



Single Family General Program Update

Donald Cavier

Chief Deputy Director

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First Time Homebuyer Programs



CALHFA ROLE

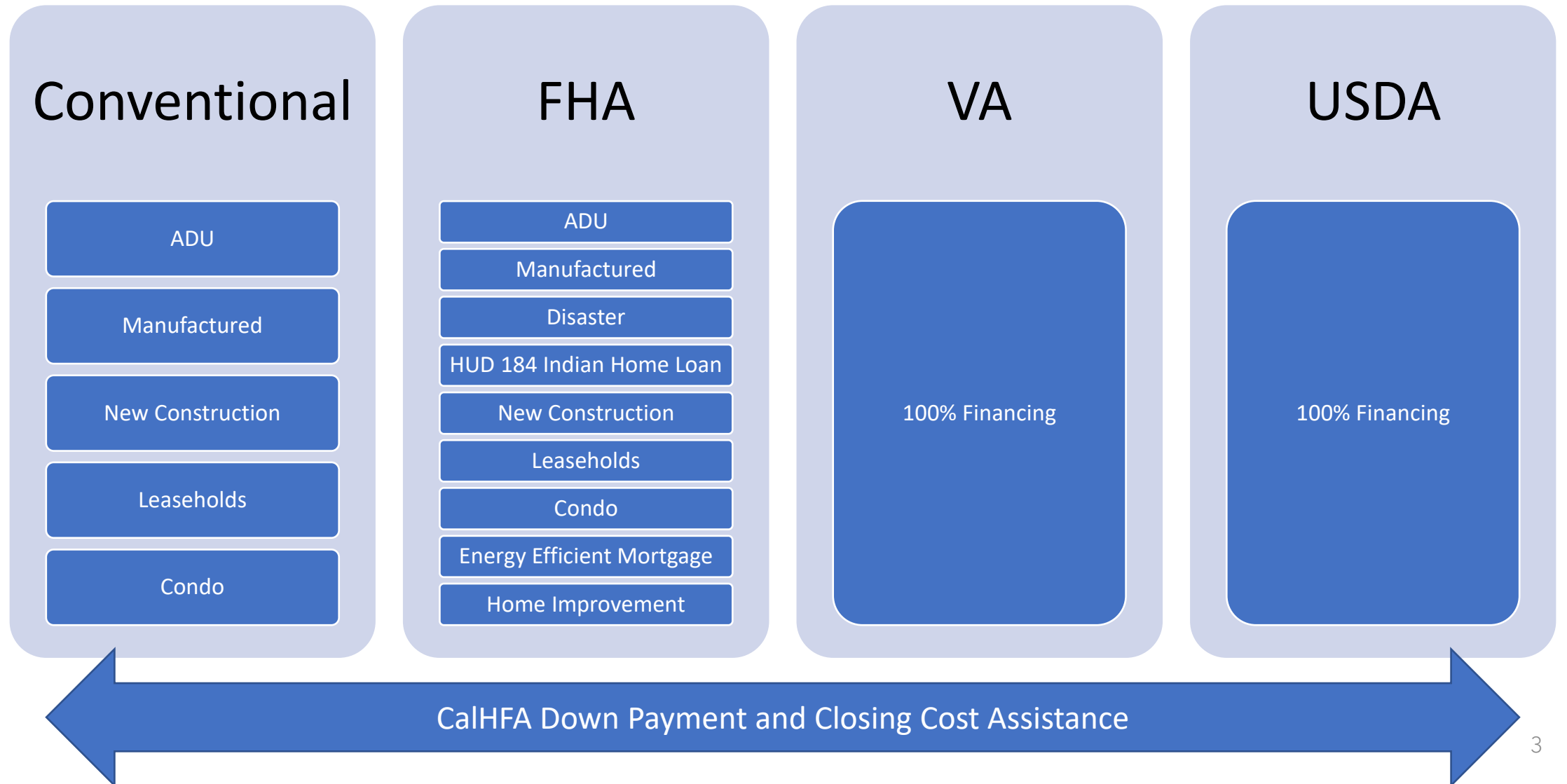
- Indirect lender
- Purchase the mortgages originated by our lender partners
- Provide down payment assistance to low and moderate first-time homebuyers
- Leverage private capital through the secondary market (Fannie Mae, FHA, VA, etc.)
- Promote sustainable and scalable homeownership opportunities

