFA Loan Commitment	RC Equity	Agency Status	Approval Date	Borrowers est. Const Comp	Borrowers est Loan Purchase	Construction Status	NPO RC	Tax Status	Service Provider	# Units	Property Type	Purchase Price	Rehab Estimate	Reserve Addl Collateral	Reserve 1 YR DS	Appraisal	LTV	LTV minus DS Reserve	LTV minus all reserves
																	5%					
		Agency Purchased loans	**On the Agency Line of Credit**																			
1	1	2830 Medina, San Bruno	$1,681,594	$ -	Purchased	03/27/07	NA	Purchased	complete	WBHC-GGRC	Taxable	Albacruz Invest	5	962 Med 4	$ 1,250,000	NA	$ 84,080	$ 194,067	$ 1,250,000	135%	119%	112%
2	2	10506 N. Foothill Cupertino	$1,324,287	$ 226,500	Purchased	05/15/07	NA	Purchased	complete	BAHC -SARC	Tax-Exempt	CCO	4	FTM Duplex	$ 1,240,000	$ 31,600	$ 60,629	$ 136,964	$ 1,240,000	98%	87%	82%
3	3	10516 N. Foothill, Cupertino	$1,321,142	$ 226,500	Purchased	05/15/07	NA	Purchased	complete	BAHC -SARC	Tax-Exempt	CCO	4	FTM Duplex	$ 1,240,000	$ 29,100	$ 60,514	$ 136,705	$ 1,240,000	98%	87%	82%
4	4	10526 N. Foothill, Cupertino	$1,324,157	$ 226,500	Purchased	05/15/07	NA	Purchased	complete	BAHC -SARC	Tax-Exempt	CCO	4	FTM Duplex	$ 1,240,000	$ 31,600	$ 60,616	$ 136,935	$ 1,240,000	98%	87%	82%
5	5	10536 N. Foothill, Cupertino	$1,306,542	$ 226,500	Purchased	05/15/07	NA	Purchased	complete	BAHC -SARC	Tax-Exempt	CCO	4	FTM Duplex	$ 1,240,000	$ 17,100	$ 59,804	$ 135,101	$ 1,240,000	96%	86%	81%
6	6	205 Ginger, Morgan Hill	$1,424,459	$ 47,500	Prel. Letter	10/17/07	08/15/07	Purchased	complete	BAHC -SARC	Tax-Exempt	Vast Horizons	4	SRH4	$ 939,900	$ 256,482	$ 71,222.93	$ 151,495.13	$ 939,000	159%	143%	135%
7	7	19175 Taylor, Morgan Hill	$1,497,751	0	Prel. Letter	10/17/07	08/15/07	Purchased	complete	BAHC -SARC	Tax-Exempt	Vast Horizons	5	962 Med 5	$ 949,000	$ 200,000	$ 74,887.53	$ 159,289.95	$ 949,000	157%	140%	132%
			$ 9,879,930	**$ 953,500**																		
		Agency Loan Purchase Pending	**Properties on the B of A Line that the Agency will purchase by 12/01/07**																			
8	1	32724 Fairfield Street, Union City	$1,499,000	$288,235	SOC letter	11/29/06	10/31/07	11/21/07	in const.	HCEB -RCEB	Tax-Exempt	Alegria	3	SRH3	$750,000	$369,203	$74,950	$174,593	$760,000	197%	174%	164%
9	2	1320 Baywood, San Jose	$2,008,000	$ 26,856	SOC letter	06/26/06	10/24/07	11/30/07	complete	BAHC -SARC	Tax-Exempt	Life Services Alt.	5	962 Med 5	$ 925,000	$ 415,941	$ 100,400	$ 228,895	$ 925,000	217%	192%	181%
			$3,507,000	$315,091																		
		Currently In Construction	**Properties on the B of A Line, with Agency Commitments, that are in Construction.**																			
10	1	1529 Eden, San Jose	$1,821,000	$26,803	SOC letter	6/16/06	11/28/07	12/26/07	in const.	BAHC -SARC	Tax- Exempt	CCO	4	FTM Duplex	$875,000	$364,624	$91,050	$207,579	$875,000	208%	184%	174%
11	2	5508 Jasmine, Castro Valley	$1,694,000	$198,425	SOC letter	7/17/06	11/15/07	1/13/08	in const.	HCEB-RCEB	Tax-Exempt	Alegria	4	SRH 4	$805,000	$332,235	$84,700	$201,549	$815,000	208%	183%	173%
12	3	506 & 508 Northlake Dr.,San Jose	$1,837,000	$33,774	SOC letter	7/17/06	12/5/07	1/2/08	in const.	BAHC -SARC	Tax-Exempt	CCO	4	FTM Duplex	$820,000	$425,486	$91,850	$218,563	$820,000	224%	197%	186%
13	4	625 & 627 Vasona, Los Gatos	$1,806,000	$26,975	SOC letter	7/26/06	11/7/07	1/4/08	in const.	BAHC -SARC	Tax-Exempt	CCO	4	FTM Duplex	$860,000	$352,527	$90,300	$214,875	$860,000	210%	185%	175%
14	5	629 & 631 Vasona, Los Gatos	$1,819,000	$26,975	SOC letter	7/26/06	11/7/07	1/4/08	in const.	BAHC -SARC	Tax-Exempt	CCO	4	FTM Duplex	$860,000	$356,456	$90,950	$216,422	$860,000	212%	186%	176%
15	6	637 & 639 Vasona, Los Gatos	$1,803,000	$26,975	SOC letter	7/26/06	11/7/07	1/4/08	in const.	BAHC -SARC	Tax-Exempt	CCO	4	FTM Duplex	$860,000	$349,899	$90,150	$214,518	$860,000	210%	185%	174%
16	7	**1720 Pierce St., San Mateo	$1,743,000	$146,674	SOC letter	8/7/06	12/28/07	1/25/08	in const.	WBHC-GGRC	Taxable	Lyndon Canon	3	SRH 3	$775,000	$335,701	$87,150	$197,504	$785,000	222%	197%	186%
17	8	2508 Regent Road, Livermore	$1,756,000	$27,300	SOC letter	9/15/06	11/15/07	12/13/07	in const.	HCEB-RCEB	Taxable	Mentor	5	962 Med 5	$835,000	$342,172	$87,800	$205,153	$840,000	209%	185%	174%
18	9	21763 Shadysprings Rd, Castro Valley	$1,502,000	$120,235	SOC letter	9/28/06	11/30/07	12/13/07	in const.	HCEB-RCEB	Tax-Exempt	Alegria	3	SRH3	$680,000	$323,655	$75,100	$175,478	$680,000	221%	195%	184%
19	10	633 Vanessa, San Mateo	$1,692,000	$178,674	SOC letter	10/4/06	1/10/08	2/7/08	in const.	WBHC-GGRC	Taxable	Anjeshni Andrade	3	SRH3	$750,000	$389,074	$84,600	$197,676	$780,000	217%	192%	181%
20	11	32744 Olympiad Court, Union City	$1,713,000	$27,430	SOC letter	10/18/06	12/15/07	1/12/08	in const.	HCEB-RCEB	Tax-Exempt	Vast Horizons	5	962 Med 5	$880,000	$268,554	$85,650	$200,129	$880,000	195%	172%	162%
21	12	2334 Oak Flat Road, San Jose	$1,697,000	$168,324	SOC letter	10/18/06	11/15/07	12/13/07	in const.	BAHC -SARC	Taxable	Cristobal	3	SRH3	$770,000	$374,234	$84,850	$198,260	$810,000	210%	185%	175%
22	13	1112 Sunnyside Drive, S SF	$1,646,000	$132,674	SOC letter	11/2/06	12/14/07	1/11/08	in const.	WBHC-GGRC	Taxable	Maria Ingco	3	SRH3	$849,000	$256,727	$82,300	$191,715	$849,000	194%	171%	162%
23	14	740 Palm Ave, S SF	$1,720,000	$206,674	SOC letter	11/6/06	12/5/07	1/2/08	in const.	WBHC-GGRC	Taxable	PFI Residential	3	SRH3	$850,000	$309,948	$86,000	$200,334	$850,000	202%	179%	169%
24	15	680 Edna, San Mateo	$1,914,000	$27,562	SOC letter	11/8/06	12/28/07	1/25/08	in const.	WBHC-GGRC	Taxable	Atenar Home	4	962 Med 4	$788,888	$470,550	$95,700	$222,930	$719,000	266%	235%	222%
25	16	1169 Sand Beach Place, Alameda	$1,576,000	$194,235	SOC letter	11/14/06	12/31/07	1/28/08	in const.	HCEB-RCEB	Tax-Exempt	Alegria	3	SRH3	$719,000	$338,097	$78,800	$183,562	$725,000	217%	192%	181%
26	17	1502 Constanso, San Jose	$1,490,000	$300,000	SOC letter	09/14/07	TBD	TBD	design	BAHC -SARC	Taxable	Castlewood Villa	4	SRH4	$875,000	$400,460	$74,500	$177,278	$875,000	170%	150%	142%
27	18	2654 Chablis Way, Livermore	$1,809,000	$45,000	SOC letter	8/20/07	12/5/07	1/2/08	in const.	WBHC-GGRC	Taxable	Mentor	5	962 Med 5	$870,000	$369,976	$90,450	$213,933	$870,000	208%	183%	173%
28	19	24615 Patricia Court, Hayward	$1,534,000	$152,235	SOC letter	11/15/06	1/17/08	2/14/08	Permitted	HCEB-RCEB	Taxable	Maria Ingco	3	SRH3	$705,000	$279,308	$76,700	$178,670	$719,000	213%	189%	178%
			$32,572,000	**$2,066,944**																		
		Agency Commitments on B of A line	**Properties with a B of A loan that are not in construction**																			
29	1	5486 Yale Drive	$1,490,000	$220,000	SOC letter	09/14/07	TBD	TBD	Permitted	WBHC-GGRC	Tax-Exempt	Vast Horizons	4	SRH4	$798,000	$385,391	$74,500	$177,278	$805,000	185%	163%	154%
30	2	4865 Wellington Park, San Jose	$1,585,000	$56,324	4.2 Approval	09/28/06	TBD	TBD	Permitted	BAHC -SARC	Taxable	Meridian Manor	3	SRH3	$762,000	$298,575	$79,250	$185,175	$775,000	205%	181%	170%
31	3	14239 Mulberry, Los Gatos	$2,086,000	$435,441	4.2 Approval	10/18/06	TBD	TBD	Permit Pendi	BAHC -SARC	Taxable	Mentor	5	962 Med 5	$749,950	$708,041	$104,300	$243,706	$785,000	266%	235%	221%
32	4	1446 Flora, San Jose	$2,071,000	$438,441	4.2 Approval	10/30/06	TBD	TBD	Permit Pendi	BAHC -SARC	Taxable	Mentor	5	962 Med 5	$785,000	$681,853	$103,550	$241,216	$785,000	264%	233%	220%
33	5	227 Prague, San Mateo	$1,689,000	$175,674	4.2 Approval	07/03/06	TBD	TBD	Permit Pendi	WBHC-GGRC	Taxable	Marietta Rubin	3	SRH 3	$771,000	$367,325	$84,450	$192,532	$790,000	214%	189%	179%
34	6	1908 Otis Drive, Alameda	$1,446,000	$175,000	4.2 approval	03/30/07	TBD	TBD	Permit Pendi	WBHC-GGRC	Tax-Exempt	Alegria	3	SRH3	$744,000	$362,130	$72,300	$166,878	$744,000	194%	172%	162%
35	7	3508 Martin, San Mateo	$1,450,000	$261,000	4.2 Approval	04/10/07	TBD	TBD	Permt	WBHC-GGRC	Taxable	Gina Rafael	3	SRH3	$880,000	$335,464	$72,500	$166,826	$880,000	165%	146%	138%
36	7	275 W. Dunne Ave, Morgan Hill	$1,490,000	$292,000	4.2 Approval	04/17/07	TBD	TBD	Permit	BAHC -SARC	Tax-Exempt	Vast Horizons	4	SRH 4	$855,000	$418,252	$74,500	$171,428	$855,000	174%	154%	146%
37	8	5242 Bristol, Newark	$1,393,000	$180,000	4.2 Approval	04/17/07	TBD	TBD	Permit Pendi	HCEB-RCEB	Taxable	Mentor	3	SRH3	$734,000	$371,583	$69,650	$160,268	$734,000	190%	168%	158%
38	9	15470 La Alameda, Morgan Hill	$1,935,000	$222,000	SOC letter	09/14/07	TBD	TBD	design	BAHC -SARC	Tax-Exempt	Vast Horizons	5	962 Med 5	$887,500	$622,067	$96,750	$229,528	$890,000	217%	192%	181%
39	10	15134 Charmeran Ave, San Jose	$1,490,000	$219,000	SOC letter	09/14/07	TBD	TBD	design	BAHC -SARC	Taxable	Summer Hill	4	SRH4	$829,900	$359,122	$74,500	$176,742	$830,000	180%	158%	149%
			$18,125,000	**$2,674,880**																		
		Agency Commitments not on the B of A Line	**Properties held on the Mechanics Bank Line**																			
40	1	826 Calero Avenue, San Jose	$1,935,000	$100,000	4.2 Approval	04/17/07	TBD	TBD		BAHC-SARC	Taxable	Mentor	5	962 Med 5	$987,000	$436,485	$96,750	$222,626	$987,000	196%	173%	164%
41	1	1447 Stonehedge, Pleasant Hill	$1,423,000	$233,000	4.2 Approval	05/07/07	TBD	TBD		HCEB-RCEB	Tax-Exempt	Alegria	3	SRH3	$729,900	$443,241	$71,150	$160,732	$729,900	195%	173%	163%
42	2	2917 Penitencia Creek, San Jose	$1,450,000	$239,000	4.2 Approval	05/07/07	TBD	TBD		BAHC -SARC	Taxable	Cristobal	3	SRH3	$810,000	$432,914	$74,500	$168,300	$810,000	184%	163%	154%
			$4,808,000	**$572,000**																		
		Properties held by Borrower														**Held on the Mechanics Bank Line**						
43	1	649 Empey Way,San Jose	$1,935,000	TBD			TBD	TBD		BAHC -SARC	Tax-Exempt	Life Services Alt.	5	962 Med 5	$ 790,000	TBD	$ 96,750	$ 222,626	$ 790,000	245%	217%	205%
44	2	1750 Westmont Ave., Campbell	$1,935,000	TBD			TBD	TBD		BAHC -SARC	Taxable	Mentor	5	962 Med 5								
45	3	1219 Sabrina Court, Redwood City	$1,450,000	TBD			TBD	TBD		WBHC-GGRC	Taxable	Mark/Linden Lee	3	SRH3								
46	4	1173 Salerno Drive, Campbell	$1,935,000	TBD			TBD	TBD		BAHC -SARC	Tax-Exempt	Life Services Alt.	5	962-Med 5								
47	5	173 Westridge Drive, Santa Clara	$1,935,000	TBD			TBD	TBD		BAHC -SARC	Tax-Exempt	TBD	5	962 Med 5								
48	6	711 Jill Avenue, Santa Clara	$1,935,000	TBD			TBD	TBD		BAHC -SARC	Tax-Exempt	Vast Horizons	5	962 Med 5								
49	7	8101 Meadowlark, Newark	$1,810,000	TBD			TBD	TBD		HCEB-RCEB	Tax-Exempt	Vast Horizons	5	962 Med 5								
50	8	441 N. Milton, Campbell	$1,935,000	TBD			TBD	TBD		BAHC -SARC	Tax-Exempt	Life Services Alt.	5	962 Med 5				$ 222,626				
51	9	960 Elm Street, San Jose	$1,935,000	TBD			TBD	TBD		BAHC -SARC	Tax-Exempt	Life Services Alt.	5	962 Med 5				$ 222,626				
52	10	5772 Dichondra Place, Newark	$1,450,000	TBD			TBD	TBD		HCEB-RCEB	Tax-Exempt	Alegria	3	SRH3								
53	11	1415 Gordon, Redwood City	$1,935,000	TBD			TBD	TBD		WBHC-GGRC	Taxable	Espie Sorongon	5	962 Med 5								
54	12	1616 Corte de Medea, San Jose	$1,490,000	TBD			TBD	TBD		BAHC -SARC	Taxable	Vast Horizons	4	SRH4								
55	13	35649 Carnation Way, Fremont	$1,810,000	TBD			TBD	TBD		HCEB-RCEB	Tax-Exempt	Alegria	4	962 Med 4								
56	14	373 S. Henry, San Jose	$1,935,000	TBD			TBD	TBD		BAHC -SARC	Tax-Exempt	TBD	5	962 Med 5								
57	15	445 Sequoia, Redwood City	$1,935,000	TBD			TBD	TBD		WBHC-GGRC	Taxable	Ross/Wilma Abaya	4	SRH3								
58	16	16734 Montecito, Fremont	$1,810,000	TBD			TBD	TBD		HCEB-RCEB	Tax-Exempt	Alegria	5	962 Med 5								
59	17	2990 St. Cloud Street, San Bruno	$1,935,000	TBD			TBD	TBD		WBHC-GGRC	Taxable		5	*962 Med 5*								
60	18	460 Bodega, Foster City	$1,450,000	TBD			TBD	TBD		HCEB-RCEB	Taxable	Mentor	3	SRH3								
61	19	663-665 Vasona Court,Los Gatos	$1,710,000	TBD			TBD	TBD		BAHC -SARC	Tax-exempt	TBD	4	Duplex/FTH								
			$34,265,000																			
		Current RC equity					$6,582,415	Note: this may be increased by additional RC equity														
		Current Estimated Total Loan Purchases					**$103,156,930**	Note: this may be reduced by additional RC equity														

