Tools to Revitalize California Communities

California Debt and Investment Advisory Commission
January 2006




State Treasurer Phil Angelides, Chair

CDIAC 05-10

CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION

915 Capitol Mall, Room 400

Sacramento, CA 95814

P.O. Box 942809

Sacramento, CA 94209-0001

(916) 653-3269

Tools to Revitalize California Communities

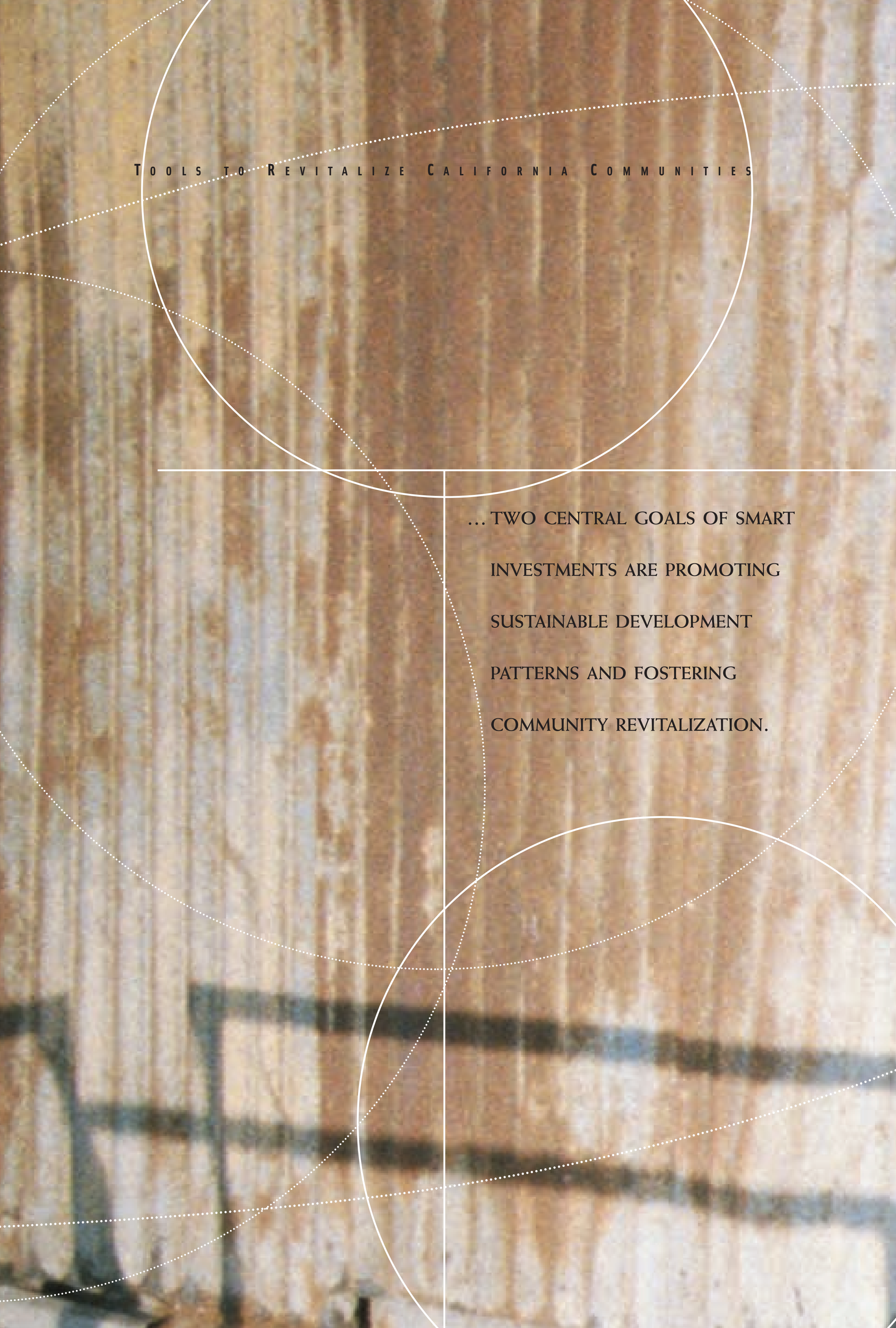
California Debt and Investment Advisory Commission

January 2006

CDIAC 05-10

Additional information concerning this report or the programs of the California Debt and Investment Advisory Commission (CDIAC) may be obtained by calling (916) 653-3269 or by visiting the Commission's website at www.treasurer.ca.gov/cdiac.

Table of Contents



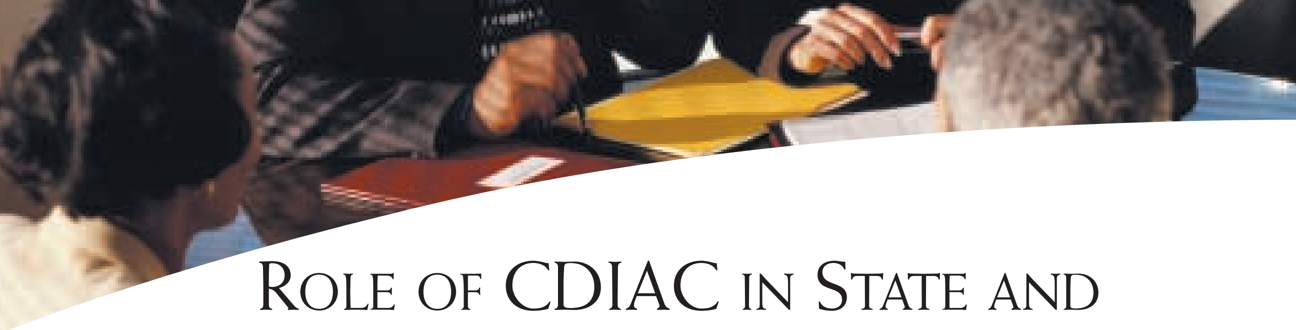
…TWO CENTRAL GOALS OF SMART INVESTMENTS ARE PROMOTING SUSTAINABLE DEVELOPMENT PATTERNS AND FOSTERING COMMUNITY REVITALIZATION.

PREFACE

The June 1999 report entitled *Smart Investments* cites the growing gap between "the two Californias." *Smart Investments* notes that the growing gap is increasingly reflected in how and where we live - with the economic and social distance ever growing between our older cities, inner-ring suburbs, and rural communities, on the one hand, and wealthy urban enclaves and thriving suburbs, on the other.

Smart Investments further recognizes that two central goals of smart investments are promoting sustainable development patterns and fostering community revitalization. These two goals are fundamentally linked. Public investment policy plays a central part in achieving these goals. This reference guide provides an overview of community revitalization financing, looks at the types of public investment tools available for community revitalization, and gives basic information on selected public investment programs available in California. To better enable the reader to relate to the available uses of these funds, real-life success stories are provided whenever possible. Lastly, this guide gives contact information to obtain further details on these programs.

As the State's clearinghouse for public debt financing information, CDIAC has compiled data on all public debt issued in California since January 1, 1982.



Role of CDIAC in State and Local Debt Financing

The California Debt and Investment Advisory Commission (CDIAC) provides information, education, and technical assistance on public debt, investments, and economic development financing to local public agencies and other public finance professionals. CDIAC was created in 1981 with the passage of Chapter 1088, Statutes of 1981 (AB 1192, Costa). This legislation established the California Debt Advisory Commission as the State's clearinghouse for public debt issuance information and required it to assist state and local agencies with the monitoring, issuance, and management of public debt. CDIAC's name was changed to the California Debt and Investment Advisory Commission with the passage of Chapter 833, Statutes of 1996 (AB 1197, Takasugi) and its mission was expanded to cover public investments.

CDIAC engages in a wide range of activities in three general program areas: data collection, policy research, and technical assistance.

Data Collection

As the State's clearinghouse for public debt financing information, CDIAC has compiled data on all public debt issued in California since January 1, 1982. All issuers of state and local government debt are required to submit information on a proposed bond sale to CDIAC 30 days prior to the sale date. Issuers also must submit a report of final sale no later than 45 days after the sale with a copy of the final official statement. The data reported to CDIAC include the sale date, name of the issuer, the type of sale, the principal amount, the type of debt instrument, the source or sources of repayment, the purpose of the financing, the credit rating of the issuer, the members of the financing team, and issuance costs and fees. Depending on market conditions, 2,500 to 4,000 reports are received each year. Data from these reports is the basis for statistical information used for debt issue analysis, research projects, and education.

Policy Research

CDIAC's mandated duties include some that are intended to improve the market for, and indeed the marketability of, public debt issued in California. Such functions include efforts to maintain contact with participants in the municipal debt industry, to undertake or commission studies of various aspects of the market in order to provide guidance to state and local debt issuers, and to recommend legislative changes in matters affecting public debt issuers. To fulfill these functions, CDIAC's Policy Research Unit draws on information from CDIAC's debt issuance database, public and private experts throughout the municipal industry, public and private finance groups, periodicals and journals, and other existing resources. With the assistance of the Executive Director, CDIAC determines the issues that are addressed by the Policy Research Unit. Research staff remain knowledgeable of developments and events in the municipal and other financial markets in order to provide the Executive Director and the Commission with input and advice on making such determinations. Since 1996, CDIAC also has been charged with providing education and assistance to local government officials on public investments. This mandate has led to publication of several reports and to statutory requirements for cities and counties to provide copies of certain local investment reports to CDIAC twice annually.

CDIAC selects projects that are of current interest and have practical relevance to public finance practitioners. These projects are typically designed to: (1) keep issuers/investors apprised of emerging trends in public finance; (2) develop ways of reducing issuance costs; (3) provide financing options for local issuers; (4) raise the issuers'/investors' sophistication levels with regard to debt issuance and public investments, respectively; and (5) preserve the integrity and viability of the public finance market by alerting policy makers to potential problem areas.

Technical Assistance

CDIAC's technical assistance program has three components. The first component is the publication of reference materials, issue briefs, statistical reports, technical guidelines, and other research findings and briefs. One of its most notable publications is the *California Debt Issuance Primer (Primer)*, which contains information on the types of debt instruments available and the roles and responsibilities of municipal debt issuers and private industry professionals. The *Primer* provides a comprehensive overview of and reference document for the debt issuance process in California.

The second component is CDIAC's seminar program. Since 1984, CDIAC has organized educational seminars focusing on public finance matters. Offered throughout the year at various locations in the State, CDIAC seminars are designed to: (1) introduce public officials who are new to the field of public finance to the debt issuance and investment processes; (2) strengthen the expertise of public officials who are familiar with the municipal debt issuance process and the investment of public funds; and (3) inform public officials about current topics that may affect public finance, public debt issuance, and the investment of public funds. The majority of officials who participate are from local agencies, while the remainder represents state and federal agencies.

In 2000, CDIAC began a new series of educational courses on the tools for community revitalization. CDIAC has co-hosted seminars and panels designed to provide local government officials with select tools that would assist them with community revitalization. Tools presented include loans, grants, and programs offered for specific purposes including school facilities, affordable housing, industrial development facilities, health facilities, pollution control facilities, brownfield remediation and redevelopment, community planning, and small business financing.

In addition to the educational seminars, CDIAC has acted as co-sponsor of public finance-related conferences, symposia, and seminars conducted by private companies and statewide associations. Such co-sponsorships allow CDIAC to contribute its expertise to the event, increase contacts with experts from public and private sectors, and keep abreast of current matters affecting public finance and the debt issuance process.

The third component of CDIAC's technical assistance program involves responding to inquiries concerning California debt issuance and public fund investment. CDIAC receives daily contacts from representatives of public and private entities and the media for data on debt issuance and information on the nature and application of specific debt and public fund investment instruments. CDIAC staff responds to over 2,000 such requests for information or assistance each year.

Point of Contact

Jane W. Thompson, Executive Director
CDIAC
Phone Number: (916) 653-3269
Web site: www.treasurer.ca.gov/cdiac
E-mail Address: jthompson@treasurer.ca.gov
Mailing Address: 915 Capitol Mall, Room 400
Sacramento, CA 95814

Overview of Community Revitalization Financing

What is Economic Development?

According to the National Council for Urban Economic Development, economic development is "a process that influences the growth and restructuring of an economy to enhance the well-being of a community." A thriving local economy is the foundation for improving the quality of life in a community. Quality of life can be interpreted to include the ability to offer community residents the opportunities for jobs and good government services including quality schools, security, and infrastructure, as well as providing for the welfare of those unable to care for themselves.

What is Community Revitalization?

Over the past 30 years, disinvestment in urban neighborhoods has accelerated the decline of these underserved communities, leading to deterioration, diminished tax bases, increased crime, and deteriorating infrastructure. Community revitalization is neighborhood-specific economic development activity involving the residents, businesses, local government, community organizations, banks, and institutions, along with support from federal, state, private, and nonprofit resources. All of these players are involved in the strategies and activities that help revitalize a community. Community revitalization prevents the spread of blight and urban sprawl and makes a community more attractive, thereby increasing land and property values, which will attract private investors and new business.

Goals of Community Revitalization

The goal of a community revitalization program is to transform distressed or deteriorating communities into vibrant and economically diverse communities. Specifically, communities need attention given to the following sectors of their economies to facilitate this transformation:

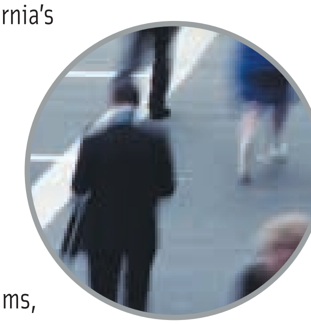
- Providing affordable housing,
- Increasing educational opportunities,
- Improving access to health care,
- Retaining and expanding business opportunities,
- Improving infrastructure, and
- Fostering environmental cleanup of contaminated sites.

All of these sectors are fundamentally linked and are vital to a vibrant local economy. Community revitalization initiatives can foster the development of these sectors and increase investment of private capital in these communities.

Players in Community Revitalization

The major players in community revitalization include public and private sector entities and public-private partnerships. Public sector entities include local, state, and federal government agencies. Private sector entities include nonprofit organizations, such as churches, neighborhood groups, and community development corporations. Other private sector entities that are major players in community development include utilities, universities, chambers of commerce, developers, and businesses located in areas undergoing revitalization efforts. Lastly, public/private partnerships can be used to leverage multiple sources of funding, thus resulting in more revitalization efforts than would have been available utilizing either public or private funds alone.

Role of the State in Providing Community Revitalization Financing



Traditionally, California's state-funded economic development efforts were primarily focused on the development and maintenance of infrastructure systems, workforce training and skill improvement programs, export promotion and assistance, and technology deployment and commercialization. Recent initiatives have expanded this focus to include technology development and technical assistance for businesses. In addition, state agencies now provide grants, loans, and loan guarantees to municipalities and companies for community revitalization and business development or expansion.

Types of Community Revitalization Financing

Community revitalization programs can be grouped by the type of financing they provide, in addition to the sectors they seek to transform. Common types of financing include debt financing (such as through loans and conduit bonds), equity financing, loan guarantees, grants, and tax credits. Advisory services also are available to provide communities with greater access to these types of financing.

Debt Financing

Debt financing occurs through the lending of funds. This can be done either through direct lending or through the selling of conduit bonds.

- **Loan Financing**

  Direct lending allows a business to borrow money to fund a project or make a purchase, such as for business development or capital improvements. Under this type of financing, the lender requires that the borrower provide a pledge of its revenues or other collateral to ensure repayment.

- **Conduit Bond Financing**

  In a traditional bond financing, an issuer borrows money from investors and agrees, by written contract, to repay the amount borrowed plus an agreed upon rate of interest at a specified date (the maturity date). The amount borrowed is called the principal. The interest on the bonds is simply referred to as the interest. Principal and interest together are known as debt service. In a conduit financing, the proceeds of the issue are loaned to a non-governmental borrower that then applies the proceeds for a project financing. Typically, the project is owned and operated by the borrower. Statutes authorizing conduit financings generally specify the nature of the projects that may be financed and limit such projects to those with specified public purposes. In a conduit financing, the bond's repayment is the responsibility of the business or developer that benefits from the financing, rather than the issuer, which collects the taxes, fees, or revenues and passes them on to the bondholders (or a trustee).

Equity Financing

In equity financing, the investor takes an ownership interest in a fund or project in exchange for a rate of return that depends on the profitability of the fund or project. Typically, this return is adjusted commensurate with the fund or project's asset class and risks. In this type of arrangement, the investor owns part of the fund or project in proportion to its investment allocation.

Loan Guarantees

A loan guarantee involves the assumption of responsibility for payment of a debt or performance of some obligation if the liable party fails to perform to expectations. In traditional governmental loan guarantee programs, the guaranteeing entity will guarantee a loan made by a lender, such as a conduit financing authority or a commercial bank. Generally, these loan guarantees will provide the assurance of repayment of a percentage of the loan. A fee for this guarantee is usually required by the guaranteeing entity.

Grants

A grant is a sum of money awarded to finance a particular activity or facility. Unless the grant requirements are broken, these grant awards do not need to be paid back.

Tax Credits

A tax credit is a dollar-for-dollar reduction in a taxpayer's federal and/or state income tax liability. Provided the credit can be used, one dollar of tax credit reduces the taxpayer's tax liability by an equivalent dollar, saving the taxpayer that dollar. This is different from a tax deduction, which is an offset to a taxpayer's pretax income. A tax deduction reduces a taxpayer's income on which its tax liability is calculated. If the taxpayer's marginal tax rate is 35 percent, one dollar of tax deduction lowers the tax liability by 35 cents.

Advisory Services

Advisory services can provide entrepreneurs and businesses with assistance that may improve access to the various forms of capital available and spur further investment, job creation, and assist in recovery of distressed neighborhoods and communities to strengthen economic recovery in California. Advisory services may provide individualized, targeted assistance; access to high-caliber advisors (i.e., CEOs); and assistance to develop needed skills and expertise.

Select Community Revitalization programs in California

A. Program Matrix

The following matrix classifies select state community revitalization programs by type of financing and by subject area. Subject area classifications include: real estate development, education, health, business development, infrastructure, pollution control, and other types of programs. The "other" category is for programs that do not fit under the traditional community revitalization umbrella.

