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RESOLUTION 07-14

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, Hallmark created a subsidiary, Hallmark Community Services, a California nonprofit public benefit corporation (“HCS”), to act as the developer for the BAHP; and

WHEREAS, the California Housing Finance Agency (the “Agency”) has worked with the State of California, including DDS, the California Department of Health Services, the Regional Centers, Hallmark and HCS 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 HCS by the BAHP, to permit HCS to obtain acquisition and construction financing for each of the individual homes being acquired by HCS; 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, on January 12, 2006 the Board determined that (i) the original amount of \$80,000,000 of preliminary 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 such preliminary

1 commitments be converted to final commitments up to an aggregate amount of \$45,000,000,
2 subject to certain recommended terms and conditions; and

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4 WHEREAS, the Agency entered into the BAHP loan documents on April 1, 2006 to
5 implement the Financing Plan; and

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7 WHEREAS, on November 9, 2006, the Board determined that up to an additional
8 amount of \$25,000,000 of the \$120,000,000 of preliminary commitments approved by the
9 Board on September 8, 2005 and January 12, 2006, be converted to final commitments up to
10 an aggregate amount of \$70,000,000, subject to certain recommended terms and conditions;
11 and

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

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

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22 WHEREAS, based upon the recommendation of staff and due deliberation by the
23 Board, the Board has determined that up to \$35,000,000 of the \$120,000,000 of preliminary
24 commitments approved by the Board on September 8, 2005, January 12, 2006 and November
25 9, 2006, be converted to final commitments up to an aggregate amount of \$105,000,000 to
26 implement of the Financing Plan, subject to recommended terms and conditions; and

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28 WHEREAS, pursuant to this resolution, there will be a total of \$120,000,000 of
29 BAHP loan commitments either finally and preliminarily approved, consisting of (i)
30 \$70,000,000 of final commitments approved by the Board at the September 8, 2005, January
31 12, 2006 and November 9, 2006 meetings; (ii) \$35,000,000 of final commitments approved
32 by this resolution; and (iii) \$15,000,000 of preliminary commitments remaining subject to
33 further Board approval;

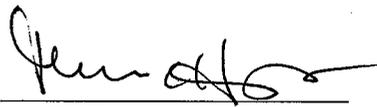
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35 NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the California
36 Housing Finance Agency as follows:

37 1. The Executive Director, or in his/her absence, either the Chief Deputy
38 Director or the Director of Multifamily Programs of the Agency is hereby authorized, to
39 execute and deliver an additional series of final commitments in relation to the BAHP
40 described above, in a form acceptable to the Agency, and subject to recommended terms and
41 conditions set forth in the Staff Report, up to an aggregate amount of \$105,000,000 above

1 and beyond the \$70,000,000 of final commitments approved by the Board on September 8,
2 2005, January 12, 2006 and November 9, 2006.

3
4 2. The Executive Director may modify the terms and conditions of the final
5 loan commitments provided for above, provided that major modifications, as defined below,
6 must be submitted to this Board for approval. "Major modifications" as used herein means
7 modifications which either (i) increase the total aggregate amount of any final loan
8 commitments made pursuant to the Resolution by more than 7%; or (ii) modifications which
9 in the judgment of the Executive Director, or in his/her absence, either the Chief Deputy
10 Director or the Director of Multifamily Programs of the Agency, adversely change the
11 financial or public purpose aspects of the final commitment in a substantial way.

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13 I hereby certify that this is a true and correct copy of Resolution 07-14 adopted at a
14 duly constituted meeting of the Board of the Agency held on May 10, 2007, at Burbank,
15 California.

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19 ATTEST: 
20 Secretary
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