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CalHFA Offers \$10 Million to Local Governments

For Affordable Residential Development in California Communities

SACRAMENTO, July 17, 2006 – The California Housing Finance Agency (CalHFA) has announced the initial funding of the Residential Development Loan Program (RDLP), an innovative new loan program designed to assist local communities in promoting the development of affordable single-family homes. Local government agencies can now apply for 4-year, 3% interest rate loans for site acquisition and predevelopment expenses for new affordable infill owner-occupied housing developments. In the current funding cycle, \$10 million of RDLP funds are available to California cities, counties, housing authorities, redevelopment agencies, and community development commissions.

“RDLP offers city and county government agencies the low-cost funding they need to acquire infill sites for affordable home development,” said Theresa Parker, CalHFA Executive Director. “We chose to target infill sites to promote smarter urban growth, rather than encourage urban sprawl. In the end, families will live closer to their jobs and schools.”

“Additionally, working families striving to purchase a first home will benefit two-fold from this program,” Parker explains. “The cities and counties use CalHFA’s very low interest funding to

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lower the sales price of the new home. Plus, qualified homebuyers can obtain financing from CalHFA's portfolio of below-market interest mortgages and down payment assistance programs to purchase their new home with a mortgage they can afford."

The RDLP will offer two additional \$10 million funding cycles later this summer and in the spring of 2007. CalHFA uses a competitive process to award the funding, which is limited to a maximum of \$4 million per development. Applications are evaluated on criteria that include housing affordability; local government funding and involvement; demonstrated need for infill for-sale housing; comprehensiveness of project planning; readiness of the development to proceed; and the local government's ability to meet the terms, conditions and repayment of the loan. To be considered for funding in the current round, local government entities must submit applications to CalHFA by 5 p.m. on Monday, July 31, 2006.

CalHFA is proud to add the RDLP to its award-winning portfolio. Another CalHFA program, Housing Enabled by Local Partnerships (HELP), which also was designed to assist government entities in promoting affordable housing, has successfully partnered with 98 local government agencies, providing \$150 million for financing of nearly 18,000 housing units since its inception in 1998. CalHFA anticipates the RDLP to be equally as successful.

Created in 1975 as the state's affordable housing bank, the California Housing Finance Agency has invested over \$14 billion in non-taxpayer funds to help more than 140,000 California families live in a home of their own with a mortgage they can afford. For more information and a complete description of CalHFA's Homeownership, Multifamily, and Mortgage Insurance programs, visit www.calhfa.ca.gov or call toll free 877.9.CalHFA (877.922.5432).

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