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RESOLUTION 06-02

RESOLUTION AUTHORIZING A SERIES OF FINAL LOAN COMMITMENTS
AND ONE OR MORE PRELIMINARY LOAN COMMITMENTS

WHEREAS, the California Department of Developmental Services (“DDS”) has developed a plan to close the Agnews Developmental Center, and move its developmentally disabled residents into community housing settings located in nine Bay Area counties, and

WHEREAS, the State of California has enacted AB 2100, providing that DDS may approve a plan whereby, among other things, regional centers may provide for the development of community housing for the residents of the Agnews Developmental Center; and

WHEREAS, the Golden Gate Regional Center, the Regional Center of the East Bay, and the San Andreas Regional Center (collectively, the “Regional Centers”) and DDS, have developed such a plan, known as the Bay Area Housing Plan (“BAHP”); and

WHEREAS, the BAHP contemplates that the Hallmark Group (“Hallmark”) will be the initial developer of the housing provided for in such plan; and

WHEREAS, the California Housing Finance Agency (“Agency”) has worked with the State of California, including DDS and the Department of Health Services, the Regional Centers, and Hallmark to develop a financing plan for the BAHP (the Financing Plan”), and

WHEREAS, the Financing Plan contemplates that a series of permanent loan commitments will be made to the initial developer of the housing contemplated by the BAHP, to permit the developer to obtain acquisition and construction financing for each of the individual homes being acquired by that developer; and

WHEREAS, on September 8, 2005, the Board approved a series of final loan commitments for a portion of the Financing Plan up to an aggregate amount of \$20,000,000, together with preliminary commitments for later portions of the Financing Plan up to an additional aggregate amount of \$80,000,000, subject to certain recommended terms and conditions; and

WHEREAS, the BAHP and the Financing Plan have been reviewed by Agency staff, which has prepared a report presented to the Board on the meeting date recited below (the “Staff Report”), recommending that (i) that the original amount of \$80,000,000 of preliminary loan commitments approved by the Board on September 8, 2005 be increased to a total of \$100,000,000; and (ii) up to \$25,000,000 of preliminary loan commitments previously approved be converted to final loan commitments, subject to certain recommended terms and conditions; and

1 WHEREAS, Section 1.150-2 of the Treasury Regulations requires the Agency, as
2 the issuer of tax-exempt bonds, to declare its reasonable official intent to reimburse prior
3 expenditures for housing developed under the BAHP with proceeds of a subsequent
4 borrowing; and

5
6 WHEREAS, the Board confirms that the Executive Director is delegated the
7 authority to declare the official intent of the Agency to reimburse such prior expenditures for
8 housing developed under the BAHP; and

9
10 WHEREAS, based upon the recommendation of staff and due deliberation by the
11 Board, the Board has determined that (i) the original amount of \$80,000,000 of preliminary
12 loan commitments approved by the Board on September 8, 2005 be increased to a total of
13 \$100,000,000; and (ii) up to \$25,000,000 of such preliminary commitments should be
14 converted to final commitments to implement the second phase of the Financing Plan, subject
15 to recommended terms and conditions; and

16
17 WHEREAS, pursuant to this resolution, there will be a total of \$120,000,000 of
18 BAHP loan commitments either finally and preliminarily approved , consisting of (i)
19 \$45,000,000 of final commitments approved by the Board at both this meeting and the
20 September 8, 2005 meeting; and (ii) an additional amount of \$75,000,000 of preliminary
21 commitments remaining subject to further Board approval;

22
23 NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the California
24 Housing Finance Agency as follows:

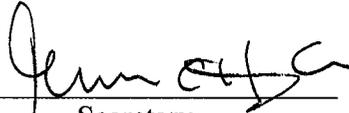
25 1. The Executive Director, or in his/her absence, either the Chief Deputy
26 Director or the Director of Multifamily Programs of the Agency is hereby authorized, (i) to
27 execute and deliver an additional series of final commitment letters in relation to the BAHP
28 described above, in a form acceptable to the Agency, and subject to recommended terms and
29 conditions set forth in the Staff Report, up to an aggregate amount of \$25,000,000.00 above
30 and beyond the \$20,000,000 of final commitments approved by the Board on September 8,
31 2005; and (ii) to execute and deliver preliminary loan commitments up to an aggregate
32 amount of \$75,000,000, subject to further Board approval.

33
34 2. The Executive Director may modify the terms and conditions of the final
35 loan commitments provided for above, provided that major modifications, as defined below,
36 must be submitted to this Board for approval. "Major modifications" as used herein means
37 modifications which either (i) increase the total aggregate amount of any final loan
38 commitments made pursuant to the Resolution by more than 7%; or (ii) modifications which
39 in the judgment of the Executive Director, or in his/her absence, either the Chief Deputy
40 Director or the Director of Multifamily Programs of the Agency, adversely change the
41 financial or public purpose aspects of the final commitment in a substantial way.

Resolution 06-02
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I hereby certify that this is a true and correct copy of Resolution 06-02 adopted at a duly constituted meeting of the Board of the Agency held on January 12, 2006, at Millbrae, California.

ATTEST: 
Secretary