

Allocation Plan for FY 2020-21 AB 101 Funds

Resolution 20-17

September 10, 2020

AB 101 of 2019

- AB 101 provided CalHFA with \$500 million to finance low- and moderate-income housing. To be funded over four fiscal years:
 - FY 2019-20: \$200 million *funded*
 - FY 2020-21: \$95 million
 - FY 2021-22: \$120 million
 - FY 2022-23: \$85 million

AB 89 of 2020

- Due to the fiscal constraints imposed by the COVID-19 economic crisis, AB 89 reduced the AB 101 commitments by \$250 million. Revised funding schedule:
 - FY 2019-20: \$200 million *funded*
 - FY 2020-21: \$50 million *\$45 million reduction*
 - FY 2021-22: \$0 million *\$120 million reduction*
 - FY 2022-23: \$0 million *\$85 million reduction*

AB 89 of 2020 (w/ Fed Assistance)

- Restoration of \$45 million, if the State of CA receives \$14 billion in flexible federal assistance by October 15, 2020. Potential funding schedule:
 - FY 2019-20: \$200 million *funded*
 - FY 2020-21: \$95 million *no reduction*
 - FY 2021-22: \$0 million *\$120 million reduction*
 - FY 2022-23: \$0 million *\$85 million reduction*

Allocation Plan for FY 2020-21

- **Resolution 20-17**: \$50 million (or potentially \$95 million) for affordable multifamily housing for low- and moderate-income households to create inclusive communities.
 - Support CalHFA's lending programs
 - Align with any potentially new State Tax Credits
 - Innovative financing tools to serve a variety of housing types
 - Disaster relief programs

Update on the FY 2019-20 allocation

▪ Mixed-Income Program (MIP)	\$140,000,000
▪ SF down payment assistance	\$40,000,000
▪ SF accessory dwelling units	\$19,125,000
▪ Community Land Trust	\$875,000

	\$200,000,000

Mixed-Income Program: \$140 million

- \$144 million in new MIP subsidy loan commitments
- 20 new construction projects: 3,229 units
- Affordability ranging from 30% to 120% AMI, average of 60% AMI

SF down payment assistance: \$40 million

- Funded: \$29,800,000
- Pipeline: \$2,000,000+
- Project to be fully committed by the end of 2020

SF accessory dwelling units: \$19,125,000

- Partnering with Fannie Mae to facilitate and incentivize lending for the construction of ADUs
- Fannie Mae to provide a variance that permits:
 - Limited Cash Out Refi to payoff the costs of ADU construction
 - 75% of the expected rental income as qualifying income
- Fannie's variance approval committee: Sept 15th
- Potential final approval from FHFA: end of October

SF accessory dwelling units: \$19,125,000

- CalHFA to design a ADU program that:
 - incentivizes the lenders to make a 2nd lien loan for the construction of ADU
 - helps to mitigate the lender's risks
 - contributes to the borrower's closing costs for Limited Cash Out Refi

Community Land Trust: \$875,000

- Funds to be used for infrastructure, site work and upfront fees to lower the cost of homes to be developed on an infill site in Cotati, CA.