

RESOLUTION NO. 93-06

RESOLUTION OF THE CALIFORNIA HOUSING
FINANCE AGENCY AUTHORIZING THE ISSUANCE
OF THE AGENCY'S BONDS FOR THE
PURPOSE OF FINANCING MULTIFAMILY HOUSING

WHEREAS, the California Housing Finance Agency (the "Agency") has determined that there exists a need in California for the financing of mortgage loans for multi-unit rental housing developments (the "Developments") for the purpose of providing housing for persons and families of low or moderate income;

WHEREAS, the Agency has determined that it is in the public interest for the Agency to provide such financial assistance by means of an ongoing program (the "Program") to make mortgage loans for the purpose of financing such Developments (the "Loans");

WHEREAS, pursuant to Parts 1 through 4 of Division 31 of the Health and Safety Code of the State of California (the "Act"), the Agency has the authority to issue bonds to provide sufficient funds to finance the Program, including the making of Loans, the payment of capitalized interest on the bonds, the establishment of reserves to secure the bonds, and the payment of other costs of the Agency incident to, and necessary or convenient to, the issuance of the bonds; and

WHEREAS, the Housing Bond Credit Committee, pursuant to the Act, is required to determine the general adequacy of the Program's security in protecting the credit of the State of California;

NOW, THEREFORE, BE IT RESOLVED, by the California Housing Finance Agency as follows:

Section 1. Determination of Need and Amount:

Authorization to Apply to CDLAC. The Agency is of the opinion and hereby determines that the offer, sale and issuance of one or more series of multifamily housing revenue bonds (the "Bonds"), in an aggregate amount not to exceed the sum of the following amounts is necessary to provide sufficient funds for the Program:

- (a) the aggregate amount of prior multifamily bonds of the Agency to be redeemed or maturing in connection with such issuance;

- (b) the aggregate amount of private activity bond allocations under federal tax law heretofore or hereafter made available to the Agency for such purpose;
- (c) if and to the extent the Bonds are "qualified 501(c)(3) bonds" under federal tax law, \$50,000,000;
- (d) if and to the extent the Bonds are not "private activity bonds" under federal tax law, \$50,000,000; and
- (e) if and to the extent interest on one or more of such series is determined by the Executive Director of the Agency (the "Executive Director") to be intended not to be excludable from gross income for federal income tax purposes, \$50,000,000.

The proper officers of the Agency are hereby authorized to apply from time to time for private activity bond allocations in an aggregate amount of up to \$50,000,000 from the 1993 state ceiling, to be used in connection with bonds issued under this resolution or resolutions hereafter adopted by the Agency.

Section 2. Authorization and Timing; Submission to HBCC. The Bonds are hereby authorized to be issued at such time or times on or before the day 30 days after the date on which is held the first meeting in 1994 of the Board of Directors of the Agency at which a quorum is present, as the Executive Director deems appropriate, upon consultation with the Treasurer of the State of California (the "Treasurer") as to the timing of each such issuance; provided, however, that if the Bonds are sold at a time on or before the day 30 days after the date on which is held such meeting, pursuant to a forward purchase agreement providing for the issuance of such Bonds on a later date on or before August 1, 1996 upon specified terms and conditions, such Bonds may be issued on such later date.

The Executive Director is hereby requested and authorized to submit to the Housing Bond Credit Committee a statement of the purpose for which the Bonds are proposed to be issued and the amount of the proposed issuance.

Section 3. Approval of Forms of General Indenture, Supplemental Indenture and Certain Other Financing Documents. (a) For each series of Bonds, the general indenture relating to the Bonds (the "General Indenture") previously entered into or to be entered into by and among the Treasurer, as trustee, and/or a duly qualified bank or trust company selected by the Executive Director to act as trustee or co-trustee (collectively, the "Trustees") and the Agency shall be in a form

similar to one or more of the following (collectively, the "Prior Indentures"):