California Housing Finance Agency

CalHFA Mortgage Insurance

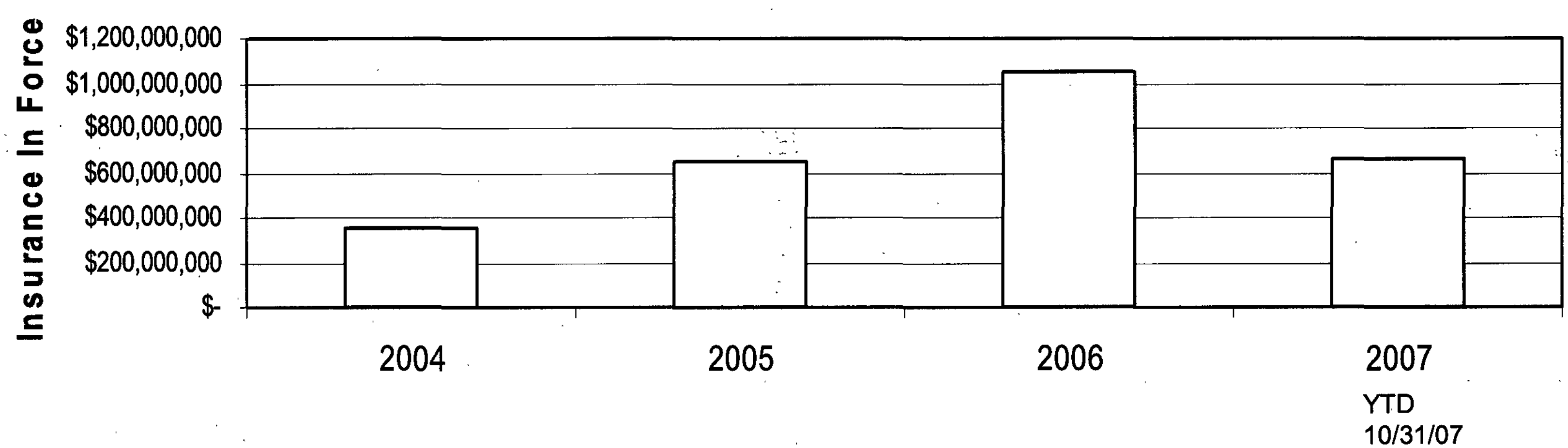
BOARD PRESENTATION
NOVEMBER 15, 2007

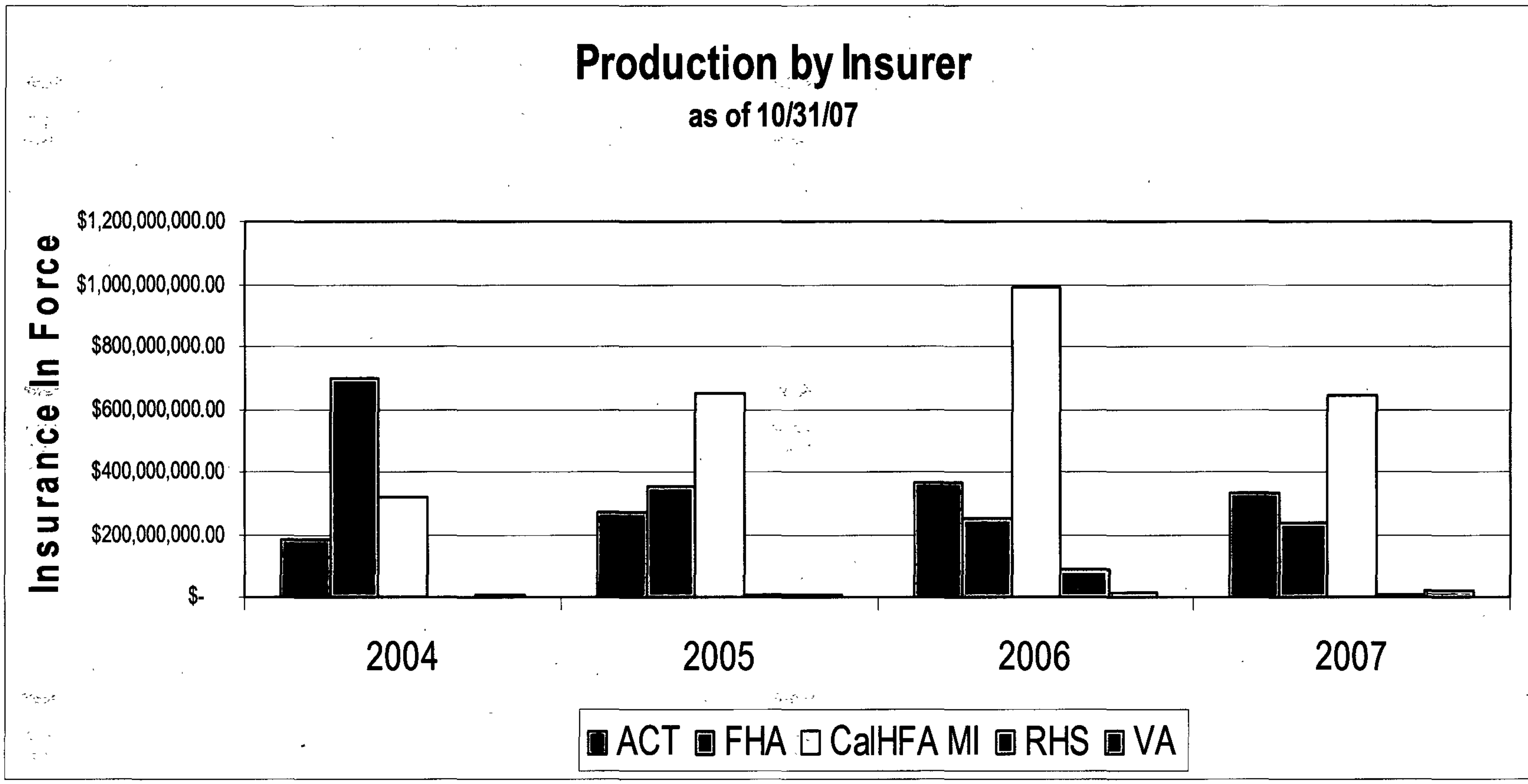
Charles K. McManus
Director of Mortgage Insurance

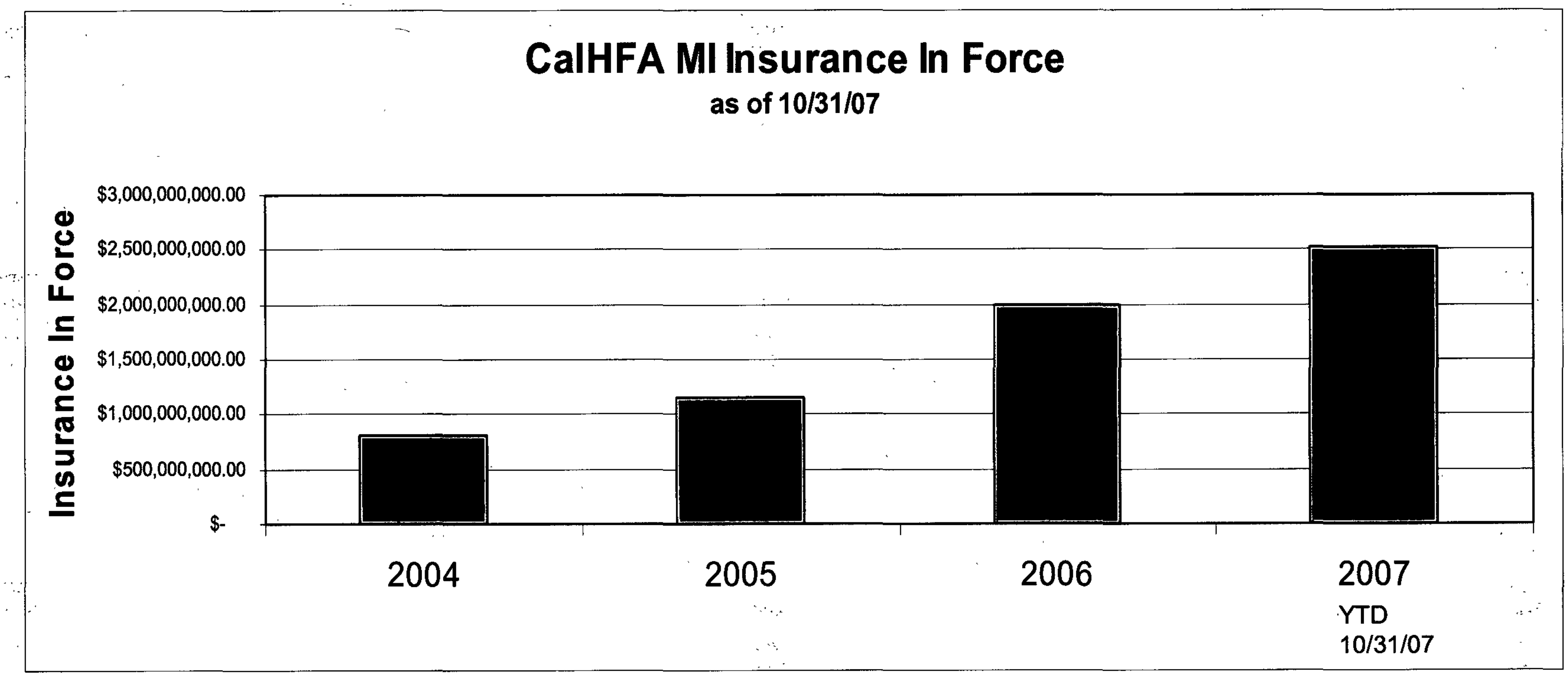
CalHFA
Affordable Housing is our Business

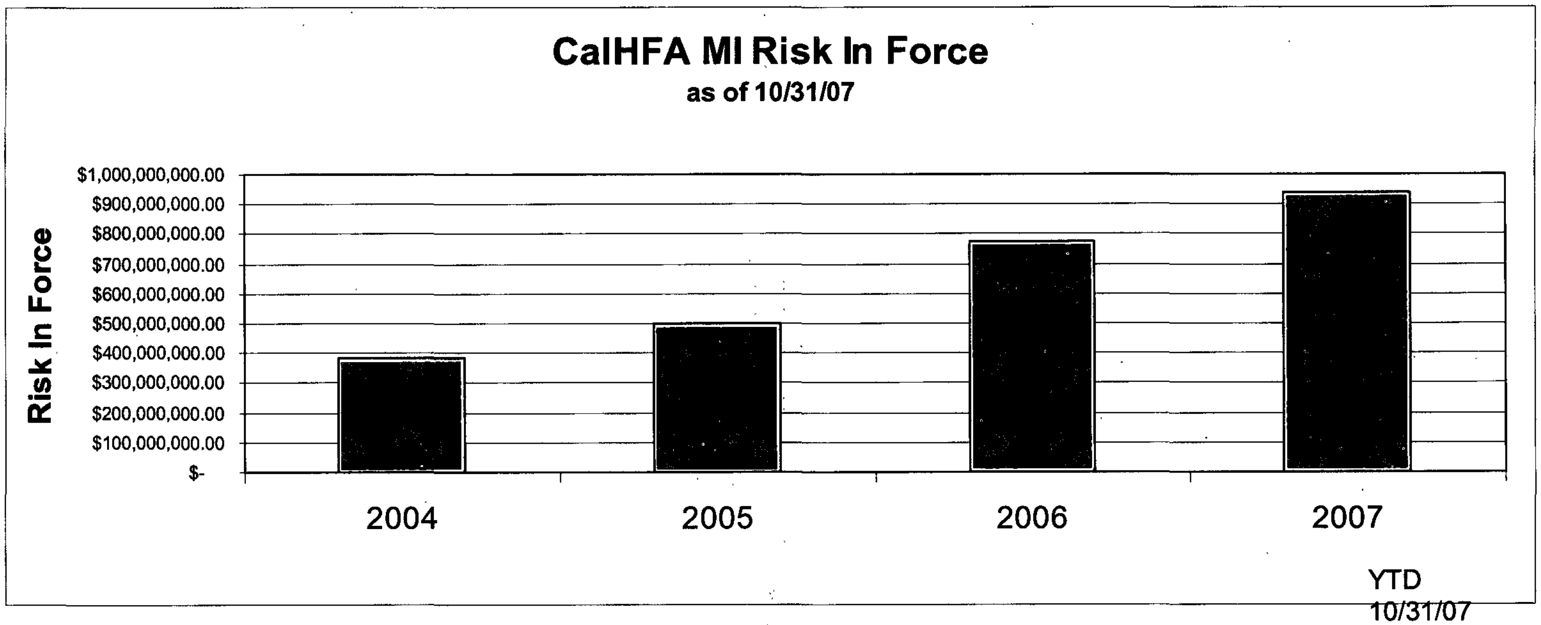
CalHFA MI Year End New Insurance Written