Sustainable & Equitable Homeownership

- Conforming loans deliverable to the secondary market
- Homebuyer Education
- Home warranty
- Post close financial counseling
- Diverse product options available
- Market to historically underserved populations

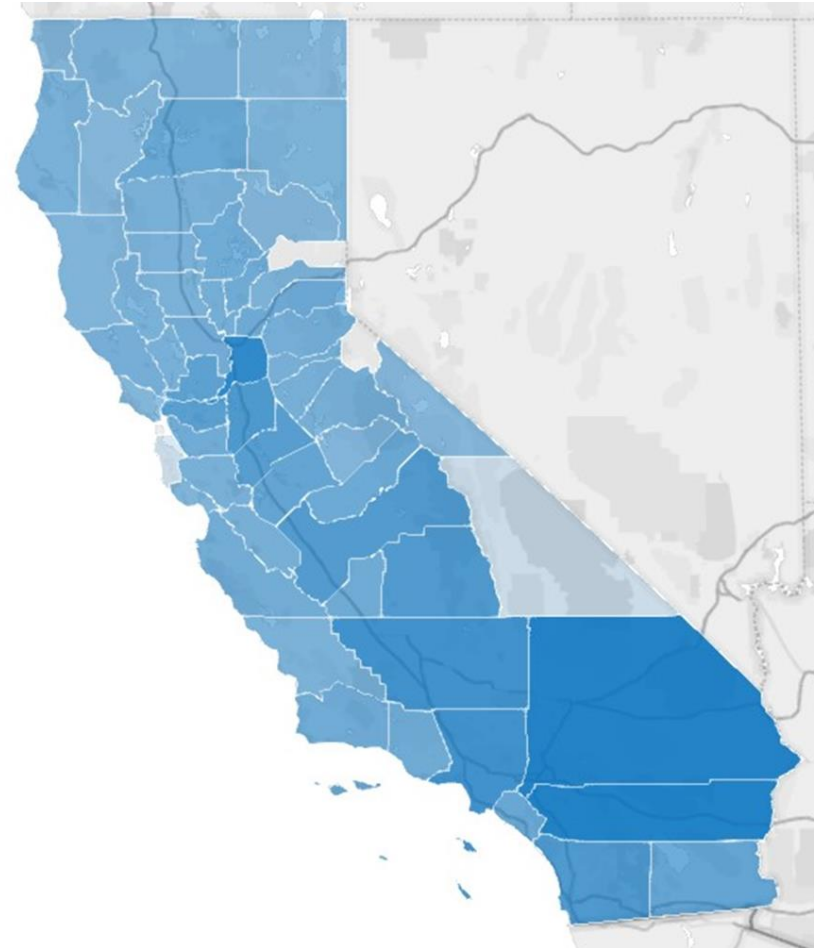
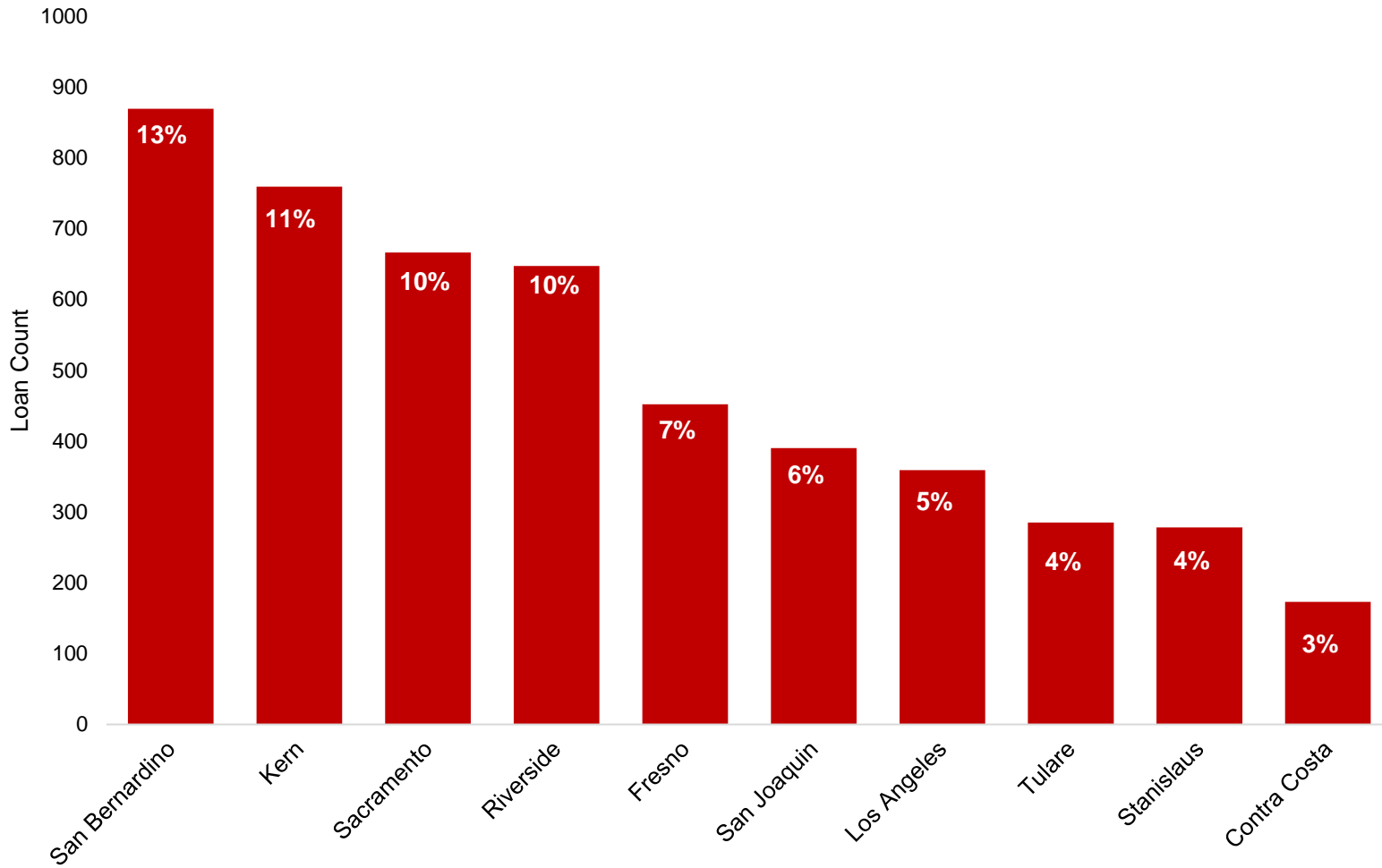