Type of financing (as described in the previous section) includes debt financing (such as loans and conduit bonds), equity financing, loan guarantees, grants, and tax credits.

The matrix is intended to assist individuals to identify potential sources of community revitalization funding. For instance, someone seeking funding for a local community health clinic would see that there exists California Health Facilities Financing Authority (CHFFA) loan and conduit bond programs, as well as an Office of Statewide Health Planning and Development (OSHPD) Cal-Mortgage loan guarantee program.

Following the matrix are descriptions of the various programs, arranged according to subject area. Readers will find brief descriptions of the programs, the required fees, the assistance terms offered, and the eligible activities and applicants. Contact information for those interested in pursuing the programs for use in their communities also are provided. In some cases, the descriptions include success stories on the uses of these programs. The preferred sources of these success stories were first-hand accounts directly from the applicants. When this was not possible, second-hand accounts from issuers were used.

SUBJECT AREA

TYPE OF FINANCING

DEBT FINANCING–LOANS	Real Estate Development	Education	Health	Business Development	Infrastructure	Pollution Control	Other
	CalHFA California Homebuyer's Downpayment Assistance Program (CHDAP) Loans (page 18) CalHFA Extra Credit Teacher Home Purchase Program (ECTP) Loans (page 19) CalHFA Homeownership in Revitalization Areas Program (HIRAP) Loans (page 20) CalHFA Preservation Acquisition Program Loans (page 22) CPCFA California Recycle Underutilized Sites (CalReUSE) Loans (page 24) HCD Building Equity and Growth in Neighborhoods (BEGIN) Program Loans (page 30) HCD CalHome Program Loans (page 31) HCD Emergency Housing and Assistance Program Capital Development (EHAPCD) Deferred Loans (page 32) HCD Joe Serna, Jr. Farmworker Housing (Serna) Loan Program (page 33) HCD Mobilehome Park Resident Ownership Program (MPROP) Loans (page 34) HCD Multifamily Housing Program (MHP) Loans (page 35) HCD Predevelopment Loan Program (PDLP) (page 37)		CHFFA HELP II Loans (page 49)	CPCFA California Capital Access Program (CalCAP) for Small Businesses Loans (page 64)	I-Bank Infrastructure State Revolving Fund (ISRF) Program Loans (page 79)		

SUBJECT AREA

TYPE OF FINANCING

	Real Estate Development	Education	Health	Business Development	Infrastructure	Pollution Control	Other
DEBT FINANCING–CONDUIT BONDS	CDLAC Tax-exempt Private Activity Bond Allocation Program (page 13)	CEFA Simplified Equipment Finance Program (SEFP) (page 41) CEFA Standard and Pooled Tax-exempt Bonds (page 43) CSFA Tax-exempt Financing Program (page 47)	CHFFA Standard and Pooled Tax-exempt Bonds (page 52) CHFFA Tax-exempt Equipment Notes (page 55)	CIDFAC Tax-exempt Industrial Development Bonds (page 59)	CAEATFA Advanced Transporta-tion and Renewable Energy Tax-exempt and Taxable Bonds (page 71) I-Bank Conduit Revenue Bonds – 501(c)(3) Revenue Bonds, Exempt Facilities, Industrial Development Bonds (IDBs), (page 72) CTC/Caltrans Grant Anticipation Revenue Vehicle (GARVEE) Financing (page 81)	CPCFA Pollution Control Tax-exempt Bonds (page 83)	
EQUITY FINANCING	CalPERS California Urban Real Estate (CURE) Investments Program (page 27) CalSTRS Urban Real Estate Investments Program (page 27)			CalPERS The California Initiative (page 65) CalSTRS Investments in Underserved Urban and Rural Markets, and New and Next Generation Managers (page 67)			PMIA Small Business Loan Purchases (page 87) PMIA Time Deposits (page 87)
LOAN GUARANTEES	CalFHA Mortgage Insurance Services Program (page 21)		OSHPD Cal-Mortgage California Health Facility Construction Loan Insurance Program (page 56)				

SUBJECT AREA

TYPE OF FINANCING

	Real Estate Development	Education	Health	Business Development	Infrastructure	Pollution Control	Other
GRANTS	CalHFA School Facility Fee (SFF) Down Payment Assistance Program Grants (page 23) HCD Building Equity and Growth in Neighborhoods (BEGIN) Program Grants (page 30) HCD CalHome Program Grants (page 31) HCD CalHome Self-Help Technical Assistance Allocation (CHSHTAA) Grants (page 32) HCD Joe Serna, Jr. Farmworker Housing (Serna) Grant Program (page 33) HCD Workforce Housing (WFH) Reward Program Grants (page 37)	CSFA State Charter School Facilities Program Incentive Grants Program (page 46)					
TAX CREDITS/DEDUCTIONS	CTCAC Federal and State Low-income Housing Tax Credits (page 28)			CTCAC Commercial Revitalization Deduction (CRD) Program (page 68)			
ADVISORY SERVICES				CPCFA California Capital Access Program (CalCAP) Business Strategic Targeted Advising Resources (STAR) Program (page 63)			

B. Real Estate Development

1. California Debt Limit Allocation Committee (CDLAC)

a. TAX-EXEMPT PRIVATE ACTIVITY BOND ALLOCATION PROGRAM

CDLAC awards allocation of tax-exempt private activity bonds for projects and programs that fall under the federal bond volume cap for California. The bond volume cap is approximately $3 billion annually.

CDLAC awards the right to issue tax-exempt bonds for private projects of public purpose to state and local jurisdictions. Bonds are issued by state and local entities and are purchased by the private sector. The bonds are secured by the project or program for which bonds are issued and are not an obligation of the state or local issuer.

The proceeds from the sale of bonds are used to finance projects that meet the public policy goals and criteria of CDLAC. CDLAC has a statutory emphasis on rental and homeownership housing for lower-income families and individuals. CDLAC also awards allocations to industrial development projects, pollution control projects, and student loan programs.

Fees

- Initial filing fee in the amount of $600 is submitted at the time of application.
- Second installment of filing fee equal to 0.035 percent of the allocation amount (less $600 initial fee) is due upon the use of the allocation or first mortgage credit certificate.

Eligible Activities

- There are six main programs and several secondary programs that are available for allocation:
  - > *Multifamily Rental Housing:* State and local governmental agencies and joint powers authorities can issue tax-exempt housing revenue bonds to assist developers of multifamily rental housing units acquire land and construct new projects or purchase and rehabilitate existing units.

    The tax-exempt bonds lower the interest rate paid by developers. These developers produce affordable rental housing for low- and very low-income households by reducing rental rates to these individuals and families.
  - > *Single-Family Housing:* State and local governmental agencies and joint powers authorities can issue tax-exempt mortgage revenue bonds (MRBs) to assist first-time home-buyers purchase homes. Homebuyers may purchase single-family homes, freestanding detached homes, condominiums, or townhouses. The tax-exempt proceeds back below-market interest rate mortgages.

As an alternative to issuing MRBs, state and local governmental agencies and joint powers authorities may issue mortgage credit certificates (MCCs). The value of the credit equals up to 20 percent of the interest payments made annually on the program participant's first mortgage. Homebuyers use the MCCs to reduce their federal tax liability by applying the credit to their net tax due. Program participants must meet program income limits and must purchase a home that falls within the program's purchase price limitations.

> *Extra Credit Teacher Home Purchase Program:* State and local governmental agencies and joint powers authorities can issue tax-exempt MRBs or MCCs to assist teachers, principals, and other credentialed school staff who are employed in high-priority schools, purchase their homes. Participants must be willing to make a commitment to stay at the high-priority school for at least three years.

> *Small-Issue Industrial Development Bonds:* State and local governmental agencies and joint powers authorities can issue industrial development bonds (IDBs) to assist manufacturing facilities finance capital expenditures. Today, most IDBs support expansions of existing manufacturing facilities. IDBs offer considerable interest rate savings to small and midsize manufacturers in contrast to conventional loans. When used by manufacturers, IDBs serve to retain and create new jobs within their communities.

> *Exempt Facility:* State and local governmental agencies and joint powers authorities can issue exempt facility bonds to finance solid waste disposal, waste recycling facilities, as well as certain other facilities as allowed under federal requirements. The tax-exempt bonds provide facility owners with low-cost financing in the form of below-market interest rate loans. The interest rate savings enable the project owners to maintain lower customer rates or minimize customer rate increases, while at the same time assisting the communities they serve to meet their mandated requirements to protect and enhance the environment. Exempt facility projects also benefit the communities by creating new jobs.

> *Student Loan Financing:* Student Loan Program bonds are tax-exempt private activity bonds issued by authorized agencies for the purpose

of either financing direct loans to college students and their parents or purchasing already-originated loans on the secondary market. When used for direct lending programs, tax-exempt bond allocation allows lenders to pass on interest rate savings to needy students via below-market interest rate loans. Needy students are borrowers for whom the cost to attend college exceeds their ability to pay, as determined by their school's financial aid office.

Eligible Applicants

- Any state or local governmental agency, joint powers authority, special district, nonprofit public benefit corporation that issues only student loan bonds, or other pubic agency that is empowered to issue debt may file an application. Private parties wishing to access the allocation must do so through one of the eligible applicants.

Point of Contact

Laurie Weir, Executive Director
CDLAC
Phone Number: (916) 653-3255
Web Site: www.treasurer.ca.gov/cdlac
E-mail Address: lweir@treasurer.ca.gov
Mailing Address: 915 Capitol Mall, Room 311
Sacramento, CA 95814

Success Story

The Wilshire/Vermont Station Project

The Wilshire/Vermont Station is an urban infill mixed-use, transit-oriented development that will transform the existing Los Angeles Metropolitan Transportation Authority (MTA) Red Line station into an attractive urban village. The community will include 449 residential units with 20 percent set aside for low-income tenants earning no more than 50 percent of the area median income and 35,000 square feet of commercial retail space.

The project is a public/private partnership between the MTA; the Community Redevelopment Agency, as local administrator; and the developer, Urban Partners, LLC. While primarily a residential project with retail uses at the lower levels, the project supports the major public feature of the site–the Metro station itself. A new entrance to the existing Metro station portal will lead passengers to a new bus plaza, enhancing the transfer connection between bus and rail passengers.

CDLAC is the state agency responsible for approving the tax-exempt bond allocation that is the primary source of financing for the project.

Urban Partners, LLC's equity partner for this project is MacFarlane Partners, the leading minority-owned real estate investment management firm in the United States, with $1 billion in investor equity and $5 billion in completed properties and planned projects. MacFarlane Partners is investing in the project as part of its joint venture with the California Public Employees' Retirement System (CalPERS) to invest in urban-infill properties in California and other major metropolitan areas nationwide. CalPERS is the nation's largest public pension fund, with assets of $190 billion.

The mixed use "village" of residential apartments over ground floor retail stores will be arranged in two connected seven-story buildings around semi-private courtyards. Amenities to encourage a community environment include a heated swimming pool, fitness center, clubhouse, landscaping, and a large public courtyard. The urban nature of Wilshire Boulevard and Vermont Avenue will be respected by creating an "urban" street-front experience through glass store windows with multiple entries and varying displays, sidewalk dining, and signage.

The project is divided into two phases. Phase I entails improving the existing MTA subway portal facilities and Phase II involves construction of the housing and retail commercial space. The northern portion of the site will be made available to the Los Angeles Unified School District for construction of a middle school for grades six through eight.

The development is scheduled for completion in the Summer of 2006, with apartments and retail space available for lease that fall.

2. California Housing Finance Agency (CalHFA)

a. CALIFORNIA HOMEBUYER'S DOWN-PAYMENT ASSISTANCE PROGRAM (CHDAP) LOANS

CHDAP is designed to provide a deferred payment, simple interest rate junior loan of an amount up to the lesser of three percent of the sales price or appraised value. For borrowers purchasing a newly-constructed home in infill opportunity zones, transit village development districts, or transit-oriented development plan area, the amount of down payment assistance offered under CHDAP is the lesser of five percent of the purchase price or the appraised value.

Assistance Terms

- This program is intended for low- and moderate-income, first-time homebuyers anywhere in California.
- The junior loan may be used for down-payment or closing costs and may be combined with a CalHFA or non-CalHFA conventional or government first mortgage loan.

Eligible Activities

- The sales price of the home cannot exceed CalHFA's published sales price limits.
- Purchase transactions only.
- CHDAP cannot be combined with CalHFA's Extra Credit Teacher Home Purchase Program or the Homeownership In Revitalization Areas Program.
- Be a single-family, one-unit residence, including condo/planned unit development (manufactured housing is allowed if permanently attached, fee simple title).

Eligible Applicants

- First-time homebuyer.
- U.S. citizen, permanent resident alien, or qualified alien.
- Occupy the property as a primary residence; non-occupant co-borrowers are not allowed.
- Within CalHFA-defined income limits.
- Meet credit, income, and loan requirements of the CalHFA lender and the mortgage insurer.

Point of Contact

Phone Number: (916) 324-8088
WebSite: www.calhfa.ca.gov/homeownership/programs/chdap.htm
E-mail Address: homeownership@calhfa.ca.gov
Mailing Address:
Homeownership Programs
1121 L Street, 7th Floor
Sacramento, CA 95814

b. EXTRA CREDIT TEACHER HOME PURCHASE PROGRAM (ECTP) LOANS

ECTP provides financial incentives for eligible teachers, administrators, classified employees, and staff members who otherwise may not be able to purchase a home. It is intended to help high priority schools attract and retain education professionals. The incentive comes in the form of loan financing and down payment assistance for the purchase of a primary residence anywhere in California, within sales price and income limits established for each county.

Assistance Terms

- The program consists of two loans:
  - > A CalHFA below-market rate first mortgage loan, and
  - > A deferred payment, junior mortgage loan:
    - - Of an amount not to exceed the greater of $7,500 or three percent of the sales price in CalHFA-defined statewide non-high cost areas or;
    - - Of an amount not to exceed the greater of $15,000 or three percent of the sales price in CalHFA-defined high costareas.
- Interest on the junior loan may be reduced to zero if the borrower meets continued eligibility by remaining employed in a high priority school on a continuous basis for three years from the date specified on the junior loan documents.

Eligible Activities

- Sales price of the home cannot exceed CalHFA's published sales price limits.
- Purchase transactions only.
- Be a single-family, one-unit residence, including condo/planned unit development (manufactured housing is allowed if permanently attached, fee simple title).
- The program does not require the borrower to live in the same jurisdiction as the employing school.
- ECTP cannot be combined with CalHFA's California Homebuyer's Downpayment Assistance Program or the Homeownership In Revitalization Areas Program.

Eligible Applicants

- First-time homebuyer.
- U.S. citizen, permanent resident alien, or qualified alien.
- Occupy the property as a primary residence; non-occupant co-borrowers are not allowed.
- Within CalHFA-defined income limits.
- Meet credit, income, and loan requirements of the CalHFA lender and the mortgage insurer.
- Currently employed in a public or charter school that scores in the bottom 50 percent statewide rank on the Academic Performance Index (ranks 1-5) or be

assigned to a school district but teach in, provide administration in, or provide service to at least one high priority school.

- Hold an appropriate credential for a teacher, administrator, or staff member or be employed as a "Classified Employee." Classified Employee means an employee of a school district employed in a position not requiring certification qualifications.
- Intend to work for three years continuously from the date of the loan in a high priority school.

POINT OF CONTACT

Phone Number: (916) 324-8088
Web Site:
www.calhfa.ca.gov/homeownership/programs/ectp.htm
E-mail Address: homeownership@calhfa.ca.gov
Mailing Address:
Homeownership Programs
1121 L Street, 7th Floor
Sacramento, CA 95814

c. HOMEOWNERSHIP IN REVITALIZATION AREAS PROGRAM (HIRAP) LOANS

HIRAP is designed to provide a deferred payment, simple interest rate junior loan of an amount not to exceed six percent of the home sales price.

ASSISTANCE TERMS

- This program is intended for low-income, first-time homebuyers anywhere in California.
- The junior loan may be used for downpayment or closing costs and may be combined with a CalHFA or non-CalHFA conventional or government first mortgage loan.

ELIGIBLE ACTIVITIES

- The sales price of the home cannot exceed CalHFA's published sales price limits.
- Purchase transactions only.
- HIRAP cannot be combined with CalHFA's Extra Credit Teacher Home Purchase Program or the California Homebuyer's Downpayment Assistance Program.
- Properties must meet the following requirements:
  - > Located in a community revitalization area targeted by the CalHFA-approved nonprofit.
  - > Be a single-family, one-unit residence, including condo/planned unit development (manufactured housing is allowed if permanently attached, fee simple title).

ELIGIBLE APPLICANTS

- Be a first-time homebuyer.
- U.S. citizen, permanent resident alien, or qualified alien.
- Occupy the property as a primary residence; non-occupant co-borrowers are not allowed.
- Completed homeownership counseling from a CalHFA-approved nonprofit organization.

- Meet HCD's lower income limits.
- Meet credit, income, and loan requirements of the CalHFA lender and the mortgage insurer.

Point of Contact

Phone Number: (916) 324-8088
Web Site: www.calhfa.ca.gov/homeownership/programs/hirap.htm
E-mail Address: homeownership@calhfa.ca.gov
Mailing Address:
Homeownership Programs
1121 L Street, 7th Floor
Sacramento, CA 95814

d. MORTGAGE INSURANCE SERVICES PROGRAM

The Mortgage Insurance Services Program (Program) provides credit enhancement for individual loans as an incentive for investors to participate in affordable housing loan programs. Special focus is given to low- and moderate-income earners who qualify for lower mortgage insurance premiums than typically available in the market. Lower premiums make housing finance more affordable.

Assistance Terms

- The Program focuses on assisting homebuyers in the following areas:
  > Low mortgage insurance premiums.
  > Up to 100 percent loan-to-value.
  > Homebuyers qualified under the terms of Community and Affordable Housing Programs, such as those offered by Fannie Mae and Freddie Mac.