as of 10/31/07

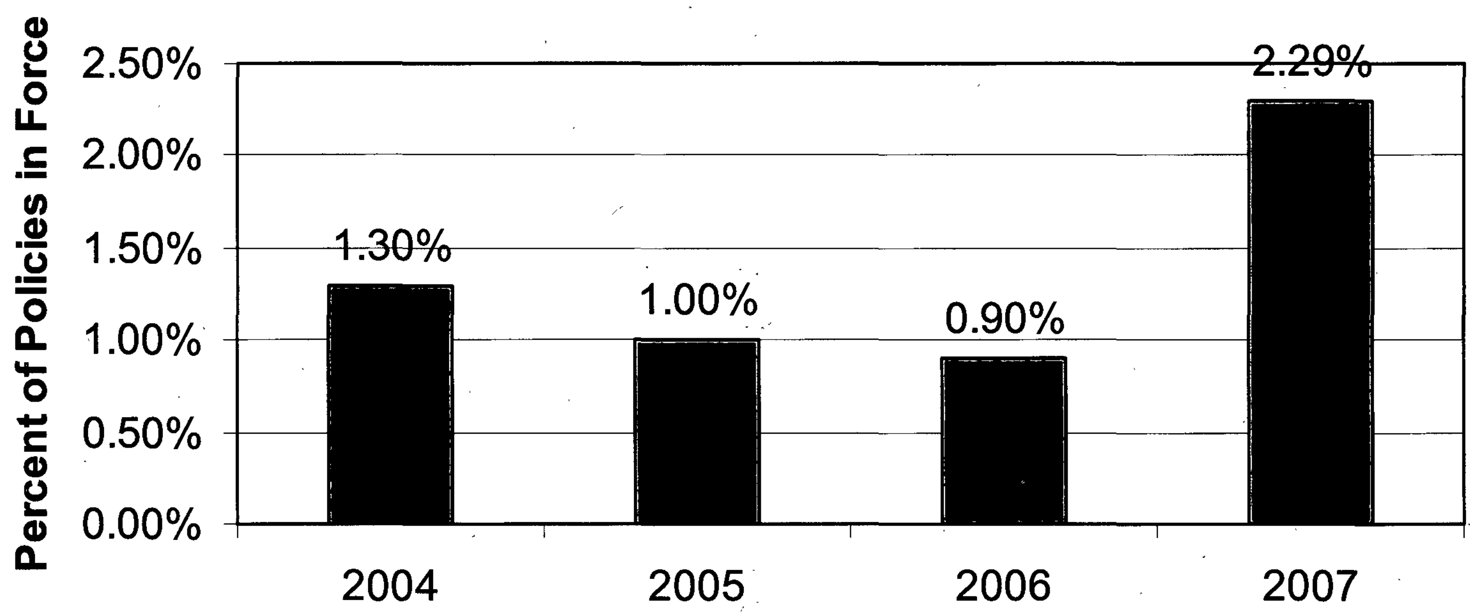



Production by Insurer
as of 10/31/07
Insurance In Force
$1,200,000,000.00
$1,000,000,000.00
$800,000,000.00
$600,000,000.00
$400,000,000.00
$200,000,000.00
$-
2004
2005
2006
2007
ACT
FHA
CalHFA MI
RHS
VA

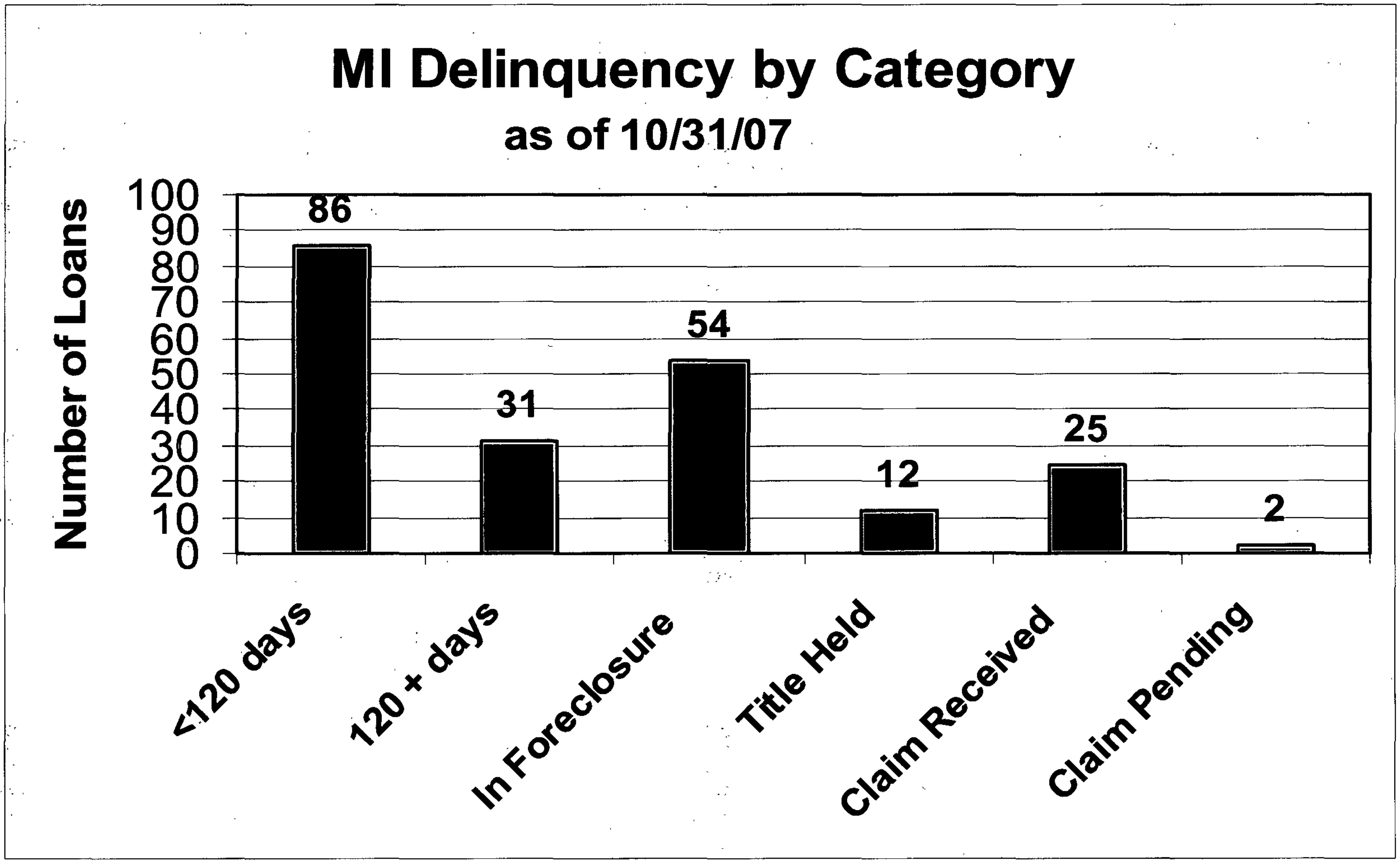

CalHFA MI Insurance In Force
as of 10/31/07
Insurance In Force
$3,000,000,000.00
$2,500,000,000.00
$2,000,000,000.00
$1,500,000,000.00
$1,000,000,000.00
$500,000,000.00
$-
2004
2005
2006
2007
YTD
10/31/07


CalHFA MI Risk In Force
as of 10/31/07
Risk In Force
$1,000,000,000.00
$900,000,000.00
$800,000,000.00
$700,000,000.00
$600,000,000.00
$500,000,000.00
$400,000,000.00
$300,000,000.00
$200,000,000.00
$100,000,000.00
$-
2004
2005
2006
2007
YTD 10/31/07

Year End MI Delinquency Trend
as of 10/31/07



YTD
10/31/07

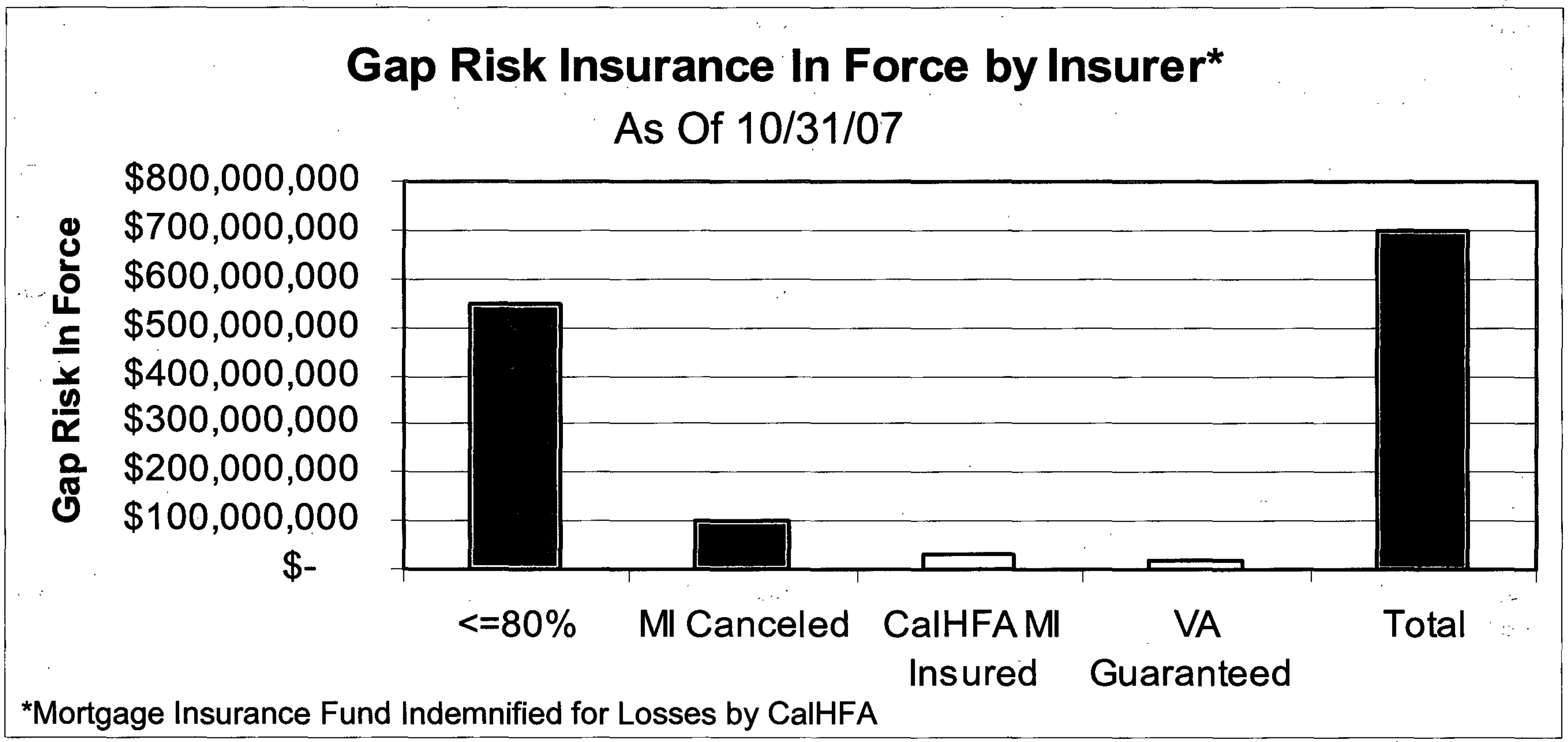

MI Delinquency by Category
as of 10/31/07
Number of Loans
100
90
80
70
60
50
40
30
20
10
0
86
31
54
12
25
2
<120 days
120 + days
In Foreclosure
Title Held
Claim Received
Claim Pending

CalHFA MI TOTAL LOSS RESERVE CALCULATION
(In $ Thousands **)

As Of September, 30 2007

	9/30/2007 NUMBER OF LOANS	9/30/2007 INSURED BALANCE OF LOANS**	1/1/92 TO 12/31/05* FREQUENCY OF CLAIMS PAID	SEVERITY OF LOSS	9/30/2007 LOSS RESERVE**
ADMIN LOANS:					
60 Days Delinquent	0	0	15%	31.5%	0
90 Days Delinquent	0	0	34%	31.5%	0
120+ Days Delinquent	1	28	65%	31.5%	6
120+ Days Delinquent - Loans in foreclosure	0	0	65%	31.5%	0
120+ Days Delinquent - Lender acq title	0	0	97%	31.5%	0
120+ Days Delinquent - Claim Received	0	0	97%	31.5%	0
Total on Admin Loans:	1	28			6
REINSURANCE LOANS:					
60 Days Delinquent	53	13,563	15%	31.5%	646
90 Days Delinquent	26	7,022	34%	31.5%	743
120+ Days Delinquent	20	5,251	65%	31.5%	1,069
120+ Days Delinquent - Loans in foreclosure	52	12,888	65%	31.5%	2,623
120+ Days Delinquent - Lender acq title	14	3,107	97%	31.5%	949
120+ Days Delinquent - Claim Received	18	4,494	97%	31.5%	1,373
Total on Reinsurance Loans	183	46,325			7,403
					25%
25% of the Reinsurance Loans Balance for the Loss Reserve:					1,851
DELQ LOANS TOTALS:	184	46,353			1,856
IBNR FOR REINSURANCE LOANS:					
30 Days Delinquent	31	7,752	12%	31.5%	304
60 Days Delinquent	14	2,802	15%	31.5%	134
90 Days Delinquent	2	588	34%	31.5%	62
120+ Days Delinquent - Loans in foreclosure	6	1,484	65%	31.5%	302
120+ Days Delinquent - Lender acq title & claim received	3	841	97%	31.5%	257
Total on Reinsurance Loans	56	13,467			1,058
					25%
					265
IBNR TOTALS:	56	13,467			265
TOTALS (ADMIN LOAN + 25% OF REINS. LOAN + IBNR):	240	59,820			2,121

*Included All Loans in Frequency of Claims Paid


Gap Risk Insurance In Force by Insurer*
As Of 10/31/07
Gap Risk In Force
$800,000,000
$700,000,000
$600,000,000
$500,000,000
$400,000,000
$300,000,000
$200,000,000
$100,000,000
$-
<=80%
MI Canceled
CalHFA MI Insured
VA Guaranteed
Total
*Mortgage Insurance Fund Indemnified for Losses by CalHFA

