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CalHFA Housing Matters is published periodically 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 877.9.CalHFA (877.922.5432), or email marketing@calhfa.ca.gov. Additional information on the full complement of CalHFA programs and newsletters is available at www.calhfa.ca.gov.

Theresa A. Parker, Executive Director
Governor Arnold Schwarzenegger



Change is in the air, as it always is in October. The temperature has cooled, and the days of hundred-degree heat are long past us. The trees are beginning to shed their cloaks of green for a more brilliant yet more transitory costumes of red, bronze, yellow and orange. The skirts and shorts and tank tops are relegated to the back of the closet, while the anoraks and sweaters and pantsuits come forward to take their places.

Change is also hovering in the housing market. Many counties in California have recorded their first median sales price drops in several years. Buyers have a little more leverage to ask for upgraded counter tops or help with the closing costs. Sellers can no longer count on receiving

multiple offers within hours of listing their properties.

Fortunately, in this climate of change, CalHFA remains steadfast in its determination to continue helping those who seek safe, decent affordable housing (although even this nomenclature is changing; "Workforce Housing" is popping up more and more often.) We remain committed to helping low and moderate income Californians find a place to call their own.

Every year, the National Council of State Housing Agencies (NCSHA) has a country-wide meeting to share ideas and celebrate the past years' successes. California hosted the most recent meeting in San Francisco, and we are very proud to have won two awards for our work. Page 2 has the particulars.

The latest in our CalHFA success stories is about a young family who was able to put together nine layers of financing to get into their first home in Forestville, CA. "The CalHFA Parfait" gives the heart-warming details on Page 3.

For those lenders who can bring together many loan officers, CalHFA will send out trainers directly to corporate offices, and Page 4 will tell you how to make that happen.

We have also introduced a new program to help cities, counties and other municipal organizations build affordable housing without increasing urban sprawl. You can read all about the Residential Development Loan Program (RDLP) on Page 4 and 5.

Much has been written in the business world about how organizations and people fear change. At CalHFA, we know that change has its place—without it, we would grow stagnant and eventually irrelevant. We embrace change, and although some of it is predictable, like the seasons, and some of it is completely unforeseeable, like the housing market, we know that in the end, CalHFA will continue to make positive changes in the way Californians live.

Best Wishes,

Theresa A. Parker
Executive Director

CalHFA Wins National Awards at Annual Conference

CalHFA walked away with two awards at the annual meeting of the National Council of State Housing Agencies. Both awards came in the category of Communications, one of six categories that also included Homeownership, Rental Housing, Special Needs Housing, Management Innovation, and Special Achievement.

The first CalHFA award, for “Creative Media,” was for a series of Public Service Announcements produced to tell real-life stories of CalHFA borrowers. The concept was simple: nearly everyone has at least one treasured keepsake, an item that they have packed and unpacked and moved from one apartment to another, each time hoping that eventually this treasure would settle in a true home, a home with permanence and ownership.



Assistant Marketing Director Evan Gerberding, Executive Director Terri Parker and Marketing Director Ken Giebel show off a true “win-win situation” for CalHFA.

When we contacted several CalHFA borrowers and described our idea, each new homeowner embraced the concept and immediately expressed a personal story of their prized possession that was now residing, along with the family, in a home of its own. The results of these conversations were three very poignant stories: [Guitar](#), [Rolling Pin](#) and [Photograph](#), which aired throughout California over the summer.

The second award in the subcategory of “Promotional Materials and Communications,” was given to CalHFA for our new product brochure, The CalHFA First-Time Homebuying Journey! It had become clear that serious, intimidating, wordy brochures and advertisements would not resonate with our first-time homebuyers. But how could we introduce our new 40-year product and promote our other mortgage programs in a non-intimidating, approachable way?

By making it a game!

That was how the Homebuying Journey series was born. We kicked off with a consumer brochure which folds out to four panels of a game board with bright colors and simple language. The path to your first home begins at “Start” where CalHFA offers a few tips to get going. Then the homebuying journey leads to our three mortgage choices with brief descriptions and terms. CalHFA has printed over 200,000 copies of this brochure, and feedback from Realtors, Loan Officers and the public has been very enthusiastic.

CalHFA will continue to develop and improve upon its award-winning programs and materials in the coming year—in the meantime, keep an eye out for us on a TV screen or Lender office near you!

The CalHFA Parfait

How are CalHFA loans like an ogre and an onion, or even a parfait? If you've seen the movie "Shrek", you'll know the answer: they all have layers. CalHFA loans, however, are not big and ugly like an ogre, and they won't make you cry like an onion. If you are like the Birthistle family, though, a CalHFA loan is definitely like a sweet, sweet parfait.

Thomas and Dana Birthistle had been renting in Santa Rosa for nine long years, and in other places before that. Their daughter was growing up, and they realized they needed a place to call their own. They saw that a new development was going up in Forestville, and jumped right in.

The financing was done through Cal-Bay Mortgage, working in partnership with Burbank Housing, a local housing organization. The sales price was almost \$400,000, which normally would have been out of range for the Birthistles. Fortunately, many of the houses in the development were being built with financing from CalHFA's Self-Help Builder Assistance Program. With this innovative offering, buyers put in 30 hours per week building their new home. In return, they received a very low interest rate on the loan: 3%.