Broad Spectrum of Product Offerings





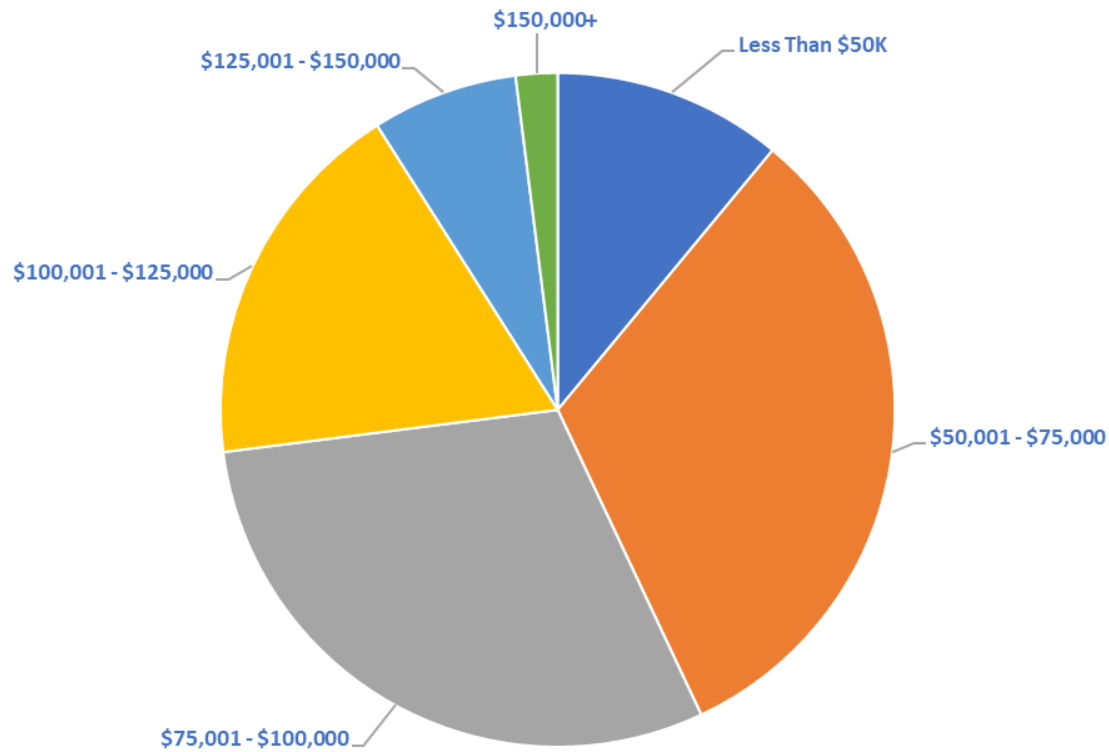
Top 10 Counties





Borrower Demographics

2020 Borrower Income



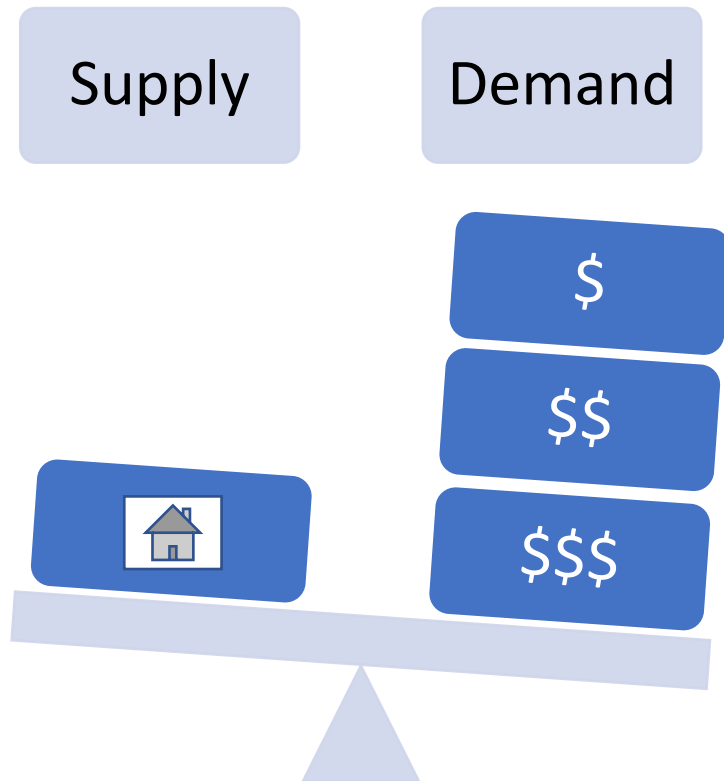
2020 Borrower Composition

	CalHFA Loans	State of CA*
Hispanic	53.0%	39.0%
White	32.0%	36.0%
African American	8.0%	5.5%
Asian	4.0%	15.0%
Pacific Islander	0.5%	0.4%
American Indian	0.3%	0.4%