- (1) the Housing Revenue Bond II Indenture, dated as of July 1, 1992;
- (2) the form of indenture approved by the Board of Directors of the Agency at its May 11, 1989 meeting for the Financial Guaranty Insurance Company program;
- (3) the Multifamily Rehabilitation Revenue Bonds, 1985 Issue A Indenture, dated as of March 1, 1985;
- (4) the Housing Revenue Bond Indenture, dated as of July 1, 1984;
- (5) the Multifamily Housing Revenue Bond (Insured Letter of Credit 1984-I) Indenture, dated as of March 1, 1984;
- (6) the Multifamily Rehabilitation Revenue Bonds, 1983 Issue A Indenture, dated as of December 1, 1983;
- (7) the Multi-Unit Rental Housing Revenue Bonds II Indenture, dated as of September 1, 1982;
- (8) the Rental Housing Revenue Bonds (FHA Insured Loans) Indenture, dated as of June 1, 1982;
- (9) the Multi-Unit Rental Housing Revenue Bonds Indenture, dated as of July 12, 1979; or
- (10) the Multi-Family Revenue Bonds (Federally Insured Loans) Indenture, dated as of April 17, 1979;

and each supplemental indenture, if any, relating to the Bonds (a "Supplemental Indenture") to be entered into by and among the Trustees and the Agency shall be in a form similar to the supplemental indentures heretofore executed in connection with the issuance of bonds under one or more of the Prior Indentures.

(b) Any reimbursement agreement, letter of credit agreement or other arrangement with respect to credit support for the Bonds shall be in a form similar to the reimbursement agreements, letter of credit agreements or other such arrangements used in connection with the bonds issued under one or more of the Prior Indentures.

(c) Any General Indenture, Supplemental Indenture or reimbursement agreement, letter of credit agreement or other such arrangement as finally executed may include such modifications as the Executive Director may deem necessary or desirable in furtherance of the objectives of the Program,

including, but not limited to, one or more of the following provisions:

- (1) for the Agency's insured or uninsured, limited or general, obligation to pay any debt secured thereby;
- (2) for a pledge of an amount of the Supplementary Bond Security Account to the extent necessary to obtain an appropriate credit rating or appropriate credit enhancement,
- (3) for a pledge of additional revenues which may be released periodically to the Agency from the lien of one or more indentures heretofore entered into by the Agency, including but not limited to one or more of the following:
 - (A) the Prior Indentures,
 - (B) the General Single Family Mortgage Purchase Bond Resolution, adopted by the Agency on October 27, 1976,
 - (C) the Home Ownership and Home Improvement Revenue Bond Indenture, dated as of January 1, 1978, as amended,
 - (D) the Home Mortgage Revenue Bond Indenture, dated as of September 1, 1982, as amended, and
 - (E) the Home Ownership Mortgage Bond Indenture, dated as of October 15, 1985;
- (4) for a reserve deposit of such other available assets of the Agency in an amount necessary to obtain an appropriate credit rating or appropriate credit enhancement but not to exceed an amount equal to ten percent (10%) of the amount of the Bonds,
- (5) for risk sharing provisions dividing between the Agency and any credit provider, in such manner as the Executive Director may deem necessary or desirable in furtherance of the objectives of the Program, the risks that would be borne by the Agency pledging its general obligation to pay any debt secured thereby,
- (6) for a liquidity facility, or
- (7) for contingent or deferred interest.

Section 4. Authorization to Execute and Deliver General Indentures, Supplemental Indentures and any Certain Other Financing Documents. For each series of Bonds, the Executive Director is hereby authorized and directed to execute,

and the Secretary of the Board of Directors of the Agency is hereby authorized to attest, for and in the name and on behalf of the Agency and under its seal, if and to the extent appropriate, a General Indenture, a Supplemental Indenture, a reimbursement agreement, a letter of credit agreement or any other arrangement with respect to credit support in substantially the forms approved pursuant to Section 3 of this resolution, with such additions, changes and modifications as the Executive Director may approve upon consultation with the Agency's legal counsel, such approval to be conclusively evidenced by the execution and delivery of such documents by the Executive Director.

Section 5. Approval of Forms and Terms of Bonds. The Bonds shall be in such denominations, have such registration provisions, be executed in such manner, be payable in such medium of payment at such place or places within or without California, be subject to such terms of redemption (including from such sinking fund installments as may be provided for) and contain such terms and conditions as each Indenture as finally approved shall provide. The Bonds shall have the maturity or maturities and shall bear interest at the fixed, adjustable or variable rate or rates deemed appropriate by the Executive Director in furtherance of the objectives of the Program; provided that no Bond shall have a term in excess of fifty years or bear interest at a stated rate in excess of twelve percent (12%) per annum, or, if interest is determined to be intended not to be excludable from gross income for federal income tax purposes, fifteen percent (15%) per annum. Any of the Bonds and the Supplemental Indenture(s) may contain such provisions as may be necessary to accommodate an option to put such Bonds prior to maturity for purchase by or on behalf of the Agency or a person other than the Agency and to accommodate other credit enhancement.

