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RESOLUTION 13-13

RESOLUTION AMENDING RESOLUTION 96-20
TO CLARIFY AND MODIFY THE 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; and

WHEREAS, pursuant to Resolution No. 95-27, the Agency acknowledged that there is a need for predevelopment loans to assist nonprofit developers in acquiring land and paying the predevelopment costs of affordable multifamily housing, the construction, acquisition/rehabilitation and/or permanent loan of which is financed by the Agency; and

WHEREAS, the Board adopted Resolution No. 96-20 on July 11, 1996, which clarified, changed, and completely replaced Resolution No. 95-27; and

WHEREAS, pursuant to Resolution No. 96-20, the Board authorized a Non-Profit Predevelopment Loan Program, and set forth the terms and conditions under which such predevelopment loans are to be made; and

WHEREAS, the Board wishes to amend Resolution No. 96-20 to clarify and change portions of it;

NOW, THEREFORE, BE IT RESOLVED by the Board that Resolution No. 96-20 shall be amended to read as follows:

1. "The Agency shall have the authority subject to the approval of the Executive Director 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) Qualifying nonprofit 501(c)(3) housing developers seeking a multifamily predevelopment loan from the Agency must also qualify and obtain an Agency final commitment for a construction, acquisition/rehabilitation and/or permanent mortgage loan;
 - (b) Agency may make multifamily predevelopment loans to assist nonprofit developers in paying the predevelopment costs of affordable multifamily housing. Agency multifamily predevelopment loans may not be used to assist non profit developers in acquiring land;

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- (c) The maximum multifamily predevelopment loan amount made to a non profit developer shall be \$500,000;
- (d) There shall not be more than an aggregate of \$5,000,000 outstanding in Agency multifamily predevelopment loans at any time; and
- (e) Agency shall not use Housing Assistance Trust funds in making multifamily predevelopment loans; and
- (f) The term of the multifamily predevelopment loan shall be twenty-four (24) months, unless extended, at the discretion of the Executive Director of the Agency;
- (g) The multifamily predevelopment loan shall be repaid no later than the Agency's construction loan closing, or if there is more than one construction loan, the first construction loan closing to occur.
- (h) Eligible projects shall consist of five (5) or more units of existing housing, existing housing requiring rehabilitation, or new construction;
- (i) The interest rate on the loans shall be based on the current market rate.
- (j) The multifamily predevelopment loans may be secured by the real and personal property of the eligible project and/or the tangible assets of the nonprofit housing developers or their affiliates;
- (k) A nonrefundable predevelopment loan fee equal to 1% of the loan amount shall be paid by the borrower to the Agency at the time of the multifamily predevelopment loan disbursement.
- (l) Any other terms and conditions that the Executive Director shall, in his/her discretion, determine is necessary to protect the Agency's interests.
- (m) The Board shall be provided with annual reports regarding activity under this predevelopment loan program. Such reports shall identify, in a clear and concise manner, the number of predevelopment loans made under the program, the principal amounts of such loans and identification of the developer and development activity financed by such loans."

1 Resolution 13-13

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2. This resolution completely replaces Resolution No. 96-20.

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I hereby certify that this is a true and correct copy of Resolution 13-13 adopted at a duly constituted meeting of the Board of Directors of the California Housing Finance Agency held on September 12, 2013 at Sacramento, California.

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ATTEST:



Secretary