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RESOLUTION NO. 96-20

RESOLUTION AMENDING RESOLUTION 95-27
TO CLARIFY NON-PROFIT PREDEVELOPMENT LOAN PROGRAM
AND TO DELEGATE AUTHORITY TO EXECUTIVE DIRECTOR

WHEREAS, the Agency has authority to make loans for the purpose of developing multifamily rental housing for low and moderate income tenants; and

WHEREAS, the Board of Directors of the California Housing Finance Agency (the "Board") adopted Resolution No. 95-27 on September 14, 1995, authorizing a Non-Profit Predevelopment Loan Program, and setting forth the terms and conditions under which such predevelopment loans are to be made; and

WHEREAS, the Board wishes to amend Resolution No. 95-27 to clarify and change portions of it;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors (the "Board") of the California Housing Finance Agency that Resolution No. 95-27 shall be amended to read as follows:

1. "The Agency shall have the authority subject to the approval of the Executive Director, or in his/her absence, the Deputy Director or Director of Programs, and subject to the annual reporting requirement described below, to make multifamily predevelopment loans to qualifying Nonprofit 501(c)(3) housing developers subject to the following limitations:"
 - a) The maximum loan amount shall be \$250,000;
 - b) The term of the predevelopment loan shall be twenty-four (24) months, unless extended, at the discretion of the Executive Director of the Agency;
 - c) Eligible projects shall consist of five (5) or more units of existing housing, existing housing requiring rehabilitation, or new construction;
 - d) The interest rate on the loans shall be the greater of the 11th District Cost of Funds, plus two (2) points, or the West Coast banks prime rate of interest, provided, however, that the interest rate shall be reduced to 3% retroactively, when and if a CHFA Final Commitment for a permanent mortgage loan is approved by the Agency.

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- e) The loans shall be secured by tangible assets of the nonprofit housing developers, including but not limited to, the real and personal property of the eligible project; and
- f) A nonrefundable Predevelopment Loan Fee equal to 1.5% of the loan amount shall be paid by the borrower to the Agency at the time of the predevelopment loan disbursement, provided, however, that of such Predevelopment Loan Fee the amount representing 1% of the loan amount will be credited towards CHFA's permanent loan fee at the permanent loan closing."
- g) Any other terms and conditions that the Executive Director or Director of Programs shall, in their discretion, determine is necessary to protect the Agency's interests.
- h) The Board shall be provided with annual reports regarding activity under this program. Such reports shall identify, in a clear and concise manner, the number of loans made under the program, the principal amounts of such loans and identification of the developer and development activity financed by such loans.

2. This resolution completely replaces Resolution No. 95-27.

I hereby certify that this is a true and correct copy of Resolution 96-20 adopted at a duly constituted meeting of the Board of Directors of the California Housing Finance Agency held on July 11, 1996 at Millbrae, California.

ATTEST: 
Secretary