"It was a lot of work, and very exciting," says Thomas. "I met a lot of people and made new friends. I'd never had an opportunity to do something like this before, and it was a great experience. Even though you're punching a time clock to get your hours in, knowing it's only a one-year commitment and having that payoff at the end makes it worthwhile."

"The hardest part was in the middle of winter; sometimes you wonder if you have the stamina to get through it. I work in health care, though, so in a lot of ways, the construction was the less stressful part of my life!"

It wasn't just the low-interest rate loan that made it worthwhile for the Birthistles, and here's where the parfait comes in. They were able to use nine different

layers of subordinate loans and grants to cut the first loan to just over \$200,000, a mere 54% of the purchase price. CalHFA's HiCAP contributed \$25,000, while CHAP and CHDAP kicked in another \$15,000. The Sonoma County Community Development Commission helped with more than \$80,000, and Burbank Housing added \$8,000. The final loan was \$8,000 from the Sonoma County National Bank AHP, and the cherry on top was a \$2,509 grant from CalHFA's School Facility Fee Down Payment Assistance Program.

The Birthistles themselves put in more than \$40,000 worth of sweat equity over the course of a year while Thomas held a full time job and Dana home schooled their daughter. Thomas says, "I've never really lived in a new house. It's very satisfying to remember doing this or that project, and coming home to a place you feel is your own!"



The Birthistles display their pride of ownership.

Thomas also takes the long view of CalHFA's loan programs: "I'm happy that CalHFA is a partner in our house, and it's good to know that the money (from our mortgage payments) may get recycled for another similar project."

The CalHFA parfait is easy to make while still being robust and rich, and the Birthistles will be enjoying their layered treat for years and years to come!

Bringing CalHFA to You

Our trainers travel thousands of miles a month, offering seminars on how to process a CalHFA loan in hotel conference rooms in almost every county in California. Did you know that they will also make special trips to corporate offices?

That's right—CalHFA will send a trainer directly to your office if you are willing to gather together at least 20 loan officers, processors or associate brokers who need CalHFA training. The training lasts about three hours, and covers every aspect of a CalHFA loan, from figuring out which loan is best for your client, to the correct stack order of documents.

Best of all, the training is free to all approved lenders. Brokers may also attend if they have been sponsored by an approved CalHFA lender. To find out more about this valuable service or to schedule training for your employees, call Lynda Stovall at (916) 324-8467.

If you are not able to make it to a training session, CalHFA also offers Training online through a series of short videos. The videos feature our professional trainers giving a summary version of the in-class presentations, including an overview of the Agency's homeownership products, loan documentation requirements and other tools that will help them understand CalHFA's procedures more thoroughly.

You will find our lender training series online at www.calhfa.ca.gov/homeownership, then click on "Lender Training."

CalHFA Offers Loans for Infill Housing

Practically every housing element of local government housing agencies statewide affirms that the development of infill ownership housing is one of the many goals to be met in the production of affordable housing. However, due to limited resources and other housing priorities, this activity has remained relatively underserved. Urban infill can be a solution



to growing while staying compact, and CalHFA's new Residential Development Loan Program, or RDLP, can help municipalities add to their stock of affordable single-family ownership housing while revitalizing core neighborhoods with site acquisition and predevelopment funding.

RDLP is similar to CalHFA's existing HELP program, which offers low-interest rate loans to municipalities for multifamily housing, as well as rehabilitation, construction and subordinate financing for ownership housing. RDLP, however, offers site acquisition and predevelopment funds for single-family housing in infill development.

(continued on Page 5)

CalHFA Offers Loans for Infill Housing (continued)

A minimum of 15% of the for-sale housing units in developments that receive RDLP commitments must meet income and sales price limits for CalHFA's California Homebuyer's Downpayment Assistance Program; this will assure that there is a substantial affordable housing component to the development. CalHFA will also assist local government entities and developers in utilizing the existing menu of affordable primary and subordinate loan programs for homebuyers.

Eligible infill sites can be defined by a number of different criteria so as to maximize the possibility of RDLP being useful for municipalities. Specific details can be found at CalHFA's web site, but a quick overview of qualifying sites includes:

- Located in an established Redevelopment Area.
- Located in an Infill Opportunity Zone.
- Located in a Transit-Oriented Development plan area or Transit Village.
- Located on vacant or underused parcels surrounded by various degrees of urban development.
- Located in urban infill areas specifically designated for the development of owner-occupied units.
- Identified as an infill priority through other formal local planning processes and documentation.

RDLP funds come in the form of an unsecured loan of up to \$4 million from CalHFA for up to four years at a very low 3% simple interest rate per year. There are two funding rounds per year of \$10 million each, generally in February and August.

Applications are ranked on several criteria, including extent of affordability, efficiency of program costs, benefit maximization, implementation readiness, resource impact, comprehensiveness of design and resident support structure. CalHFA will also give preference to local government entities whose housing plans have been approved by the state Department of Housing and Community Development.

Urban infill is a growing priority for the state of California, and an RDLP loan can make it easier to finance this sometimes-difficult piece of the affordable housing puzzle. To request application details for RDLP funding, please contact Amanda Rose at (916) 445-9313.