Eligible Activities

- One to four unit dwellings within California intended for owner occupancy.
- Purchase transactions.

Eligible Applicants

- Meet low- to moderate-income limits.
- Meet credit standards established by investors that provide for flexibility to deserving homebuyers.
- Demonstrate the ability to maintain housing and living expenses.

Point of Contact

Phone Number: (916) 322-8936
Web Site: www.calhfa.ca.gov/insurance
E-mail Address: homeownership@calhfa.ca.gov
Mailing Address:
Mortgage Insurance Services
1415 L Street, Suite 500
Sacramento, CA 95814

e. PRESERVATION ACQUISITION PROGRAM LOANS

The Preservation Acquisition Program is designed to preserve at-risk affordable housing developments by providing low-cost acquisition financing. The fund is comprised of monies authorized by Proposition 46 (Bond Funds) and funds from CalHFA (Agency Funds). A goal of the program is for the combined funds to be repaid from permanent financing sources and be recycled for new acquisition loans.

ASSISTANCE TERMS

- Loan to cost up to 100 percent of acquisition cost, subject to CalHFA approval.
- Minimum 110 percent debt service coverage.
- The acquisition loan, comprised of both funds, plus all accrued interest, is due and payable two years from the date of funding.
- Bond Funds: Loans are three percent, simple interest, and are deferred until permanent financing is obtained.
- Agency Funds: Loan is four percent, simple interest.

ELIGIBLE ACTIVITIES

- Assisted housing developments eligible for the Preservation Acquisition Program are specified in California Government Code Section 65863.10 and include:
  - > Section 8, Section 221 (d)(3) - Below-Market Interest Rate Program, and Section 236 of the United States Housing Act of 1937; Section 202 of the Housing Act of 1959; Section 101 of the Housing and Urban Development Act of 1965 - Programs for Rent Supplement Assistance; Section 515 of the Housing Act of 1949; and Section 42 of the Internal Revenue Code.
  - > Loans held by CalHFA are not eligible for financing under this program.

FEES

- The application fee is $500, due at time of application submittal. The purchase price may not exceed the "as is" appraised market value of the property. CalHFA reserves the right to accept or reject the appraisal.
- The loan fee is one percent (on the Agency Funds only) payable from the acquisition loan.
- One-half of the loan fee can be credited toward permanent CalHFA financing fees.
- To offset the cost of acquisition, sponsors may take a fee equal to one percent of the acquisition cost, or $75,000, whichever is less, payable from the acquisition loan proceeds.

Eligible Applicants

- Available to for-profit, nonprofit, or public agency sponsors.
- A single asset entity will not be required for acquisition.

Point of Contact

Phone Number: (916) 322-5123
Web Site:
www.calhfa.ca.gov/multifamily/financing/programs/preservation.pdf
E-mail Address: mfprograms@calhfa.ca.gov
Mailing Address:
Multifamily Programs
1121 L Street, 7th Floor
Sacramento, CA 95814

f. SCHOOL FACILITY FEE (SFF) DOWN PAYMENT ASSISTANCE PROGRAM GRANTS

SFF is designed to provide qualified homebuyers assistance with the purchase of their newly-constructed home. Eligible applicants receive either a partial or full rebate, in the form of a grant, of the school facility fees paid by the builder.

Assistance Terms

- This program is intended for California homebuyers purchasing newly-constructed single-family homes or condominiums.
- The assistance can be used for down-payment, closing costs, or any costs associated with the buyer's first mortgage loan, subject to acceptance by the mortgage lender or the mortgage insurer.
- Amount of assistance is based on the eligible school facility fees paid by the builder.
- Assistance is in the form of a grant, not a loan. If the homeowner occupies his or her home for five years, the lien placed against the property is released. If the home is owner-occupied for less than five years, the grant must be repaid on a pro rata basis.

Eligible Activities

- Program #1 - *Economically Distressed Area*
  - > Purchasing newly-constructed home.
  - > Home must be located in an eligible designated economically distressed county and the sales price of the home cannot exceed SFF's sales price limits.
  - > Intend to occupy the home for five years.
  - > Manufactured housing is allowed if permanently attached, fee simple title.
- Program #2 - *First-time Homebuyer - Moderate Income Limits*
  - > Purchasing newly-constructed home.
  - > Be a first-time homebuyer.
  - > Be within HCD's moderate-income limits.

> Intend to occupy the home for five years.
> Manufactured housing is allowed if permanently attached, fee simple title.

Point of Contact

Phone Number: (916) 324-8088
Web Site:
www.calhfa.ca.gov/homeownership/programs/sff.htm
E-mail Address: homeownership@calhfa.ca.gov
Mailing Address:
Homeownership Programs
1121 L Street, 7th Floor
Sacramento, CA 95814

3. California Pollution Control Financing Authority (CPCFA)

a. CALIFORNIA RECYCLE UNDERUTILIZED SITES (CALREUSE) LOANS

CalReUSE assists borrowers with the reuse and redevelopment of underutilized properties with real or perceived contamination issues (brownfields). CalReUSE addresses a funding and information gap in the redevelopment of brownfields to help bring these properties into productive reuse.

Assistance Terms

- Fixed interest rate equal to the average earnings rate of the state's Surplus Money Investment Fund for the calendar year prior to the date the loan is made (the 2005 rate is 1.64 percent).
- Loan amount up to $125,000.
- Borrower match up to 15 percent of loan amount.
- Loan term up to 36 months.
- Loan can be extended or totally forgiven under certain circumstances.

Eligible Activities

- Reasonable and necessary brownfields project costs:
  > Site assessment and characterization,
  > Technical assistance,
  > Planning for remediation of hazardous material, and
  > Obtaining access to a privately-held property to conduct an assessment.

Eligible Applicants

- Nonprofit or for-profit developers, redevelopment agencies, cities, counties, and other entities that meet the requirements of California Health and Safety Code Section 44506.

Funds Dispersement

- Funds are disbursed through Strategic Partners who also receive and process applications as well as provide technical assistance.

- Statewide Strategic Partners
  - California Environmental Redevelopment Fund.
  - California Center for Land Recycling.
- Local Strategic Partners
  - City of Oakland.
  - City of Emeryville.
  - City of San Diego, Centre City Development Corporation.
  - These Strategic Partners may charge their own fees to applicants.

Point of Contact

Sherri Kay Wahl, Program Manager
CPCFA - Cal ReUSE
Phone Number: (916) 654-5951
Web Site: www.treasurer.ca.gov/cpcfa
E-mail Address: calreuse@treasurer.ca.gov
Street Address: 915 Capitol Mall, Room 457
Sacramento, CA 95814

Success Story

Innovative Funding Program Moves Sites Forward: Brownfield Strategy Creating Development Opportunities

Nestled on the waterfront at the foot of the San Francisco Bay Bridge, Emeryville is prime real estate. It is centrally located in the Bay Area, enjoys a temperate climate, and has a world-class view of the bay. One would expect that these features would spur rapid development of Emeryville's vacant properties, but that has not been the case. Numerous prime development opportunities have been clouded by the uncertainty surrounding the question of contamination.

In its early years, Emeryville was home to several chemical-intensive manufacturing companies. These companies are long gone, but their legacy remains in the form of soil and groundwater contamination and abandoned buildings. In all, over 20 percent of Emeryville's non-residential properties are vacant and over 40 percent are underutilized. One such site was owned by a retiree who wanted to sell, but was having difficulty because the site was suspected of having chromium contamination. Compounding this, the owner had no experience managing contaminated sites and no funds to investigate the possible extent of chromium damage.

In 2003 a buyer, with plans to purchase and improve the site, received a 2.66 percent CalReUSE loan (current rate is 1.64 percent) for an environmental investigation. The loan was facilitated by the City of Emeryville, a CalReUSE Strategic Partner. The investigation led to the buyer purchasing the site and the City improving and expanding the uses of this light industrial site. In this case, CalReUSE minimized the buyer's risk and helped clarify the cost of development. This allowed the project to move forward and the loan to be repaid, turning one of Emeryville's blighted, vacant properties into productive land.

One of the greatest barriers to redevelopment of properties with real or perceived contamination (often called "brownfields") is the uncertainty regarding remediation costs. Lenders require an understanding of the extent of contamination and the cost of cleanup. Securing financing for this initial stage of assessment, however, is very difficult, and the costs can be prohibitive.

CalReUSE provides the funds for these initial inquiries at a very low interest rate, with loans that can be forgiven if, after investigation, it is determined that the cost of cleanup is too great. The program utilizes highly experienced Strategic Partners who administer the program statewide, or for their particular municipalities. With a primary goal of spurring infill development, CalReUSE addresses a financial impediment in the redevelopment of brownfields, helping to turn uncertainty into opportunity.

4. California Public Employees' Retirement System (CalPERS)

a. CALIFORNIA URBAN REAL ESTATE (CURE) INVESTMENTS PROGRAM

The CURE strategy is focused on addressing both the housing shortage as well as a lack of general development in urban infill locations throughout California. The program began in 1995 with the approval of California Urban Investment Partners (CUIP) to invest $50 million in California urban retail centers in predominately minority trade areas. CURE has grown to include 13 partners with a total of $3.4 billion allocated primarily for California urban infill investment, community redevelopment, and rehabilitation of core properties.

Assistance Terms

- Capital is deployed using CalPERS' existing CURE partners.
- Projects are underwritten based on risk-return characteristics, with higher risk projects requiring a higher return.
- Investment structures may vary, and include direct equity and mezzanine debt financing.

Eligible Activities

- Asset selection is based upon traditional real estate measurement for long-term sustainability.
- Product types include residential, office, retail, entertainment, hotel, and mixed-use projects.
- Additional considerations include project location, environmental factors, ownership and control, promotion of "smart growth" strategies, and community redevelopment.

Point of Contact

Barbara Stocking, Investment Officer
CalPERS
Phone Number: (916) 795-3400
Web Site: www.calpers.ca.gov
E-mail Address:
barbara_stocking@calpers.ca.gov
Mailing Address: Lincoln Plaza, 400 P Street
Sacramento, CA 95814

5. California State Teachers' Retirement System (CalSTRS)

a. URBAN REAL ESTATE INVESTMENTS PROGRAM

The Urban Real Estate Investments Program (Program) is designed to invest in real property in underserved markets on the west coast of the United States.

Assistance Terms

- As of March 31, 2005, the Program had $700 million invested in commingled funds, joint venture partnerships, and direct investments, with an additional $1.3 billion in future commitments.

- The Program intends to seek equity partners with experience in underserved markets and to provide capital to develop real property and to achieve equity returns.
- The equity structures and investment vehicles through which the Program invests include:
    - > Direct equity mortgages,
    - > Equity joint ventures, and
    - > Convertible participating mortgages.

Eligible Activities

- Residential, office, retail, entertainment, hotel, and mixed-use projects.
- Other projects that may not be specifically defined, but that benefit certain economic groups or geographic areas and meet the risk/return objective, also may be considered. Such projects include:
    - > Low-income housing,
    - > Multi-family, low-income housing, and
    - > Urban infill and "smart growth" strategy.

Eligible Applicants

- Private developers and real estate operators with an appropriate track record.

Point of Contact

Mike DiRé, Director of Real Estate
CalSTRS
Phone Number: (916) 229-3722
Web Site: www.calstrs.com
E-mail Address: mdire@calstrs.com
Mailing Address: 7667 Folsom Boulevard
Sacramento, CA 95826

6. California Tax Credit Allocation Committee (CTCAC)

a. FEDERAL AND STATE LOW-INCOME HOUSING TAX CREDITS

CTCAC administers two low-income housing tax credit programs - a federal and a state program. Both programs were authorized to encourage private investment in rental housing for low- and lower-income families and individuals. In 2004, CTCAC approved $63 million in federal and $73 million in state housing tax credit that will create or preserve 4,591 affordable apartments throughout the State. Additionally, CTCAC awarded an additional $65 million in non-competitive, "four percent" credit to assist over 12,300 affordable apartments financed with the proceeds of tax-exempt bonds. The annual federal ceiling is $1.85 per state resident plus a pro rata share of unused credits from other states. This amount is indexed for inflation. The state tax credit ceiling is $70 million annually (in addition to any unused or returned tax credits from previous years).

Congress authorized the federal program in 1986 to replace traditional housing tax incentives, such as accelerated depreciation. The tax credit program enables developers of affordable rental housing to raise project equity through the "sale" of tax benefits to investors. Each state legislature designates the "housing credit agency" to administer this program. Since 1987, CTCAC administers this program in California. Recognizing the high cost of developing housing in California, the state legislature authorized a state low-income housing tax credit program in 1987. Authorized by Chapter 1138, Statutes of 1987 (AB 53, Klehs), the state credit is only available to a project which has previously received, or is concurrently receiving, an allocation of federal tax credits. The state program does not stand alone, but supplements the federal tax credit program.

Fees

- Non-refundable application filing fee of $2,000. An additional $1,000 filing fee is required for applicants reapplying in the same calendar year for an essentially similar project on the same project site.
- Every applicant who receives a reservation of credit, except for tax-exempt bond applicants, pays an allocation fee of four percent of the dollar amount of the first year's federal credit amount reserved. Tax-exempt bond applicants pay a reservation fee equal to one percent of the annual federal credit amount reserved.
- Compliance monitoring fee of $410 per unit to cover the costs associated with compliance monitoring throughout the extended-use period.

Assistance Terms

- Tax credit is taken over a ten-year period although the Internal Revenue Service requires that the project remain in compliance for a minimum of 15 years.
- Investors take the state tax credit over a four-year period.

Eligible Activities

- Tax credits can be allocated to new construction projects or for the acquisition and rehabilitation of certain projects.
- Tax credits are based upon the cost basis of the projects, including hard and soft development costs.
- Land cannot be included in determining the amount of tax credits needed.
- Rental Restriction: Rents on tax credit units cannot exceed 30 percent of an imputed income based on 1.5 persons per bedroom. The adjustment for family size made during the computation of the gross rent restriction is not based on the actual number of persons in the household. Instead, a designated number of persons is deemed to occupy a household based on the number of bedrooms in the unit. This is referred to as the "imputed income limitation."

- Income Restriction: A minimum of 40 percent of the units must both be rent restricted and occupied by households whose incomes are 60 percent or less of the area median gross income or 20 percent of the units must be both rent restricted and occupied by households whose incomes are 50 percent or less of the area median gross income.
- Long-term Affordability: Under the federal program, the tax credit projects must remain affordable for at least 15 years. Under the state program, the project must remain affordable for 55 years.

Eligible Applicants

- Those utilizing tax credits must have an ownership interest in the project for which the credits are awarded.

Point of Contact

William J. Pavão, Executive Director
CTCAC
Phone Number: (916) 654-6340
Web Site: www.treasurer.ca.gov/ctcac
E-mail Address: wpavao@treasurer.ca.gov
Mailing Address: 915 Capitol Mall, Room 485
Sacramento, CA 95814

7. Department of Housing and Community Development Programs (HCD)

a. BUILDING EQUITY AND GROWTH IN NEIGHBORHOODS (BEGIN) PROGRAM GRANTS AND LOANS

BEGIN offers incentives to cities and counties to reduce local regulatory barriers to affordable ownership housing. The program provides grants to cities, counties, and cities and counties to make deferred-payment second mortgage loans to qualified buyers of new homes, including manufactured homes on permanent foundations, in projects with affordability enhanced by local regulatory incentives or barrier reductions. BEGIN does not loan directly to individuals.

Assistance Terms

- Grants to cities, counties, and cities and counties.
- Loans by grant recipients at simple interest to qualifying homebuyers, not to exceed 20 percent of the home sales price or $30,000, whichever is less.

Eligible Activities

- Second mortgage loans for down-payment assistance to low- or moderate-income first-time homebuyers.

- Eligible homes must be newly constructed in projects facilitated by local regulatory incentives or barrier reductions and may include manufactured homes.

Eligible Applicants

- Cities, counties, and cities and counties.

Point of Contact

Marilyn Lawson, Program Manager
HCD-BEGIN Program
Phone Number: (916) 327-2855
Web Site: www.hcd.ca.gov/fa/begin
E-mail Address: mlawson@hcd.ca.gov
Mailing Address:
Financial Assistance Division
1800 Third Street, Room 390-2
Sacramento, CA 95814

b. CALHOME PROGRAM GRANTS AND LOANS

CalHome enables low- and very low-income households to become or remain homeowners but does not loan directly to individuals. CalHome was allocated $115 million by Proposition 46 (see MHP Loans on page 35), of which about $84 million was committed by June 30, 2005. The remainder is expected to be awarded by the summer of 2007.

Assistance Terms

- Grants to local public agencies or nonprofit corporations for first-time homebuyer down-payment assistance; home rehabilitation, including manufactured homes not on permanent foundations; acquisition and rehabilitation; homebuyer counseling; self-help mortgage assistance programs; or technical assistance for self-help homeownership. All funds to individual homeowners will be in the form of loans.
- Loans for real property acquisition, site development, predevelopment, construction period expenses of homeownership development projects, or permanent financing for mutual housing and cooperative developments. Project loans to developers may be forgiven as developers make deferred payment loans to individual homeowners.
- Assistance to individual households will be in the form of deferred-payment loans, payable on sale or transfer of the homes, when they cease to be owner-occupied, or at maturity.

Eligible Activities

- Predevelopment, site development, and site acquisition for development projects.
- Rehabilitation, acquisition, and rehabilitation of site-built housing, and rehabilitation, repair, and replacement of manufactured homes.
- Down-payment assistance, mortgage financing, homebuyer counseling, and technical assistance for self-help.

Eligible Applicants

- Local public agencies and nonprofit corporations.

Point of Contact

Peter Solomon, Program Manager
HCD-CalHome Program
Phone Number: (916) 327-3646
Web Site: www.hcd.ca.gov/fa/calhome
E-mail Address: psolomon@hcd.ca.gov
Mailing Address:
Financial Assistance Division
1800 Third Street, Room 390-2
Sacramento, CA 95814

c. CALHOME SELF-HELP TECHNICAL ASSISTANCE ALLOCATION (CHSHTAA) GRANTS

CHSHTAA funds programs that help low-and moderate-income families to build their homes with their own labor. Grants are made to sponsor organizations that provide technical assistance for participating families. The program was allocated $10 million by Proposition 46, of which about half had been awarded by June 30, 2005.