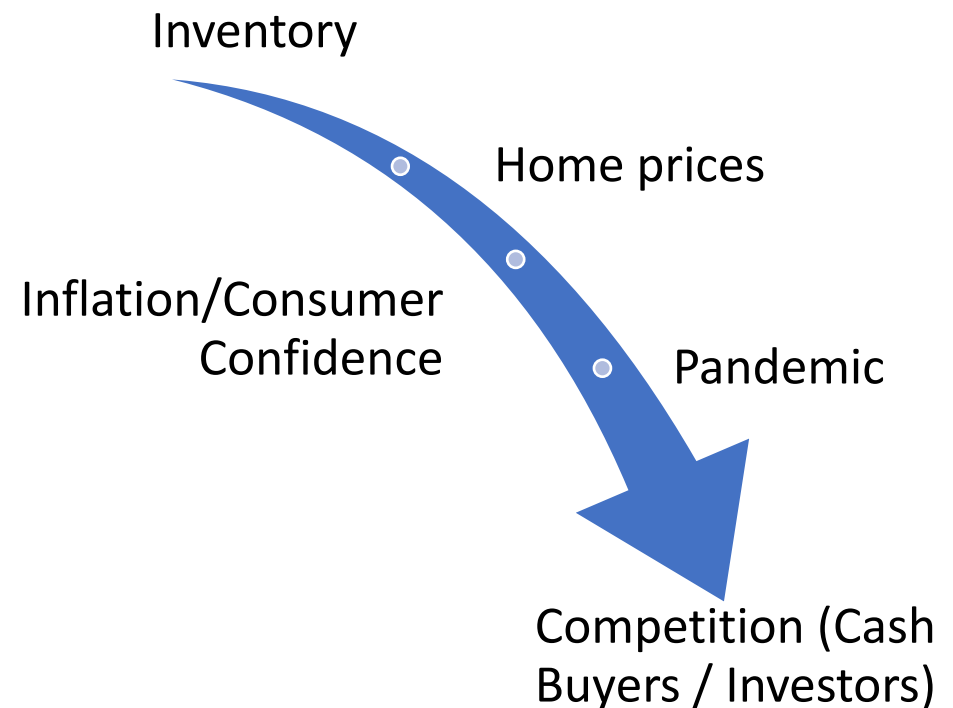
**2019 US Census Bureau Estimates*

First Time Homebuyer Market Drivers

Market Imbalance



Interrelated Factors



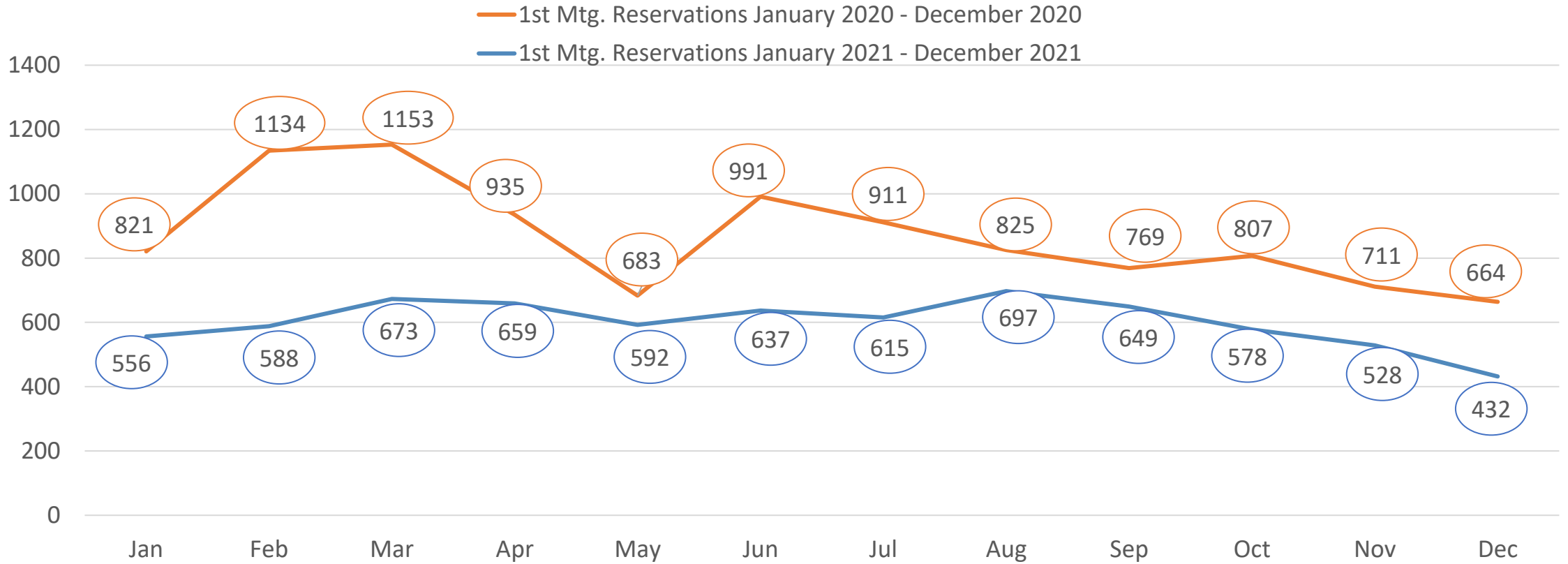


Key Market Indicators (Sept. 2020 to Sept. 2021)

- California median home prices increased 13.5% to \$809,000
- Homes are on the market for an average of only 10 days
- In many areas, home sales are trending in excess of list price
- There is less than 2 months of inventory available for sale
- Overall sales activity in California is down 5%
- CalHFA target markets are down double digits:
 - ≤\$299K sales are down 52%
 - \$300K-\$399K sales are down 32%
 - \$400K-\$499K sales are down 16% and
 - \$500K-\$749K are sales down 10%