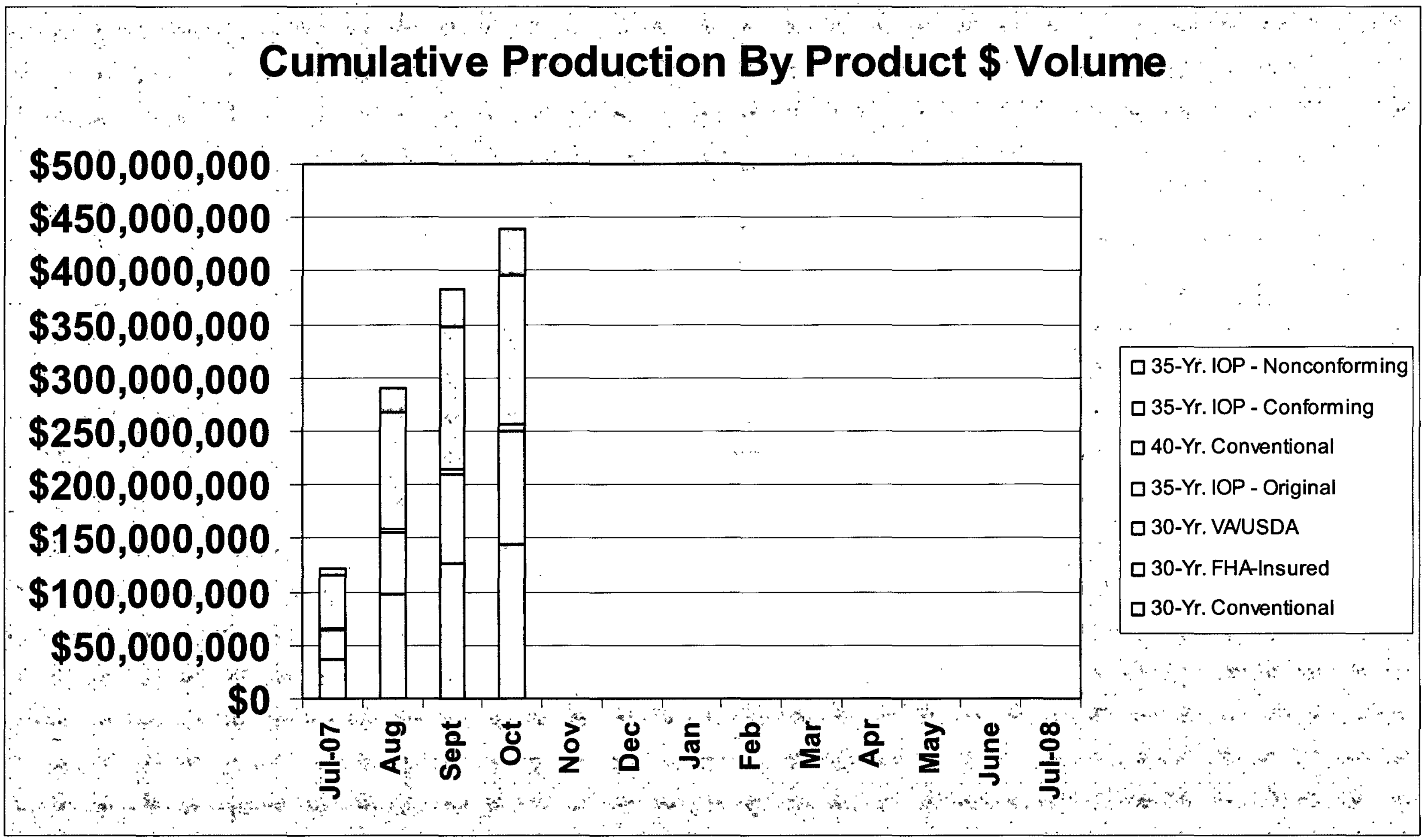
Homeownership Programs
Loan Portfolio Status

November 2007

Jerry Smart
Deputy Director
Homeownership Programs

CalHFA
Affordable Housing is our Business

FY 2007/08


Cumulative Production By Product $ Volume
$500,000,000
$450,000,000
$400,000,000
$350,000,000
$300,000,000
$250,000,000
$200,000,000
$150,000,000
$100,000,000
$50,000,000
$0
Jul-07
Aug
Sept
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
June
Jul-08
35-Yr. IOP - Nonconforming
35-Yr. IOP - Conforming
40-Yr. Conventional
35-Yr. IOP - Original
30-Yr. VA/USDA
30-Yr. FHA-Insured
30-Yr. Conventional

Homeownership Programs Portfolio

Month Ending: August 2007	No. of Loans	Dollars	Percent of loans
Loans Serviced In-State 1st TD Loans:	18,152	$3,985,063,608	28.2%
Loans Serviced Out-of-State -1st TD Loans:	12,897	$1,829,532,423	20.0%
Total 1st TD Loans	31,049	$5,814,596,031	48.2%
Plus Active Subordinate Loans:	33,350	$ 329,964,227	51.8%
Total Portfolio Loans:	64,399	$6,144,560,258	100%

1st Trust Deed Portfolio

Insured Loans to Total Portfolio	Percent
Government Insured: FHA, VA and RHS:	50.8%
Conventional Insured (CalHFA MIS loans, PMI):	26.9%
Uninsured (per Homeowners Protection Act of 1998):	22.3%
	100.0%

Highest Volume Servicers	
CalHFA Loan Servicing	34.0%
Guild Mortgage Co.	22.1%
Countrywide Home Loans	17.0%
Wells Fargo Home Mtg.	9.5%
Ever Home Mtg. Co.	9.3%
GMAC Mortgage Corp.	3.7%
Other servicers	4.4%
	100.0%

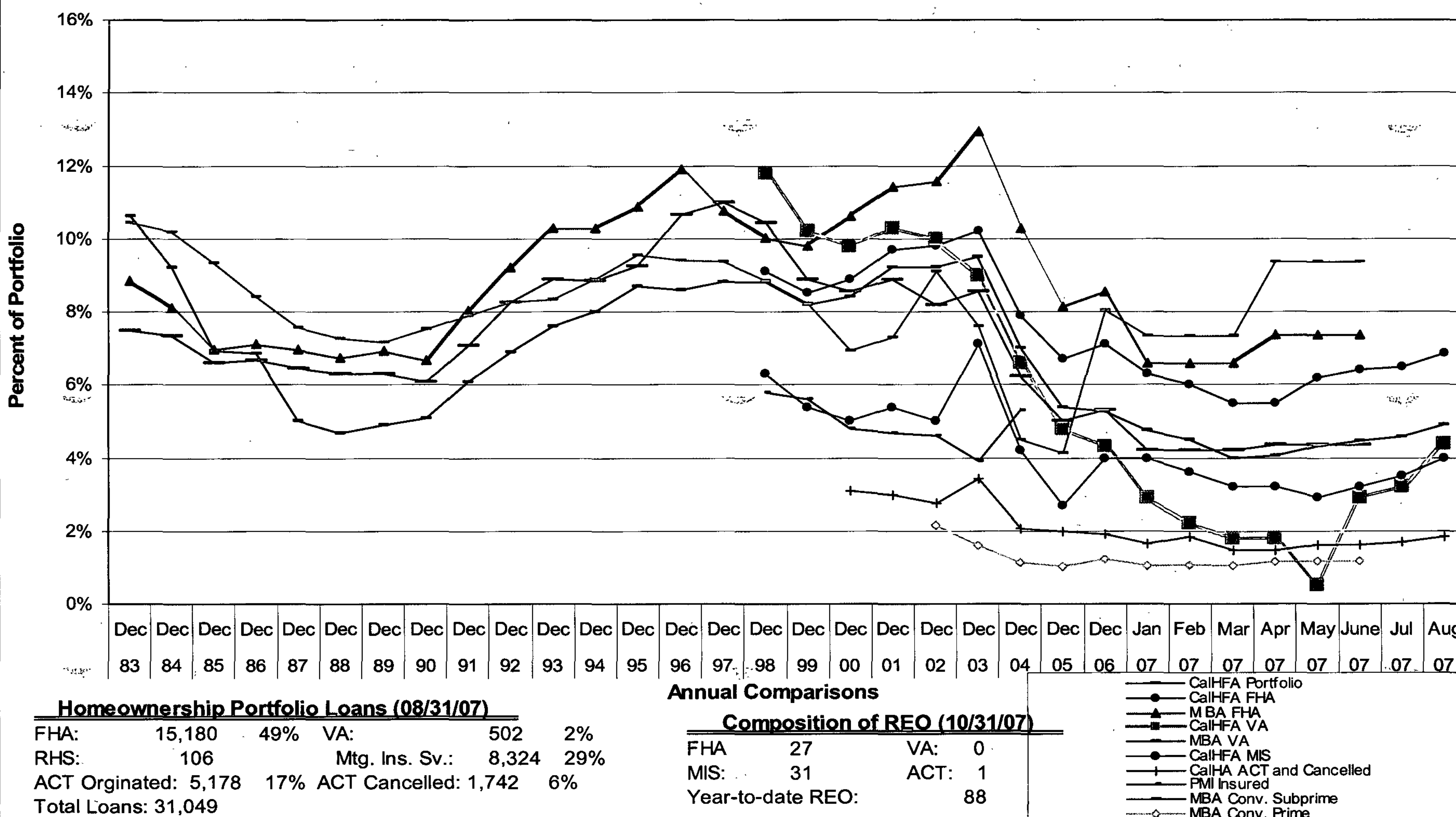
Reconciliation date: August 31, 2007

1st Trust Deed Program
August 2007 Delinquency Report

PERCENT OF LOANS DELINQUENT

Type	No. of Loans	Outstanding Dollars	30 Day	60 Day	90 Day	120 Day	Total Delinq. Ratio
Aug-07							
FHA	15,180	$2,067,836,803	3.90%	1.50%	0.50%	1.00%	6.90%
VA	502	$73,386,389	2.60%	0.80%	0.60%	0.40%	4.40%
RHS	106	$22,864,388	1.90%	0.00%	0.90%	0.90%	3.80%
ACT-Orig	5,178	$1,133,515,912	1.40%	0.30%	0.10%	0.30%	2.00%
ACT-Can	1,742	$209,765,079	0.90%	0.30%	0.00%	0.10%	1.30%
CalHFA	8,324	$2,302,729,339	2.30%	0.70%	0.30%	0.70%	4.00%
PMI	17	$4,498,121	0.00%	0.00%	0.00%	0.00%	0.00%
Portfolio:	31,049	$5,814,596,031	2.87%	0.98%	0.33%	0.73%	4.91%

Portfolio Delinquency vs. Mortgage Bankers Association (MBA)



Homeownership Portfolio Loans (08/31/07)

FHA:	15,180	49%	VA:	502	2%
RHS:	106		Mtg. Ins. Sv.:	8,324	29%
ACT Orginated:	5,178	17%	ACT Cancelled:	1,742	6%

Total Loans: 31,049

Composition of REO (10/31/07)

FHA	27	VA:	0
MIS:	31	ACT:	1
Year-to-date REO:			88

1st TD Portfolio by Term, Property Type, Loan Type

Type Reconciliation date: August 2007	Active Loans	Active Dollars	Percent of Loans	Del. Percent #
BY TERM				
30 Year	25,755	$4,294,735,723	82.9%	5.1%
35 Year	4,833	$1,399,210,937	15.6 %	4.3%
40 Year	461	$120,649,371	1.5 %	2.0$
Totals	31,049	$5,814,596,031	100%	4.9%
BY PROPERTY TYPE				
Single Family	19,909	$3,236,019,905	64.1 %	5.5%
Condo/PUD's	10,378	$2,450,429,235	33.4 %	3.4%
Manufactured	762	$128,146,891	2.5 %	10.8%
Totals	31,049	$5,814,596,031	100%	4.9%
BY LOAN TYPE				
FHA/RHS	15,286	$2,090,701,192	49.2%	6.8%
Conventional	15,261	$3,650,508,450	49.2%	3.0%
VA	502	$73,386,389	1.6 %	4.4%
Totals	31,049	$5,814,596,031	100%	4.9%

Delinquency Comparisons for 2nd Trust Deed Programs

Reconciliation date: August 2007

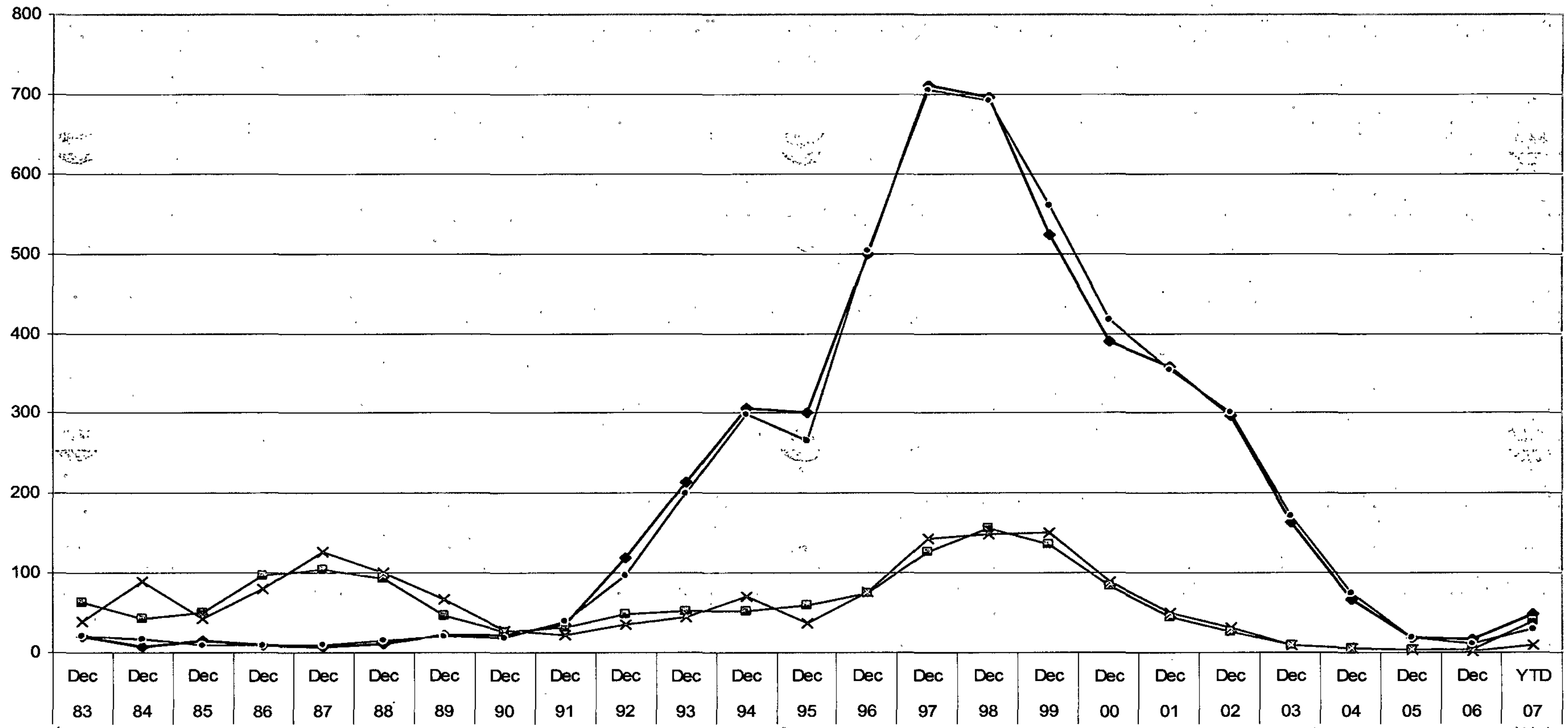
	2nd Loans with 1st Trust Deeds			Total Portfolio
Loan Type	Number of 2nd Loans	Number of Del. Loans	1st TD Del. Ratio	Delinquency Ratio All loans
CHAP	5,475	452	8.46%	4.91%
CHDAP	15,384	553	5.09%	4.91%
ECTP	1,293	19	1.47%	4.91%
HICAP	5,305	167	3.15%	4.91%
HIRAP	433	6	1.39%	4.91%
HPA	157	8	5.71%	4.91%
MDP	26	2	7.69%	4.91%
OHPA	6	0	0%	4.91%
FNMA	5,434	145	2.67%	4.91%
TOTALS	33,513	1,352	4.68%	4.91%

