



# BOARD OF DIRECTORS

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*Teleconferenced Meeting  
California Housing Finance Agency  
Board of Directors*

November 25, 2015

Teleconference Location:  
California Housing Finance Agency  
500 Capitol Mall, Suite 1400,  
Main Conference Room  
Sacramento, Ca 95814

9:15 a.m.

1. Roll Call.
2. Chairman/Executive Director comments.
3. Discussion, recommendation and possible action regarding the adoption of a resolution to amend and restate Resolution 15-03 authorizing applications to the California Debt Limit Allocation Committee for private activity bond allocations for the Agency's homeownership and multifamily programs. (Tim Hsu)  
**Resolution 15-20** .....1
4. Public Testimony: Discussion only of other matters to be brought to the Board's attention.
5. Adjournment.

## NOTES\*\*

**FUTURE MEETING DATE: Next CalHFA Board of Directors Meeting will be January 13, 2016, at the Department of Consumer Affairs, 1625 North Market Street (1<sup>st</sup> Floor South, #102), Sacramento, California.**

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State of California

## MEMORANDUM

To Board of Directors

Date: November 16, 2015



Timothy Hsu, Director of Financing

From: CALIFORNIA HOUSING FINANCE AGENCY

Subject: **RESOLUTION No. 15-20**  
**Increase board authorization to apply for Private Activity Bond Allocation**  
**(Amending and Restating Resolution No. 15-03)**

The California Debt Limit Allocation Committee (“CDLAC”) is the State entity which, under California law, allocates the federal volume cap for “private activity bonds” to be issued each year by State and local bond issuers. On November 2, CDLAC announced the availability of lump sum carryforward of the 2015 allocation for eligible single family issuers. The carryforward is expected to be awarded at CDLAC’s final board meeting of the year on December 16<sup>th</sup>.

Resolution 15-20 increases the board’s authorization to apply to CDLAC for the Homeownership Program from \$250,000,000 to \$1,500,000,000. On November 13<sup>th</sup>, CalHFA submitted a letter of intent to request for \$1,000,000,000 of single family carryforward allocation for our Mortgage Credit Certificate (“MCC”) program. **CDLAC also requires a board approved resolution for sufficient authority for the request.**

It is worth noting that the conversion ratio from bond allocation to MCC is 4:1. So \$1,000,000,000 of bond allocation converts into \$250,000,000 of MCC.

CalHFA’s MCC program has tripled its volume in 2015. In January, we reserved about 100 loans (\$5,000,000). Starting in June 2015, we began reserving about 300 loans per month (\$15,000,000). At the current use rate, \$1,500,000,000 of bond allocation, yielding \$250,000,000 of MCC, would last about 16-18 months.

CalHFA expects to use \$1,350,000,000 of the Board's expected \$1,500,000,000 authority.

- In October, we received \$150,000,000 of bond allocation for MCC.
- In December, we expect to receive \$200,000,000 of carryforward allocation for the issuance of Mortgage Revenue Bonds.
- And also in December, we would like to apply for \$1,000,000,000 of carryforward allocation for MCC.

The remaining authority of \$150,000,000 can absorb any additional lump sum carryforward that CDLAC might award to CalHFA.

