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RESOLUTION 01-37

EXECUTIVE DIRECTOR'S AUTHORITY TO ENTER INTO
MULTIFAMILY LOAN COMMITMENTS FOR SMALL PROJECTS

WHEREAS, over 40% of the multifamily project loans approved by the Board over the last three years have had loan amounts of \$4,000,000 or less; and

WHEREAS, the Board recognizes that such small projects are frequently difficult to develop because longer loan processing times increase development costs; and

WHEREAS, the Agency's Multifamily Program staff and management have developed strong underwriting and processing capabilities; and

WHEREAS, granting the Executive Director the authority to approve loan commitments for certain small projects will help streamline and expedite the small loan approval and closing process; and

WHEREAS, such expedited processing of small loans will benefit small projects, create processing and closing efficiencies for the Agency; and potentially increase small loan business volume for the Agency,

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Agency as follows:

1. The Executive Director may create an expedited small project process, pursuant to which loan commitments for certain small projects, as defined herein, may be approved by the Executive Director, or in the absence of the Executive Director, the Chief Deputy Director or the Director of Multifamily Programs.

2. The Executive Director may include within such small project process any loans made under existing multifamily lending programs, that do not exceed, in the aggregate, the sum of \$4,000,000 for any single project. After approval of a small project loan or loans by the Executive Director, the aggregate amount of such loans for a single project may not be increased by an amount that exceeds \$4,000,000 by more than seven percent (7%), without the further approval by the Board of Directors.

3. The small project process established by the Executive Director shall not include loans made under newly developed multifamily lending programs that have not

3 previously been presented to the Board. For the purposes of this resolution, a "newly
4 developed" program shall be any multifamily lending program that does not otherwise exist at
5 the time of this Resolution, and that, in the opinion of the Executive Director, is significantly
6 different from existing programs in any material legal, financial, or public purpose aspect. Any
newly developed program must be presented to the Board before loans for such program may
be included by the Executive Director in the small project process.

7 4. At each regular Board meeting, the Director of Multifamily Programs will
8 report to the Board in writing a list of any small project loans approved by the Agency since the
9 preceding regular Board meeting. The Chairman of the Board may instruct the Director of
10 Multifamily Programs to make full loan presentations to the Board for approximately ten
11 percent of the small project loans approved by the Executive Director in any fiscal year. Such
12 presentations shall be made in order to keep the Board informed on an ongoing basis as to the
13 nature of the loans previously approved under this program. Prior to any Board meeting at
14 which such a full presentation shall be made, the Chairman shall identify the loans for which a
15 presentation is required.

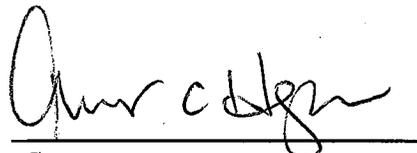
16 5. Special needs projects shall not normally be included within the small project
17 program; provided, however, that if the Executive Director determines that there are exigent
18 circumstances, a special needs project may be included within the small project program. In
19 such case, the Director of Multifamily Programs shall make a full loan presentation to the
20 Board at the next regular Board meeting. After the small project program has been in effect for
21 12 months, the Board may determine whether special needs projects may thereafter be routinely
22 included within such program.

23 6. The Executive Director shall develop the necessary procedures to implement
24 the small project process.

25 7. After the small project program has been in effect for 12 months, the Board
26 shall review the program at a regularly scheduled Board meeting.

27 I hereby certify that this is a true and correct copy of Resolution 01-37 adopted at a duly
constituted meeting of the Board of Directors of the California Housing Finance Agency held
on November 8, 2001, at Millbrae, California.

ATTEST:


Secretary