Assistance Terms

- Grants for technical assistance operations.

Eligible Activities

- Training and supervision of low- and moderate-income self-help home-builders.

Eligible Applicants

- Local public agencies and nonprofit corporations.

Point of Contact

Dee Franklin, Program Manager
HCD-CHSHTAA
Phone Number: (916) 445-9581
Web Site: www.hcd.ca.gov/fa/calhome
E-mail Address: dfrankli@hcd.ca.gov
Mailing Address:
Financial Assistance Division
1800 Third Street, Room 390-2
Sacramento, CA 95814

d. EMERGENCY HOUSING AND ASSISTANCE PROGRAM CAPITAL DEVELOPMENT (EHAPCD) DEFERRED LOANS

From the passage of Proposition 46 in November 2002, to June 30, 2005, approximately $99 million in EHAPCD bond funds have been awarded as forgivable deferred loans for capital development to acquire, construct, or rehabilitate emergency shelters, transitional housing, and safe haven facilities for homeless persons. The remaining available funds ($87 million) are expected to be awarded by the summer of 2007.

Assistance Terms

- Deferred payment loans at three percent simple interest, forgiven when loan term is complete. Term ranges from five to ten years, based on the development activity.

- Competitive application process announced annually via a Notice of Funding Availability. Eighty percent of the total allocation is available to urban counties and 20 percent to non-urban counties.

Eligible Activities

- Funds may be used for any of the following:
  - > Acquisition of an existing facility in conjunction with rehabilitation and/or construction.
  - > Acquisition, including land, in conjunction with new construction.
  - > New construction.
  - > Rehabilitation.
  - > Administrative costs up to five percent of total loan amount.

Eligible Applicants

- Local governments agencies and non-profit corporations that shelter the homeless on an emergency or transitional basis and provide support services.

Point of Contact

Carlos Patterson, Program Manager
HCD-EHAPCD Program
Phone Number: (916) 445-0845
Web Site: www.hcd.ca.gov/fa/ehap/ehapcd.html
E-mail Address: cpatters@hcd.ca.gov

Mailing Address:
Financial Assistance Division
1800 Third Street, Room 390-2
Sacramento, CA 95814

e. JOE SERNA, JR. FARMWORKER HOUSING (SERNA) GRANT AND LOAN PROGRAM

The Serna Program finances the new construction, rehabilitation, and acquisition of owner-occupied and rental units for agricultural workers, with a priority for lower-income households. It is comprised of grants and loans to assist development or rehabilitation of various types of housing projects for agricultural worker households. A match of at least 100 percent is required for the primary Serna Program.

Assistance Terms

- *Homeowner Grants:* Grants are for rehabilitation or new home construction. Lien restrictions are required for twenty years. If the unit is sold to a non-farmworker buyer before completing the tenth year, the full grant amount must be repaid under most circumstances. Between the tenth and 20th years, the grant is forgiven at a rate of ten percent per completed year. The grant is fully forgiven after 20 years.
- *Rental Construction Grants or Loans:* Lien restrictions for assisted units are required for 40 years for grants and 55

years for loans. If assisted units are sold for uses other than farmworker housing before the 40th year, the grant must be repaid in full, under most circumstances. Loans may be made in conjunction with low-income tax credit financing only.

- *Rental Rehabilitation Grants or Loans:* Lien restrictions for assisted units are required for 20 years for grants and 55 years for loans. If assisted units are sold for uses other than farmworker housing before the 20th year, the grant must be repaid in full, under most circumstances. Loans may be made in conjunction with low-income tax credit financing only.

Eligible Activities

- Activities incurring costs in the development of homeowner or rental housing for agricultural workers including land acquisition, site development, construction, rehabilitation, design services, operating and replacement reserves, repayment of predevelopment loans, provision of access for the elderly or disabled, relocation, homeowner counseling, and other reasonable and necessary costs.

Eligible Applicants

- Local government agencies; nonprofit corporations; cooperative housing corporations; limited partnerships, where all the general partners are nonprofit mutual or public benefit corporations; and federally-recognized Indian tribes.
- Eligible beneficiaries of the grants are households with at least one person who derives, or prior to retirement or disability, derived a substantial portion of their income from agricultural employment.

Point of Contact

Pat Dyas, Program Manager
HCD-Serna Program
Phone Number: (916) 324-0695
Web Site: www.hcd.ca.gov/fa/fwhg
E-mail Address: pdyas@hcd.ca.gov
Mailing Address:
Financial Assistance Division
1800 Third Street, Room 390-8
Sacramento, CA 95814

f. MOBILEHOME PARK RESIDENT OWNERSHIP PROGRAM (MPROP) LOANS

MPROP finances the preservation of affordable mobilehome parks by conversion to ownership or control by resident organizations, nonprofit housing sponsors, or local public agencies. The program operates with a small revolving fund and in recent years has made loans totaling from $3 million to $6 million annually.

Assistance Terms

- Short-term conversion loans at three percent simple annual interest for up to

three years to enable a resident organization, nonprofit sponsor, or local public agency to purchase a mobilehome park.

- Long-term blanket loans at three percent for up to 30 years for long-term financing of a park purchase, or for a resident organization, nonprofit, or public agency that has purchased a park to help low-income residents to buy shares or spaces in the park.
- Long-term individual loans at three percent to low-income residents of a park that has been converted, to ensure housing affordability when the resident buys a cooperative share, a planned unit development space, or a condominium space in the park.

Eligible Activities

- Purchase (conversion) of a mobilehome park by a resident organization, nonprofit entity, or local public agency; rehabilitation or relocation of a purchased park; or purchase by a low-income resident of a share or space in a converted park.

Eligible Applicants

- Mobilehome park resident organizations, nonprofit entities, and local public agencies. Low-income residents apply for individual loans to the entity that has purchased the park.

Point of Contact

Lorraine French, Program Manager
HCD-MPROP
Phone Number: (916) 445-0110
Web Site: www.hcd.ca.gov/fa/mprop
E-mail Address: lfrench@hcd.ca.gov
Mailing Address:
Financial Assistance Division
1800 Third Street, Room 390-5
Sacramento, CA 95814

g. MULTIFAMILY HOUSING PROGRAM (MHP) LOANS

MHP assists in the new construction, rehabilitation, and preservation of permanent and transitional rental housing for lower-income households through low-interest, 55-year deferred-payment loans. The principal funding source is Proposition 46, approved by the voters in November 2002, which authorized the issuance of $2.1 billion in General Obligation bonds for a variety of housing programs. MHP was allocated $995 million, of which $582 million has been awarded as of June 30, 2005. The last Proposition 46 awards are expected by the summer of 2007.

MHP consists of the following programs:

- *The General Program* provides funding for the development of rental housing.
- *The Supportive Housing Program* provides funding for the development of units with associated health and social services for low-income disabled populations.
- *The Services Space Program* provides funding for the development of space for health and social services connected to MHP projects.
- *The Student Housing Program* provides funding for the development of units for low-income university students.

Assistance Terms

- Deferred payment loans.
- Maximum loan term is 55 years.
- Three percent simple interest on unpaid principal balance.
- Payments of 0.42 percent are due annually to support loan monitoring, with the balance of principal and interest due and payable upon completion of the loan term.

Eligible Activities

- New construction, rehabilitation, or acquisition and rehabilitation of permanent or transitional rental housing and the conversion of nonresidential structures to rental housing.
- Projects are not eligible if construction has commenced as of the application date or if they are receiving nine percent federal low-income housing tax credits.
- MHP funds will be provided for post-construction permanent financing only. Eligible costs include the cost of child care, after-school care and social service facilities integrally linked to the assisted housing units, real property acquisition, refinancing to retain affordable rents, necessary onsite and offsite improvements, reasonable fees and consulting costs, and capitalized reserves.

Eligible Applicants

- Local public entities, for-profit and non-profit corporations, limited equity housing cooperatives, individuals, Indian reservations and rancherias, and limited partnerships in which an eligible applicant or an affiliate of an applicant is a general partner.
- Applicants or their principals must have successfully developed at least one affordable housing project.

Point of Contact

Kim Losoya, Program Manager
HCD-MHP
Phone Number: (916) 323-3178
Web Site: www.hcd.ca.gov/fa/mhp
E-mail Address: klosoya@hcd.ca.gov
Mailing Address:
Financial Assistance Division
1800 Third Street, Room 390
Sacramento, CA 95814

h. PREDEVELOPMENT LOAN PROGRAM (PDLP)

PDLP provides predevelopment capital in the form of short-term loans to finance the start-up expenses of low-income housing projects. Supported by a revolving fund, the program has recently made loans totaling about $5 million annually.

Assistance Terms

- Three percent simple annual interest loans for up to two years. Maximum loan amount, except for site option, site purchase, or site development is $100,000. The maximum amount committed to any one borrower at any one time is announced in each Notice of Funding Availability.

Eligible Activities

- Predevelopment costs of projects to develop or preserve assisted housing, including manufactured housing and mobilehome parks. Eligible costs include, but are not limited to, site control, site acquisition, engineering studies, architectural plans, application fees, legal services, permits, bonding, and site preparation.

Eligible Applicants

- Local government agencies, nonprofit corporations, cooperative housing corporations, and limited partnerships or limited liability companies where all of the general partners are nonprofit mutual or public benefit corporations.

Point of Contact

Margery Winter, Program Manager
HCD-PDLP
Phone Number: (916) 445-0877
Web Site: www.hcd.ca.gov/fa/pdlp
E-mail Address: mwinter@hcd.ca.gov
Mailing Address:
Financial Assistance Division
1800 Third Street, Room 390-5
Sacramento, CA 95814

i. WORKFORCE HOUSING (WFH) REWARD PROGRAM GRANTS

The WFH Program provides financial incentives, through grants to cities and counties, for the issuance of building permits for new housing affordable to very low- or low-income households. In June 2005, a total of $23 million was awarded. Two more annual rounds of $23 million each will be funded.

Assistance Terms

- Grant amounts will be based on the numbers of bedrooms in units restricted for very low-and low-income households for which final land use approval is issued during the twelve-month reporting period.
- Qualifying rental units must be rent-restricted for at least 55 years.
- Ownership units must be initially sold to qualifying households at an affordable cost.
- Any public funds used to achieve affordability in ownership units must be recovered on resale and reused for affordable housing for at least 20 years.
- Grants for very low-income units will be greater than grants for low-income units.
- Very low-income means not over 50 percent of area median income, adjusted for family size. Low-income means not over 80 percent of area median income, adjusted for family size.

Eligible Activities

- Construction or acquisition of capital assets such as traffic improvements, neighborhood parks, bike paths, libraries, school facilities, play areas, community centers, police, or fire stations.

Eligible Applicants

- Cities, counties, and cities and counties that, by the end of the twelve-month period for which application is made, have adopted housing elements that HCD has found to be in substantial compliance with housing element law, and have submitted to HCD the annual progress report required by California Government Code Section 65400 within the preceding twelve months.

Point of Contact

Linda Nichols, Program Manager
HCD-WFH Program
Phone Number: (916) 323-3175
Web Site: www.hcd.ca.gov/fa/whrp
E-mail Address: lnichols@hcd.ca.gov
Mailing Address:
Division of Housing Policy Development
1800 Third Street, Room 430
Sacramento, CA 95814

Success Story

MacArthur Park Library

Melanie S. Fallon, Director of Community Development for the City of Long Beach stated, "The City of Long Beach is thrilled that our successful efforts to increase our housing stock the past several years has been recognized by the State, along with our need for amenities to serve our new residents. Our new MacArthur Park Library will be our first 21st century library to meet the needs of a growing population, including access to computer technology and culturally-diverse services and programs."

Other recent projects funded through Workforce Housing Reward Program grants include the following:

- Valley View Park - City of Oakdale.
- Coe Park - City of Hanford.
- Leo Ryan Park, Foster City.
- Entrance Sign - City of Riverbank.
- Street Improvements - Fresno County.
- Fire Station - Kings County.
- ADA Retrofit - City of Galt.

CEFA issues conduit renenue bonds to assist private nonprofit institutions of higher learning in the expansion and construction of educational facilities and qualifying equipment and technology purchases.

C. Education

1. California Educational Facilities Authority (CEFA)

CEFA issues conduit revenue bonds to assist private nonprofit institutions of higher learning in the expansion and construction of educational facilities and qualifying equipment and technology purchases. Because it is authorized to issue tax-exempt bonds, CEFA may provide more favorable financing to such private institutions than might otherwise be obtainable.

a. SIMPLIFIED EQUIPMENT FINANCE PROGRAM (SEFP)

A borrower under the program may fund qualifying equipment purchases of $100,000 or more. The maturity of the loan must be related to the useful life of the equipment to be financed. Notes issued through SEFP will be collateralized by the equipment that is purchased.

Funds may be used to purchase or reimburse all types of qualifying equipement by an eligible educational facility, including, but not limited to, heating and air conditioning systems, computers, and telecommonications equipment. Funds also may be used to finance minor equipment installation costs.

Fees

- Low all-in program fees (excluding corporate counsel and CEFA fees) between $7,500 to $17,500, based on financing amount.
- CEFA Fees: The initial fee for SEFP is 0.075 percent of the issue amount due at closing. CEFA does not charge an application fee and the annual fee shall be waived for participants having other CEFA debt. All other participants will be charged an annual fee of $500, declining to $250 after five years.

Assistance Terms

- Lease purchase financing.
- Tax-exempt interest rate competitively bid.
- Standardized documents.
- Easy application process.

Eligible Applicants

- Private, nonprofit college with same eligibility requirements as for CEFA Tax-exempt Bonds.

Point of Contact

Frank Vega, Executive Director
CEFA
Phone Number: (916) 653-2872
Web Site: www.treasurer.ca.gov/cefa
E-mail Address: fvega@treasurer.ca.gov
Mailing Address: 915 Capitol Mall, Room 590
Sacramento, CA 95814

Success Story

St. Mary's College of California

St. Mary's College of California (St. Mary's) is one of the oldest colleges in the West. Founded in San Francisco in 1863, the campus was relocated to Oakland in 1889 and then moved to its present site in Moraga in 1928. The college offers a comprehensive array of liberal arts and professional undergraduate and graduate programs.

In early 2004, St. Mary's was approved for an equipment loan through the SEFP offered by CEFA. This was the second application approved by CEFA for this relatively new program, which was developed to provide colleges and universities of all sizes an efficient, cost-effective mechanism to finance equipment.

St. Mary's updated its campus with various energy and water conserving equipment that included four main categories: water conservation, lighting, architectural, and mechanical measures. Under the terms of the seven-year lease agreement, St. Mary's was provided with the option to purchase the equipment. The college expects to realize an annual savings of nearly $242,000 through these additional energy conservation measures.

b. STANDARD AND POOLED TAX-EXEMPT BONDS

This program provides a borrower with access to low-interest rate loan markets through the issuance of tax-exempt revenue bonds. Proceeds from the loan may be used by eligible borrowers to fund construction/renovation projects, acquisition, refinancing of existing debt, and costs of issuance. Given the cost of issuing bonds, this is the option usually pursued by borrowers with capital projects in excess of $5 million.

Borrowers with more modest financing needs are sometimes grouped or "pooled" by CEFA into a single bond financing, where bond issuance costs are shared by participants.

Fees

- $1,000 non-refundable application fee.
- Initial fee of 0.15 percent of the issue amount (up to a maximum of $75,000) due and payable at closing.
- Annual administrative fee of $500 for the first five years and $250 thereafter, for the life of the bond.

Assistance Terms

- Loans from tax-exempt bonds.
- Financing must meet certain minimum requirements as set forth in CEFA's Bond Issuance Guidelines.

Eligible Activities

- All projects and related costs to be financed must meet the definitions of "project" and "cost" as defined in CEFA's enabling statute [California Education Code Section 94110(c) and (j)].
- In general, CEFA financing may be used for the following project-related costs:
  - Construction,
  - Remodeling and renovation,
  - Land acquisition (as part of the proposed project),
  - Purchase/lease of equipment,
  - Refinancing/refunding of prior debt, and
  - Costs of bond issuance and reimbursement of prior expenses.

Eligible Applicants

- Private, nonprofit college, situated in California.
- College must be non-sectarian and cannot restrict entry on racial or religious grounds.
- College must be functional for at least three years prior to submitting an application and be able to provide three years of audited financial statements.
- College must be able to demonstrate the ability to repay the debt and must show revenue or collateral sufficient to cover the debt service.

- College must be accredited by the Western Association of Schools and Colleges or, in the case of law schools, by the Committee of Bar Examiners of the State Bar or the American Bar Association.

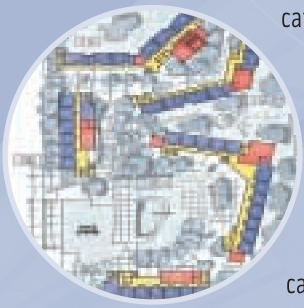
Point of Contact

Frank Vega, Executive Director
CEFA
Phone Number: (916) 653-2872
Web Site: www.treasurer.ca.gov/cefa
E-mail Address: fvega@treasurer.ca.gov
Mailing Address: 915 Capitol Mall, Room 590
Sacramento, CA 95814

Success Story

PITZER COLLEGE

Pitzer College (Pitzer) was founded in 1963 and is an independent, coeducational, liberal arts and sciences' college offering a Bachelor of Arts degree with a curricular emphasis in the social and behavioral sciences. Pitzer's educational objectives emphasize development of critical thinking, formal analysis, effective expression, and breadth and depth of knowledge. In addition, the objectives place a major focus on development of intercultural understanding, interdisciplinary perspective, and a concern for social responsibility and the ethical implications of knowledge and action.



