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## About this issue

CalHFA Housing Matters is produced quarterly with an editorial goal to provide stakeholders, customers, and clients with updates on affordable housing issues and highlights of successful CalHFA programs. Comments or suggestions can be directed to 877.9.CalHFA or email [marketing@calhfa.ca.gov](mailto:marketing@calhfa.ca.gov). Additional information on the full compliment of CalHFA programs and future newsletters are available at [www.calhfa.ca.gov](http://www.calhfa.ca.gov)

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Governor Gray Davis  
Theresa A. Parker - Executive Director  
Clark W. Wallace - CalHFA Board Chair

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**Welcome to "CalHFA Housing Matters," the inaugural newsletter for the California Housing Finance Agency.**

While previous newsletters communicated to our Multifamily Finance clients, this new edition will report on items important to the customers of our Homeownership and Mortgage Insurance Services divisions as well.

To use a Spring metaphor, we're off to a fresh start with our new marketing "look" and agency re-branding campaign. In addition, Governor Gray Davis continues to strongly support affordable housing solutions in our golden State. With the passage of Proposition 46 last November (the Emergency Shelter Trust Fund), \$2.1 billion in bonds was authorized and is in the process of being distributed to support a wide array of affordable housing programs. CalHFA's divisions are actively pursuing opportunities to facilitate the application of the approved bond funds.

As our track record illustrates, CalHFA is committed to working with its industry partners and stakeholders to maximize our effectiveness and advance the cause of affordable housing. You can help us do this by providing your email address. Our goal is to enhance communications with all interested parties and communicate in a more timely, efficient, and effective manner.

Please register your email address at our web site: [www.calhfa.ca.gov](http://www.calhfa.ca.gov) Your support of this initiative is most appreciated. If you do not have access to a computer or prefer to receive a paper newsletter version, please call 877.9.CalHFA and we'll mail it to you.

Theresa A Parker, Executive Director

## Legislative Update - 10-year rule

CalHFA and other Housing Finance Agencies (HFA's) across the nation are closely watching the proposed repeal of the Federal Mortgage Revenue Bond (MRB) "10-Year Rule," which is before Congress in the form of bill HR 284. The bill--known as the Housing Bond and Credit Modernization and Fairness Act of 2003--aims to repeal the 10-Year Rule, as well as reform the MRB purchase price limit and modify housing credit income rules.

Congress is currently considering the HR 284 legislation, which is sponsored by the National Council of State Housing Agencies (NCSHA). We urge the public to help us repeal this outdated rule by supporting this bill. Call or write to your congressional representative and help us extend homeownership opportunities to those in need. Given that California ranks at the bottom of the national rates of homeownership, every opportunity to fully utilize low-cost mortgage capital is necessary to raise the rates of homeownership in our state. After all, homeownership is the cornerstone of a better tomorrow for every citizen.

## Prop. 46 Update

As mentioned in the Executive Director's message, the passage of Prop. 46 authorized \$2.1 billion in funds to support affordable housing. The first release of these funds under the California Homebuyer's Downpayment Assistance Program (CHDAP) occurred in February '03. CalHFA allocated \$50 million to support first-time homebuyers, with half being earmarked for purchase of newly constructed homes, and the other half to support purchases of existing (resale) homes. In addition to the \$50 million in funds available from CalHFA, \$180 million was released in January 2003 for various housing programs by the Housing and Community Development Department. Other phased releases of Prop. 46 funds are expected throughout the year.



This significant allocation of funds will provide much-needed relief to the housing market in California. Specifically, these funds will help bridge the gap between household incomes and home sales prices which has caused California to be ranked 49th in the percentage of families who can afford their own home. Estimates are that this first phase of funding will facilitate homeownership for an estimated 10,000 first-time homebuyers. In addition to addressing the homeownership issue, Prop. 46 will also help our state's economy. The Department of



Housing and Community Development estimates that funds from Prop. 46 will help generate approximately 276,000 jobs over the next three years.

Eligible homebuyers can use Prop. 46 funds to help with downpayment and closing costs. The downpayment assistance comes in the form of a deferred-payment subordinate loan and can be combined with any CalHFA or other conventional or government first mortgage loan. Some program restrictions apply, such as income and sales price limits and other eligibility requirements. Interested consumers need to work with CalHFA participating lenders.

Reservations for these funds are available on a first come, first served basis for both new construction and existing home

sales. And, in an effort to expand the beneficiary pool, the Homeownership Division is pleased to announce a change in the loan reservation delivery period for newly constructed homes. (Refer to CalHFA Bulletin #2003-02). Previously, the loan delivery term was 90 days for newly constructed homes originated through the Single Loan (SL) process. Now, the revised term allows lenders 180 days--with no additional commitment fee--to close, fund, and deliver the loan. This new timeframe is more in line with the building industry's current process of constructing homes after a sales contract has been executed and the borrower has been pre-qualified for financing. We think this change will help facilitate homeownership by putting more people into new construction housing.



**Torrey Del Mar - Multifamily Project**

*CalHFA's Multifamily Family Programs Division is pleased to announce the completion of the Torrey Del Mar Apartments in San Diego County. The project consists of 112 affordable multifamily units located in the Rancho Penaquitos community on a five and a half acre parcel. The property layout--which promotes a sense of community--includes seven residential buildings, a community building, swimming pool, tot-lot, common laundry facilities, and BBQ area. Apartments range in size from one to three bedroom, consisting of 624 to 1,045 square feet of living space.*

The successful implementation of this project is a testament to the progress that can be made when housing resources come together. In this case, CalHFA helped finance the construction by making a construction loan to Wells Fargo Bank, under CalHFA's Loan-to-Lender program, and by providing bridge loan financing. Other layers of financing came from the Department of Housing and Community Development, the Housing Commission of the City of San Diego, Fullerton Bank, Cal Fed Bank, and the D. R. Horton Holding Company.

This new housing development will help address the needs of low-income renters in the San Diego area, which HUD has been ranked third among 43 metropolitan areas as the least affordable area in the United

States. It is estimated that 107,000 low-income households in the city of San Diego pay 30% or more of their income for rent. For Residents in the Torrey Del Mar



Apartments, the rent for all units will be less than that of other comparable market rate apartment projects in the area, and their children will attend one of the best Poway school districts in California.



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## A New Name for "CaHLIF"

Just as CalHFA went through a name change with our new branding campaign, so has our Mortgage Insurance Services Division. Previously referred to as CaHLIF (California Housing Loan Insurance Fund), the division provides primary mortgage insurance to hard-to-qualify borrowers, enabling more of them to purchase a home now. Mortgage Insurance Services works with participating lenders, government agencies, and other housing advocates to develop

innovative lending programs. Watch for future updates on their progress as they continue to improve the Division's infrastructure, enrich secondary marketing partnerships, and expand existing relationships with the California Public Employees' Retirement System (CalPERS), and the California State Teachers' Retirement System (CalSTRS), lenders, builders, realtors and non-profit organizations.