Section 6. Authorization of Disclosure. The Executive Director is hereby authorized to circulate one or more preliminary official statements relating to the Bonds and, after the sale of the Bonds, to execute and circulate one or more official statements relating to the Bonds, and the circulation of such preliminary official statement and such official statement to prospective and actual purchasers of the Bonds is hereby approved. The Executive Director is further authorized to hold information meetings concerning the Bonds and to distribute other information and material relating to the Bonds.

Section 7. Authorization of Sale of Bonds. The Bonds are hereby authorized to be sold at negotiated or competitive sale or sales. The Executive Director is hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver one or more agreements, by and among the

Agency, the Treasurer and such purchasers or underwriters as the Executive Director may select (the "Purchasers"), relating to the sale of the Bonds, in such form as the Executive Director may approve upon consultation with the Agency's legal counsel, such approval to be evidenced conclusively by the execution and delivery of said agreements by the Executive Director.

The Treasurer is hereby authorized and requested, without further action of this Board and unless instructed otherwise by this Board, to sell the Bonds pursuant to the terms and conditions set forth in each such agreement as finally executed on behalf of the Agency. The Treasurer is hereby further authorized and requested to cash and deposit the proceeds of any good faith deposit check to be received by the Treasurer under the terms of such agreement in a special trust account for the benefit of the Agency, and the amount of such check shall be applied at the time of delivery of the Bonds as part of the purchase price thereof or returned to the Purchasers as provided in such agreement.

Section 8. Authorization of Execution of Bonds. The Executive Director is hereby authorized and directed to execute, and the Secretary of this Board is hereby authorized and directed to attest, for and on behalf and in the name of the Agency and under its seal, the Bonds, in an aggregate amount not to exceed the amount authorized hereby, in accordance with each Supplemental Indenture or Indenture in one or more of the forms set forth in such Supplemental Indenture or Indenture.

Section 9. Authorization of Delivery of Bonds. The Bonds when so executed, shall be delivered to the Trustees to be authenticated by or caused to be authenticated by the Trustees. The Trustees are hereby requested and directed to authenticate, or cause to be authenticated, the Bonds by the execution of the certificate of authentication and registration appearing thereon, and to deliver or cause to be delivered the Bonds when duly executed and authenticated to the Purchasers in accordance with written instructions executed on behalf of the Agency by the Executive Director, which instructions said officer is hereby authorized and directed, for and on behalf and in the name of the Agency, to execute and deliver to the Trustees. Such instructions shall provide for the delivery of the Bonds to the Purchasers, upon payment of the purchase price thereof.

Section 10. Authorization of Other Program Documents. The Executive Director and the other proper officers of the Agency are hereby authorized and directed to execute all documents they deem necessary in connection with the Program, including, but not limited to, regulatory agreements, loan agreements, origination and servicing agreements, investment agreements, agreements to enter into escrow and forward purchase agreements, escrow and forward purchase agreements and refunding

agreements, in each case with such other parties as the Executive Director may select in furtherance of the objectives of the Program.

Section 11. Ratification of Prior Actions. All actions previously taken by the officers of the Agency in connection with the issuance of the Bonds are hereby approved and ratified.

Section 12. Authorization of Related Actions. The Treasurer and the proper officers of the Agency, or the duly authorized deputies thereof, are hereby authorized and directed to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Bonds and otherwise to effectuate the purposes of this resolution.

Section 13. Absence of Executive Director. In the Executive Director's absence or upon his authorization, all actions by the Executive Director herein approved or authorized may be taken by a Deputy Director or the Director of Financing of the Agency.

SECRETARY'S CERTIFICATE

I, A. Theodore Giattina, Secretary of the Board of Directors of the California Housing Finance Agency, hereby certify that the foregoing is a full, true, and correct copy of Resolution 93-06 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 11th day of March, 1993, of which meeting all said directors had due notice; and that at said meeting said resolution was adopted by the following vote:

AYES: Brown (by Berg), Coyle (by Maddy), Diemer, Gordon, Hawkins, Hobbs, Mazza, Sterpa.

NOES None

ABSTENTIONS: None

ABSENT Cheng, Sayles.

IN WITNESS WHEREOF, I have executed this certificate and affixed the seal of the Board of Directors of the California Housing Finance Agency hereto this 11th day of March, 1993.

[SEAL]



A. Theodore Giattina
Secretary of the Board of
Directors of the California
Housing Finance Agency