Year over Year Loan Reservations



FY 2021/22 Totals:		
Conventional	1090	32%
FHA	2362	68%
	<u>3452</u>	

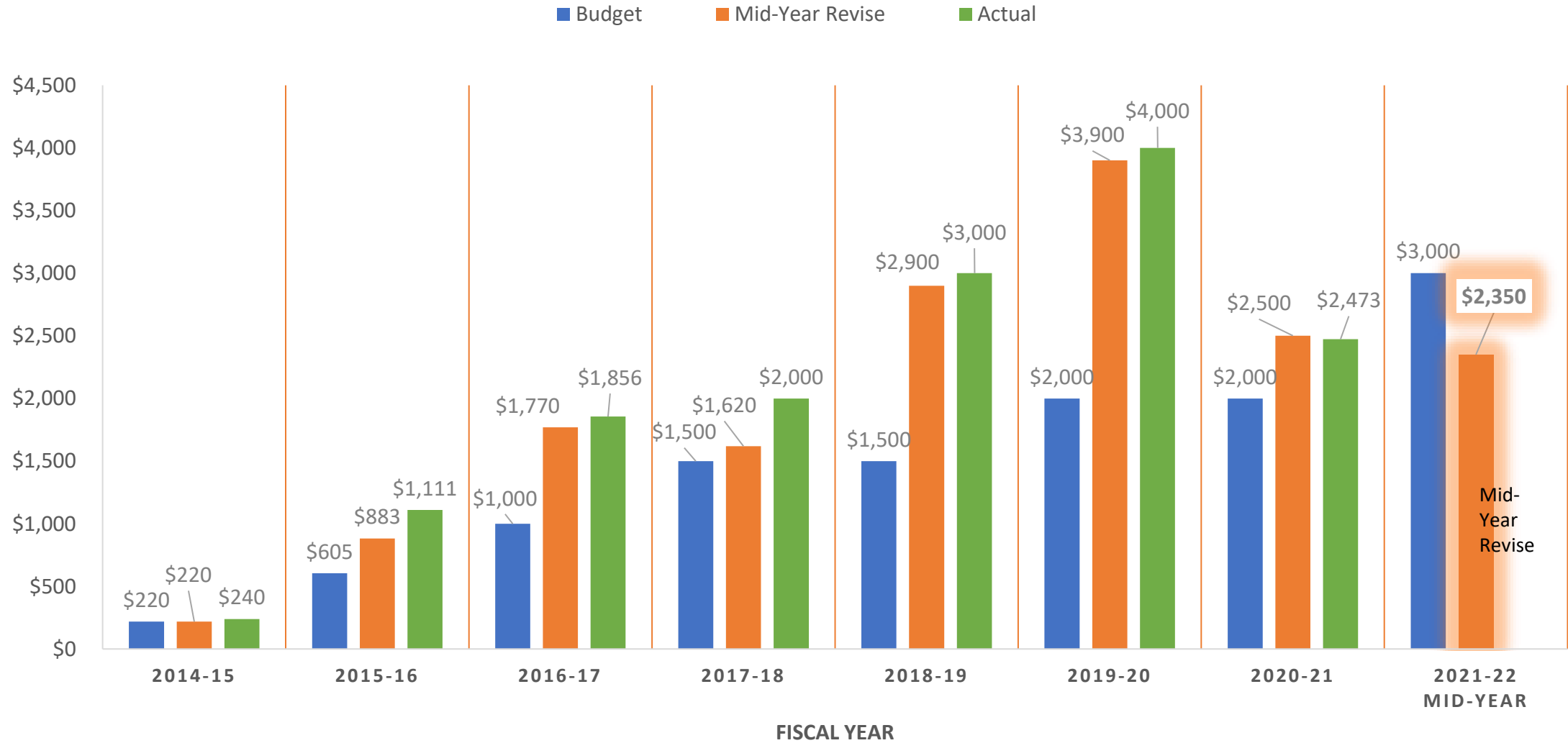
Totals:

January 2020 - December 2020 = 10404

January 2021 - December 2021 = 7204



Single Family 1st Mortgage Program





Questions



SB 129 Homebuyer Assistance

Ellen Martin

Director of Business Development and Stakeholder Relations

Nick Kufasimes

Housing Finance Chief (Single Family)



BUDGET ACT OF 2021

- CalHFA allocated \$100 million from the General Fund for the purpose of providing homebuyer assistance



PROPOSED USES

- **\$88 million** - Forgivable Down Payment Assistance for low-income households
- **\$12 million** - State Route 710 Affordable Sales Program Phase 2



ADMINISTRATION GOALS

- Creating more affordable housing opportunities with deeper affordability
- Facilitate the disposal of Caltrans properties while avoiding displacement





