



HOUSING MATTERS

California Housing Finance Agency

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Front Page

Executive Director's Message

Agency

CalHFA Update2
New Face on Senior Staff..... 2

Homeownership

Getting SMART.....3
Finance on Weekdays,
Build on Weekends.....3

Multifamily/Helpful Tips

Grand Openings for
MHSA Projects.....4
Take Your Fan for a Spin.....4

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It will be kept confidential.

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 916.322.0249, or email marketing@calhfa.ca.gov. Additional information on the full complement of CalHFA programs and newsletters is available at www.calhfa.ca.gov.

Steve Spears, *Acting Executive Director*
Governor Arnold Schwarzenegger

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Terri Parker retired from state service at the end of the 2008. Before she left, she wrote a final introduction for Housing Matters. I'm pleased to share her thoughts with you.

*Steve Spears
Acting Executive Director*



The end of the year always has echoes of greetings and farewells. The end of 2008 was more poignant than usual for me, as it marked my farewell to CalHFA, and, indeed, my farewell to state service. I officially retired on December 16th after 34 years of working for California, and I have been blessed and lucky enough to spend the last 11 working at the California Housing Finance Agency.

The CalHFA Board, at their meeting on December 12, 2008, voted to have Steve Spears serve as Acting Executive Director until the Governor makes an appointment. Steve will continue the excellent work and mission of the Agency during these most dynamic and challenging times. I know that even as I leave, the staff here will continue to pour their hearts and minds into helping California through these difficult times.

The housing market has seen several cycles in the past 11 years, and although we are at a low point right now, I am confident that the wheel will turn and things will begin to restabilize. We have already begun broadening our scope to work within the quickly changing financial world. You can read about some of the changes in existing programs, in addition to new programs, in the following pages.

Despite the tumult in the economy, our Multifamily division continues to provide loans to help Californians who need it most. December saw the grand opening of three projects funded with money from the Mental Health Services Act. One of them may be in your neighborhood. More information about that on page 4.

CalHFA employees continue to do great work on their own time. We held a very successful charity drive, donating more than 7,500 pounds of canned food, in addition to collecting clothing for the needy. Several CalHFA employees also donated skills, muscle and time as volunteers with Habitat for Humanity; their efforts are detailed on page 3.

We have done some great things over the past 11 years, and none of it would have been possible without the work of our partners in private industry. I have enjoyed working with the lenders, brokers, banks, municipalities, counseling agencies and dozens of others who used their creativity and business acumen to provide safe, decent and affordable housing. And I've enjoyed meeting and talking with some of the thousands of folks who have benefited from our programs. There is no doubt the challenges are huge; I know that this Agency, in concert with you, our reader, will find ways to overcome them.

Best wishes,

Theresa A. Parker

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CalHFA Update

The housing and bond market crunch continue to have major effects on CalHFA lending, and many of CalHFA's programs have been temporarily suspended. We appreciate all the work our business partners have invested in us, and we ask that you have patience during this time, as much of what is happening is beyond our control.

Our lending activity has halted as a result of the action taken by the Pooled Money Investment Board (PMIB) on December 17, 2008. The PMIB loans money to state agencies as advance program funds which will later be repaid with bond sale proceeds. CalHFA uses one of these PMIB loans to initially fund its Conventional

30-Year Fixed Mortgage and down payment assistance programs, and the recent PMIB action forced the freezing of all such PMIB loans. CalHFA anticipates that this situation will continue until the State's budget crisis is resolved.

CalHFA will continue to accept reservations for loans under the Community Stabilization Home Loan Program (CSHLP) and SMART Loan Program. However, please note that CHDAP funds will not be available for use with these programs. We await the next Regular Meeting/Open Session of the Pooled Money Investment Board on February 16 and a decision on the disbursement of funds that affect our operations.



New Face on Senior Staff

CalHFA is pleased to announce Howard Iwata as our new Director of Administration. Howard comes to us from the State Controller's Office where he was a Bureau Chief of Administration for the Division of Audits. Prior to that, he served as Assistant Executive Director, Administration for the San Francisco Bay Conservation and Development Commission, and has a total of 28 years of experience working for the State of California. He has broad experience in facilities management, business services, human resources and budgets.

Welcome to CalHFA, Howard!

