Housing Development Program

CalHFA Board of Directors

September 8, 2004

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Housing Development Program

- Program to encourage and facilitate the development of affordable homeownership units
- Combine loan products from CalHFA's three lending divisions
  - Construction lending from Multifamily Programs
  - Purchase loans and down payment assistance from Homeownership
  - Insurance coverage from Mortgage Insurance
- Configure lending products to match the requirements of individual housing developments

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### Housing Development Program

**Types of developments**
- Infill projects tied to redevelopment areas
- Self-help building developments

**Project types and size**
- Condominiums and townhouse product
- Single family detached for self-help
- 10 to 50 units

**Strong markets with demand for homeownership product**

**Address unmet need of localities seeking to promote development and homeownership**

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### Housing Development Program

**Development Loan Parameters**

- Taxable variable rate construction loan, full recourse
- Libor based index with 200 basis point spread
- One point loan fee plus normal and customary costs
- Loan participation with other lender is required, CalHFA can be lead lender or participant
- LTV of 80% (bulk sale value), maximum loan of $20 million
- Presale of 30% to 40% of units prior to first unit release

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Housing Development Program

Homeownership Program

- Existing 1st and 2nd Agency Loan Products
  - Single Loan (over-the-counter) Delivery Process
  - BLOCK Forward Commitments (rate lock for 6, 9, and 12 months)
  - Menu of down payment assistance programs
- Evaluating the need for longer term BLOCK forward commitments, to be limited to development loan customers
- Package of programs designed to increase affordability

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Housing Development Program

Mortgage Insurance Program

- Coverage up to 50%
- Insurance available on CalHFA loans and other investors including Fannie Mae, Freddie Mac and conventional lenders
- Income limits up to 140% of median income and to 160% in designated counties on non-agency loans
- No first time homebuyer restriction on non-agency loans
- No resale limits on non-agency loans
- Exposure maximums will be determined by project type and size

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King St. Project – San Francisco

• 224 unit condominium project located east of the Mission Bay Redevelopment Area and the planned UCSF 43 acre research campus
  – 150 units are below market, at 100% of median income
  – 54 market rate units
  – One, two bedrooms and three bedroom units
• Project cost of $75,000,000
• 6,000 square feet retail/commercial with public areas
• Developer A.F. Evans

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Housing Development Program

King St. Project – San Francisco (continued)

• CalHFA is discussing participation in the development loan, up to $20 million in conjunction with the lead construction lender
• Offering mortgage insurance on restricted and market rate units
• Providing purchase loan and down payment assistance depending on resale restrictions

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