Forgivable Down Payment Assistance



ELIGIBILITY

- Households earning less than 80 percent AMI



FORGIVABLE LOAN PROGRAM

- 10 percent of home purchase price/appraised value to be used for down payment and closing costs
- Forgivable over 5 years
- May be combined with other local down payment assistance programs



BENEFITS

- Extends home ownership assistance for lower income levels
- Accelerates home equity accumulation



CALTRANS SURPLUS PROPERTY

- Former planned extension of State Route 710
- Los Angeles, South Pasadena, and Pasadena
- 400 SFR and MFR properties
- Disposal governed by Roberti Act and subsequent legislation
- Homes must first be offered to LMI tenants at affordable sales price





State Route 710 Affordable Sale Program Phase 2



PHASE 1

- CalHFA issued 7 separate loans to LMI homebuyers
- \$1.1 million in total loan volume
- No delinquencies to date

PROPOSED PHASE 2

- 118 properties eligible for sale to LMI households
- Allocate \$12 million of SB 129 appropriation to fund loan purchases
- Principal and interest and portion of equity gains to be retained by CalHFA and used pursuant to statute



State Route 710 Affordable Sale Program Phase 2



CALHFA ROLE

- Partner with approved CalHFA lender (Mountain West Financial) to finance the purchase of homes by LMI buyers
- Purchase the mortgages originated by the lender partner
- Own and service these non-conforming loans on CalHFA's balance sheet
- Monitor Owner Occupancy
- Enforce resale equity restrictions and manage trust account

CALTRANS RESPONSIBILITIES

- Homebuyer Education
- Nonrecurring closing costs
- Building repairs and rehabilitation
- Clearance of all pest findings
- 2-year roof certification and 1-year home warranty
- Liability indemnification for CalHFA
- Reimburse CalHFA administrative costs



State Route 710 Affordable Sale Program Phase 2

UPDATED INTERAGENCY AGREEMENT

- Use of repayment proceeds and net equity account
- Liability protection and indemnification
- Loan level requirements
- Physical condition of properties
- Regulatory Agreement



SB 129 Homebuyer Assistance Funds

STAFF RECOMMENDATIONS

- ACTION 1:** Approve **Resolution 22-01** authorizing CalHFA participation in Phase 2 of the State Route 710 Affordable Sales Program
- ACTION 2:** Approve **Resolution 22-02** accepting the \$100 million SB 129 appropriation and allocating the funds as follows:
- \$88 million to Forgivable Down Payment Assistance
 - \$12 million to fund State Route 710 Affordable Sales Program



Questions



Accessory Dwelling Unit Program Update

Ellen Martin

Director of Business Development and Stakeholder Relations

Sharyl Silva

Staff Services Manager I



Program Overview

ACCESSORY DWELLING UNIT GRANT PROGRAM

- Provides up to \$25,000 in funding for ADU predevelopment costs for qualified households

