

1 RESOLUTION NO. 95-25

2 RESOLUTION OF THE CALIFORNIA HOUSING FINANCE AGENCY
3 AUTHORIZING MODIFICATION OF THE SELF-HELP BUILDER
4 ASSISTANCE PROGRAM (SHBAP)

5 WHEREAS, the California Housing Finance Agency (the
6 "Agency") has determined that there exists a need in California
7 for providing financial assistance to persons and families of
8 low or moderate income to enable them to purchase affordable
9 single family residences; and

10 WHEREAS, the Agency has authority to make loans to assist
11 in the construction and development of single family residences
12 for low and moderate income homebuyers; and

13 WHEREAS, the Agency authorized a Self-Help Builder
14 Assistance Program ("SHBAP") in 1989 to assist nonprofit
15 501(c)(3) self-help builders (developers) to obtain construction
16 financing and to achieve cost savings during the development
17 stage pursuant to the Memorandum dated August 24, 1989, attached
18 hereto as Exhibit A, and as modified from time to time; and

19 WHEREAS, the Agency also has a Self-Help Program whereby it
20 issues forward commitments to self-help developers for the
21 purpose of making tax-exempt financed single-family loans to low
22 and moderate income homebuyers; and

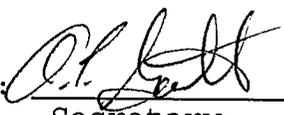
23 WHEREAS, the Agency now wishes to amend the SHBAP program
24 in accordance with the Memorandum dated August 23, 1995,
25 attached hereto as Exhibit B,

26 NOW, THEREFORE, BE IT RESOLVED by the Board of Directors
27 (the "Board") of the California Housing Finance Agency as
follows:

1. The SHBAP loan program shall be amended to increase the maximum loan amount to \$300,000 per development and to eliminate the per-unit loan limit.
2. The Agency hereby creates a "Silent Second" loan program for the individual homebuyers purchasing a single family home within a SHBAP development subject to the following limitations:
 - a) The Agency shall set-aside \$2,000,000 of Housing Assistance Trust ("HAT") funds for the Silent Second loan to individual homebuyers. The amount of HAT funds made available for this program in the future shall be determined and authorized by the approval of the Agency's successive Annual Business Plans.

- 2
- 3 b) The interest rate on the Silent Second shall be
4 3% simple interest and payment may be deferred up
5 to the 30-year life of the loan, with the loan
6 becoming due upon sale or transfer.
- 7 c) The Silent Second shall be subordinate to the
8 CHFA first loan but the Silent Second's priority
9 shall be maintained over all other loans.
- 10 d) The maximum loan amount for the Silent Second in
11 High Cost Areas shall be \$15,000, and in all
12 other areas, shall be \$10,000.
- 13 e) For purposes of determining eligibility of
14 borrowers for the Silent Second loan, the same
15 income limits utilized for single-family loans
made pursuant to the Agency's Self-Help Program
shall be utilized for determining borrowers'
eligibility for a silent second loan.
- 16 f) The Silent Second funds shall only be available
17 to borrowers in projects that utilize the SHBAP
18 development loan and to borrowers holding single-
19 family loans made pursuant to the Agency's Self-
20 Help Program.

21 I hereby certify that this is a true and correct copy of
22 Resolution 95-25 adopted at a duly constituted meeting of the
23 Board of Directors of the California Housing Finance Agency held
24 on September 14, 1995 at Millbrae, California.

25
26
27
ATTEST: 

Secretary

Attachments