

RESOLUTION 08-09

RESOLUTION REGARDING COMPENSATION COMMITTEE CHARTER

WHEREAS, the California Housing Finance Agency (the "Agency") has adopted Resolution 06-16 approving the charter of the Compensation Committee; and

WHEREAS, the compensation process in 2006 and 2007 was reviewed by outside counsel and various recommendations have been made for changes to that process; and

WHEREAS, the audit committee has reviewed the report of outside counsel and has identified and discussed various issues discussed in the report; and

WHEREAS, the audit committee has not brought specific recommendations to the Board, the Board has elected to review those issues and to make appropriate decisions as to such issues; and

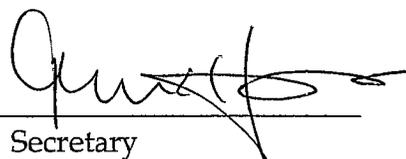
WHEREAS, issues identified by the audit committee are described in a memo to the Board dated March 4, 2008, a copy of which is attached hereto;

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

1. In considering issues 1, 2, 3, 4 and 6 identified by the audit committee, the Board takes the action described in paragraph 2, below.

2. The Compensation Committee shall be retained as a committee of the Board, according to the charter in Resolution 06-16, as that charter may be amended in accordance with the directions in this resolution. The Board directs staff to prepare draft changes to the charter, to be submitted to the Board at its next meeting, making the following changes and clarifications. The charter shall provide that any contracts for the engagement of consultants to carry out the duties of the Compensation Committee, including the engagement of the outside advisor to conduct the salary survey required by Health & Safety Code section 50909, shall be reviewed by the Committee. The Committee shall make recommendations to the Board of Directors for the approval of such contracts. If the Board approves any such contracts, the Board shall direct the Executive Director or her designee to execute such contracts on behalf of the Agency.

I hereby certify that this is a true and correct copy of Resolution 08-09 adopted at a duly constituted meeting of the Board of Directors of the Agency held on March 19, 2008, at Sacramento, California.

ATTEST: 
Secretary