CURRENT FORECLOSURE/REO SALES STATUS 10/07

TYPE	ACTIVE LOANS	PCTG. PORTFOLIO	TRUSTEE SALES HELD	PCTG REO	PCT PORTFOLIO
BY TERM					
30 Year	25,755	82.9%	80	90.9%	0.31%
35 Year	4,833	15.6%	18	20.5%	0.37%
40 Year	461	1.5%	0	0.0%	0.00%
Totals	31,049	100.0%	88	100.0%	0.28%
By Property Type					
Single Family	19,909	64.1%	50	56.8%	0.25%
Condo/PUD	10,378	33.4%	7	35.2%	0.30%
Manufactured	762	2.5%	7	8.0%	0.92%
Totals	31,049	100.0%	88	100.0%	0.28%
By Loan Type					
FHA	15,286	49.2%	49	55.7%	0.32%
Conventional	15,261	49.2%	39	44.3%	0.26%
VA	502	1.6%	0	0.0%	0.00%
Totals	31,049	100.0%	88	100.0%	0.28%

California Housing Finance Agency

NEW AND SOLD REO
October 31, 2007



Homeownership Portfolio Loans (08/31/07)

FHA: 15,180 49% VA: 502
2%
RHS: 106 Mtg. Ins. Sv.: 8,324
29%
ACT Orginated: 5,178 17% ACT Cancelled: 1,742 6%
Total Loans: 31,049

Composition of REO (10/31/07)

FHA	27	VA:	0
MIS:	31	ACT:	1
Year-to-date REO:			88

Real Estate Owned (REO) Inventory Status Report

Acquired and Sold REO Report – October 2007

		Number of Properties	Dollars
Inventory From Prior Month:	September-07	52	$11,599,225
Plus New:	October-07	9	$1,947,665
Less Sold:	October-07	-2	$765,684
Month Ending Balance:		59	$13,942,054

Composition of REO

Mortgage Insurance Servlciers (MIS)	31	$7,929,276
Uninsured Conventional Loans	1	$87,849
FHA Insured	27	$5,924,929
VA	0	$0
Totals	59	$13,942,054

Actions to Reduce Potential Losses

- Daily close monitoring of servicing activities, including collections, foreclosures and quality control to insure compliance with Agency and mortgage insurer servicing policies and requirements
  - Proactive approach to Loss Mitigation
- Tighten underwriting
- Quality Control reviews
- Servicing examinations and Recertification of Originating Lenders
- Lender Report cards on origination activities
- Promote homebuyer education
- Continued emphasis on Lender Training

Financing Reports

- Recent Bond Sales
  - Multifamily Bonds
  - Single Family Bonds
- Variable Rate Bonds and Swaps
- Annual Investment Report

Recent Bond Issues

Date of Issue	Bond Series	$ Amount
10/18/07	Multifamily Housing Revenue Bonds III 2007 Series C	$27,970,000
11/07/07	Home Mortgage Revenue Bonds 2007 Series I, J & K	$160,000,000
09/14/07*	Home Mortgage Revenue Bonds 2007 Series L, M & N (Direct Placement)	$200,000,000

* Date of sale, multiple issuance dates

New Multifamily Bonds

- $27,970,000 MFHRB III, 2007 Series C
- All tax-exempt
- Auction Rate, Insured Bonds
  - $25,470,000 swapped to fixed rate
- Funding for 6 projects

New Single Family Bonds

- $160 M HMRB 2007 Series IJK
- $17 M issued as insured fixed-rate bonds
- $93 M issued as uninsured fixed-rate bonds
- $50 M issued as variable rate demand obligations
  - Swapped to fixed
- Proceeds for purchase of approximately 587 new loans

New Single Family Bonds

- $200 M HMRB 2007 Series LMN
- Direct Placement
- Federally Taxable
- Issued in three series, all uninsured:
  - Series L -- $50 M fixed rate, issued on 9/25/07
  - Series M -- $90 M fixed rate, issued on 10/30/07
  - Series N -- $60 M variable rate, issue on 11/29/07
- Proceeds for purchase of approximately 700 new loans

Report on

Variable Rate

Bonds and Swaps

Variable Rate Debt as of November 7, 2007

($ in Millions)

	Tied Directly to Variable Rate Assets	Swapped to Fixed Rate	Not Swapped or Tied to Variable Rate Loans	Total Variable Rate Debt
HMRB	$ 2	$ 3,763	$ 527	$ 4,292
MHRB	172	875	78	1,125
HPB	0	35	76	111
DDB	13	0	0	13
TOTALS	$187	$ 4,673	$ 681	$ 5,541

Types of Variable Rate Debt

($ in Millions)

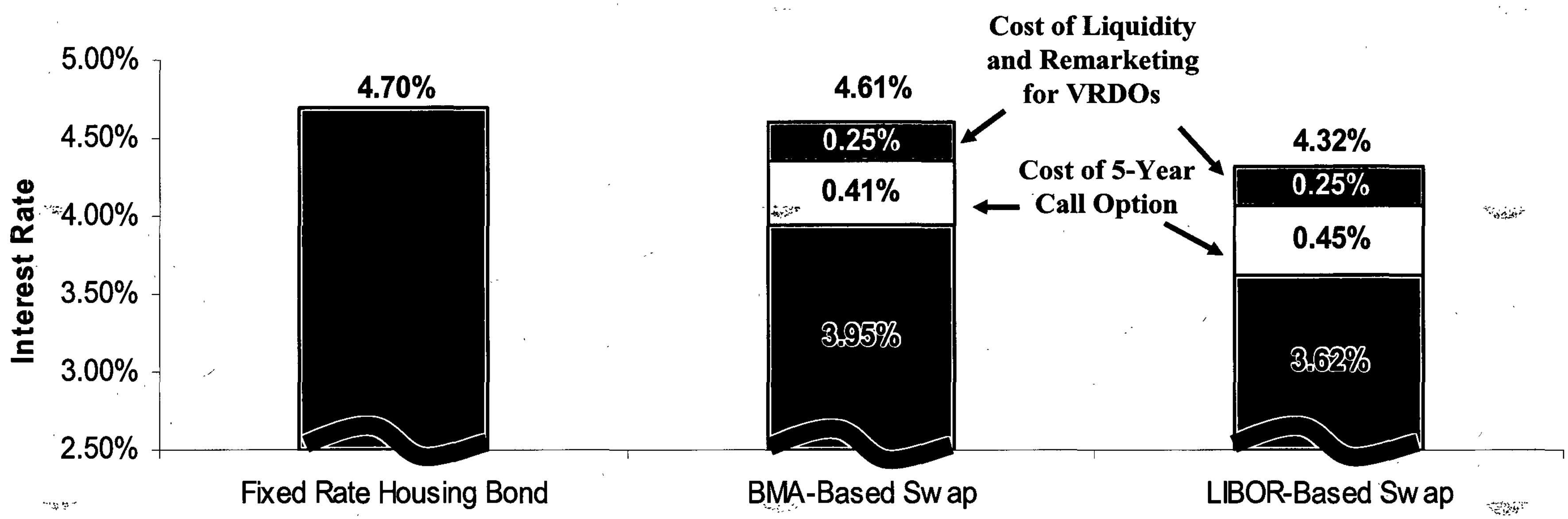
	Auction Rate & Similar Securities	Indexed Rate Bonds	Variable Rate Demand Obligations	Total Variable Rate Bonds
HMRB	$ 156	$ 959	$ 3,177	$ 4,292
MHRB	420	0	705	1,125
HPB	0	0	111	111
DDB	0	13	0	13
TOTALS	$ 576	$ 972	$ 3,993	$ 5,541

Fixed Payer Interest Rate Swaps

($ in Millions)

	Tax-Exempt	Taxable	Totals
HMRB	$3,150	$697	$3,847
MHRB	875	0	875
HPB	35	0	35
TOTALS	$4,060	$697	$4,757

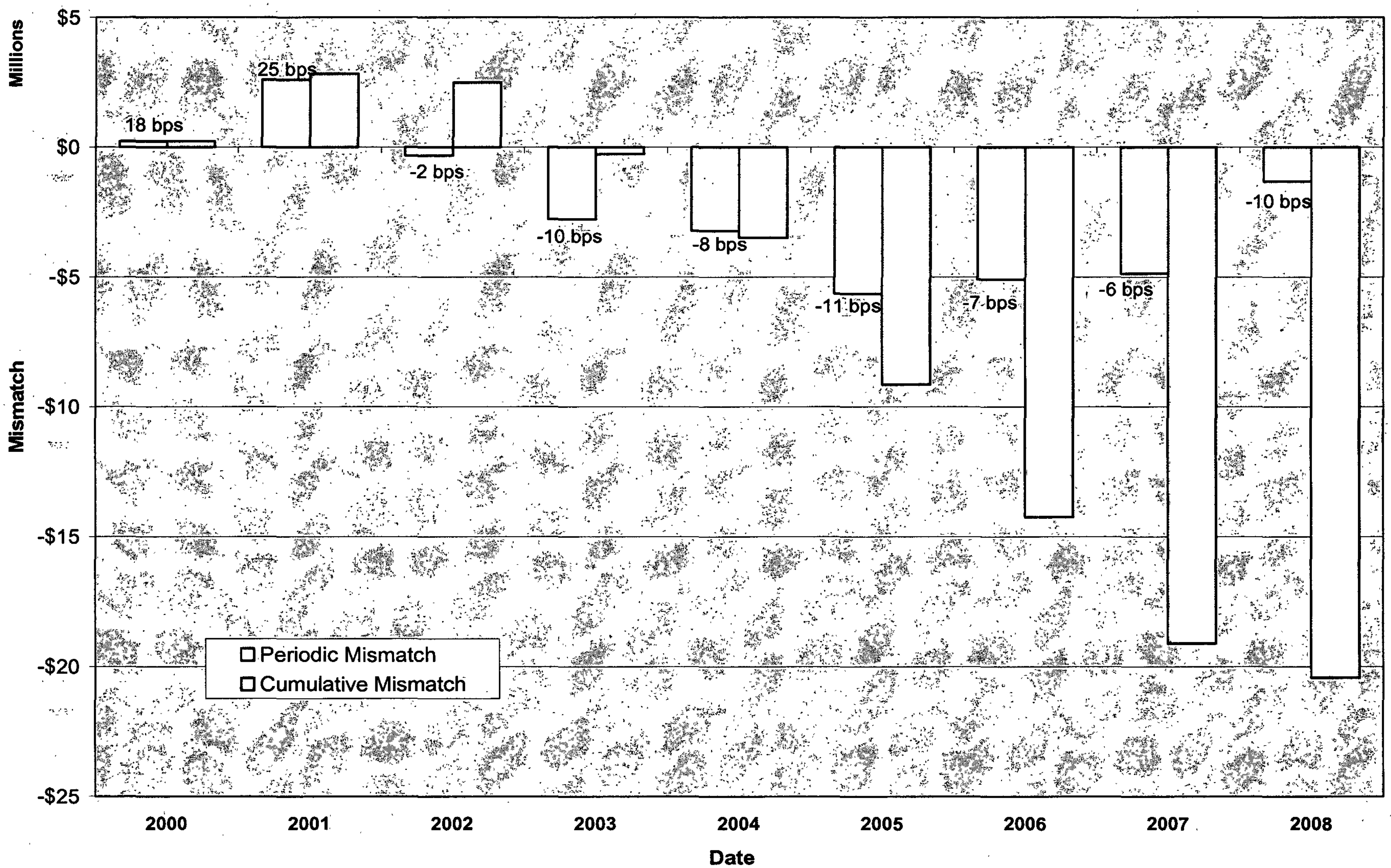
Comparative Costs of Funds for Fixed-Rate Bonds and Synthetic Fixed-Rate Bonds (Variable Rate Bonds Swapped to Fixed) (All Rates as of October 22, 2007)



BMA-Based Swap: BMA Index x 101%

LIBOR-Based Swap: 63% LIBOR + 24 bps

Basis Mismatch through October 1, 2007
All Swaps



Annual Investment Report

	Amount invested ($ in millions)	
	June 30, 2007	June 30, 2006
Investment Agreements	$809.7	$1,866.1
State Investment Pool	1,093.9	924.7
Securities / Commercial Paper	114.7	125.5
Money Market & Deposit	49.4	140.5
Total Invested	$2,067.7	$3,056.8

Investment Agreement – Changes From Last Fiscal Year

- Decreased by $1.1 billion
  - $754 million of Draw Down Bonds were refunded into long term bonds
  - Recycled $469 million into new loans
  - More funds were invested in the State's Investment Pool (Surplus Money Investment Fund "SMIF")

Investment Agreements

	Amount Invested ($ in millions)
Moody's Ratings	June 30, 2007
Aaa	$197.2
Aa1	1.8
Aa2	257.5
Aa3	353.2
Total	$809.7

Investment Agreements

	Amount Invested ($ in millions)
S & P Ratings	June 30, 2007
AAA	$175.1
AA+	9.0
AA	383.9
AA-	241.7
Total	$809.7

California Housing Finance Agency

REPORT ON FISCAL YEAR 2006-07 YEAR-END FINANCIALS

DENNIS MEIDINGER
COMPTROLLER

CalHFA
Affordable Housing is our Business

COMBINED BALANCE SHEET
(In Millions)