Enrolling approximately 900 students, Pitzer is part of a unique educational environment known as The Claremont Colleges– a consortium of five undergraduate colleges and two graduate institutions. The seven institutions occupy contiguous campuses and jointly finance a central administration for the operation of shared programs and facilities and services, including a library system, a computer center, a security force, maintenance services, a chaplain's office, professionally staffed medical and counseling centers, and the Claremont Center for the Performing Arts.

The College has embarked on a substantial Housing Master Plan implementation for the construction of new housing on campus. The Housing Master Plan calls for the construction of seven new residence halls to replace three existing 40-year old dormitories housing 200 students each. The Housing Master Plan assumes phased construction in three stages. In April 2005, CEFA issued $36,660,000 in bond proceeds for two series. Series A was issued in the amount of $16,085,000 at a fixed rate for 30 years. Series B was issued in the amount of $20,575,000 at a variable rate for 40 years. The College plans to use the bond proceeds to implement Phase I of the construction project. This phase consists of constructing three new residence halls and demolishing an existing dormitory. Phases II and III of the Housing Master Plan will be implemented as funds become available to move forward with the project. By taking advantage of tax-exempt interest rates, the College is saving approximately $18 million over the term of the loans versus commercial rates.

Currently, there are an increasing number of students who desire to live on campus, thus creating a shortage of housing for students. Phase I will accommodate 318 students in three new buildings, increasing the residential capacity by 118 beds or 20 percent. The new construction is necessary to provide students with accommodations and to create more living space for students.

2. California School Finance Authority (CSFA)

CSFA was established in 1986 to provide tax-exempt, low-cost financing to school districts and community college districts for use in the repair and construction of school facilities, as well as for working capital purposes. CSFA also assists with funding opportunities for California charter school facilities. CSFA has offices in Sacramento and Los Angeles.

a. STATE CHARTER SCHOOL FACILITIES INCENTIVE GRANTS PROGRAM

CSFA administers the federally funded $50 million Charter School Facilities Incentive Grants Program, which provides per-pupil facilities aid for the purpose of assisting California charter schools to provide adequate facilities.

Fees

- None.

Program Features

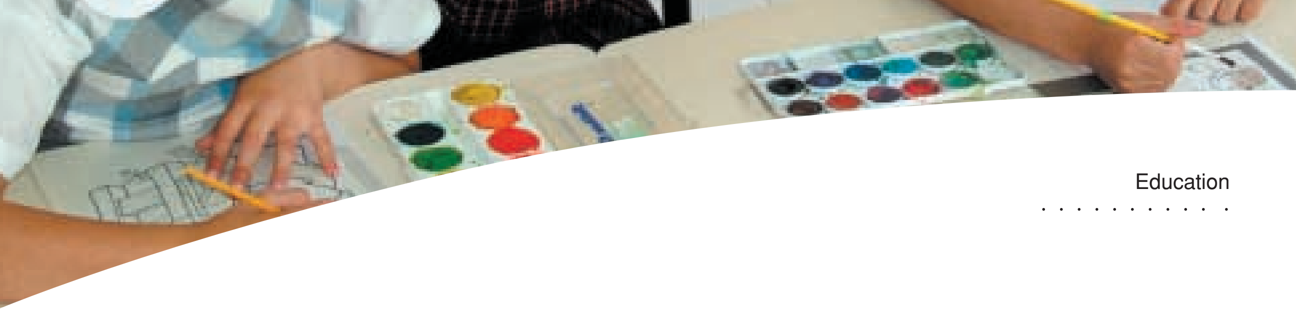
- Grants to charter schools for annual costs of rent, lease, mortgage, or debt service payments may be as much as $750 per student.
- Grants to charter schools for the purchase, design and construction, and renovation costs may be as much as $1,000 per student.
- Maximum grant awards may not exceed 75 percent of annual eligible costs for which the applicant is applying.

Eligible Activities

- The grant funds will be awarded over five years to eligible charter schools, and will be applied toward costs of rent, lease, mortgage, or debt service payments, or toward the purchase, design, and construction costs of acquiring land and constructing or renovating a facility.

Eligible Applicants

- Charter school must be in good standing with its chartering authority and be in compliance with the terms of its charter at the time of application submission.
- Charter school must have completed at least one school year of instructional operations.
- At least 80 percent of the instruction time offered by the charter school shall be at the school site, and the charter school shall attain an average daily attendance rate of at least 80 percent.



Point of Contact

Katrina M. Johantgen, Executive Director
CSFA
Phone Number: (213) 620-4467
Web Site: www.treasurer.ca.gov/csfa
E-mail Address: kjohantgen@treasurer.ca.gov
Mailing Address:
Los Angeles Office:
304 S. Broadway, Suite 550
Los Angeles, CA 90013-1224
Sacramento Office:
915 Capitol Mall, Room 576
Sacramento, CA 95814

b. TAX-EXEMPT FINANCING PROGRAM

CSFA serves as a conduit issuer of bonds on behalf of school districts and community college districts.

Fees

- Application, bond issuance, and annual administrative fees may apply. Please contact CSFA for further information.

Program Features

- *Fixed or Variable Rate Option* - Districts may elect a fixed rate financing or a variable rate program on either an interim or long-term basis.
- *Intercept Program Option* - District may pledge an intercept of their annual allotment of state revenue limit funds to guarantee the debt service on lease revenue bonds or certificates of participation.
- *Stand-Alone or Pooled Option* - Pooling several financings allows participants to achieve lower interest rates and costs of issuance, greater investor demand, and reduced administrative burden.

Eligible Activities

- Reconstruct, remodel, or replace public school facilities.
- Acquire new school sites and buildings to be made available to public school districts (K-12) and community college districts.

Point of Contact

Katrina M. Johantgen, Executive Director
CSFA
Phone Number: (213) 620-4467
Web Site: www.treasurer.ca.gov/csfa
E-mail Address: kjohantgen@treasurer.ca.gov
Mailing Address:
Los Angeles Office:
304 S. Broadway, Suite 550
Los Angeles, CA 90013-1224
Sacramento Office:
915 Capitol Mall, Room 576
Sacramento, CA 95814

Since the program's inception in 1988, CHFFA has loaned over $43.7 million to over 148 small and rural health facilities.

D. Health

1. California Health Facilities Financing Authority (CHFFA)

a. HELP II LOANS

The HELP II Loan Program provides low-interest loans of up to $500,000 in an efficient, timely, and cost-effective manner. Since the program's inception in 1988, CHFFA has loaned over $43.7 million to over 148 small and rural health facilities. Applications are accepted on a monthly basis.

Fees

- $50 non-refundable application fee.
- One time administrative fee of 1.25 percent of the loan amount.

Assistance Terms

- Direct loan.
- Three percent fixed interest rate.
- Loan amounts of $25,000 to $500,000.
- Maximum loan-to-value ratio of 95 percent.
- Maximum loan term is 15 years (for equipment loans, the maximum term is five years).
- Borrowers must contribute a minimum of five percent toward project costs.
- Revenue pledge required.
- Fully amortized loans.
- No prepayment penalty.
- Loans are funded within approximately 60 days from the application date.
- Standard covenants include annual audits, adequate hazard insurance, and a requirement to notify CHFFA of any significant changes in corporate existence prior to the occurrence.

Eligible Activities

- Funds may be used to:
  - > Purchase, construct, renovate, or remodel real property;
  - > Perform feasibility studies, site tests, and surveys associated with real property;
  - > Pay permit fees, architectural fees, and other pre-construction costs;
  - > Purchase equipment and furnishings; and
  - > Refinance existing debt when there is a significant interest rate savings or a balloon payment due within 12 months.

Eligible Applicants

- Must be a nonprofit 501(c)(3) corporation or a public health facility, i.e., district hospitals.
- Must have been in existence for at least three years performing the same type of

services.

- Must provide three years of audited financial statements.
- Must demonstrate fiscal soundness and the ability to meet the terms and conditions of the loan.
- Must show readiness to begin projects shortly after funding for construction and remodeling projects.
- Must provide for consumer savings and community benefit.
- Must be able to qualify as a "health facility" under CHFFA's enabling statute [California Government Code Section 15432(d)].
- Must be licensed by the State of California.
- Annual gross revenues cannot exceed $20 million.

POINT OF CONTACT

Sandra Simpson-Fontaine, Executive Director
CHFFA
Phone Number: (916) 653-2799
E-mail Address: sfontaine@treasurer.ca.gov
Web Site: www.treasurer.ca.gov/chffa
Mailing Address: 915 Capitol Mall, Room 590
Sacramento, CA 95814

Success Story

Dientes Community Dental Clinic

Dientes Community Dental Clinic (Dientes) was founded in 1992 by a group of local dentists who were concerned about the lack of dental care available to low-income residents of Santa Cruz County. The County Health Department did not operate a dental clinic, so patients had nowhere to turn for affordable, yet critically needed care. Dientes' mission is to provide lasting oral health for the underserved children and adults of Santa Cruz County.

In October 1994, Dientes opened the doors of its Mission Street Clinic. It began as a part-time operation consisting of three dental chairs in a 2,700 square foot clinic rented from a local orthodontist. With a budget of about $200,000 during the first year, Dientes scheduled approximately 1,400 appointments. Dientes grew steadily every year thereafter, particularly with help from foundations such as The California Endowment and the Packard Foundation. The City and County of Santa Cruz provided additional financial assistance, which enabled them to eventually open on a full-time basis. In 2000, Dientes expanded operations by installing two more dental chairs, resulting in scheduling approximately 6,000 patient visits annually.

In May 2002, Dientes opened a clinic on Commercial Way in Santa Cruz that will increase services by 50 percent. This new clinic replaced the Mission Street Clinic. Over the past nine years, Dientes has provided services for 40,000 residents, one-third of whom are children.

In 2002, Dientes received a Cedillo-Alarcón grant in the amount of $150,000 that was used to renovate the new facility and purchase equipment to expand its dental operatories from six chairs to an eight-chair dental clinic.

Dientes also accessed the HELP II Loan Program in 2003 in the amount of $400,000 to refinance a higher interest rate loan originally used to purchase its Commercial Way Clinic, thus improving its operating cash flow. This refinancing will save Dientes approximately $110,000 over the life of the loan.

b. STANDARD AND POOLED TAX-EXEMPT BONDS

Financings are normally accomplished through the issuance of tax-exempt bonds, sold by CHFFA, for individual borrowers or for groups of borrowers. CHFFA is authorized to issue bonds statewide with no effect on the bonding capacity of any particular city, county, or political subdivision.

Given the cost of issuing bonds, the standard option is usually pursued by borrowers with capital projects in excess of $5 million.

Borrowers with more modest financing needs are sometimes grouped or "pooled" by CHFFA into a single bond financing, where bond issuance costs are shared by participants. This type of financing will generally allow a borrower to finance a loan for a minimum of $500,000 for eligible projects.

Fees

- $500 non-refundable application fee.
- Initial fee of $1,000 (private health facilities with gross revenues of $2.5 million or greater pay 0.075 percent of aggregate amount of issue, up to a maximum of $300,000).
- Annual administration fee of the lesser of 0.02 percent of outstanding bonds or $500 (private health facilities with gross revenues of $2.5 million or greater pay 0.02 percent of outstanding bonds).
- $500 fee for extending an approved resolution.

Assistance Terms

- Loans funded by the issuance of tax-exempt bonds.
- Financing must meet certain minimum requirements as set forth in CHFFA's Bond Issuance Guidelines.

Eligible Activities

- CHFFA's enabling legislation allows it to finance a number of types of healthcare projects. For example, funds may be used to construct or remodel facilities and finance the interest expense (capitalized interest) over the construction/renovation period.
- Funds may also be used to refinance debt, acquire a new facility, buy equipment, or in certain instances, finance working capital.

Eligible Applicants

- Must be a nonprofit 501(c)(3) corporation or authorized health facility (public health facilities also qualify for financing).

- Must be able to qualify as a "health facility" under CHFFA's enabling statute [California Government Code Section 15432(d)].

Point of Contact

Sandra Simpson-Fontaine, Executive Director
CHFFA
Phone Number: (916) 653-2799
E-mail Address: sfontaine@treasurer.ca.gov
Web Site: www.treasurer.ca.gov/chffa
Mailing Address: 915 Capitol Mall, Room 590
Sacramento, CA 95814

Success Story

Children's Hospital of Orange County (CHOC)

CHOC has grown dramatically since it began operating in 1964. The original 62-bed facility was located in a leased wing of St. Joseph Hospital of Orange, with which CHOC shared hospital services, such as surgery, laboratory, and radiology. With a growth in demand, in 1975 CHOC moved to a former skilled nursing facility that was renovated into an acute care pediatric hospital. Services provided included neonatal and pediatric intensive care and the licensed capacity increased to 190 beds. CHOC Realty Corporation ("Realty"), which holds title to all of CHOC's land and buildings, purchased a two-story building adjacent to CHOC's acute care pediatric hospital and renovated the building to house ambulatory care services, including an outpatient clinic and outpatient pharmacy, psychology services, medical records, computer services, pediatric subspecialty medical offices, and several administrative departments. In 1990, Realty constructed a six-story research building and an expanded clinic facility adjacent to CHOC's acute care pediatric hospital, and, in 1991, Realty constructed a 192-licensed bed replacement facility for all inpatient services (CHOC North Tower). Because of increased demand, during the summer of 2002, CHOC added ten new intensive care beds. This brought the current Newborn Intensive Care unit bed complement to 42, and CHOC's total beds to 202.

In 2004, CHOC received approval for approximately $84 million in tax-exempt bond financing through CHFFA to finance a portion of the construction of a new tower adjoining its existing facility and to finance the conversion of existing space.

The CHOC South Tower design is a four-story (including one lower level) tower consisting of approximately 220,000 square feet and will have direct connections into the existing CHOC North Tower. The South Tower will have the capacity to house both clinical and ancillary services. This construction is expected to begin in 2005 with completion expected in 2010/2011. The total estimated cost is $180 million. Of that total, $35 million in acquisition and pre-construction costs will be financed by the 2004 bond proceeds.

Bond proceeds were also earmarked for the expanding ambulatory services and the conversion of a portion of the existing intensive care space for a step-up intermediate care unit as well as building-out the sixth floor for 30 intensive care beds. The project also includes construction of a new parking structure adjacent to the South Tower, an additional parking structure near CHOC's existing facilities, as well as a pedestrian walkway into hospital buildings.

c. TAX-EXEMPT EQUIPMENT NOTES

CHFFA has established this program to provide health facilities with access to tax-exempt fixed-rate financing for their equipment purchases.

A borrower under the program may fund qualifying equipment purchases of $500,000 or more. The maturity of the loan must be related to the useful life of the equipment to be financed. Notes issued through the program would be collateralized by the equipment that is purchased.

Fees

- $500 non-refundable application fee.
- Initial fee for each completed financing of 0.05 percent of the issue amount.
- Annual administrative fee of $400 as long as there is an outstanding balance.
- There may be a charge for administrative costs for applications that are not approved.

Assistance Terms

- Loans funded by tax-exempt notes.
- There are three types of financings available:
  - *Competitive Equipment Program* - CHFFA would competitively bid the placement of the note and the setting of the interest rate;
  - *Generic Equipment Program* – Applicant has identified financing for the equipment purchase, requests CHFFA to act as issuer of the tax-exempt notes; and
  - *G.E. Capital Equipment Program* – Applicant would negotiate with G.E. Capital on the interest rate, subject to approval by CHFFA.

Eligible Activities

- Funds may be used to purchase or reimburse all types of qualifying equipment by an eligible health facility, including, but not limited to, medical and diagnostic equipment, computers, and telecommunications equipment.
- Funds may also be used to finance minor equipment installation costs.

Eligible Applicants

- Must be a nonprofit 501(c)(3) corporation or authorized health facility (public health facilities also qualify for financing).
- Must be able to qualify as a "health facility" under CHFFA's enabling statute [California Government Code Section 15432(d)].

Point of Contact

Sandra Simpson-Fontaine, Executive Director
CHFFA
Phone Number: (916) 653-2799
E-mail Address: sfontaine@treasurer.ca.gov
Web Site: www.treasurer.ca.gov/chffa
Mailing Address: 915 Capitol Mall, Room 590
Sacramento, CA 95814

2. Office of Statewide Health Planning and Development (OSHPD)

CAL-MORTGAGE LOAN INSURANCE DIVISION (CAL-MORTGAGE)

a. CALIFORNIA HEALTH FACILITY CONSTRUCTION LOAN INSURANCE PROGRAM

The California Health Facility Construction Loan Insurance Program (Program) is modeled after federal home mortgage programs and enables nonprofit and public health-care facilities to obtain private financing to develop or expand their services in communities throughout California. The Program's mission is to improve access to needed health care services, without a cost to taxpayers.

Under the Program, qualifying nonprofit or public health care facilities can borrow funds for capital needs from long-term lenders with loan Insurance. The guarantee provides borrowers with greater access to the financial market at lower tax-exempt bond interest rates.

Loan insurance is available to non-rated and below-investment-grade health care facilities that demonstrate community need.

Fees

- One-time, non-refundable, application fee of $500.
- Certification and inspection fee of 0.4 percent of the amount insured.
- One-time insurance premium of up to three percent of total principal and interest (premiums may be reduced for projects with a credit rating from Moody's, Standard & Poor's, or Fitch).

Eligible Activities

- Loans may be insured to finance the construction of new facilities; the acquisition of existing buildings; or facility expansion, modernization, and renovation.
- Loan guarantees are available for the financing of fixed or moveable equipment needed to operate the facility.

Eligible Applicants

- Some examples of health facilities eligible for Cal-Mortgage Loan Insurance include:

- General acute care hospitals,
- Skilled nursing facilities,
- Clinics,
- Laboratories,
- Mental health centers,
- Nursing homes,
- Adult day health centers,
- Rehabilitation facilities,
- Intermediate care facilities,
- Facilities for the developmentally disabled,
- Group homes,
- Facilities for the treatment of chemical dependency,
- Accredited nonprofit work activity programs,
- Offices and central service facilities operated in connection with licensed health care facilities, and
- Multi-level facilities, operated in conjunction with a health care facility.

