

1
RESOLUTION NO. 16-02

2 RESOLUTION NO. 16-02 OF THE CALIFORNIA HOUSING FINANCE AGENCY
3 SUPPORTING INCREASED INCOME LIMITS FOR HOMEOWNERSHIP PROGRAMS IN
4 PARTICULAR GEOGRAPHIC AREAS
5

6 WHEREAS, the California Housing Finance Agency (the "Agency") has
7 determined that there exists a need in California for providing financial assistance to persons and
8 families of low and moderate income to enable them to purchase affordably priced single family
9 residences (the "Residences");

10 WHEREAS, the Agency has determined that it is in the public interest for the
11 Agency to provide such financial assistance by means of ongoing programs (collectively, the
12 "Homeownership Program");

13 WHEREAS, the Agency has made a determination that in particular geographic
14 areas in California the Agency's current income limits are too low to qualify a substantial
15 number of persons or families of low and moderate income, whereby prohibiting otherwise
16 qualified buyers from qualifying for the Agency's conventional loan products;

17 WHEREAS, the Agency has determined that increased income limits will help
18 lenders qualify more low and moderate income Californians in high cost areas;

19 WHEREAS, the Secretary of Business, Consumer Services, and Housing and the
20 Director of the Department of Housing and Community Development concur with the Agency in
21 the use of higher income limitations in designated geographic areas of the state;

22 WHEREAS, the Board supports this action to modify the Homeownership
23 Program to increase income limits as a means of furthering the Agency's mission of promoting
24 housing opportunities for low and moderate income Californians;

25 NOW, THEREFORE, BE IT RESOLVED by the Board of Directors (the
26 "Board") of the California Housing Finance Agency as follows:

27 **Section 1. Authorization to Increase Income Limits.** As soon as is practicable,
28 in designated geographic areas, the Agency shall increase the conventional loan income limits
29 from one hundred twenty percent (120%) area median income to a maximum of one hundred
30 forty percent (140%) area median income. This income limit applies to non-mortgage revenue
31 bond financed downpayment assistance in high cost areas consistent with the guidelines set forth
32 in Attachment 1 of this resolution. The Agency may elect to utilize the federal limits or this
33 increased income limit, whichever is higher.

34 **Section 2. Authorization to Modify Income Limits in Response to GSE and**
35 **other Federal Requirements.** The Agency may, as necessary, in response to Government
36 Sponsored Entity or other Federal Regulatory entity, such as the Department of Housing and
37 Urban Development, modify income limits in conformance with those federal requirements.

1 **Section 3. Authorization of Related Actions and Agreements.** The officers of
2 the Agency, or the duly authorized deputies thereof, are hereby authorized and directed, jointly
3 and severally, to do any and all things and to execute and deliver any and all agreements and
4 documents which they may deem necessary or advisable to effectuate the purposes of this
5 resolution.

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SECRETARY'S CERTIFICATE

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. 16-02 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held on the 15th day of March, 2016, 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 15th day of March, 2016.

[SEAL]

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

ATTACHMENT 1

Calculation of Ratios	Example County	Average Purchase Price	Ratio
County Average Area Purchase Price	Los Angeles County AAPP	\$663,309	2.5982 Housing Ratio
	National Average PP	\$255,300	
County Median Income	Los Angeles County Income	\$83,000	1.2614 Income Ratio
	National Average Income	\$65,800	
High Housing Cost Area Ratio			2.0597 High Housing Cost Ratio*
Formula: Housing Ratio ÷ Income Ratio = High Housing Cost Ratio ("HHCR") (In this example, 2.5982/1.2614 = 2.0597)			

All counties whose HHCR is 1.4 or greater are deemed eligible for 140% AMI treatment. The current list of qualifying counties, which is subject to change based upon fluctuations in HHCR values, is as follows:

Alameda	Marin	Plumas	Santa Barbara
Alpine	Mariposa	Riverside	Santa Clara
Butte	Mendocino	Sacramento	Santa Cruz
Calaveras	Mono	San Benito	Solano
Contra Costa	Monterey	San Bernardino	Sonoma
El Dorado	Napa	San Diego	Tuolumne
Humboldt	Nevada	San Francisco	Ventura
Inyo	Orange	San Luis Obispo	Yolo
Los Angeles	Placer	San Mateo	