	Fiscal Year Ending 6/30/07	Fiscal Year Ending 6/30/06	Net Change
ASSETS			
Cash and Investments	$2,068	$3,057	$(989)
Program Loans Receivable-net	7,509	6,271	1,238
Other	125	125	
Total Assets	9,702	9,453	249
LIABILITIES			
Bonds Payable-Net	7,579	7,445	$134
Other	730	740	(10)
Total Liabilities	8,309	8,185	124
FUND EQUITY			
Invested In Capital Assets	1	1	
Restricted Equity	1,392	1,267	125
Total Fund Equity	1,393	1,268	125
Total Liabilities & Fund Equity	**$9,702**	**$9,453**	**$249**

COMBINED INCOME SHEET
(In Millions)

	Fiscal Year Ending 6/30/07	Fiscal Year Ending 6/30/06	Net Change
OPERATING REVENUE			
Interest Income:			
Program Loans	$375	$314	$61
Investments	122	139	(17)
FV Investments	(4)	(3)	(1)
Other Loan Fees/Commitment Fees	19	13	6
Other Revenue	105	87	18
Total Revenue	617	550	67
OPERATING EXPENSES			
Interest	365	345	20
Mortgage Servicing Fees	17	14	3
Operating Expenses	32	31	1
Other Expenses	118	123	(5)
Total Expenses	532	513	19
OPERATING INCOME BEFORE TRANSFERS	**$85**	**$37**	**$48**

Update on Swap Counterparties and Bond Insurers

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Market Headlines

- Troubles in the subprime mortgage market have spilled over into the financial markets
- Large write-downs of assets by financial institutions
- Accounting based unrealized losses
- Leading to reported losses at several major financial institutions
- Including financial institutions that serve CalHFA as swap counterparties and bond insurers

Swap Counterparties

- CalHFA first entered into an interest rate swap in 1999
- Swaps have allowed CalHFA to lower our bond costs and pass the savings on to borrowers with reduced loan interest rates
- Several swap counterparties are significantly impacted by their involvement in the subprime mortgage market, including:
  - Bear, Stearns & Company
  - UBS AG
  - Merrill Lynch & Co.
  - Citigroup
- All of these financial institutions have taken asset write-downs leading to financial losses

Swap Counterparties

	Credit Ratings				
Swap Counterparty	Moody's	S & P	Fitch	Notional Amount ofCalHFA Bonds Swapped ($ in millions)	Number of Swaps
Merrill Lynch Capital Services Inc. Guaranteed by:					
Merrill Lynch & Co.	A1	A+	A+	$665.9	18
MLDP, AG	Aaa	AAA	AAA	283.3	12
Merrill Lynch Derivative Products, AG	Aaa	AAA	AAA	366.2	17
Bear Stearns Financial Products Inc.	Aaa	AAA	NR	830.3	15
Citigroup Financial Products Inc.	Aa2	AA-	AA	721.0	20
Lehman Brothers Derivative Products Inc.	Aaa	AAA	NR	500.4	21
Goldman Sachs Mitsui Marine Derivative Products, L.P.	Aaa	AAA	NR	344.2	7
AIG Financial Products Corp.	Aa2	AA	AA	317.3	9
JP Morgan Chase Bank	Aaa	AA	AA	213.0	7
Bank of America, N.A.	Aaa	AA+	AA+	208.8	5
Morgan Stanley Capital Services Inc.	Aa3	AA-	AA-	136.7	2
BNP Paribas	Aa1	AA+	AA	89.1	2
UBS AG	Aaa	AA	AA+	55.8	2
The Bank of New York	Aaa	AA-	AA	25.0	1
Total				$4,757.0	138

Bear, Stearns & Company

- Rating agency action in August
- Placed on negative outlook by Standard & Poor's
- Retained A + (S&P) and A1 (Moody's) ratings
- All CalHFA swaps with Bear Stearns are with Bear's triple-A rated entity, Bear Stearns Financial Products (BSFP)
- BSFP is separately capitalized and is bankruptcy remote
- Both rating agencies have reconfirmed triple-A ratings for BSFP
- $830 million swap notional outstanding

UBS AG

- Rating Agency action in October
- Downgraded by S&P from AA+ to AA
- UBS is among the highest rated counterparties in the world
- UBS retains an unchanged Aaa rating from Moody's
- $55.8 million swap notional outstanding

Citigroup

- Rating Agency action in November
- Downgraded by S&P from AA to AA- and by Moody's from Aa1 to Aa2
- Remains on negative outlook by both rating agencies
- Citigroup is still among the highest rated counterparties in the world
- All CalHFA swaps are with an affiliated entity, Citigroup Financial Products, Inc.
- Citigroup Financial Products is rated Aa2 by Moody's and AA- by S&P
- $721 million swap notional outstanding

Merrill Lynch & Co.

- Rating agency action in late October
- Downgraded by S&P from AA- to A+ and by Moody's from As3 to A1
- Also placed on negative outlook by both rating agencies
- One of CalHFA's largest counterparty exposures
- CalHFA's lowest rated counterparty
- Merrill Lynch & Co. is guarantor of $665 million swap notional
- Other CalHFA swaps are with Merrill Lynch Derivative Products (MLDP)

Merrill Lynch & Co.

- MLDP is separately capitalized, bankruptcy remote and triple-A rated by both rating agencies
- $624 million swap notional outstanding with MLDP

Sources of Credit Protection

- All CalHFA swap documents require counterparties rated in the single-A category to post collateral if the market value of the swaps exceeds certain thresholds
  - In the Merrill Lynch example no collateral posting is currently required as the market value of our swaps with ML is a negative $47 million to CalHFA.
  - Stated differently, Merrill Lynch is currently taking credit exposure to CalHFA

Sources of Credit Protection

- CalHFA has the right to terminate its swaps with a counterparty whose ratings fall into the BBB category
  - Allowing CalHFA to replace a lower rated counterparty with a more credit worthy entity without any transaction costs
  - In the Merrill Lynch example, CalHFA would have the right to terminate its swaps at the current market price if their rating fell into the BBB category
- CalHFA can always replace a counterparty at a market price, without a ratings downgrade, but it would incur transaction costs

CalHFA's Approach to Counterparty Credit Risk

- CalHFA only enters into swaps with counterparties rated double-A or better at the time of swap execution
- CalHFA follows the principal of diversification
  - Currently 13 different counterparties
- CalHFA requires collateral posting on ratings downgrade below the double-A category
- CalHFA requires the right to replace a counterparty, at no cost, if ratings fall into the triple-B category

Managing CalHFA Swaps

- The Financing Division will closely monitor CalHFA's swap exposure
- Further rating action may occur
- No need to take immediate action
- Swap contracts were carefully negotiated and provide CalHFA exit strategies if necessary

Bond Insurers

- Bond insurers have also recently reported losses
    - Accounting based mark-to-market losses
    - Unrealized losses
- Losses are primarily attributable to financial guarantees of structured financial products written in swap form on collateralized debt obligations and asset-backed obligations
- No rating agency action to date on any bond insurer
- Moody's and Fitch are updating analysis of structured finance obligations insured by the financial guarantee industry

Bond Insurers

- This may result in one or more financial guarantors no longer meeting the triple-A guidelines
- May require financial guarantors to raise additional capital or execute other risk mitigation strategies
- Preliminary observations reveal that FGIC and AMBAC have a higher probability of erosion of their capital cushions
- S&P issued a report in late October stating:
  - Significant mark-to-market losses not expected to affect bond insurer ratings

Insurance on CalHFA Bonds

- CalHFA has bond insurance policies from four municipal bond insurers

Bond insurer	Insurance in Force $ in millions
AMBAC	$ 488
FSA	$ 1,315
FGIC	$ 1,006
MBIA	$ 1,177

- These insurers guarantee debt service payments on $4 billion of CalHFA debt, 51% of outstanding debt

Characteristics of Bond Insurance Policies

- Guarantee debt service payments if CalHFA fails to pay debt service obligations
- Policies are not cancellable
- Premiums continue to be paid by CalHFA so long as bond insurers have not defaulted
- Fixed rate bond investors bear the risk of a credit event from a bond insurer downgrade
- Auction rate securities (ARS) are a bit different
  - ARS are variable rate bonds
  - Market convention requires ARS to be insured
  - CalHFA may be impacted by the downgrade of an insurer of ARS

Insured Auction Rate Securities

- In the event of the downgrade one or more insurers of CalHFA ARS
  - Bond investors may require more yield on their bonds on subsequent interest rate reset dates
  - Could result in a failed auction leading to higher interest rates
- CalHFA's mitigation strategies include:
  - ARS may be redeemed on any debt service date
  - ARS are multi-modal allowing CalHFA to convert ARS into fixed rate bonds or variable rate demand obligations at minimal addition cost

Managing Bond Insurer Exposure

- The Financing Division will closely monitor CalHFA's bond insurers
- Rating action may occur in coming weeks or months
- Insured ARS may be troublesome for a short period of time
  - Insured ARS total $567 million
    - Including $29 million exposure to AMBAC
    - And $44 million exposure to FGIC
  - Financing Division staff will take appropriate action if one or more bond insurers are downgraded
- Expect to see some municipal bond market disruption if a rating event occurs leading to higher bond costs

Questions?

State of California

MEMORANDUM

To: Board of Directors **Date:** November 7, 2007

Bruce D. Gilbertson, Director of Financing

From: **CALIFORNIA HOUSING FINANCE AGENCY**

Subject: UPDATE ON SWAP COUNTERPARTIES BOND INSURERS

Over the last few months there have been numerous reports that the troubles in the subprime mortgage market have spilled over into the financial markets in a major way, creating large write-downs of certain asset classes and losses at several of the major financial institutions that serve CalHFA as swap counterparties. More recently the bond insurance industry has also reported large mark-to-market unrealized losses largely attributable to insurance ventures involving subprime and collateralized debt obligation products.

The Financing Division routinely monitors the credit ratings of these financial institutions and has developed management plans that we believe will be effective in mitigating severe economic consequences to CalHFA in the event of a significant credit event. This update is intended to focus on our relationships with interest rate swap counterparties and bond insurers and provide an understanding of the significance of these widely reported losses for CalHFA.

Swap Counterparties

Several of CalHFA's swap counterparties are significantly impacted by their involvement in the subprime mortgage market and have taken major asset write-downs leading to financial losses. These losses led to several rating agency actions as follows. In August, Bear Stearns Companies was placed on negative outlook by Standard & Poor's (S&P), but has retained its ratings of A+ from S&P and A1 from Moody's Investors Service (Moody's). In early October, UBS AG was downgraded by S&P from AA+ to AA. In late October, Merrill Lynch & Co. was downgraded by both rating agencies, dropping from AA- to A+ by S&P and from Aa3 to A1 by Moody's. In addition, Merrill Lynch is on negative outlook for potential further downgrades by both rating agencies. Finally, earlier in November, following its announcement of write-downs and losses, Citigroup Financial Products Inc. was downgraded by Moody's from Aa1 to Aa2 and is on negative outlook for potential further downgrades by both rating agencies.

The Bear Stearns, Citigroup and UBS actions have little significance for CalHFA. All of CalHFA's swaps involving Bear Stearns are with Bear's triple-A rated entity, Bear Stearns Financial Products Inc. (BSFP). This entity is separately capitalized and is bankruptcy remote from the Bear Stearns Companies. Both rating agencies have reconfirmed triple-A ratings for BSFP. Citigroup and UBS, even after their downgrades, remain among the highest rated counterparties in the world, with ratings no worse than the middle of the double-A range (UBS retains an unchanged Aaa rating from Moody's). Moreover, CalHFA has relatively few swaps with UBS, accounting for less than 2% of our swap exposure.

By contrast, Merrill Lynch is one of CalHFA's largest counterparties, though exposure is mitigated to some extent by the fact that many of CalHFA's swaps are with Merrill Lynch Derivative Products A.G. (MLDP), a separately capitalized, bankruptcy-remote triple-A entity whose ratings remain unimpaired. MLDP accounts for 13% of CalHFA's swap exposure, while Merrill Lynch & Co., the downgraded entity, accounts for about 14%.

CalHFA has two important sources of added credit protection on its swaps with Merrill Lynch, as it has on all of its swaps. First, now that Merrill Lynch is rated in the single-A category, CalHFA's swap documents require Merrill Lynch to post collateral if the market value of the swaps with them exceeds certain thresholds. Second, if Merrill Lynch's ratings fall into the BBB-category, CalHFA has the right to terminate its swaps with Merrill Lynch and replace it with a more creditworthy counterparty without any out-of-pocket transaction costs to the Agency. It is also important to note that CalHFA can always replace a counterparty at a market price even without a downgrade, but it would incur transaction costs in doing so.

The Agency's approach to counterparty credit risk remains strict and conservative. CalHFA only enters into swaps with counterparties rated double-A or better at the time of swap execution. For this reason, the Agency would not enter into a new swap based on Merrill Lynch & Co.'s credit at this time. We further follow the principle of diversification and have a current roster of 13 different counterparties. We also require collateral on downgrade below the double-A category, and the right to replace at no out-of-pocket cost if ratings drop into the triple-B category.

Given the continued uncertainty in the financial markets, further rating action may occur as additional losses on fixed income investments related to the U.S. mortgage market are reported. The Financing Division will continue to monitor all of CalHFA's swap exposure as new developments occur.

Bond Insurers

Bond insurers guarantee debt service payments on almost $4 billion, or 51% of CalHFA's outstanding debt obligations. CalHFA typically agrees to insure bonds to receive the credit spread benefit of triple-A bond ratings when the bond insurance premium is less than the interest rate savings on our bonds. However in some situations, like those involving most of our auction rate securities, bond insurance is a requirement due to market convention. CalHFA has bond insurance policies with four municipal bond insurers; FSA, MBIA, AMBAC and FGIC. All of the bond insurers have recently announced quarterly losses, largely due to accounting based mark-to-market losses on credit derivative exposures. As of the date of this report the three major rating agencies have not downgraded any of the triple-A rated insurers over the concerns from recent market turbulence.

Municipal bond insurance contracts are not cancellable and premiums will continue to be paid by CalHFA so long as the bond insurers have not defaulted under the terms of their policies. The irony in all of this is that premiums will continue to be paid even if bonds being insured are no longer rated triple-A based on the credit enhancement provided by the insurance.

Bond investors, rather than CalHFA, bear the risk of a credit event stemming from a rating agency downgrade of one or more bond insurers for approximately $2.2 billion of outstanding CalHFA fixed rate bonds and index bonds. However CalHFA may be directly impacted if one or more insurers of our auction rate securities are downgraded as bond investors may require more yield on their bonds on subsequent interest rate reset dates or the rating action could result in a failed auction. While this may be somewhat troublesome for a short period of time, CalHFA auction rate securities may be redeemed on any debt service payment date and are multi-modal allowing bonds of one mode, in this case auction rate securities, to be replaced with fixed rate bonds or other authorized modes at minimal additional cost to the Agency. It is important to note that, to date, despite the reported troubles in the bond insurance market, CalHFA's insured auction rate securities continue to trade at healthy levels, without significant penalty in the form of higher interest rates.