Point of Contact

Dale Flournoy, Deputy Director
OSHPD - Cal Mortgage
Phone Number: (916) 324-9957
Web Site: www.oshpd.ca.gov/calmort
E-mail Address: dflourno@oshpd.ca.gov
Mailing Address: 300 Capitol Mall, Suite 1500
Sacramento, CA 95814

CTCAC administers the commercial revitalization deduction program, a federal program designed to stimulate job growth and economic development in some of the nation's most distressed communities.

E. Business Development

1. California Industrial Development Financing Advisory Commission (CIDFAC)

a. TAX-EXEMPT INDUSTRIAL DEVELOPMENT BONDS

CIDFAC approves the issuance of Industrial Development Bonds (IDBs) as a partner with local governments. The local government can be a city, county, economic development authority, redevelopment agency, or a joint powers authority. A potential borrower applies through its local entity, but must be approved by CIDFAC, which issues the "Certificate of Sale" at the bond closing.

- *Empowerment Zone (EZ) Bonds:*
  Developed by the federal government to assist distressed communities. Unlike traditional IDBs, empowerment zone bonds are not limited to a maximum $10 million par amount. Borrowers are not limited to manufacturers but include retailers and any service that operates in the EZ.
- *The California Organized Investment Network (COIN) Program:*
  A division of the California Department of Insurance that provides a mechanism for insurance companies to purchase privately placed IDBs. COIN is a voluntary investment program that has a mission to match entrepreneurs, nonprofit groups, and local governments either directly or through intermediaries with insurance industry investment capital.
- *The State Teachers' Retirement System (STRS) Letter of Credit Program:*
  Provides a mechanism for IDBs to be issued under STRSs strong credit rating while allowing borrowers to maintain their existing banking relationships.
- *The Small Business Program:*
  Streamlined small business "one-stop shop" issuance process. CDLAC allocation and CIDFAC approval are received simultaneously to finance land, buildings, and equipment.
- *Energy Financing Program:*
  Provides financing for manufacturers to construct or renovate energy efficient facilities, to acquire energy efficient equipment, or to clean distributed power generation systems.

Fees

- $1,250 non-refundable application fee.
- General fee of 0.25 percent of the total amount of the bond issued.

Assistance Terms

- 95 percent of proceeds must be used for the defined IDB project.
- A public hearing (TEFRA) must be held before the bonds are issued.
- To acquire a used building, a minimum of 15 percent of the bond proceeds must be used to renovate the facility.
- The weighted life of the bond issue cannot exceed 120 percent of the weighted average of the estimated useful life of the assets being financed.
- Maximum bond term is 40 years.
- Maximum par amount of $10 million.
- Total outstanding IDBs by any one company cannot exceed $40 million nationwide.

Eligible Activities

- Industrial projects include manufacturing and processing.
- Bond proceeds can be used to acquire:
    > Land (up to 25 percent of the proceeds);
    > Buildings and equipment;
    > Machinery and furnishings;
    > Landscaping;
    > Costs of architects, engineers, attorneys, and permits; and
    > Costs of bond issuance (up to two percent).

Eligible Applicants

- CIDFAC approves the issuance of IDBs as a partner with local governments.
- The local government can be a city, county, economic redevelopment agency, or a joint powers authority.
- The local governmental entity is the issuer of the IDBs and CIDFAC is the approval agency.
- Local governments who do not wish to participate in the CIDFAC issuance process can contact the California Infrastructure and Economic Development Bank Conduit Revenue Bond Program (see page 72).

Point of Contact

Joanie Jones-Kelly, Executive Director
CIDFAC
E-mail Address: jkelly@treasurer.ca.gov
Phone Number: (916) 653-3843
Web Site: www.treasurer.ca.gov/cidfac
Mailing Address: 915 Capitol Mall, Room 457
Sacramento, CA 95814

Success Story

Malmberg Engineering, Inc.

Malmberg Engineering, Inc., whose major customers are medical instrumentation manufacturers, has added two new departments. The two new departments are for assembly and for tooling to accommodate their customers' requests for assembly service. With the addition of the new departments, Malmberg no longer needs to subcontract orders to meet customer needs. The company is able to produce products at a faster rate, which enables them to meet end product demand to medical and hospital facilities.

Malmberg issued $3 million in tax-exempt bond financing through Alameda County with CIDFAC approval. The project included the acquisition of two acres, site preparation, construction of a 30,000 square foot facility, and the purchase and installation of new equipment. The project expansion added approximately 90 new jobs to the county.

American Fish & Seafood

Getting fresh and frozen seafood to supermarket chains, hotels, and national cruise ship lines just got easier for the American Fish & Seafood Company. Los Angeles City officials have just signed off on a $10.2 million bond deal that will allow the family-owned company to build a new processing and distribution facility in the downtown Produce Mart area, which is located in a federal Empowerment Zone (EZ). This is the second bond issuance by the City of Los Angeles utilizing the new allocation, and the largest in California. American Fish & Seafood will use the multi-million dollar bond to build a new 63,000 square foot processing and distribution facility. Stimulating businesses' growth and development in neighborhoods is the foundation of the EZ bond program.

"Our company has a stake in this community. By building and expanding, we hope to see more businesses move to the downtown area. As more businesses come in, goods and services will follow and have a positive impact on the overall area," said James Doizaki, who heads the company's real estate branch, DF Associates.

Doizaki's grandfather started American Fish & Seafood in the 1940's. Today the wholesale fish distributor employs 125 people and operates from a 30,000 square foot facility that it has outgrown. The new plant will give the company twice the operating room and include state of the art machinery. "Right now we're using 25 year old technology. One new piece of machinery we're looking at will allow us to automate our shrimp steaming process, which is now done by hand," Doizaki says, "The drain on city services, such as power and water will be relieved with the use of new technology."

The Industrial and Commercial Development Division of the Los Angeles Community Development Department (CDD) oversees bond, loan, and tax incentive programs within the City's EZ. One of the EZ bond requirements calls for a business to hire 35 percent of its workforce from the local community. American Fish & Seafood is working with a Worksource Center, run by Goodwill Industries, and partially paid for by federal Workforce Investment Act funds, to meet the hiring goal.

Meanwhile, Los Angeles has a federal allocation of $230 million in bond authority available to the City through 2009. The CDD is actively seeking companies, within the EZ or that are willing to relocate in the EZ, to take advantage of this economic incentive package.

2. California Pollution Control Financing Authority (CPCFA)

a. CALIFORNIA CAPITAL ACCESS PROGRAM (CALCAP) BUSINESS STRATEGIC TARGETED ADVISING RESOURCES (STAR) PROGRAM

CPCFA provides a small business advisory service through Pacific Community Ventures that helps small businesses to grow and develop their companies. This form of assistance will improve access to other forms of capital for these small businesses, spur further investment, create jobs, expand economic opportunities, and assist in the recovery of distressed neighborhoods and low- and moderate-income communities to strengthen economic recovery in California.

CalCAP's Business STAR Program will provide entrepreneurs with valuable no-cost business development resources through various programs and services including:

- Individualized, professional assistance;
- Access to high-caliber business advisors (i.e., CEOs and senior, experienced business professionals);
- Assistance to develop skills and expertise in sales, marketing, finance, management, and operations; and
- Assistance in overcoming specific business challenges.

Eligible Applicants

- 500 employees or less.
- Must demonstrate potential for growth and profitability, commitment to working with a business advisor, and commitment to local hiring.
- Preference for companies with:
  - > $500,000 to $20 million in annual revenues,
  - > Located in and/or employing (or having the potential to employ) residents from low-and moderate-income communities,
  - > At least two years of operational history, or
  - > Successful CalCAP experience (see CalCAP Program on page 64).
- Businesses that meet the eligibility criteria, received CalCAP financing, or are located in severely affected communities (e.g., State Enterprise Zones) are especially encouraged to apply.

Point of Contact

Eugene Lee, Program Manager
CPCFA - CalCAP Business STAR Program
Phone Number: (916) 654-5610
Web Site: www.treasurer.ca.gov/cpcfa
E-mail Address: calcap@treasurer.ca.gov
Mailing Address: 915 Capitol Mall, Room 457
Sacramento, CA 95814

b. CALIFORNIA CAPITAL ACCESS PROGRAM (CALCAP) FOR SMALL BUSINESSES LOANS

CalCAP is a loan program that provides an important source of capital for small businesses that may otherwise have difficulty in obtaining financing. CalCAP provides incentives for a lender to make small business loans by establishing a loss reserve account as a form of loan portfolio insurance. The loss reserve account provides up to 100 percent coverage to the lender.

Fees

- The borrower and lender each pay a two percent to 3.5 percent fee (the lender determines the exact amount) to the CalCAP loss reserve account to enroll a loan.

Assistance Terms

- A lender can enroll all or a portion of a term loan or line of credit into CalCAP.
- The maximum loan amount is $2.5 million.
- Loans can be short- or long-term, have fixed or variable rates, be secured or unsecured, and bear any type of amortization schedule.
- The borrower works directly with a CalCAP lender to obtain a loan.
- The CalCAP lender approves loans directly without burdensome governmental approval of the loan-making process.
- CPCFA provides a 100 percent match of the combined borrower and lender loss reserve account contributions.
- Special benefits for severely affected communities:
    - > CPCFA increases its deposit to CalCAP loss reserve accounts by 50 percent for loans made to small businesses in severely affected communities, such as State Enterprise Zones.

Eligible Activities

- Loans can be used to finance the acquisition of land, the construction or renovation of buildings, the purchase of equipment, working capital, and other capital projects. There are limitations on real estate loans and loan refinancing.
- Examples of ineligible uses of loan proceeds include any type of luxury facility, such as a golf course or country club, racetrack, airplane, or gambling facility or any company whose principal business is the sale of alcoholic beverages consumed off site, the sale of firearms, or the sale of tobacco products.

Eligible Applicants

- Most small businesses, with few exclusions, qualify for CalCAP.
- A typical definition of a small business is one with 500 or fewer employees.
- The small business must have its primary location in California.
- The small business activity resulting from the loan must be primarily created and retained in California.

Point of Contact

Eugene Lee, Program Manager
CPCFA - CalCAP
Phone Number: (916) 654-5610
Web Site: www.treasurer.ca.gov/cpcfa
E-mail Address: calcap@treasurer.ca.gov
Mailing Address: 915 Capitol Mall, Room 457
Sacramento, CA 95814

3. California Public Employees' Retirement System (CalPERS)

a. THE CALIFORNIA INITIATIVE

The California Initiative is designed to deploy equity capital in traditionally underserved markets, primarily, but not exclusively, located in California. The objective is to discover and invest in opportunities that may have been bypassed or not reviewed by other sources of investment capital. This program provides CalPERS with competitive risk-adjusted rates of return while still promoting growth and development of the targeted areas.

Program Structure

- In May 2001, the CalPERS Investment Committee approved a commitment of $475 million to eleven investment firms targeting the following stages of private equity capital:
  - Seed and early stage capital,
  - Later stage venture capital,
  - Growth/expansion stage capital,
  - Middle market buyouts, and
  - Corporate partnerships to relocate or expand operations in underserved areas.

Targeted Opportunities

- Underserved markets include urban and rural areas where underutilized and untapped assets and resources exist that may be leveraged for the formation of new business activity.
- Underserved markets also include companies that provide goods and services to traditionally overlooked consumer groups.

Eligible Applicants

- Small to middle market companies operating in underserved markets in various stages of the growth cycle.

Points of Contact

Joncarlo Mark, Portfolio Manager
CalPERS
Phone Number: (916) 795-3267
Web Site: www.calpers.ca.gov
E-mail Address: joncarlo_mark@calpers.ca.gov
Mailing Address: Lincoln Plaza, 400 P Street
Sacramento, CA 95814

Jesús S. Argüelles, Investment Officer
CalPERS
Phone Number: (916) 795-3151
Web Site: www.calpers.ca.gov
E-mail Address:
jesus_arguelles@calpers.ca.gov
Mailing Address: Lincoln Plaza, 400 P Street
Sacramento, CA 95814

AND

Fund Managers:

- American River Ventures Fund, LP (Venture capital for Sacramento, Central Valley, East Bay, and North Bay areas), Corley Phillips (916) 780-2828
- Bank of America California Community Venture Fund, LLC (Fund-of-funds for partnerships targeting underserved markets primarily in California), Sanjiv Shah (312) 828-6378
- Draper Fisher Jurvetson Frontier (California Venture Capital), Scott Lenet (916) 444-9000
- Garage California Entrepreneurs' Fund, LP (Seed capital), Guy Kawasaki (650) 354-1800
- Green Equity Partners California Opportunity Fund, LP (Consumer services, middle market), Peter Nolan (310) 954-0444
- Nogales Investors Fund, LP (Consumer-related businesses - retail, media, and distribution), Luis Nogales (310) 276-7439
- Opportunity Capital Partners Fund IV, LP (Middle-market multistage - technology, manufacturing, and media throughout California), Peter Thompson (510) 795-7000
- Pacific Community Ventures II, LLC (Small enterprises in low- and moderate-income areas of Northern California), Penelope Douglas (415) 442-4300
- Provender Opportunities Capital Fund, LP (Middle-market multistage - financial services, technology, and media), Frederick Terrell (212) 271-8878
- Yucaipa Corporate Initiatives Fund, LP (Corporate relationships and joint ventures), Ed Renwick (310) 228-3500

4. California State Teachers' Retirement System (CalSTRS)

a. INVESTMENTS IN UNDERSERVED URBAN AND RURAL MARKETS, AND NEW AND NEXT GENERATION MANAGERS

These funds are designed to make private equity investments in markets that have been traditionally underserved. Managers selected by CalSTRS to manage these investment funds serve as fiduciaries to CalSTRS and have sole discretion for all investments that are expected to meet private equity risk/return requirements.

Investment Structure

- CalSTRS has committed $350 million, which consists of a $250 million allocation to Underserved Urban and Rural Markets and a $100 million allocation to New and Next Generation Managers.

Strategies

- *Underserved Urban and Rural Markets:* CalSTRS has selected several managers to oversee this strategy. The CalSTRS/Banc of America Capital Access Fund is a fund-of-funds, which selects funds that target the underserved markets, and the Yucaipa Corporate Initiatives and the Nogales Investor Funds both make direct investments in companies meeting each of their respective underserved strategies and performance criteria.
- *New and Next Generation Managers:* CalSTRS has selected Invesco Private Capital to manage the CalSTRS New and Next Generation Manager Fund. This is a fund-of-funds that invests in private equity managers overseeing first- or second-time funds that satisfy the required performance criteria.

Eligible Managers

- Eligible fund managers can be in the following private equity sectors:
  - > Early and late stage venture capital.
  - > Equity expansion.
  - > Buyout.
  - > Mezzanine.
  - > Other sectors as deemed fit by the investment manager.

Points of Contact

Richard Rose, Principal Investment Officer
CalSTRS
Phone Number: (916) 229-3697
Web Site: www.calstrs.com
E-mail Address: rrose@calstrs.com
Mailing Address: 7667 Folsom Boulevard
Sacramento, CA 95826

AND

Underserved Urban and Rural Markets:

- CalSTRS/Banc of America Capital Access Fund, LLC (Fund-of-funds for partnerships targeting underserved markets primarily in California), Guillermo Borda,
  E-mail: guillermo.borda@bankofamerica.com

- Nogales Investors Fund, LP, Luis Nogales (310) 276-7439
- Yucaipa Corporate Initiatives Fund, LP, Ed Renwick (310) 228-3500

CalSTRS New and Next Generation Managers:

- CalSTRS New and Next Generation Manager Fund, LP, Amit Tiwari (650) 253-3600

5. California Tax Credit Allocation Committee (CTCAC)

a. COMMERCIAL REVITALIZATION DEDUCTION (CRD) PROGRAM

CTCAC administers the CRD Program, a federal program designed to stimulate job growth and economic development in some of the nation's most distressed communities.

In December 2000, Congress, through the U.S. Department of Housing and Urban Development (HUD), designated 40 communities across the nation as Renewal Communities. Five of these Renewal Communities are in California; they are portions of the cities of Los Angeles, San Diego, and San Francisco, as well as the rural communities of Orange Cove and Parlier. This Renewal Community designation allows each community to utilize a variety of tax incentive programs to stimulate economic revitalization. The CRD Program is one of the tax incentive programs.

Pursuant to an adopted Qualified Allocation Plan, CTCAC administers the real estate part of the program. CTCAC can allocate up to $12 million in tax deductions annually to qualifying businesses in each of the Renewal Communities through 2009. These deductions are available to businesses located in the renewal communities to acquire, renovate, and rehabilitate existing structure(s), or build property for commercial use.

Interested persons should contact the designated official in that Renewal Community for more information.

FEES

- Non-refundable application fee in the amount of $300 must be submitted with the initial application.
- A reservation fee of $500 is due and payable within 20 days after CTCAC takes action to reserve the deduction for the applicant. For projects receiving less than $50,000 in deduction reservations, the fee may be waived upon request.
- For those projects that are placed in service in the year in with the application is made, an allocation/monitoring fee equal to 0.25 percent of the deduc-

tion award must be paid.

- For projects that will not be placed in service in the year in which the allocation is made and will require a carryover allocation, an additional carryover fee equal to $500 or one percent of the deduction award must be paid.

Assistance Terms

- Once the applicant has received a deduction allocation, the applicant chooses either to:
    - > Claim 50 percent of the qualifying expenditures as CRD Tax Credits in the year in which the building is placed in service and to capitalize the remaining expenses under applicable tax law; or
    - > Claim the entire qualifying expenditures of CRD Tax Credits at a rate of ten percent per year for ten years, beginning in the year the project is placed in service.

Objectives of Commercial Revitalization Deductions

- To maximize the number of permanent, full-time job opportunities for residents of Renewal Communities.

- To allocate commercial revitalization tax deductions to those entities providing the greatest overall public benefit to the Renewal Community.

- To encourage development and rehabilitation of appropriate commercial property within the Renewal Community.

- To encourage revitalization of the economies of the Renewal Communities.

- To provide opportunities for participation in Renewal Community partnerships to Renewal Community residents and nonprofit groups.

