



Affordable Housing is our Business

Housing Matters

CALIFORNIA HOUSING FINANCE AGENCY

WINTER 2003

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Stay connected with CalHFA and receive product and program updates as they occur. To stay informed, please register your email address at our web site: www.calhfa.ca.gov. It will be kept confidential.

CalHFA Housing Matters is produced quarterly with the goal to provide stakeholders, customers, and clients with updates on affordable housing issues and highlights of CalHFA programs. Comments or suggestions can be directed to 800.789.2432, or email marketing@calhfa.ca.gov. Additional information is available on the full complement of CalHFA programs and newsletters at www.calhfa.ca.gov

Governor Arnold Schwarzenegger

Theresa A. Parker - Executive Director

CalHFA's 2002/2003 Annual Report is now available either online or by contacting our Marketing Division at 800.789.2432, or email marketing@calhfa.ca.gov.



As the calendar year draws to a close, the following is a recap of our major accomplishments for the past fiscal year.

As noted in our 2002/2003 annual report, which is available on our web site (www.calhfa.ca.gov), the California Housing Finance Agency had a banner year meeting the needs of first-time homebuyers and renters across the state. Our success was due in part to the passage of Proposition 46-The Housing and Emergency Shelter Trust Fund Act, which was approved by voters in the November 2002 election. The Act authorized \$335 million for CalHFA to develop and deliver high-potential affordable homeownership and rental housing programs.

To accomplish this, each of the Agency's divisions contributed to our collective accomplishments. The Homeownership division generated over \$1 billion of below market rate loans to first-time homebuyers, with 59% made to low-income households, up from 44% the prior year. The Multifamily division provided a high degree of affordability for tenants via its construction and preservation projects, with 97% of the units offered to individuals at or below 80% of HUD median income. Multifamily also made loan commitments totaling \$285 million for the development of 32 new projects and 2,609 rental units. Finally, Mortgage Insurance Services continued to provide primary mortgage insurance to hard-to-serve homebuyers through a host of innovative programs and strategic partnerships. For all of us at CalHFA, it was one of our best years for growing affordability.

Looking forward, CalHFA is well positioned to meet the objectives of our Five-Year Business Plan that projects a 20% increase in activities, totaling \$12.5 billion in funding. Capitalizing on our accomplishments and the improvements we've made to our infrastructure, we will continue to take advantage of our strengths as an overall source of affordable housing solutions.

As we bid farewell to this year, we also want to thank all of you—our partners and stakeholders—for supporting our mission: to create safe, decent, and affordable housing opportunities for those in need. At this time, we also want to say: Happy Holidays and best wishes for the New Year. We appreciate your support and look forward to partnering with you again in 2004.

Theresa A. Parker
Executive Director

Legislative Update- FY 02/03 In Review

CalHFA is pleased to report that two of its sponsored bills have been signed into law. Senate Bill 353 (Duchenev) was introduced to enhance the Agency's ability to expand its multifamily lending programs. The bill gives CalHFA the flexibility to create loan programs for which there are no viable existing commercial alternatives, or that are more cost effective than current market alternatives. AB 304 (Mullin), which was also enacted, increases the amount of downpayment assistance available under the Homeownership In Revitalization Areas Program and to qualified teachers and administrators in high-cost areas of the state who obtain financing through the Extra Credit Teacher Home Purchase Program. The bill also increases income limits for CalHFA's Mortgage Insurance Services program and places a cap on home purchase prices for buyers eligible for reimbursement of school fees under the School Facility Fee Down Payment Assistance Program. Copies of these bills may be viewed online at www.leginfo.ca.gov.

Looking forward, CalHFA continues to support the passage of HR 284 and S 595 that together would repeal the 10-Year Rule relating to mortgage revenue bonds. If you have not already done so, please contact your Congressman to express your support of these bills.