In any event, the Financing Division will closely monitor the bond insurance industry and actions of rating agencies in light of this situation and be prepared to take affirmative actions to mitigate any negative economic consequences.

California Housing Finance Agency

1320 Baywood Avenue

San Jose, California

CalHFA

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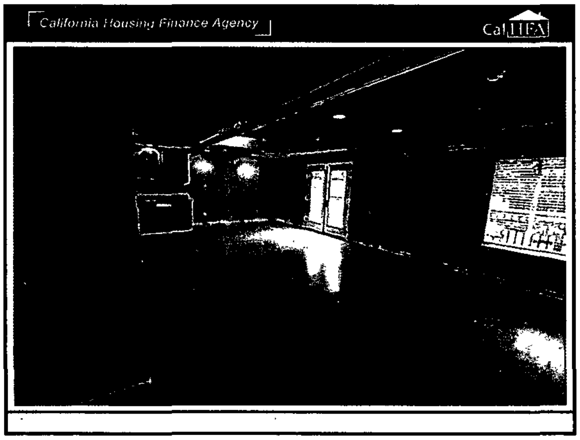
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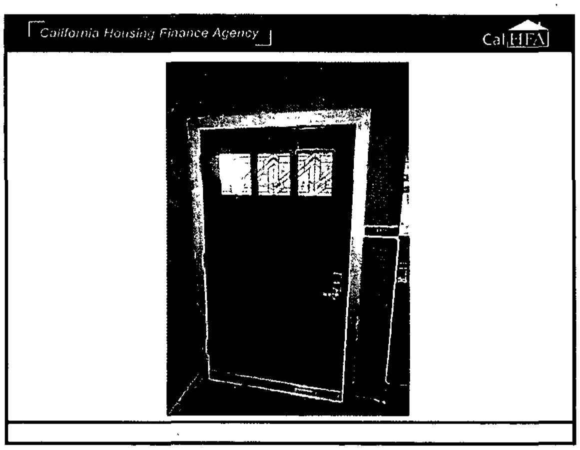
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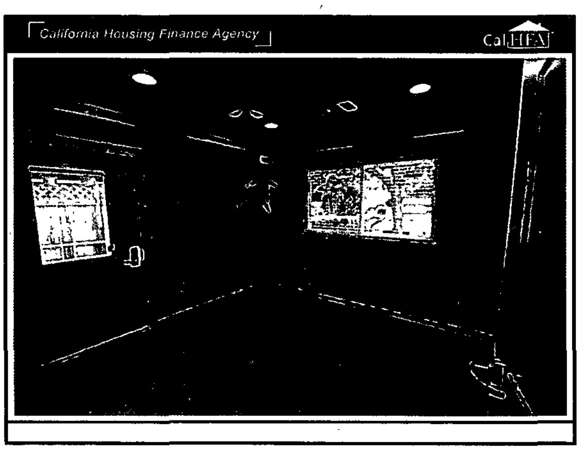
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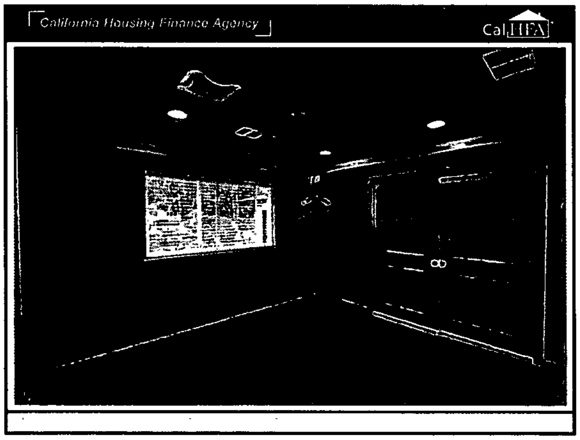
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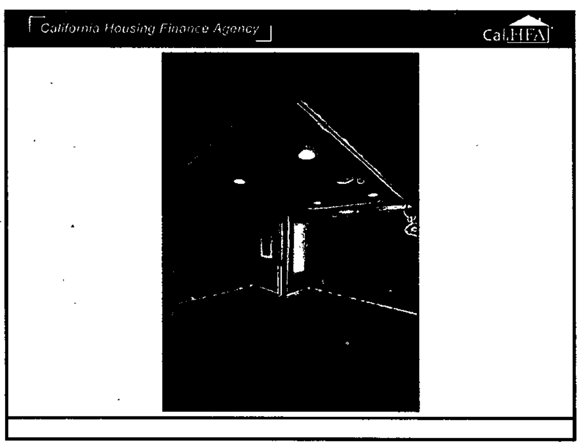
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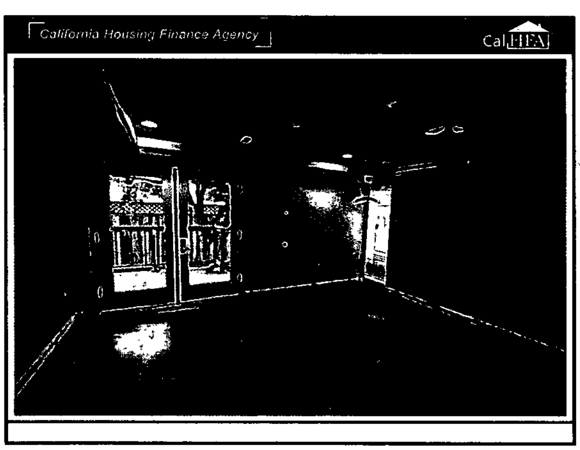
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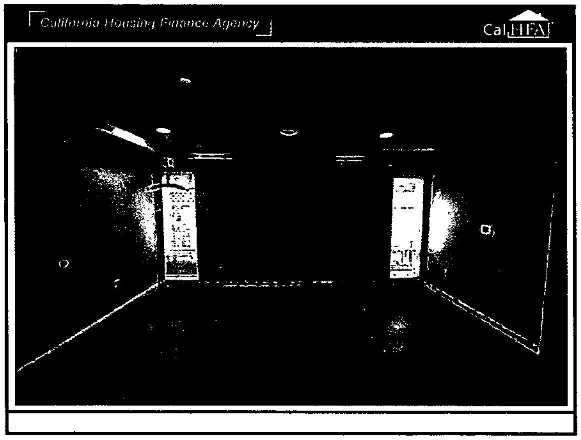
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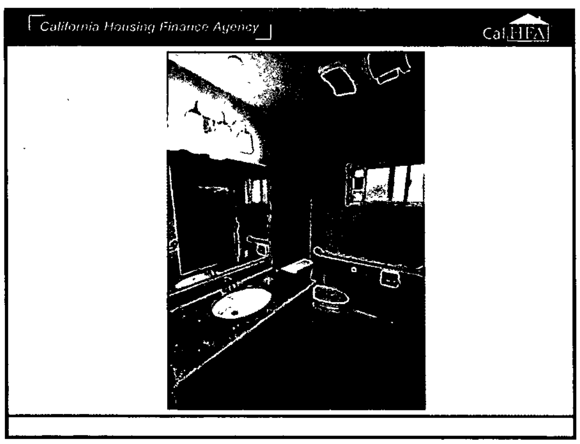
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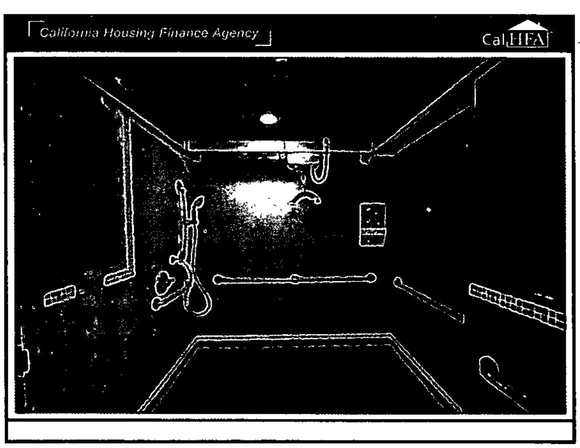
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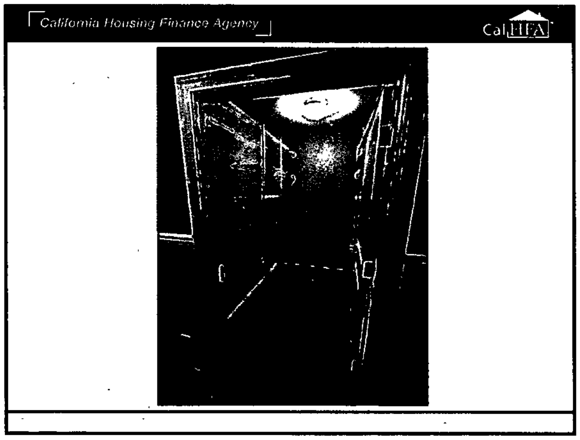
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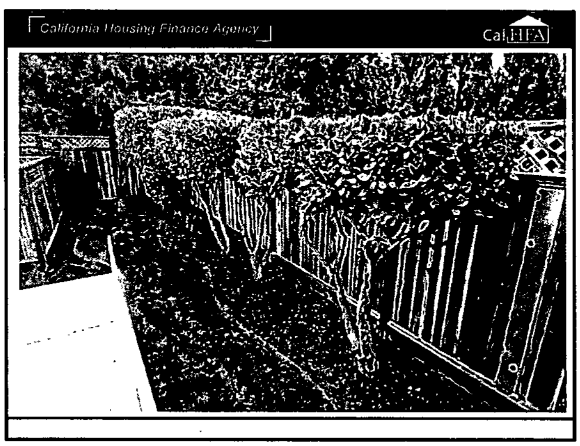
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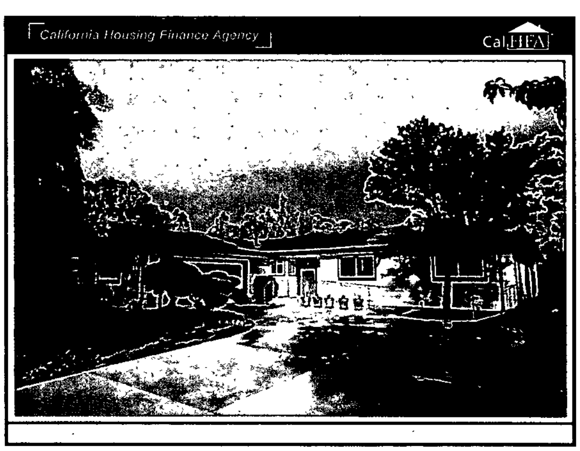
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PHFA
PENNSYLVANIA HOUSING FINANCE AGENCY

October 31, 2007

Jacklynne Riley
Director of Administration
California Housing Finance Agency
1415 L Street, Suite 500
Sacramento, CA 95814

Re: COMPENSATION AND BENEFITS SURVEY BY AND FOR HOUSING ORGANIZATIONS

Dear Ms. Riley:

We are pleased to announce the initiation of a new customized Housing Finance Agency Compensation and Benefits Survey! Developed by HR directors from housing finance agencies around the country, the first survey will be distributed this winter with results distributed in late March 2008. The survey will be conducted annually thereafter, or as determined by need. The complete survey package will include:

- A full compensation survey for 35 positions unique to housing finance agencies and related organizations, with data presented for all participants and for regional and size cuts, agency type, agency structure (state, quasi-public, private) etc., including:
  - Base salaries (mean, median, 25th and 75th percentiles)
  - Formal salary ranges
  - Salary increase trends   retirement benefits
  - Incentive compensation programs
  - Geographic differentials
- One custom data cut of the compensation survey, allowing each organization to select its own specialized sample of participating agencies for its own pay comparisons.
- An employee benefits survey conducted exclusively within housing finance agencies and related organizations, covering a wide range of benefits such as health insurance, pension/retirement programs, paid time off, group life insurance, short and long-term disability, and more.

The survey will be conducted as a joint venture by Olney Associates and Skeates Consulting, who were selected by the Survey Task Force after extensive research and a competitive bidding process. The two firms are leaders in the field of compensation consulting and publish over 35 compensation and benefit surveys each year. Thomas Cummins, Vice President of Olney Associates, will serve as the contact for survey participants.

Cost of the complete survey package (compensation survey, one custom cut, and benefit survey) is $775 (or $750 if 35 or more agencies participate). We believe this is an extremely reasonable price for such a comprehensive and important package of data. If you participate in the survey, you will receive an invoice from Olney Associates/Skeates Consulting after you submit your survey data.

The electronic survey questionnaire with full instructions is scheduled to be distributed in mid-November; data submissions will be due by December 21st, and survey results distributed to participating agencies by March 31st in both electronic and optional paper form. Sample report pages representing the compensation section of the survey are attached for your review (with all data as hypothetical figures).

We enthusiastically encourage your participation in this survey. We think it will be a valuable tool as you determine your annual compensation and benefit levels. If you are interested in participating, please return the enclosed Participation Request Form to confirm your participation.

Thank you for your interest in this exciting new initiative! Please feel free to contact me at 717-540-1791 or dzlogar@phfa.org if you have any questions about this project.

Sincerely,

Deborah A. Zlogar

Deborah A. Zlogar
Survey Coordinator
National Housing Compensation Task Force

Enclosures

cc: Theresa A. Parker
Executive Director

COMPENSATION AND BENEFITS SURVEY
For HOUSING ORGANIZATIONS

PARTICIPATION REQUEST FORM

________________________________ would like to participate in the Compensation and
(Name of Organization)

Benefits Survey For Housing Organizations. I understand we will be billed $775 ($750 if over 35 participants) to cover the cost of participation in the survey as well as one custom data cut, and that we will receive the survey results upon receipt of our payment.

Please forward the survey package to:

____
(Printed Name of Authorized Company Representative)

____
(Email Address – the survey will be sent to this email address)

____
(Name and Telephone Number of Contact Person for Questions)

____ ________________________
Signature of Authorized Representative Date

Please return this form/information **no later than Friday, November 9th**, to:

Deborah A. Zlogar
Human Resources Office
Pennsylvania Housing Finance Agency
P.O. Box 8029
Harrisburg, PA 17105

Or by Email: dzlogar@phfa.org
Or by Fax: 717-780-1897

Compensation and Benefits Survey
For Housing Organizations

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Vacation and Combined Paid Time Off Plans

Defined Contribution Retirement Plans

Defined Benefit Retirement Plans

Other Benefits

Compensation Survey for Housing Organizations

Staff Accountant

Responsible for maintaining complete set of financial records of agency operations. Prepares all accounting journals including payroll, general, standard, income allowance, cash receipts, etc. Responsible for accumulation, summarization, review and verification of all data required from financial statements.