Points of Contact

LOS ANGELES
Cliff Weiss
Renewal Community Manager
1200 West 7th Street, 6th Floor
Los Angeles, CA 90017

ORANGE COVE
Bill Little
Renewal Community Manager
633 6th Street
Orange Cove, CA 93646

PARLIER
Lou Martinez
Director of Economic Development
1100 E. Parlier Ave
Parlier, CA 93648

SAN DIEGO
Ples Felix
Renewal Community Manager
600 B Street, 4th Floor, MS 904
San Diego, CA 92101-4506

SAN FRANCISCO
Albert Lerma
Program Director
25 Van Ness Avenue, Suite 700
San Francisco, CA 94102

The Infrastructure State Revolving Fund provides low-cost financing to public agencies for a wide variety of infrastructure projects.

F. Infrastructure

1. California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA)

a. ADVANCED TRANSPORTATION AND RENEWABLE ENERGY TAX-EXEMPT AND TAXABLE BONDS

In 1980, state legislation was enacted to "promote the prompt and efficient development of energy sources which are renewable or which more efficiently utilize and conserve scarce energy resources." Recognizing the importance of developing a secure energy future to protect the environment and ensure economic stability, the intent of the legislation was to promote energy sources designed to reduce the degradation of the environment. Originally called California Alternative Energy Source Financing Authority, the Authority later became CAEATFA in 1994, when the statute was amended to include development and commercialization of advanced transportation technologies.

Fees

- Application, board issuance, annual administrative, and other fees may apply. Contact CAEATFA for further information.

Eligible Activities

- Pursuant to CAEATFA's statute, the following are permissible advanced transportation and renewable energy projects:
  - > *Advanced Transportation Technologies:*
    - Advanced telecommunications for transportation.
    - Command, control, and communications for public transit vehicles and systems.
    - Electric vehicles and ultra-low emission vehicles.
    - High-speed rail and magnetic levitation passenger systems.
    - Fuel cells.
  - > *Advanced Transportation Technologies:*
    - Biomass.
    - Solar thermal.
    - Photovoltaic.
    - Wind.
    - Geothermal.

Financing Through CAEATFA

- CAEATFA is a conduit bond issuer that is able to issue tax-exempt and taxable bonds for projects that qualify under its authorizing statute. CAEATFA also may provide financial assistance in the form of loans, loan loss reserves, interest rate reductions, insurance, guarantees, or other forms of enhancement.

Eligible Applicants

- Any individual, entity, or group of entities, whether organized for profit or not for profit, may apply to CAEATFA for financial assistance. Public agencies also may apply to CAEATFA for financing of renewable energy and advanced transportation projects.

Point of Contact

Katrina M. Johantgen, Executive Director
CAEATFA
Phone Number: (213) 620-4467
Web Site: www.treasurer.ca.gov/caeatfa
E-mail Address: kjohantgen@treasurer.ca.gov
Mailing Address:
Los Angeles Office:
304 S. Broadway, Suite 550
Los Angeles, CA 90013-1224
Sacramento Office:
915 Capitol Mall, Room 576
Sacramento, CA 95814

2. California Infrastructure and Economic Development Bank (I-Bank)

a. CONDUIT REVENUE BONDS

501(c)(3) Revenue Bonds

Tax-exempt revenue bond financing is available to nonprofit corporations that have received a determination letter from the Internal Revenue Service that they qualify as organizations as defined under Section 501(c)(3) of the Internal Revenue Code.

Fee

- Issuance fee is calculated on a graduated basis, based upon the amount of the financing. Maximum fee amount is $75,000

Assistance Terms

- Must be a qualified nonprofit corporation.
- Project must be located in California.
- Provides defined public benefit.
- Project must be consistent with any existing local or regional comprehensive plan.
- Low interest rates.
- Long-term financing.
- Allows borrower to retain endowments and accumulated funds.

Eligible Activities

- Bond proceeds may be used for the following purposes:
  - > Capital expenditures;
  - > Refinancing prior debt (under certain conditions);
  - > Reimbursing prior expenditures (under certain conditions);
  - > Working capital; and
  - > Costs of issuance, capitalized interest, and debt reserve funds.

Eligible Applicants

- Nonprofit corporations organized pursuant to Internal Revenue Code Section 501(c)(3) are generally operated for the following purposes: religious, charitable, scientific, educational, health, housing, and the prevention of cruelty to children and animals.
- I-Bank normally does not finance projects that qualify for bond financing through established statewide financing authorities such as the California Educational Financing Authority (page 41) or the California Health Facilities Financing Authority (page 49). Additionally, I-Bank is prohibited by statute from financing housing projects.

Point of Contact

Jeffrey Emanuels, Manager
I-Bank - Conduit Financing
Phone Number: (916) 324-1299
Web Site: www.ibank.ca.gov
E-mail Address: jemanuels@ibank.ca.gov
Mailing Address: 1001 I Street, 19th Floor
Sacramento, CA 95814

Success Story

The California Academy of Sciences

The California Academy of Sciences, located in Golden Gate Park in the City of San Francisco, is the oldest scientific institution in the western United States and one of the ten largest natural history museums in the world. The Academy is an international center for environmental research that provides its community and region with the highest quality exhibitions, programs, education, and outreach. The Academy's three main areas of activity are public exhibitions, research, and education.

I-Bank 501(c)(3) revenue bond financing of $180 million, together with approximately $220 million in City of San Francisco, state, and federal funds and donations, were used to finance a $400 million major reconstruction of the Academy's facilities, including the demolition, renovation, construction, replacement, and equipping of the Academy's museum (aquarium, natural history exhibits, and planetarium), research, and educational facilities in Golden Gate Park.

When completed, this unique private/public project will strengthen the Academy's role as one of the preeminent natural history research and educational facilities in the world.

Exempt Facilities

Exempt facility bonds are a category of bonds created by special provisions of the Internal Revenue Code that allow private, for-profit companies to utilize the proceeds of tax-exempt bonds to finance limited types of projects.

Assistance Terms

- Similar to the provisions for 501(c)(3) Revenue Bonds.

Eligible Activities

- Privately used or leased facilities at airports and ports, provided they are owned by a government agency.
- Other categories exist, but have numerous limitations and conditions.

Eligible Applicants

- Narrowly defined list of eligible applicants. Call I-Bank for clarification.

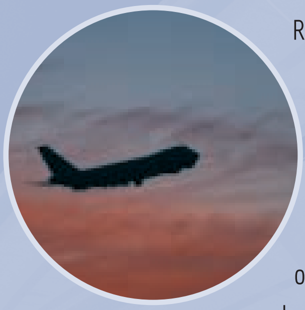
Point of Contact

Jeffrey Emanuels, Manager
I-Bank - Conduit Financing
Phone Number: (916) 324-1299
Web Site: www.ibank.ca.gov
E-mail Address: jemanuels@ibank.ca.gov
Mailing Address: 1001 I Street, 19th Floor
Sacramento, CA 95814

Success Story

Mercury Air Group, Inc.

Mercury Air Group, Inc. (Mercury Air) received Airport Exempt Facility Revenue Bond financing for a project in 1998. Mercury Air provides a broad range of services to the aviation industry through four principal operating units: fuel sales and services, cargo operations, fixed base operations, and government contract services. Bond proceeds were utilized to finance two separate expansion projects. Mercury Air's facility located at the Burbank-Glendale-Pasadena Airport received funds to renovate office, shop, and maintenance space in order to provide enhanced fixed base and ground support services to the general aviation industry. Mercury Air concurrently expanded its air cargo operations at Los Angeles International Airport. Bond proceeds were used to demolish an abandoned Delta Airlines hangar and construct the largest cargo warehouse at the second busiest cargo airport in the world.



Industrial Development Bonds (IDBs)

IDBs allow manufacturers and processors to finance acquisition and expansion projects at very low interest rates through tax-exempt bond issuance. IDBs issued through the I-Bank offer flexible financing terms and low administrative costs.

Fees

- Application fee of $1,500.
- Issuance fee is 0.25 percent of the amount financed.
- Administrative fee of $500 per year, until the bonds are redeemed.

Assistance Terms

- Low interest rate.
- Typical maturity of 15-30 years, however, the weighted average life of the bond cannot exceed 120 percent of the estimated useful life of the assets to be financed.
- No prepayment penalty.
- The maximum amount of a tax-exempt IDB is $10 million per applicant per jurisdiction.
- The total outstanding amount of IDBs by any one company nationwide may not exceed $40 million.
- A letter of credit from a bank with a minimum long-term rating of "A" is necessary to market the bonds.
- The project should result in the creation of jobs that otherwise would be lost. One job should be created/retained within two years of project completion for every $50,000 in bond financing.
- 95 percent of the bond proceeds must be used for the defined project.
- 75 percent of the assets purchased with bond proceeds must be for actual manufacturing/processing.
- Up to 25 percent of the bond proceeds can be used for land purchases.
- Up to two percent of the bond proceeds can be used for costs of issuance.
- If the bond proceeds are used to acquire an existing building, the building must be rehabilitated within two years, by an amount equal to at least 15 percent of the portion of the building financed with bonds.

Eligible Applicants

- Manufacturers or processors only.

Point of Contact

Jeffrey Emanuels, Manager
I-Bank - Conduit Financing
Phone Number: (916) 324-1299
Web Site: www.ibank.ca.gov
E-mail Address: jemanuels@ibank.ca.gov
Mailing Address: 1001 I Street, 19th Floor
Sacramento, CA 95814

Success Story

Applied Aerospace Structures Corporation

The I-Bank has issued $6.1 million in tax-exempt IDBs in favor of the Applied Aerospace Structures Corporation (AASC), a leading designer and fabricator of precision space components for the aerospace industry. Founded over 50 years ago as an aircraft parts manufacturer, AASC has completed numerous contracts for such notable customers as Boeing Commercial Aircraft, Boeing North America, Hughes Space and Communications, Lockheed Martin, the National Aeronautics and Space Administration (NASA) Ames, and NASA Goddard Space Flight Center.

AASC is located in an economically distressed area of Stockton, California, in an area identified as a state-designated Enterprise Zone. In addition to providing jobs that pay higher than average wages for the area, AASC employees are offered stable employment rather than the temporary and/or seasonal employment that is typical in agricultural areas. At the time of the bond issue, the company employed 221 individuals and management estimated that 235 new manufacturing jobs would be created within two years of project completion as a result of the IDB financing. All non-management positions are union jobs that provide full health and medical benefits, retirement, vacation, and sick leave. In addition, AASC has a liberal educational reimbursement program designed to encourage self-development. The company participates in a "co-op" program with students at the University of the Pacific who are studying engineering and physics. Many of these students are eventually offered full-time employment at AASC.

b. INFRASTRUCTURE STATE REVOLVING FUND (ISRF) PROGRAM LOANS

The ISRF Program provides low-cost financing to public agencies for a wide variety of infrastructure projects.

Assistance Terms

- Direct loans.
- Loan amounts from $250,000 to $10 million.
- Terms of up to 30 years.
- Interest rates are fixed for the term of the financing and set upon bank board approval at a rate equal to 67 percent of Thomson's Municipal Market Index for an "A" rated security with a weighted average life similar to the loan term.
- Eligible repayment sources:
    - > General Fund revenues,
    - > Enterprise Fund revenues,
    - > Tax increment revenues,
    - > Assessment revenues, and
    - > Other recurring revenues acceptable to the I-Bank.

Eligible Activities

- Public infrastructure including:
    - > City streets;
    - > County and state highways;
    - > Drainage, water supply, and flood control;
    - > Educational facilities;
    - > Environmental mitigation measures;
    - > Parks and recreational facilities;
    - > Port facilities;
    - > Power and communication;
    - > Public transit;
    - > Sewage collection and treatment;
    - > Solid waste collection and disposal;
    - > Water treatment and distribution;
    - > Defense conversion;
    - > Public safety facilities; and
    - > Military infrastructure.

Eligible Applicants

- Any subdivision of a local government, including:
    - > Cities,
    - > Counties,
    - > Redevelopment agencies,
    - > Special districts, and
    - > Joint powers authorities.

Point of Contact

Roma Cristia-Plant, Manager
I-Bank - Infrastructure State Revolving Fund
Phone Number: (916) 324-8942
Web Site: www.ibank.ca.gov
E-mail Address: rcristia@ibank.ca.gov
Mailing Address: 1001 I Street, 19th Floor
Sacramento, CA 95814

Success Story

THE CITY OF EL SEGUNDO

The City of El Segundo borrowed $10 million in financing for the Douglas Street Gap Closure Project. The project involved the construction of a new arterial roadway to connect two discontinuous segments of Douglas Street north of Rosecrans Avenue via an underpass under existing railroad and light rail facilities, and the construction of a park and ride lot and a pedestrian bridge to facilitate access to the Metropolitan Transportation Authority's Green Line. Total project costs were over $32.5 million, with the ISRF Program funds providing the gap financing. The project is an integral component of a comprehensive multi-modal transportation investment strategy to improve traffic and transportation infrastructure in the city and South Bay region, and designed to increase the use of local public transit. The project will also aid in the elimination of blight and increased community revitalization through the development of adjacent brownfield land into a mix of office, research and development, retail, restaurant, and light industrial uses. The project had widespread support from major city employers and the cities of Manhattan Beach and Hawthorne.

2. California Transportation Commission (CTC)/Department of Transportation (Caltrans)

a. GRANT ANTICIPATION REVENUE VEHICLE (GARVEE) FINANCING

GARVEEs are tax-exempt debt financing mechanisms that are used to accelerate the funding and construction of critical transportation infrastructure projects in order to provide congestion relief benefits to the public significantly sooner than would be possible through the use of traditional funding mechanisms.

This type of financing was authorized at the federal level under the National Highway System Designation Act of 1995. State law, enacted in 1999, authorizes the issuance of GARVEE bonds. The CTC is authorized to select and designate transportation projects to be funded for accelerated construction from bond proceeds. Caltrans is responsible for administering GARVEE-related workloads and, in conjunction with the CTC and regional agencies, proposes projects through the State Transportation Improvement Program (STIP) or the State Highway Operation and Protection Program (SHOPP).

GARVEE debt service is repaid from future receipts of federal transportation funds received by the state that are legally available for this purpose. By statute, the total of all annual repayment obligations may not exceed 15 percent of annual federal transportation funds deposited in the State Highway Account. Each year, the State Treasurer prepares an analysis of the bonding capacity for issuing GARVEEs to assist the CTC in its compliance with this statutory requirement.

Assistance Terms

- By statute, the bonds have a 30-year maximum term; however, the CTC's policy limits the term to 12 years.
- Projects will be selected through the programming process for the STIP and the SHOPP.
- Projects must be major improvements to corridors and gateways for interregional travel and goods movement. Major improvements include projects that increase capacity, reduce travel times, or provide long-life rehabilitation of key bridges or roadways.

Eligible Activities

- The federally-funded portion of any highway or other transportation project that has been designated for accelerated construction by the CTC is eligible for GARVEE financing. The project also must have environmental clearance, completed project design, federal approval for the use of advance construction, and meet all federal aid requirements.
- Financing is available only for right-of-way and construction of a project.
- Funding considerations include:
  - > Public and other economic benefits resulting from early construction exceed financing costs;
  - > Other funding mechanisms are not available; and
  - > The anticipated useful life of the project exceeds the term of the GARVEE financing.

Eligible Applicants

- Applicants must be a regional transportation agency that is the approving authority for the county's submission of projects to the STIP. Caltrans and CTC staff may also propose projects for GARVEE financing.
- Other local entities, such as city or county governments or local transportation authorities, must apply jointly with their regional transportation planning agency.

Point of Contact

Barbara Lewis, Manager
Caltrans - Office of Alternative Financing
Phone Number: (916) 324-7623
Web Site: www.dot.ca.gov/hq/innovfinance/garveebond.htm
E-mail Address: barbara_lewis@dot.ca.gov
Mailing Address: 1120 N Street, MS #6
Sacramento, CA 95814

G. Pollution Control

1. California Pollution Control Financing Authority (CPCFA)

a. POLLUTION CONTROL TAX-EXEMPT BONDS

The Pollution Control Tax-exempt Bond Financing Program provides tax-exempt bond financing to California businesses for the acquisition, construction, or installation of qualified pollution control and resource recovery facilities and new equipment, including recycling facilities and equipment. Tax-exempt bond financing provides qualified borrowers with lower interest costs than are available through conventional financing mechanisms.

CPCFA financing assists municipalities in meeting their waste management needs, including compliance with waste diversion and recycling mandates of the California Integrated Waste Management Act of 1989.

CPCFA works in conjunction with the California Debt Limit Allocation Committee (CDLAC) (see page 13).

Assistance Terms

- Bond financing amounts range from $1 million and above.

Eligible Activities

- CPCFA issues tax-exempt bonds to finance projects that abate, eliminate, prevent, or control pollution.
- Proceeds may be used to pay for:
  - > Land;
  - > Buildings, fixtures, and furnishings;
  - > Machinery and equipment; and
  - > Architectural, engineering, surveying, permitting, and other incidental costs.
- Projects can involve construction of a new facility, expansion of an existing facility, rehabilitation or replacement of all or part of an existing facility, or acquisition and installation of new equipment.
- Types of projects that may qualify for tax-exempt bond financing include, among others:
  - > Materials recovery facilities,
  - > Recycling facilities,
  - > Waste-to-energy facilities,
  - > Composting facilities,
  - > Transfer stations,
  - > Landfills,
  - > Waste collection vehicles, and
  - > Residential waste containers.

Eligible Applicants

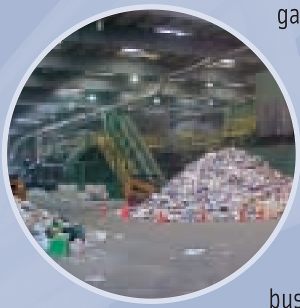
- California businesses with a qualifying project.

