

2260 California Housing Finance Agency

The mission of the California Housing Finance Agency, which was statutorily chartered in 1975 to be the state's affordable housing bank, is to create safe, decent, and affordable rental housing and to assist first-time homebuyers in achieving the dream of home ownership by providing below market-rate first and secondary mortgage loans and mortgage insurance.

3-YR EXPENDITURES AND POSITIONS (Summary of Program Requirements)

	Positions			Expenditures		
	2005-06	2006-07	2007-08	2005-06*	2006-07*	2007-08*
10 Lending Activity	251.6	266.0	266.0	\$31,193	\$35,034	\$35,034
20 Insurance Activity	9.9	11.4	11.4	1,989	1,622	1,622
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	261.5	277.4	277.4	\$33,182	\$36,656	\$36,656
FUNDING				2005-06*	2006-07*	2007-08*
0501 California Housing Finance Fund				\$31,193	\$35,034	\$35,034
0916 California Housing Loan Insurance Fund				1,989	1,622	1,622
TOTALS, EXPENDITURES, ALL FUNDS				\$33,182	\$36,656	\$36,656

The California Housing Finance Agency's (CalHFA) funding is not subject to Budget Act appropriation and this display is for informational purposes only. Each spring the CalHFA board adopts an updated five-year business plan and annual budget. The Board has not yet adopted a final operating budget for the 2007-08 fiscal year. Therefore, the informational budget presented here reflects the full-year costs at the approved level of the 2006-07 fiscal year. As a Public Enterprise Funded entity, CalHFA support comes from revenue bonds and does not depend upon the faith, credit or taxing power of the State of California.

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

Health and Safety Code Sections 50000-52533.

MAJOR PROGRAM CHANGES

- The Housing and Emergency Shelter Trust Fund Act of 2006 (Proposition 1C) provides \$200 million to be administered by the California Housing Finance Agency for the California Homebuyer's Downpayment Assistance Program and the Residential Development Loan Program. Expenditures totaling \$30 million in 2007-08 for these two programs are reflected in the Department of Housing and Community Development budget.

DETAILED BUDGET ADJUSTMENTS

Baseline Adjustment Descriptions	2006-07*			2007-08*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
• Various Baseline Adjustments	\$-	\$991	-	\$-	\$991	-
Totals, Baseline Adjustments	\$-	\$991	-	\$-	\$991	-
TOTALS, BUDGET ADJUSTMENTS	\$-	\$991	-	\$-	\$991	-

PROGRAM DESCRIPTIONS (Program Objectives Statement)

10 LENDING ACTIVITY

The objective of this program is to finance housing at below market interest rates, using the proceeds of tax-exempt and taxable revenue bonds, which are not obligations of the State of California, to make: (1) mortgage loans to qualified first-time homebuyers to finance the purchase of single family homes and (2) construction and purchase loans for the creation and preservation of multifamily housing projects, and (3) special needs housing loans by either acquisition, new construction, rehabilitation, or refinancing. The agency is financially self-supporting, setting loan interest rates slightly above its cost and charging fees for specific services to cover its lending costs and risks.

20 INSURANCE ACTIVITY

The Mortgage Insurance Services Division's objective is to encourage the preservation of existing housing and improve new housing opportunities by offering mortgage insurance products to homebuyers that might not otherwise qualify for a home

* Dollars in thousands, except in Salary Range.

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loan. The program works with participating lenders, government agencies, government-sponsored enterprises, and the secondary mortgage market to develop and offer innovative homebuyer lending and mortgage insurance programs. The program is completely self-supporting and is not an obligation of the State of California. Program operations are supported primarily from premiums collected and the financial backing of the agency as a whole.

DETAILED EXPENDITURES BY PROGRAM (Program Budget Detail)

		2005-06*	2006-07*	2007-08*
PROGRAM REQUIREMENTS				
10	LENDING ACTIVITY			
	State Operations:			
0501	California Housing Finance Fund	\$31,193	\$35,034	\$35,034
	Totals, State Operations	\$31,193	\$35,034	\$35,034
PROGRAM REQUIREMENTS				
20	INSURANCE ACTIVITY			
	State Operations:			
0916	California Housing Loan Insurance Fund	\$1,989	\$1,622	\$1,622
	Totals, State Operations	\$1,989	\$1,622	\$1,622
TOTALS, EXPENDITURES				
	State Operations	33,182	36,656	36,656
	Totals, Expenditures	\$33,182	\$36,656	\$36,656

EXPENDITURES BY CATEGORY (Summary By Object)

	1 State Operations					
	Positions			Expenditures		
	2005-06	2006-07	2007-08	2005-06*	2006-07*	2007-08*
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	261.5	292.0	292.0	\$15,734	\$18,570	\$18,570
Estimated Salary Savings	-	-14.6	-14.6	-	-928	-928
Net Totals, Salaries and Wages	261.5	277.4	277.4	\$15,734	\$17,642	\$17,642
Staff Benefits	-	-	-	4,993	5,292	5,292
Totals, Personal Services	261.5	277.4	277.4	\$20,727	\$22,934	\$22,934
OPERATING EXPENSES AND EQUIPMENT				\$12,455	\$13,722	\$13,722
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$33,182	\$36,656	\$36,656

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)

1 STATE OPERATIONS		2005-06*	2006-07*	2007-08*
0501 California Housing Finance Fund				
APPROPRIATIONS				
	Health and Safety Code Section 51000	\$31,193	\$35,034	\$35,034
TOTALS, EXPENDITURES		\$31,193	\$35,034	\$35,034
0916 California Housing Loan Insurance Fund				
APPROPRIATIONS				
	Health and Safety Code Section 51611	\$1,989	\$1,622	\$1,622
TOTALS, EXPENDITURES		\$1,989	\$1,622	\$1,622
TOTALS, EXPENDITURES, ALL FUNDS (State Operations)		\$33,182	\$36,656	\$36,656

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