	Data Type	#	Average Base	Percentiles 25TH %	Percentiles 50TH %	Percentiles 75TH %	Average Total Cash	Formal Salary Range Minimum	Formal Salary Range Maximum
All Participants	*Organization*	38	$30,740	$29,940	$30,520	$31,560	$33,400	$22,280	$35,620
	Incumbent	64	$30,440	$26,700	$31,740	$33,740	$36,430		
Northeast	*Organization*	10	$30,590	$30,900	$31,570	$32,560	$32,345	$22,460	$34,290
	Incumbent	16	$30,710	$29,101	$31,620	$32,950	$43,550		
South	*Organization*	9	$30,280	$29,860	$30,090	[illegible]	$32,345	$21,930	$36,510
	Incumbent	14	$30,980	$27,679	$30,789	[illegible]	$32,421		
Central	*Organization*	10	$30,590	$30,900	[illegible]	[illegible]	$32,345	$22,460	$34,290
	Incumbent	16	$30,710	[illegible]	[illegible]	$32,950	$43,550		
West	*Organization*	9	[illegible]	[illegible]	[illegible]	$31,700	$32,345	$21,930	$36,510
	Incumbent	14	[illegible]	[illegible]	$30,789	$32,450	$32,421		
State Agencies	*Organization*	9	$30,280	$29,860	$30,090	$31,700	$32,345	$21,930	$36,510
	Incumbent	14	[illegible]	$27,679	$30,789	$32,450	$32,421		
Quasi-state Agencies	*Organization*	10	$30,590	$30,900	$31,570	$32,560	$32,345	$22,460	$34,290
	Incumbent	16	$30,710	$29,101	$31,620	$32,950	$43,550		
Private Agencies	*Organization*	9	$30,280	$29,860	$30,090	$31,700	$32,345	$21,930	$36,510
	Incumbent	14	$30,980	$27,679	$30,789	$32,450	$32,421		

Bonus Data

Eligible %	21.4%
Avg. Award $	$3,245
Avg. Award %	7.9%
Max. Potential %	11.9%

FLSA Exempt %	79.0%
Union %	7.9%

Matched Sample % Change

Average	Median
3.9%	4.0%

CalHFA California Housing Finance Agency

November 14, 2007

Mr. John A. Courson
Chairman, Board of Directors
California Housing Finance Agency
1415 L Street, Suite 500
Sacramento, California 95814

Re: Phase in of CalPERS Pension Benefits for Certain CalHFA Exempt Managers

Dear Chairman Courson:

As you know, in January of this year the Board of Directors of CalHFA implemented the provisions of SB 257 by setting the salaries of nine exempt managerial positions (only seven of these positions had incumbents at that time) within the Agency. As with any new process, the inaugural effort confronted issues never encountered in the past. As part of the statutory mandate, the Board adjusted those salaries to levels needed to attract and retain qualified persons to these positions.

Shortly after the CalHFA Board set the new salaries, the State of California, in a separate process, adopted a plan to revise the salary structure for certain statutory managers within State service and, as a result, "several groups of employees received significant salary increases." The Department of Personnel Administration (DPA) stated that wide disparities between state and local salaries had "resulted in great difficulties recruiting qualified candidates" for state management positions. In the implementation of this new structure, DPA has, through negotiations with bargaining units or by its own authority made these increases "PERS-able" over three years to avoid creating an indirect incentive for incumbent managers to retire early.

With one exception, the salary restructuring enacted by the CalHFA Board in January did not contemplate such phasing in of retirement eligibility. The exception of the Executive Director, who at the March 2007 Board meeting requested her salary be reduced retroactively to January 1 by $25,000 to provide a phase-in of the significant salary increase to address the perception of "pension spiking." Now that the Audit Committee and the Board has continued to review the compensation process, the exempt managers of CalHFA recognize that a phasing in for calculation of retirement benefits is more in keeping with the intent of SB 257 to encourage longevity of incumbent senior managers.

Therefore, we ask that the Board adopt, as part of its deliberation on the compensation process, a resolution to, retroactive to January 1, 2007, phase in the PERS-ability of the Board adopted significant salary increases for incumbent senior managers as described below. Because each of the new CalHFA salaries became effective as of January 1, 2007, however, the Board can not unilaterally modify prior vested rights. Consequently, each of the exempt managers who received these increases has indicated that they will voluntarily consent to a phase in, for pension purposes, of the salary increases enacted in January, as set forth below.

DPA has recommended that the incumbents affected by the new salaries set by the CalHFA Board also be subject to a compensation average for purposes of determining their retirement benefits. To implement DPA's recommendation, we propose the following specific methodology:

- The compensation average would be 24 months for the current incumbent in the Executive Director position (salary baseline should include the 5% general salary increase approved by DPA effective December 1, 2006 for Department Directors). The reason for the shorter period is that the Executive Director, as noted earlier, has already voluntarily reduced by $25,000 the salary established in January as a way of mitigating the pension eligibility issue. Imposing a three year phase in period would effectively result in a disproportionately higher burden for this position.

- For the remaining six incumbents, the compensation averaging for determining retirement would be 36 months.

- For all seven positions, the "PERS-ability phase-in" would be implemented effective January 1, 2007. This phase-in methodology is limited to the significant salary increases adopted by the Board in January 2007 and as amended in March 2007 for the Executive Director position.

DPA emphasized that application of the "three years PERS-ability" principle would assist the Administration and agency in:

- Retaining key employees who otherwise might turnover in one year if the new salaries were applicable immediately for determining their highest year of salary for retirement;
- Ameliorating potential media criticism of government for employee compensation excesses; and
- Maintaining consistency with new salary structures that have been approved for the State's statutory officers, under bargaining agreements negotiated with affected employee unions, and in response to court orders.

The DPA recommendation would be beneficial to both the affected employees and the Agency by:

- Providing the affected employees with the full salary increases approved by the Board effective January 1, 2007; and
- Facilitating retention of the affected employees who would be encouraged to remain with the Agency longer to have the full salary increase applicable for retirement purposes.

The exempt managers affected by SB 257 wish to thank the Board and are committed to the CalHFA mission of providing affordable financing to low and moderate income first time homebuyers, and to affordable rental projects, by operating a sound and successful business.

Very Truly Yours,

Theresa A. Parker

L. Steven Spears

Bruce Gilbertson

Mike Howland

Tim Hsu

Thomas Hughes

Charles McManus

Cal HFA
MULTIfamily CALIFORNIA HOUSING FINANCE AGENCY

RECOMMENDATIONS FOR MULTIFAMILY DESIGN & MATERIALS

The purpose of the CalHFA Architectural Review is to determine if a project meets the Agency's recommended architectural standards. Upon review, we shall provide comments and/or recommendations within 15 business days that you may choose to incorporate at your option. Once this review process has been completed, no additional review shall be required nor shall further design requirements be imposed.

DOCUMENTS

The following list identifies the stages of CalHFA's design review.

CONCEPTUAL DESIGN REVIEW (optional but highly recommended).
Conceptual plans may be submitted by the developer or architect prior to the formal Loan Application.

- ☐ Conceptual plans sufficient to reflect the character and intent of the project, typical plans include: site plan, building floor plans, elevations, typical unit plans.
- ☐ Unit floor plans with furniture layouts reflecting minimum furnishings needed for the expected family size.

PRELIMINARY DESIGN PACKAGE FOR FINAL LOAN COMMITMENT
(Preferably submitted for review 6 weeks prior to the scheduled Board meeting).

- ☐ Design development plans: site plan, preliminary grading plan with existing topographical contours, building plans 1/8"=1'-0" scale, exterior elevations, typical cross section(s), unit plans ¼"=1'-0" (show minimum furnishings, unless previously provided), and conceptual landscape plans.

Loan Application Package Reports (reports listed below and submitted to underwriting will also be reviewed by Architectural Services).

- ☐ Soils/Geotechnical Report, dated within 2 years of submission.
- ☐ ALTA/Topo survey, stamped & signed within one year of submission.
- ☐ Outline Specifications HUD Form 5087 briefly describing expected project design.
- ☐ Acoustical Report, if requested by CalHFA, prepared in accordance with HUD Noise Guidelines.
- ☐ Provide project schedule information when special handling may be necessary.

CONSTRUCTION DOCUMENT PACKAGE
(Preferably submitted for review 6 weeks prior to the scheduled construction loan closing or when submitted for plan check review).

- ☐ Construction Documents (architectural, structural, mechanical, electrical, plumbing, civil, landscape) normally at 90% completion or when submitted for plan check.
- ☐ Project Specifications Manual based on CSI standards, include AIA General Conditions A201-1997.
- ☐ Project Specifications for smaller projects (fewer than 26 units) may use an alternate specification format and may use design/build contracts for simple mechanical/electrical/ plumbing plans if prepared by appropriately licensed engineer. Design/Build plans are subject to review by the Agency prior to start of construction.

These standards have been developed to define a minimum level of quality and project scope of work. The content is organized in the CSI Master Format 2004.

General Requirements – Division 01

- General Conditions AIA A201-1997.
- Architect's Observation with monthly reports.
- Minimum extended contractor guarantees: roofing-3 years, 2 years on elastomeric coating, damp proofing, sheet metal, caulking and sealants.
- 20 year minimum, with a recommended No Dollar Limit (NDL) manufacturer's warranty on roofing.

Thermal and Moisture Protection – Division 07

- Incorporate minimum damproofing requirements as recommended in Soils Report.
- Fiber cement siding is preferred over less durable products such as T-1 11.

Roofing

- Minimum roof slope 3/8" in 12".
- Protect exterior entry doors with overhang or other design feature.
- Gutters and downspouts recommended at eaves less than 12" on 1 story and less than 24" on 2 story.
- Downspouts to underground drain system or concrete splash blocks or hard surface.

Doors and Windows – Division 08

- Individual garage door remote control opener.
- Double hung windows are recommended in lieu of single hung windows in family projects when the window sill is less than 36" above the finish floor.
- Unit entry door(s) lockset and separate dead-bolt should have integral operation. Provide door viewer.

Finishes – Division 09

- Polystyrene stucco forms with mesh reinforcement installed per Plastering Information Bureau or other industry standard (not recommended below 7'-0" AFF or where abusive contact may occur).
- Carpet or another acceptable quality floor covering.
- Back-prime or back-coat all exterior wood and wood type products.
- Paint should be applied per manufacturer's recommendations.

Specialties – Division 10

- Exterior mailboxes (recommend sheltered, illuminated and accessible).
- Recommend for senior projects handrail complying with ANSI 117.1 on one side of corridor minimum.
- Screw flange mounted shower curtain rod.
- Recessed medicine cabinet or storage within bathroom.
- Recommend for senior projects (2) 24" grab bars in accessible bathtub or shower, at control end and/or long side or (1) 48" grab bar.

Equipment – Division 11

- Refrigerators, range/ovens, range hoods, and garbage disposals are to be provided for every unit. Energy star ratings are recommended for refrigerators, also for dishwashers and washing machines, when provided.
- Suggested refrigerator minimum sizes: 1 and 2 bedroom units 14 c.f., larger units 16 c.f.
- Ducted range hoods are recommended in family projects; ductless hoods are acceptable in senior units.
- 1/2 hp garbage disposals for family units, 1/3 hp in senior units.
- Play equipment at family projects, appropriate to the project size and unit mix.

Furnishings – Division 12

- Recommend cabinet minimum standards for fabrication and installation are Woodwork Institute (WI) Economy grade. Vinyl cabinets are not recommended.

Conveying Systems – Division 14

- Elevator minimum 2500 lb capacity, one year maintenance contract.

Thomas Hughes

From: Thomas Hughes
Sent: Friday, September 21, 2007 3:39 PM
To: 'Jack Shine'; 'Peter N. Carey'; 'Carol Galante'; 'John Morris'
Subject: Audit Committee Agenda

n trying to get an agenda together for an October or November meeting, I included only two general issues:

I. whether there should be a Compensation Committee or whether the full Board should fill that role; and
!. Possible changes to the compensation process as recommended by outside counsel and other Board nembers.

tem 2 thus covers all the recommendations made by outside counsel and Board members. Jack has ;ummarized those current recommendations as follows:

. Should the board of directors need to approve any major contractual agreement for the use of independent outside .dvisors to conduct salary surveys or other items of concern except for the contracts dealing with the daily finances that .re on a regular basis.

:. Should we keep the compensation committee, (whether or not we change members) so that we can have a viable ommittee to whom we can make recommendations for their consideration and presentation to the board.

. Should the compensation committee be given the task of conducting an independent review prior to presentation to the ›oard of directors for approval -- any agmt to relating to compensation to key exempt management and any scope of vork documents.

. Should the compensation committee recommend to the board of directors any work or instructions to be given to urvey contractors prior to the commencement of a salary survey.

. Should key exempt management who are beneficiaries of a compensation determination, be advised to avoid any direc ıvolvement with any entity hired by the agency to conduct salary surveys, --- and should a policy regarding independent ıird parties be created so that necessary tasks be done by this independent party would be reported only to the ɔmpensation committee.

. Should the authority of the executive director to sign contracts on behalf of the agency be delegated exclusively to the ıair of the compensation committee or other designees --- and should any member tasked with overseeing this :sponsibility to establish key exempt management compensation - be allowed to be a person or someone who has ısiness dealings with Cal HFA.

Should all members of the board be required to provide a statement annually setting forth the level of business they are .volved with directly or indirectly, (if applicable) with the agency so that all board members are aware of this situation.

:hink perhaps there are a couple more contained in the reports and Board comments, namely:

Should the Agency adopt a statement of principles that it treats Board members who do business with the ɜency the same as any other person; and ı. Should a Board member with business dealings with the Agency be permitted to vote on compensation ꞩsues?

am looking at some of these issues that may raise legal concerns or questions. Specifically, I am looking at ⁄hether the Board may legally limit the right of a member to vote on compensation, where that member has o legal conflict of interest. My concern is that such a policy may impermissibly abrogate the statutory voting ghts of that Board member. In addition, if the Board limits the role of members who do business with the ıgency, I anticipate some practical questions. Obviously, HCD does a lot of business with the Agency, but I ssume that the Board would not want to limit the role of the HCD Director because it is not a personal usiness interest. But in the past, we have had Board members who were unpaid officers of non-profit evelopers we do business with. Would that rule be extended to them since they do not have a personal ıterest? We currently have paid officers of non-profit developers we do business with. Would there be a ifference betwen a paid and unpaid officer of a non-profit? Would the same rule apply to a paid officer of a ır-profit developer with no ownership interest? In addition, Board composition changes. Over the existence of ıe Agency, there have been times when many such persons with business dealings served on the Board. If it 'ere legal to restrict voting of Board members, could we assure quorums? What would happen if there was nc ·gal quorum because of such a limitation? I think these are issues that need to be carefully thought through.

ꞩhould point out again that the Bagley-Keene Act does not permit a majority of the Committee members, 'ther directly or serially, to discuss these issues outside of public meetings. It does permit one-way advice om counsel, which is what the purpose of this e-mail. The substance of these issues would need to be scussed at a meeting. I will summarize these issues again in a memo to the Committee for the meeting. If ere are other suggested issues regarding the compensation process, please let me know and I will include em.

ɔm Hughes
eneral Counsel
alifornia Housing Finance Agency
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