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RESOLUTION NO. 15-202 AMENDING AND RESTATING RESOLUTION NO. 15-03 OF THE CALIFORNIA  
3 HOUSING FINANCE AGENCY  
4 APPROVING APPLICATIONS TO THE CALIFORNIA DEBT LIMIT ALLOCATION  
5 COMMITTEE FOR PRIVATE ACTIVITY BOND ALLOCATIONS  
6 FOR THE AGENCY'S HOMEOWNERSHIP AND MULTIFAMILY PROGRAMS7 WHEREAS, the California Housing Finance Agency (the "Agency") has  
8 determined that there exists a need in California for providing financial assistance to persons and  
9 families of low or moderate income to enable them to purchase moderately priced single family  
10 residences (the "Residences");11 WHEREAS, the Agency has determined that it is in the public interest for the  
12 Agency to provide such financial assistance by means of ongoing programs (collectively, the  
13 "Homeownership Program") to make lower-than-market rate loans, and to issue Mortgage Credit  
14 Certificates for the permanent financing of Residences;15 WHEREAS, pursuant to Parts 1 through 4 of Division 31 of the Health and Safety  
16 Code of the State of California (the "Act"), the Agency has the authority to issue bonds to  
17 provide sufficient funds to finance the Homeownership Program, and to issue Mortgage Credit  
18 Certificates for the permanent financing of Residences;19 WHEREAS, the Agency has by its Resolution No.15-08 authorized the issuance  
20 of bonds for the Homeownership Program and desires to authorize application to the California  
21 Debt Limit Allocation Committee for private activity bond allocations to be used in connection  
22 with the issuance of all or a portion of such bonds in order for interest on such bonds to be  
23 excludable from gross income for federal income tax purposes;24 WHEREAS, the Agency has also determined that there exists a need in California  
25 for the financing of mortgage loans for the acquisition, construction, rehabilitation, refinancing  
26 or development of multifamily rental housing developments (the "Developments") for the  
27 purpose of providing housing for persons and families of low or moderate income;28 WHEREAS, the Agency has determined that it is in the public interest for the  
29 Agency to assist in providing such financing by means of an ongoing program (the "Multifamily  
30 Program") to make or acquire, or to make loans to lenders to make or acquire, mortgage loans,  
31 for the purpose of financing such Developments;32 WHEREAS, pursuant to the Act, the Agency has the authority to issue bonds to  
33 provide sufficient funds to finance the Multifamily Program;34 WHEREAS, the Agency has by its Resolution No. 15-10 authorized the issuance  
35 of bonds for the Multifamily Program and desires to authorize application to the California Debt  
36 Limit Allocation Committee for private activity bond allocations to be used in connection with  
37 the issuance of all or a portion of such bonds in order for interest on such bonds to be excludable

1 from gross income for federal income tax purposes, or for the issuance of Mortgage Credit  
2 Certificates; and

3 WHEREAS, the Agency previously adopted Resolution No. 15-03;

4 NOW, THEREFORE, BE IT RESOLVED by the Board of Directors (the  
5 “Board”) of the California Housing Finance Agency as follows:

6 **Section 1. Authorization to Apply to CDLAC for the Homeownership**  
7 **Program.** The officers of the Agency are hereby authorized to apply from time to time to the  
8 California Debt Limit Allocation Committee (“CDLAC”) for private activity bond allocations in  
9 an aggregate amount of up to \$1,500,000,000 per year to be used in connection with bonds  
10 issued under Resolution No. 15-08, or resolutions heretofore or hereafter adopted by the Agency  
11 for the Homeownership Program. In the alternative, subject to the approval of CDLAC and  
12 under such terms and conditions as may be established by CDLAC, any such allocation received  
13 is authorized by this Board to be used in connection with a mortgage credit certificate program.

14 **Section 2. Authorization to Apply to CDLAC for the Multifamily Program.**  
15 The officers of the Agency are hereby authorized to apply from time to time to CDLAC for  
16 private activity bond allocations in an aggregate amount of up to \$250,000,000 per year, to be  
17 used in connection with bonds issued under Resolution No. 15-10 or other resolutions heretofore  
18 or hereafter adopted by the Agency for the Multifamily Program.

19 **Section 3. Authorization of Related Actions and Agreements.** The officers of  
20 the Agency, or the duly authorized deputies thereof, are hereby authorized and directed, jointly  
21 and severally, to do any and all things and to execute and deliver any and all agreements and  
22 documents which they may deem necessary or advisable in order to effectuate the purposes of  
23 this resolution, including but not limited to satisfying in the best interests of the Agency such  
24 conditions as CDLAC may establish for private activity bond allocation applications. Such  
25 officers and deputies are also hereby expressly authorized to accept on behalf and in the best  
26 interests of the Agency any private activity bond allocations offered by CDLAC, including but  
27 not limited to carryforward allocations, over and above those which may be granted pursuant to  
28 any application authorized hereinabove or in any prior resolution of the Board.

SECRETARY'S CERTIFICATE

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I, Victor James, the undersigned, Secretary of the Board of Directors of the California Housing Finance Agency, hereby certify that the foregoing is a full, true, and correct copy of Resolution No. 15-20 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 25th day of November, 2015, of which meeting all said directors had due notice; and that at said meeting said Resolution was adopted by the following vote:

- AYES:
- NOES:
- ABSTENTIONS:
- ABSENT:

IN WITNESS WHEREOF, I have executed this certificate and affixed the seal of the Board of Directors of the California Housing Finance Agency hereto this 25th day of November, 2015.

[SEAL]

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Victor J. James  
Secretary of the Board of Directors of the  
California Housing Finance Agency

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