Getting SMART



Although CalHFA has suspended some of its loan programs, it continues to work to find ways to help Californians purchase their first home. Our latest offering is from CalHFA's Real Estate Owned (REO) division, and it goes by the name "SMART."

The SMART Loan Program offers a special reduced interest rate and up to 100% Loan-To-Value financing for certain properties owned by CalHFA.

Low and moderate income, first-time homebuyers who meet CalHFA's minimum eligibility requirements and are purchasing a SMART Loan Program property may qualify for a FHA, VA, USDA or Conventional insured 30-year fixed rate loan at a special interest rate.

Lender can verify that the property is eligible for this special financing by referring to CalHFA's SMART Program property eligibility list located on our web site. Properties are available in more than a dozen counties across California, and are both single-family and condominiums.

Buyer eligibility requirements are the same as for a typical CalHFA loan; you can read the specifics on our Borrower Requirements page. For more information on this program visit our web site at www.calhfa.ca.gov and click on "Bank-owned properties for sale."

A welcome addition to the Community Stabilization Home Loan Program (profiled in our previous newsletter), SMART demonstrates CalHFA's commitment to revitalizing communities hit by foreclosures. We will continue implementing new solutions to continue our mission of providing safe, decent, affordable housing for low and moderate income homebuyers.

Finance on Weekdays, Build on Weekends



Alicia McDonald, Kelli Alten and Robin Monk take a break while Therese Volk works on.

One might think that after a long week of helping finance affordable homes for Californians, CalHFA employees would want to take a break from the world of housing. This is not the case, as CalHFA is dedicated to housing seven days a week.



One of the frames hammered together by CalHFA employees.

In mid-November, dedicated CalHFA employees, spouses and business partners gathered at a Habitat for Humanity warehouse and spent the day building frames for future use in construction of homes for needy families. The frames will be used to build four houses in Del Paso Heights, in the north area of Sacramento. Construction is slated to begin in mid-February.

These 22 volunteers hammered, sawed, nailed, and had a good time while helping better their community. CalHFA salutes their selfless spirit.



One big warehouse and 22 big hearts.

Grand Openings for MHSA Projects

CalHFA is pleased to announce three grand openings of projects funded through monies from Proposition 63 and the Mental Health Services Act (MHSA). Jointly administered by the California Department of Mental Health and the California Housing Finance Agency on behalf of counties, the MHSA Program offers permanent financing and capitalized operating subsidies for the development of permanent supportive housing, including both rental and shared housing, to serve persons with serious mental illness and their families who are homeless or at risk of homelessness.

- Vida Nueva Apartments had its grand opening on November 19, 2008. It will provide six units of supportive housing in Rohnert Park for children and adults, funded partially through \$1.2 million in permanent loans and operating subsidy.
- The 110-unit Polk Street Apartments in downtown San Francisco had their grand opening on December 2, 2008. This project received \$1 million through CalHFA, and contains 10 units for MHSA target population seniors.
- The most recent grand opening was December 3, 2008. Rent is being subsidized for 10 very-low-income mentally ill residents at the Garden Street Apartments project in Santa Barbara, with the help of \$1 million in capital funding and an operating subsidy of \$500,000.

All three properties contain amenities such as community rooms, on-site parking and residential lobby, and were funded through various combinations of public/private partnerships.



Polk Street Apartments

Take Your Fan for a Spin



Heating and cooling are some of the most energy intensive applications in a home and also the most costly in terms of electricity, gas, oil or even wood. Especially in today's economy, people are looking for ways to save every penny.

With that in mind, while you may be familiar with using a ceiling fan during summer, have you considered using it in winter also?

Heat rises and most of the heat you want is close to the ceiling during winter. A ceiling fan on a low speed can help push that heat down to where you are. Additionally, it can help reduce the instance of condensation on your windows.

During winter the fan will need to run clockwise (pulling air up), which is the opposite of the direction you want it running in summer. The reason for this is that as cold air is denser, running the ceiling fan clockwise draws that cold air up, pushing the warm air close to the ceiling aside, which then travels down the walls to the lower level of the room.

Using as little as a hundred watts, an ultra-efficient ceiling fan can shave up to 10% off your heating costs. So when shopping for a ceiling fan, ensure it has a clockwise/counter-clockwise feature so you'll be able to use it all year round.