Point of Contact

Janet Haynes, Program Manager
CPCFA - Pollution Control Tax-exempt Bonds
Phone Number: (916) 653-0289
Web Site: www.treasurer.ca.gov/cpcfa
E-mail Address: pcbonds@treasurer.ca.gov
Mailing Address: 915 Capitol Mall, Room 457
Sacramento, CA 95814

Success Story

SACRAMENTO DEVELOPS PROJECT TO ASSIST SOLID WASTE MANAGEMENT, DIVERSION, AND RECYCLING



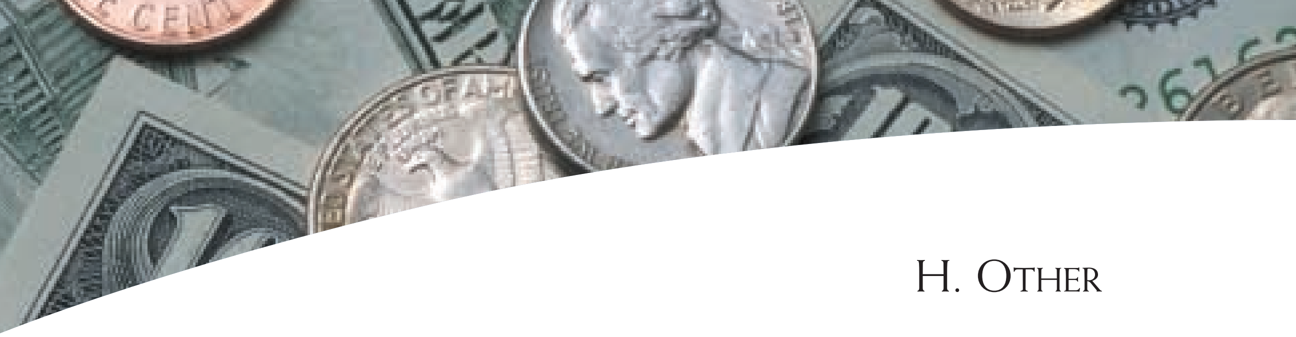
Municipal Solid Waste (MSW) (more commonly known as trash or garbage) consists of everyday items such as product packaging, grass clippings, cans, bottles, food scraps, and newspapers. In 2001, U.S. residents, businesses, and institutions produced more than 229 million tons of MSW. California, in particular, annually generates more than 75 millions tons of MSW. As part of this waste stream, Americans throw away enough aluminum every three months to rebuild our entire commercial air fleet. We also throw away enough office and writing paper annually to build a 12-foot high wall stretching from Los Angeles to New York City.

However, our ability to place this waste in landfills is diminishing as existing landfills are nearing capacity and new landfills are extremely costly and difficult to site. CPCFA plays an important role in assisting California's cities and counties to manage the state's waste stream. California's cities and counties are increasingly implementing MSW management practices such as source reduction, recycling, and composting, which prevent or divert materials from the waste stream. CPCFA has been on the forefront assisting the financing of these efforts.

One project CPCFA assisted with financing is BLT Enterprises of Sacramento, Inc. (BLT). In 1999, CPCFA issued $15 million in Pollution Control Tax-Exempt Bonds on behalf of BLT in order to purchase land, equipment, and complete the construction of a Materials Recovery Facility and Transfer Station in Sacramento. This facility, consisting of a 120,000 square foot building located on 19 acres, provides waste management and recycling services for commercial, industrial, municipal, and residential customers.

The BLT facility has achieved a number of public benefits. It receives over 1,500 tons of MSW and recyclables per day and diverts approximately 25 percent (or 375 tons) of those materials from landfills to productive use. In addition, it conducts local tours, educational training, and events that reach over 500 participants annually. Moreover, the facility has created approximately 100 new full-time jobs in the City of Sacramento. There is an ongoing need to develop facilities to manage California's significant waste stream. BLT is one of the many companies that have received low cost, tax-exempt bond financing through CPCFA for projects that have assisted the State in its waste management, diversion, and recycling efforts.

As of June 30, 2005, the PMIA had $7.1 billion in Time Deposits in 95 California financial institutions.



H. Other

1. Pooled Money Investment Account (PMIA)

a. SMALL BUSINESS LOAN PURCHASES

To accommodate loan servicing for low- to moderate-income areas of the State, the PMIA has a program to purchase the guaranteed portion of California-only securitized small business loans, with a concentration on low-to-moderate income areas. This provides a secondary Small Business Administration market to encourage small business lending in underserved areas of the State and provides diverse and prudent investment alternatives to the PMIA.

Between January 1, 1999 and June 30, 2005, PMIA had purchased $850 million of small business loans.

Assistance Terms

- PMIA purchase of small business loans in low-to-moderate income areas of the State.
- Concentration in areas designated by census tract (zip code) as underserved or CRA-eligible.
- Loans must be less than a year old from date of note.

Eligible Applicants

- Primary sellers (poolers) of SBA loans.

Point of Contact

Bill Dowell, Treasury Program Manager
Investments Division
Phone Number: (916) 653-3147
Web Site: www.treasurer.ca.gov/pmia-laif
E-mail Address: bdowell@treasurer.ca.gov
Mailing Address: 915 Capitol Mall, Room 106
Sacramento, CA 95814

a. TIME DEPOSITS

To accommodate the strong need for capital to fund loans within their service area and to combat community banks' inability to tap into capital markets and compete with strong regional and national banks, the PMIA has a program to invest California tax dollars in California communities. This program stimulates growth in small businesses, home mortgages, equity loans, auto loans, and personal loans while providing safe and attractive returns for the PMIA.

As of June 30, 2005, the PMIA had $7.1 billion in Time Deposits in 95 California financial institutions.

Assistance Terms

- PMIA Time Deposits in California community banks, savings & loans, and credit unions.
- Deposits do not exceed 100 percent of an institution's equity.

- Deposits collateralized at 100 percent of FDIC guarantee for first $100,000 and 110 percent to 150 percent on balances over $100,000.
- Consideration is given to the CRA rating of each institution (CRA ratings of less than satisfactory eliminate the institution from the program).

ELIGIBLE APPLICANTS

- California community banks, savings & loans, and credit unions.

POINT OF CONTACT

Bill Dowell, Treasury Program Manager
Investments Division
Phone Number: (916) 653-3147
Web Site: www.treasurer.ca.gov/pmia-laif
E-mail Address: bdowell@treasurer.ca.gov
Mailing Address: 915 Capitol Mall, Room 106
Sacramento, CA 95814

Appendix

CONTACT INFORMATION FOR STATE COMMUNITY REVITALIZATION PROGRAMS

California Housing Finance Agency Programs (CalHFA)

California Homebuyer's Downpayment Assistance Program (CHDAP) Loans

www.calhfa.ca.gov/homeownership/programs/chdap.htm
homeownership@calhfa.ca.gov
Homeownership Programs
1121 L Street, 7th Floor
Sacramento, CA 95814
(916) 324-8088

Extra Credit Teacher Home Purchase Program (ECTP) Loans

www.calhfa.ca.gov/homeownership/programs/ectp.htm
homeownership@calhfa.ca.gov
Homeownership Programs
1121 L Street, 7th Floor
Sacramento, CA 95814
(916) 324-8088

Homeownership in Revitalization Areas Program (HIRAP) Loans

www.calhfa.ca.gov/homeownership/programs/hirap.htm
homeownership@calhfa.ca.gov
Homeownership Programs
1121 L Street, 7th Floor
Sacramento, CA 95814
(916) 324-8088

Mortgage Insurance Services Program

www.calhfa.ca.gov/insurance
homeownership@calhfa.ca.gov
Mortgage Insurance Services
1415 L Street, Suite 500
Sacramento, CA 95814
(916) 322-8936

Preservation Acquisition Program Loans

www.calhfa.ca.gov/multifamily/financing/programs/preservation.pdf
mfprograms@calhfa.ca.gov
Multifamily Programs
1121 L Street, 7th Floor
Sacramento, CA 95814
(916) 322-5123

School Facility Fee (SFF) Down Payment Assistance Program Grants

www.calhfa.ca.gov/homeownership/programs/sff.htm
homeownership@calhfa.ca.gov
Homeownership Programs
1121 L Street, 7th Floor
Sacramento, CA 95814
(916) 324-8088

California Infrastructure and Economic Development Bank (I-Bank)

Roma Cristia-Plant, Manager

- Infrastructure State Revolving Fund (ISRF) Program Loans

www.ibank.ca.gov
rcristia@ibank.ca.gov
1001 I Street, 19th Floor
Sacramento, CA 95814
(916) 324-8942

Jeffrey Emanuels, Manager

Conduit Revenue Bonds

- 501(c)(3) Revenue Bonds
- Exempt Facilities
- Industrial Development Bonds (IDBs)

www.ibank.ca.gov
jemanuels@ibank.ca.gov
1001 I Street, 19th Floor
Sacramento, CA 95814
(916) 324-1299

California Public Employees' Retirement System (CalPERS)

Barbara Stocking, Investment Officer

- California Urban Real Estate (CURE) Investments Program

www.calpers.ca.gov
barbara_stocking@calpers.ca.gov
Lincoln Plaza
400 P Street
Sacramento, CA 95814
(916) 795-3400

Joncarlo Mark, Portfolio Manager
- The California Initiative

www.calpers.ca.gov
joncarlo_mark@calpers.ca.gov
Lincoln Plaza
400 P Street
Sacramento, CA 95814
(916) 795-3267

Jesús S. Argüelles, Investment Officer
- The California Initiative

www.calpers.ca.gov
jesus_arguelles@calpers.ca.gov
Lincoln Plaza
400 P Street
Sacramento, CA 95814
(916) 795-3151

California State Teachers' Retirement System (CalSTRS)

Mike DiRé, Director of Real Estate
- Urban Real Estate Investments Program

www.calstrs.ca.gov
mdire@calstrs.ca.gov
7667 Folsom Boulevard
Sacramento, CA 95826
(916) 229-3722

Richard Rose, Principal Investment Officer
- Investments in Underserved Urban and Rural Markets, and New and Next Generation Managers

www.calstrs.com
rrose@calstrs.com
7667 Folsom Boulevard
Sacramento, CA 95826
(916) 229-3697

California Transportation Commission (CTC)/Department of Transportation (Caltrans)

Barbara Lewis, Manager
Office of Alternative Financing
- Grant Anticipation Revenue Vehicle (GARVEE) Financing

www.dot.ca.gov/hq/innovfinance/garveebond.htm
barbara_lewis@dot.ca.gov
1120 N Street, MS #6
Sacramento, California 95814
(916) 324-7623

Department of Housing and Community Development (HCD) Programs

Marilyn Lawson, Program Manager
- Building Equity and Growth in Neighborhoods (BEGIN) Program Grants and Loans

www.hcd.ca.gov/fa/begin
mlawson@hcd.ca.gov
Financial Assistance Division
1800 Third Street, Room 390-2
Sacramento, CA 95814
(916) 327-2855

Peter Solomon, Program Manager
- CalHome Program Grants and Loans

psolomon@hcd.ca.gov
Financial Assistance Division
1800 Third Street, Room 390-2
Sacramento, CA 95814
(916) 327-3646

Dee Franklin, Program Manager
- CalHome Self-Help Technical Assistance Allocation (CHSHTAA) Grants

www.hcd.ca.gov/fa/calhome
dfrankli@hcd.ca.gov
Financial Assistance Division
1800 Third Street, Room 390-2
Sacramento, CA 95814
(916) 445-9581

Carlos Patterson, Program Manager

- Emergency Housing and Assistance Program Capital Development (EHAPCP) Deferred Loans

www.hcd.ca.gov/fa/ehap/ehapcd.html
cpatters@hcd.ca.gov
Financial Assistance Division
1800 Third Street, Room 390-2
Sacramento, CA 95814
(916) 445-0845

Pat Dyas, Program Manager

- Joe Serna, Jr. Farmworker Housing (Serna) Grant and Loan Program

www.hcd.ca.gov/fa/fwhg
pdyas@hcd.ca.gov
Financial Assistance Division
1800 Third Street, Room 390-8
Sacramento, CA 95814
(916) 324-0695

Lorraine French, Program Manager

- Mobilehome Park Resident Ownership Program (MPROP) Loans

www.hcs.ca.gov/fa/mprop
lfrench@hcd.ca.gov
Financial Assistance Division
1800 Third Street, Room 390-5
Sacramento, CA 95814
(916) 445-0110

Kim Losoya, Program Manager

- Multifamily Housing Program (MHP) Loans

www.hcd.ca.gov/fa/mhp
klosoya@hcd.ca.gov
Financial Assistance Division
1800 Third Street, Room 390
Sacramento, CA 95814
(916) 323-3178

Margery Winter, Program Manager

- Predevelopment Loan Program (PDLP)

www.hcd.ca.gov/fa/pdlp
mwinter@hcd.ca.gov
Financial Assistance Division
1800 Third Street, Room 390-5
Sacramento, CA 95814
(916) 445-0877

Linda Nichols, Program Manager

- Workforce Housing (WFH) Reward Program Grants

www.hcd.ca.gov/fa/whrp
lnichols@hcd.ca.gov
Division of Housing Policy Development
1800 Third Street, Room 430
Sacramento, CA 95814
(916) 323-3175

Office of Statewide Health Planning and Development (OSHPD)

Dale Flournoy, Deputy Director

Cal-Mortgage Loan Insurance Division

- California Health Facility Construction Loan Insurance Program

www.oshpd.ca.gov/calmort
dflourno@oshpd.ca.gov
300 Capitol Mall, Suite 1500
Sacramento, CA 95814
(916) 324-9957

Pooled Money Investment Account (PMIA)

Bill Dowell, Treasury Program Manager

Investments Division

- Small Business Loan Purchases
- Time Deposits

www.treasurer.ca.gov/pmia-laif
bdowell@treasurer.ca.gov
915 Capitol Mall, Room 106
Sacramento, CA 95814
(916) 653-3147

State Boards, Authorities & Commissions

Katrina M. Johantgen, Executive Director
California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA)
- Advanced Transportation and Renewable Energy Tax-exempt and Taxable Bonds

www.treasurer.ca.gov/caeatfa
kjohantgen@treasurer.ca.gov
Los Angeles Office:
304 S. Broadway, Suite 550
Los Angeles, CA 90013-1224
(213) 620-4467
Sacramento Office:
915 Capitol Mall, Room 576
Sacramento, CA 95814
(916) 653-2995

Jane W. Thompson, Executive Director
California Debt and Investment Advisory Commission (CDIAC)
- Data Collection, Policy Research, and Continuing Education

www.treasurer.ca.gov/cdiac
jthompson@treasurer.ca.gov
915 Capitol Mall, Room 400
Sacramento, CA 95814
(916) 653-3269

Laurie Weir, Executive Director
California Debt Limit Allocation Committee (CDLAC)
- Tax-exempt Private Activity Bond Allocation Program

www.treasurer.ca.gov/cdlac
lweir@treasurer.ca.gov
915 Capitol Mall, Room 311
Sacramento, CA 95814
(916) 653-3255

Frank Vega, Executive Director
California Educational Facilities Authority (CEFA)
- Simplified Equipment Finance Program (SEFP)
- Standard and Pooled Tax-exempt Bonds

www.treasurer.ca.gov/cefa
fvega@treasurer.ca.gov
915 Capitol Mall, Room 590
Sacramento, CA 95814
(916) 653-2872

Sandra Simpson-Fontaine, Executive Director
California Health Facilities Financing Authority (CHFFA)
- HELP II Loans
- Standard and Pooled Tax-exempt Bonds
- Tax-exempt Equipment Notes

www.treasurer.ca.gov/chffa
sfontaine@treasurer.ca.gov
915 Capitol Mall, Room 590
Sacramento, CA 95814
(916) 653-2799

Joanie Jones-Kelly, Executive Director
California Industrial Development Financing Advisory Commission (CIDFAC)
- Tax-exempt Industrial Development Bonds

www.treasurer.ca.gov/cidfac
jkelly@treasurer.ca.gov
915 Capitol Mall, Room 457
Sacramento, CA 95814
(916) 653-3843

Eugene Lee, Program Manager
California Pollution Control Financing Authority (CPCFA)
- California Capital Access Program (CalCAP) Business Strategic Targeted Advising Resources (STAR) Program
- California Capital Access Program (CalCAP) for Small Businesses Loans

www.treasurer.ca.gov/cpcfa
calcap@treasurer.ca.gov
915 Capitol Mall, Room 457
Sacramento, CA 95814
(916) 654-5610

Sherri Kay Wahl, Program Manager
California Pollution Control Financing Authority (CPCFA)
- California Recycle Underutilized Sites (CalReUSE) Loans

www.treasurer.ca.gov/cpcfa
calreuse@treasurer.ca.gov
915 Capitol Mall, Room 457
Sacramento, CA 95814
(916) 654-5951

Janet Haynes, Program Manager
California Pollution Control Financing Authority (CPCFA)
- Pollution Control Tax-exempt Bonds

www.treasurer.ca.gov/cpcfa
pcbonds@treasurer.ca.gov
915 Capitol Mall, Room 457
Sacramento, CA 95814
(916) 653-0289

Katrina M. Johantgen, Executive Director
California School Finance Authority (CSFA)
- State Charter School Facilities Incentive Grants Program
- Tax-Exempt Financing Program

www.treasurer.ca.gov/csfa
kjohantgen@treasurer.ca.gov
Los Angeles Office:
304 S. Broadway, Suite 550
Los Angeles, CA 90013-1224
(213) 620-4467
Sacramento Office:
915 Capitol Mall, Room 576
Sacramento, CA 95814
(916) 653-2995

William J. Pavão, Executive Director
California Tax Credit Allocation Committee (CTCAC)
- Commercial Revitalization Deduction (CRD) Program
- Federal and State Low-income Housing Tax Credits

www.treasurer.ca.gov/ctcac
wpavao@treasurer.ca.gov
915 Capitol Mall, Room 485
Sacramento, CA 95814
(916) 654-6340

Acknowledgements

This reference guide was written by Frank Moore, Research Specialist in CDIAC's Policy Research Unit, with the assistance of several members of CDIAC's staff, as well as outside contributors. Executive Director Jane W. Thompson and Director of Policy Research Kristin Szakaly-Moore reviewed and edited the guide. CDIAC appreciates the assistance of various departments mentioned in this guide and private sector professionals who provided information used in this guide.