Sacramento Office
PO Box 4034
Sacramento, CA 95812
916.322.3991

Los Angeles Office
100 Corporate Pointe, Suite 250
Culver City, CA 90230
310.342.1250

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Owner-Builders Help Themselves to Housing

If you're a nonprofit, mutual self-help housing developer looking for ways to expand homeownership opportunities to clients who are short on down payment funds but long on determination, take a look at CalHFA's Self-Help Builder Assistance Program. This labor-sharing construction program offers families and individuals the opportunity to achieve homeownership by contributing the borrower's labor or "sweat equity," in lieu of a cash down payment. CalHFA makes a short-term builder loan to a nonprofit, mutual self-help housing developer for site acquisition, site development and/or construction costs for the project. Additionally, CalHFA offers the homebuyers a 3%, 30-year fixed rate mortgage. Last year, CalHFA purchased 111 permanent loans totaling over \$13 million, with forward commitments for \$13 million more. If you'd like more information about this program, visit our web site at www.calhfa.ca.gov.



Help Your Customers Put Homeownership within Reach

Lenders and builders who are looking for innovative ways to help first-time homebuyers bring affordability within reach should consider CalHFA's School Facility Fee Down Payment Assistance Program. The program—made possible by funds from Proposition 46—provides a grant for down payment assistance to buyers of newly constructed single-family homes and condominiums throughout California. Applicants who qualify receive a partial or full rebate of the school facility fees paid by the builder. This rebate does not need to be repaid if the buyer owns and occupies the home for a minimum of five years, and can be applied toward the borrower's down payment, closing costs or other costs associated with the first mortgage loan. To date, CalHFA has issued over 4,400 rebates to new homebuyers in California, totaling \$13.2 million of School Facility Fee dollars. To learn more about how you can help bridge the affordability gap for potential customers with the School Facilities Fee Program, visit our web site at www.calhfa.ca.gov, or call CalHFA at 800.789.2432.



Low Income Seniors at Home in Oak Circle Apartments, San Jose

The Multifamily Programs division is happy to highlight the recent completion of the Oak Circle Apartments in San Jose, California, developed for low income seniors hit hard by the sky-rocketing housing prices in the Silicon Valley. Oak Circle reflects a collaborative effort on the part of BRIDGE Housing, in partnership with the City of San Jose and other lenders and agencies, including CalHFA.



Oak Circle Apartments
photos courtesy of
BRIDGE Housing

The apartments consist of high-quality one and two-bedroom units for extremely low income seniors earning between 25% and 50% of the average median income for the area. The complex offers a large community room with a kitchen, activity room, and laundry facilities, along with private, landscaped courtyards and gardens. Each apartment-also adaptable for the physically disabled-has a PROTECT monitoring system, wall-to-wall carpeting, dishwasher, and garbage disposal. The property is within walking distance of a variety of shops, businesses, and public transportation routes. The project has received local praise for its commitment to affordable housing in San Jose, and specifically for keeping the elderly within the community where they have contributed, worked and raised their families. To learn more about multifamily financing programs, visit our web site at www.calhfa.ca.gov, or contact the Multifamily Programs division at 800.736.2432.



New Programs Debuted this Fall

Working with our industry partners, like you, Mortgage Insurance Services has been busy developing and introducing innovative mortgage insurance programs that create homeownership opportunities. Specifically, the Zero Upfront Monthly Mortgage Insurance payment option was recently introduced for the Agency's Homeownership Mortgage Loan Program. This option—which replaces the current annual payment option—eliminates the borrower requirement to pay the mortgage insurance premium upfront. This translates into tangible financial savings for the borrower by significantly lowering the amount of out-of-pocket funds needed for closing.

To address the needs of the workforce in the state's high-cost counties, CalHFA's Mortgage Insurance Services has partnered with the National Homebuyers Fund and Countrywide Home Loans to launch the "Cal Jumbo" loan program. The program provides jumbo loan financing—up

to 105% of a home's purchase price—for borrowers in the counties of Alameda, Contra Costa, Los Angeles, Napa, Marin, Monterey, Orange, San Benito, San Diego, San Francisco, San Mateo, Santa Clara, Santa Cruz, Sonoma, and Ventura. The intent of the program is to close the gap between family income and median home prices and help workers afford to live in the counties where they are employed, thereby enhancing their quality of life. Income limits, home sales price ceilings, and loan amounts vary by county. To learn more about this new program, visit our web site at www.calhfa.ca.gov.



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California Housing Finance Agency
1121 L Street, Seventh Floor
Sacramento, CA 95814-3974



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