ADMINISTRATION GOALS

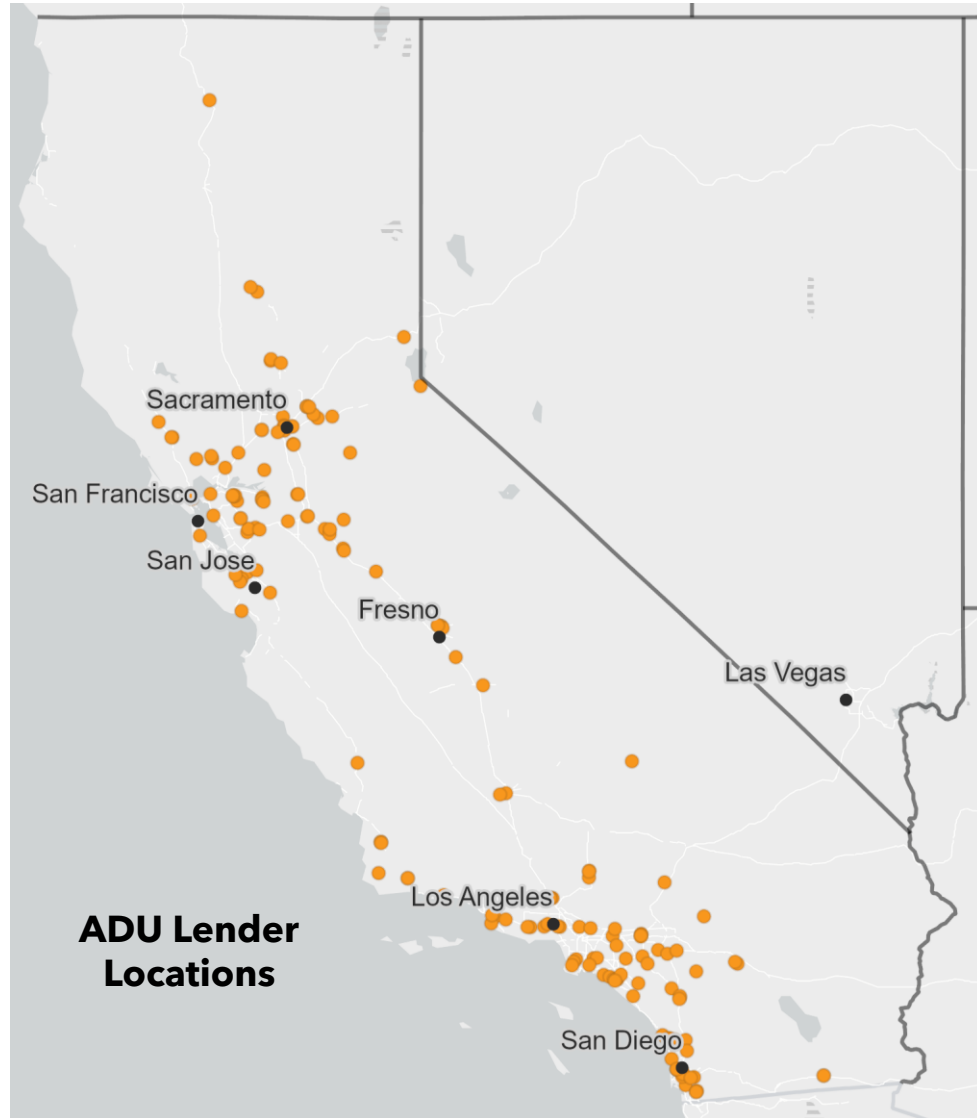
- Creating more affordable housing while emphasizing cost efficiency
- Affirmatively furthering fair housing choice through investment in socially disadvantaged communities
- Encouraging location and climate efficient site selection






ELIGIBILITY CRITERIA

- Low-Income Households
- Low- or Moderate-Income Household in a socially disadvantaged area
- Low- or Moderate-Income Household with Low Equity



Grant Deployment Process



-  Homeowner applies for construction loan with approved lender
-  Lender rolls ADU grant eligible predevelopment costs into loan
-  Lender prequalifies homeowner for grant and sends application to CalHFA
-  Upon approval, CalHFA wires funds directly into construction escrow account
-  ADU constructed, financed via construction loan



Implementation Plan



TRACK 01

Lender Network ADU Production



TRACK 02

Non CalHFA Preferred Lender Platform



TRACK 03

ADU Builders and Manufacturers



TRACK 01

Lender Network ADU
Production

SUMMARY

Primary deployment of grant funds through existing lender network

CURRENT STATUS

- Program established and internal systems built out
- Participation agreements executed with 14 CalHFA lenders
- 6 lenders completed onboarding process and are listed on CalHFA's website
- 1 ADU grant successfully funded!

NEXT STEPS

- Continue to actively onboard lenders within existing network
- Partner with Fannie Mae to identify approaches to facilitate and incentivize lender participation
- Consumer outreach and marketing campaign Q1 2022



TRACK 02

Non CalHFA Preferred
Lender Platform

SUMMARY

Development of system platform to accommodate participation by non-CalHFA approved lenders, including local jurisdictions and other grass roots organizations

CURRENT STATUS

- Several local jurisdictions and CDFIs have indicated interest in layering grant with existing or planned ADU financing program
- Many are in pilot or planning phases
- Developing business requirements and partnership parameters

NEXT STEPS

- Implement IT solution to provide access to ADU grant reservation system for non-CalHFA lenders
- Outreach to traditional lenders
- Outreach to local jurisdictions and other organizations



TRACK 03

ADU Manufacturers
and Builders

SUMMARY

Develop partnerships with ADU builders and manufacturers to amplify ADU grant program

CURRENT STATUS

- Commencing outreach to ADU manufacturers/builders with established relationships with CalHFA approved lenders
- Developing marketing materials for use by manufacturer/builder partners

NEXT STEPS

- Expand outreach to ADU manufacturers/builders with preferred financing partners that are not CalHFA lenders, in alignment with Track 2 efforts



Questions